CITY OF CORONA, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2017

Prepared by the City of Corona Administrative Services Department
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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, 2016

[Signature]
Executive Director/CEO
November 15, 2017

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, 2017. The CAFR is published to serve two purposes. First, it outlines accountability for public tax dollars and the services that are funded by these resources. Second, it communicates the results of operations and the City’s financial position to its constituents, and provides a vital framework for future decisions about programs and services.

In order to ensure the reliability of the information contained herein, the City contracted with an independent audit firm, Lance, Soll & Lunghard, LLP, to perform annual audits. The goal of the audit is to provide reasonable assurance that the City’s financial statements are free from material misstatement. Lance, Soll & Lunghard, LLP issued an unmodified opinion for the City’s financial statements for the fiscal year ended June 30, 2017.

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

The CAFR is prepared using the financial reporting requirements outlined by the Governmental Accounting Standards Board (GASB) statements. Three sections were presented: the Introductory Section, the Financial Section, and the Statistical Section. This transmittal letter is included in the Introductory Section, and is designed to complement and should be read in conjunction with the Management’s Discussion and Analysis (MD&A), which is included in the Financial Section. The MD&A provides an overview of the City’s operations and how we performed financially. The auditor’s opinion letter and a complete set of financial statements are presented in the Financial Section. The Statistical Section presents historical information about the City’s finances and operations, as well as demographic and economic data.

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

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

The City of Corona is located approximately 45 miles southeast of Los Angeles in western Riverside County. The community is ideally situated at the base of the mountainous Cleveland National Forest on an alluvial plain leading down, or north to the Santa Ana River. Based on data provided by the California State Department of Finance, the City's population was 167,759 as of January 2017, ranked 31st largest city among all cities in the State of California. The City limits cover approximately 39.3 square miles.

The City of Corona was established in 1886 and incorporated in 1896 under the general laws of the State of California. The City operates under a Council-Manager form of government. Five Corona citizens make up the Corona City Council and each is elected to a four-year term of office. The Mayor is appointed annually by and from the City Council.

A Full Service City

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

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriation approved by the City Council. Each year, a proposed budget is submitted to the City Council and a public meeting is conducted to obtain taxpayer comments. In recent years, the City has conducted additional outreach to encourage as much community input as possible. 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 move appropriations between funds.

Demographic and Economic Information

Demographically, the City of Corona benefits from young median age, higher education levels, higher median incomes, and higher home values compared with the County and the State. As a thriving inland community, Corona is home to young families comprised of 48,930 households averaging 3.53 persons each, with median age of 33. Annual median family income is $82,384, and 84.6% of the population possess a high school diploma or higher according to U.S. Census data. Median home price continues to improve with median values pushing past $450,000.

The City of Corona continues to maintain its position as the premier location for businesses looking to relocate and expand. Centrally located between Riverside and Orange counties, Corona’s geographic position attracts highly educated and sought-after labor force. Corona continues to see improvements in several key economic indicators. Vacancy rates in industrial,
commercial, and office properties continue to see positive absorption. Industrial vacancy rates continue to hover below 2% while commercial vacancy has dropped to 5%. Office vacancy rates are steadily on the decline as well, currently at 8%.

New industrial development has helped to expand Corona’s job market, which has surpassed the pre-recession peaks. Job growth in Corona reported a 4.8% increase with employment numbers reaching 82,200 in Fiscal Year 2016-17, an increase of 15.7% from last year. Major contributors of the growth are the construction and financial industries, in addition to the fast growing professional, management and technology sectors in previous years. In comparison to Orange County, the job market growth rate in Corona is 2% higher. This growth will continue to be fueled by more than 1.0 million square feet of new industrial development, which is estimated to bring an additional 1,000 jobs in the next 18 months. The strong local job market keeps the unemployment rate in Corona at 5.0%, which is approximately 1.5% below the Riverside County average.

Fiscal Year 2016-17 continued to see an expanding housing market with increased median home prices and average rents for multi-family communities. With limited development opportunities, Corona has seen a lack in housing stock, a key driver for price and equity increase. Much of Corona’s recent residential development has been multi-family housing, with the exception of one of the newest developments, Bedford by the New Home Company, which will add over 1,600 single family units to the community. The first phase of Corona’s newest urban development, Corona North Main was completed in 2012 and consisted of over 404 luxury apartments. Phase two is near completion and will add an additional 464 luxury units with 65,000 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. The Dos Lagos Community will also add a new mixed-use development consisting of 275 units and 30,000 square feet of retail.

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

Financial Condition of the City

Nationwide, the economy continued to show strong growth during the year. The main drivers of the expansion over the past year are decreasing unemployment rates and the rise in home prices. In September 2017, the national unemployment rate fell to 4.2%, the lowest level since February 2001. However, improving economic performance does not directly translate to improved financial condition for local governments, nor opportunities to fund more services. As an example, a rise in home prices does not directly correlate to the City collecting more in property taxes. With Proposition 13, property tax is capped at 1%, and the property’s taxable value cannot increase more than 2% per year. At the same time, increase in fixed cost for operating a city government has outpaced its revenue growth. In December 2016, CalPERS announced the reduction of the discount rate from the current 7.5% to 7% over the next three
years effective Fiscal Year 2018-19. Corona’s overall employer contribution will increase by $14.8 million in five years from the most recent CalPERS valuation report published in August 2017.

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

Property tax continues to be the largest General Fund revenue source for the City in Fiscal Year 2016-17. Total taxable assessed valuation in Corona for the year was $18.0 billion, representing an increase of 4.3% from the previous year. In Fiscal Year 2016-17, net assessed valuation exceeded the pre-recession peak.

Net Assessed Valuation
City of Corona 2007-2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Assessed Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$15,902,322</td>
</tr>
<tr>
<td>2008</td>
<td>$17,692,680</td>
</tr>
<tr>
<td>2009</td>
<td>$17,694,115</td>
</tr>
<tr>
<td>2010</td>
<td>$16,288,039</td>
</tr>
<tr>
<td>2011</td>
<td>$16,085,765</td>
</tr>
<tr>
<td>2012</td>
<td>$15,925,335</td>
</tr>
<tr>
<td>2013</td>
<td>$15,924,717</td>
</tr>
<tr>
<td>2014</td>
<td>$16,360,595</td>
</tr>
<tr>
<td>2015</td>
<td>$17,299,265</td>
</tr>
<tr>
<td>2016</td>
<td>$18,049,322</td>
</tr>
</tbody>
</table>

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

City of Corona
Historical Property Tax Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Property Tax Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>09-10</td>
<td>$35.4</td>
</tr>
<tr>
<td>10-11</td>
<td>$34.1</td>
</tr>
<tr>
<td>11-12</td>
<td>$34.0</td>
</tr>
<tr>
<td>12-13</td>
<td>$35.9</td>
</tr>
<tr>
<td>13-14</td>
<td>$37.3</td>
</tr>
<tr>
<td>14-15</td>
<td>$39.6</td>
</tr>
<tr>
<td>15-16</td>
<td>$42.2</td>
</tr>
<tr>
<td>16-17</td>
<td>$43.2</td>
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<tr>
<td>17-18</td>
<td>$44.0</td>
</tr>
<tr>
<td>18-19</td>
<td>$45.0</td>
</tr>
</tbody>
</table>

[1] FY 2009-10 Secured Property Tax adjusted for Prop. 1A securitization.
Sales tax is the second primary revenue source for the City. Taxable retail sales totaled $3.5 billion in Fiscal Year 2016-17, an increase of 4.4% from the previous year. Consumer spending continues to be on the rise driven by the local and regional labor market growth. Much of this consumer spending is seen in the general consumer goods, automobile, hospitality and construction industries. Increased automobile sales and a strong housing market are key indicators of improved consumer confidence. The diversification of the City’s sales tax base is enviable, with the building and construction sector slightly higher than other categories.

**FY 2016-17 Sales Tax Revenue by Industry Group**

(Source: Hdl Coren & Cone)

**City of Corona**

**Historical Sales & Use Tax Revenue**

<table>
<thead>
<tr>
<th>Years</th>
<th>Estimated</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>09-10</td>
<td>$26.5</td>
<td>$28.5</td>
</tr>
<tr>
<td>10-11</td>
<td>$31.2</td>
<td>$33.0</td>
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<tr>
<td>11-12</td>
<td>$35.6</td>
<td>$36.6</td>
</tr>
<tr>
<td>12-13</td>
<td>$37.7</td>
<td>$39.1</td>
</tr>
<tr>
<td>13-14</td>
<td>$39.9</td>
<td>$39.9</td>
</tr>
</tbody>
</table>
The General Fund concluded Fiscal Year 2016-17 with a positive result of $8.3 million. Revenues exceeded expenditures by $1.6 million, with a net incoming transfer of $6.1 million and beginning fund balance restatement of $0.6 million contributing to the overall increase to the fund balance. The positive operating result was not originally anticipated, as many items were either one-time, or related to prior years’ activities. Among all unanticipated items, a $2.4 million incoming transfer from a debt service fund was booked in the beginning of the fiscal year to reflect a change in bond reserves requirement. Proceeds from grants and damage recovery totaled $0.6 million were attributable to activities that occurred in prior years. Development activities continued to surpass budgeted level, and brought in additional revenue of $0.8 million. Comparing to the budgeted amounts, the General Fund had a favorable variance of $19.0 million. In addition to the above-mentioned unanticipated activities, $10.0 million was unspent capital outlay funding that was re-appropriated in Fiscal Year 2017-18. The City strives to develop a budget that accurately aligns available resources and operational needs. All budgetary variances were carefully reviewed and analyzed. One-time revenues/proceeds and cost savings were considered and evaluated separately as they cannot be included as resources to fund recurring activities. It is the City’s goal to use these one-time additional resources to reduce its long-term obligations, including the unfunded pension liabilities.

### Long Term Financial Planning

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

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

The City has been consistently demonstrating sound fiscal stewardship by proactively responding to the impact of the broader state-wide grim pension situation, including a reduced workforce and fiscal reforms to save money and improve efficiency. The City underwent a 16-month long labor negotiation with two of its labor groups, the Corona General Employees’ Association and the Corona Supervisors’ Association, with the primary goal of containing costs. In addition to cutting costs, the City adopted new revenue streams by establishing City-wide community facilities districts for services. The City also strove to maintain a healthy General Fund reserve level, following best practices established by the Government Finance Officers Association (GFOA).

The commitment did not go unnoticed by the rating agencies. In June 2016, the most recent credit review performed by Standard and Poor’s Financial Services (S&P), among the positive factors the City was acknowledged for were “very strong budgetary flexibility,” “very strong liquidity,” and “strong budgetary performance.” S&P viewed the City’s management as “strong, with good financial policies and practices” under its Financial Management Assessment methodology.
Financial Policies and Practices

The City adopted various critical financial policies and practices with the goal of building a fiscally resilient government over the long-term, improving financial sustainability, as well as increasing transparency and encouraging public engagement.

Fund Balance Policy for the General Fund

The City established its reserves policy for the General Fund in June 2010, and amended it in June 2016. The emergency 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 GFOA. In June 2016, the City updated its Fund Balance Policy for the General Fund to increase the emergency contingency reserve balance to three months of regular General Fund operating uses. The purpose of the policy is to protect our community against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenditures, as well as the credit worthiness of the City. As of June 30, 2017, the emergency contingency reserve balance was $30.0 million.

Zero-Based Budgeting

The City launched zero-based budgeting in Fiscal Year 2016-17, following 22 years of the General Fund Expenditure Control Budget (ECB) model. Zero-based budgeting is an effective process that organizations use to rigorously review every dollar in the annual budget, constantly manage financial performance, and build a culture of cost management among all departments. It is based on developing deep visibility into cost drivers and using that visibility to set aggressive, yet credible, budget targets. The annual budgeting process starts from zero and is very detailed, structured, and interactive to facilitate meaningful financial discussion among all departments and establish priorities with all stakeholders. Our goal is to achieve significant and sustainable savings, while delivering productivity and service level improvements. The new budget practice has helped the leadership better balance competing demands for enhanced services/facilities versus increased costs.

The new practice allowed us to effectively analyze budget variances during Fiscal Year 2017-18 budget process. For example, Fiscal Year 2016-17 ended with a budget savings of $1.9 million in personnel cost within the General Fund. To continue to drill down to an accurate zero based budget, we included a vacancy factor in Fiscal Year 2017-18 budget process to account for savings due to vacancies. The factor was based on a five-year look-back period for departments and classifications (safety and non-safety personnel). We will continue to identify, monitor and adjust variance factors as we move forward with future budgets.

Debt Policy and Procedures

The City of Corona, following the best practice guidelines for debt management published by the GFOA, develops and maintains a formal Debt Policy and Procedures to ensure that debt is issued and managed prudently. The purpose of this policy is to standardize the parameters for debt issuance and management, improve the quality of decisions, provide guidance for the structure of debt issuance to ensure the most prudent, equitable, and cost-effective method of
financing is chosen, and demonstrate a commitment to long-term capital and financial planning. The current policy was 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 the California Government Code and other governing provisions of law. The policy lists in detail authorized investments as well as the percentage of portfolio limitations and required rating for each investment type. The Investment Policy is reviewed, updated and adopted annually.

Major Initiatives

The City has taken steps to reduce unfunded liability, funding infrastructure improvements including disaster mitigation measures, improving efficiency, and promoting transparency, along with increased community engagement during the year.

As a follow-up to the December 2016 independent analysis of the City’s pension, and OPEB and employee healthcare obligations, the City has recently hired a consultant to develop a forecast that will help management quantify additional pension contributions in the next 5 to 10 years, as well as a realistic funded ratio of the various plans for which the City contracts with CalPERS. The forecast will help management to formulate effective strategies and provide time to effect changes that better adapt to changing conditions.

In Fiscal Year 2017-18, the City’s new Capital Improvement Projects (CIP) totaled $39.1 million. This amount covers a wide range of categories including buildings and facilities, roads, bridges, street lighting and traffic signals, disaster mitigation measures, storm drainage, parks, and water and water reclamation utilities. The City is also leveraging the housing market conditions to encourage developer financed infrastructure programs.

During the year, the City deployed TRAKiT, a comprehensive and centralized software solution that creates efficiency and flexibility in automating and collaborating the permitting, planning, land management, and overall community development administration. It replaced 5 disparate compartmentalized systems that had been in use in the past decades, causing data silos, reduced visibility, and inefficiency across departments. The new system automated the permit and payment process, streamlined workload and synchronized activities across all departments and outside operations.

After debuting Open Data Corona in January 2016, which brought the key City financial information online to its citizens, from budget (Open Budget), to spending (Open Checkbook), the City took another huge leap to enhance transparency by launching the Citizen Tax Receipt and Balancing Act budget engagement application in October 2017. The new tool was designed to promote community engagement by providing the citizens a better understanding of municipal finances (Citizen Tax Receipt), and opportunities to participate in the City’s budgeting process (Balancing Act simulator).
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, 2016. This was the 27th consecutive year that the City has received this prestigious award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

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

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

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

Respectfully submitted,

Darrell Talbert
City Manager

Kerry D. Eden
Assistant City Manager/ Administrative Services Director
CITY OF CORONA
Elected Officials and Executive Management

Elected Officials

DICK HALEY ......................................................................................... Mayor
KAREN SPIEGEL .................................................................................. Vice Mayor
RANDY FOX ......................................................................................... Councilmember
EUGENE MONTANEZ ......................................................................... Councilmember
JASON SCOTT ....................................................................................... Councilmember

CHAD WILLARDSON ........................................................................ City Treasurer

Executive Management

DARRELL TALBERT ................................................................................ City Manager
DEAN DERLETH ..............................................................City Attorney and Legal and Risk Management Director
KERRY D. EDEN ............................................Assistant City Manager/Admin Services Director
MICHAEL E. ABEL .............................................Chief of Police and Assistant City Manager

JOANNE COLETTA .................................................................Community Development Director
TOM MOODY ...................................................................................... General Manager
DAVID DUFFY ...................................................................................... Fire Chief
CHRIS MCMASTERS ..............................................................Chief Information Officer
DAVID MONTGOMERY-SCOTT ..................................Library and Recreation Services Director
NELSON NELSON .................................................................Public Works Director
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, 2017, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.
To the Honorable Mayor and Members of the City Council
City of Corona, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Corona, California, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the General fund, the modified approach for the City's infrastructure assets, the schedule of changes in net pension liability and related ratio, the schedule 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, budget 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 November 2, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Brea, California
November 2, 2017
MANAGEMENT’S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2017

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, 2017, 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, 2017 comply with all applicable statements issued by the Governmental Accounting Standards Board (GASB). GASB Statement No. 77, Tax Abatement Disclosure took effect during the year. The Statement requires the City to disclose major tax abatement program by its nature, amount and commitments. The implementation of this statement will enhance transparency on how tax abatement affects a government’s financial position and economic condition, as well as its future ability to raise resources to meet its financial obligations.

Government-Wide

- The City’s total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2017 by $1.1 billion (net position).

- The overall City’s net position increased by $50.3 million from the previous fiscal year. Total assets increased by $38.1 million, total liability increased by $21.1 million, combined with an increase in deferred outflows in the amount of $26.9 million, and a decrease in deferred inflows in the amount of $6.4 million primarily due to pension related items, net position of the City saw an increase of 5.0% from the prior year.

- Total expenses for governmental activities were $153.8 million for Fiscal Year 2016-17. The sources for these expenses came from program revenues of $79.9 million, taxes in the amount of $93.8, and other general revenue of $7.5 million. For the current year, revenues from governmental activities exceeded expenses by $27.4 million, together with beginning balance restatement of $0.9 million, net position for governmental activities increased by $28.3 million from the previous year.

- For business-type activities, program revenues exceeded expenses by $20.4 million. Among the total program revenue of $116.2 million, $100.2 million was from charges for services, $2.9 million from operating grants and contributions, and the remaining $13.1 million represents capital grants and contributions. Combined with investment earnings and other general revenues of $0.7 million, and a restatement to the beginning balance of $0.8 million, net position for business-type activities increased by $21.9 million from the previous year.
Fund Based

- As of the end of the current fiscal year, the City’s governmental funds reported a combined ending fund balance of $176.1 million, an increase of $6.5 million from the previous year. The net increase was due to the combination of current year’s revenues exceeded expenditures by $4.1 million, net transfer of $0.6 million, net proceeds from financing activities in the amount of $0.3 million, and a restatement to the prior year’s fund balance of $1.5 million.

- Fund balance for all governmental funds totaled $176.1 million at the close of the fiscal year. Among the total fund balance, $99.8 million, or 56.7% are either non-spendable or restricted for specific purposes. An additional amount of $33.9 million was committed by the City Council, including $30.0 million as emergency contingency, and $3.9 million for committed uses. There was $42.4 million assigned to specific City programs and projects. Please refer to Note 15 for additional information on the categorization of the governmental funds’ fund balances.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-Wide Financial Statements

The government-wide financial statements are designed to give users a broad overview of the City’s finances, 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 total of assets and deferred outflows and the total of liabilities and deferred inflows is reported as net position. Increases or decreases in net position over time may serve as a useful indicator of whether the City’s financial position is improving or deteriorating. Other factors to consider are changes in the City’s property tax base and the condition of the City’s infrastructure assets. The statement of activities shows how the City’s net position changed during the fiscal year.

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

Most of the City’s basic services are reported in the governmental activities category, including the General Government, Fire, Police, Public Works and Maintenance Services, Library and Recreation Services, Community Development, and Economic Development. Property and sales taxes, franchise fees, transient occupancy tax, business tax, investment income, and state and federal grants finance these activities. The City operates its Water and Water Reclamation utilities through its component unit, the Corona Utility Authority. These activities are reported in the business-type activities category along with Electric, Transit and Airport services.
The government-wide financial statements can be found on the pages immediately following this discussion in the Basic Financial Statements section.

**Fund Financial Statements**

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

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

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

- **Governmental funds**

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

- **Proprietary funds**

When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of revenues, expenses and changes in fund net position. The City’s enterprise funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows. The City uses internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City’s other programs and activities – such as the City’s self-insurance and fleet operations funds. The internal service funds are reported with governmental activities in the government-wide financial statements. The proprietary fund financial statements can be found in the Basic Financial Statements section of this report.
Fiduciary funds
The City is the trustee, or fiduciary, for certain funds held to account for activities reported in this category which includes the Successor Agency, the AB109 PACT Fund, and the special taxes and assessments districts. The City’s fiduciary activities are reported in separate statements of fiduciary net position, statement of changes in fiduciary net position (trust fund only), and combining statement of net position and combining statement of changes in assets and liabilities (agency funds only).

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

Other Information
In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information on the City’s budget process and the General Fund and major special revenue fund budgetary comparison schedules, the modified approach for the City’s street infrastructure assets, and the City’s progress in funding its obligation to provide pension benefits to its employees.

Combining and individual statements for non-major governmental and proprietary funds, internal service funds and the agency fiduciary fund are presented in the Supplementary Information section of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS
The government-wide financial analysis focus on the City’s net position and changes in net position of the governmental and business-type activities during the fiscal year.

As noted earlier, the City’s net position as a whole increased by $50.3 million from the previous year. The enhancement in financial position was primarily due to positive operating results where revenue exceeded expenses by $48.5 million. Adding a restatement of $1.7 million to the beginning balance, government-wide net position reported $1.1 billion as of June 30, 2017. Please refer to the condensed financial data presented on the next two pages for changes in net position with comparative data from the previous fiscal year.

Among the total net position, $963.0 million, or 91.0%, were invested in capital assets, net of related debt. These capital assets are essential for City operations, which include land, buildings, machinery and equipment, water and water reclamation rights, and infrastructure. Net position invested in capital assets is not available for spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to pay for the liabilities.

The remaining $94.8 million, or other 9.0% of total government-wide net position are either restricted ($74.5 million) or unrestricted ($20.3 million). Net position may be restricted for
CITY OF CORONA
Management’s Discussion and Analysis (continued)
June 30, 2017

capital projects, debt payments, and/or special programs such as transportation and special assessment district improvements.

The graph below illustrates the various components of the City’s net position at fiscal year ended June 30, 2017.

![City of Corona Net Position June 30, 2017](image-url)

The schedule below is a condensed version of the City’s statement of net position for fiscal year ended June 30, 2017 with comparative data from the previous fiscal year:

<table>
<thead>
<tr>
<th>City of Corona’s Net Position (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental activities</strong></td>
</tr>
<tr>
<td><strong>2017</strong></td>
</tr>
<tr>
<td><strong>Current and other assets</strong></td>
</tr>
<tr>
<td><strong>Internal balances</strong></td>
</tr>
<tr>
<td><strong>Capital assets</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
</tr>
<tr>
<td><strong>Deferred charges on refunding</strong></td>
</tr>
<tr>
<td><strong>Deferred pension related items</strong></td>
</tr>
<tr>
<td><strong>Total deferred outflows</strong></td>
</tr>
<tr>
<td><strong>Long-term debt</strong></td>
</tr>
<tr>
<td><strong>Net pension liability</strong></td>
</tr>
<tr>
<td><strong>Other liabilities</strong></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
</tr>
<tr>
<td><strong>Deferred pension related items</strong></td>
</tr>
<tr>
<td><strong>Total deferred inflows</strong></td>
</tr>
<tr>
<td><strong>Net investment in capital assets</strong></td>
</tr>
<tr>
<td><strong>Restricted</strong></td>
</tr>
<tr>
<td><strong>Unrestricted</strong></td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
</tr>
</tbody>
</table>
Below are condensed financial data with comparative amounts on revenues and expenses for the current and prior year.

### City of Corona's Changes in Net Position

(in millions)

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$42.9</td>
<td>$42.6</td>
<td>$100.2</td>
</tr>
<tr>
<td>Operating Grants and Contributions</td>
<td>13.6</td>
<td>13.5</td>
<td>2.9</td>
</tr>
<tr>
<td>Capital Grants and Contributions</td>
<td>23.4</td>
<td>40.5</td>
<td>13.1</td>
</tr>
<tr>
<td>General Revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>43.1</td>
<td>42.2</td>
<td></td>
</tr>
<tr>
<td>Sales and Use Taxes</td>
<td>41.1</td>
<td>39.7</td>
<td></td>
</tr>
<tr>
<td>Other Taxes</td>
<td>9.6</td>
<td>9.3</td>
<td></td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>0.6</td>
<td>3.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Other</td>
<td>6.9</td>
<td>4.7</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>181.2</td>
<td>195.7</td>
<td>116.8</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>28.3</td>
<td>27.4</td>
<td></td>
</tr>
<tr>
<td>Public Safety - Fire</td>
<td>26.0</td>
<td>24.5</td>
<td></td>
</tr>
<tr>
<td>Public Safety - Police</td>
<td>47.8</td>
<td>44.3</td>
<td></td>
</tr>
<tr>
<td>Public Works &amp; Maintenance Services</td>
<td>35.8</td>
<td>39.7</td>
<td></td>
</tr>
<tr>
<td>Library and Recreation Services</td>
<td>5.3</td>
<td>6.5</td>
<td></td>
</tr>
<tr>
<td>Community Development</td>
<td>4.7</td>
<td>5.9</td>
<td></td>
</tr>
<tr>
<td>Economic Development</td>
<td>4.9</td>
<td>4.4</td>
<td></td>
</tr>
<tr>
<td>Interest on Long-term Debt</td>
<td>1.0</td>
<td>1.9</td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td></td>
<td></td>
<td>52.9</td>
</tr>
<tr>
<td>Water Reclamation</td>
<td></td>
<td></td>
<td>24.2</td>
</tr>
<tr>
<td>Electric</td>
<td></td>
<td></td>
<td>15.6</td>
</tr>
<tr>
<td>Transit Services</td>
<td></td>
<td></td>
<td>2.8</td>
</tr>
<tr>
<td>Airport</td>
<td></td>
<td></td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>153.8</td>
<td>154.6</td>
<td>95.7</td>
</tr>
<tr>
<td><strong>Change in net position</strong></td>
<td>27.4</td>
<td>41.1</td>
<td>21.1</td>
</tr>
<tr>
<td><strong>Net position - beginning of year</strong></td>
<td>783.9</td>
<td>745.4</td>
<td>223.6</td>
</tr>
<tr>
<td><strong>Restatement</strong></td>
<td>0.9</td>
<td>(2.6)</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>Net position - end of year</strong></td>
<td>$812.2</td>
<td>$783.9</td>
<td>$245.5</td>
</tr>
</tbody>
</table>
Governmental Activities

Total resources available during the year to finance governmental operations were $966.0 million. This amount consists beginning net position of $784.8 million, which includes a restatement of $0.9 million, program revenues of $79.9 million, and general revenues of $101.3 million. Total uses in governmental activities during the year totaled $153.8 million; thus, net position for governmental activities increased by $28.3 million and ended at $812.2 million as of June 30, 2017.

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

![Revenues and Expenses - Five-Year Trend](image)

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

![Program Revenues and Expenses - Governmental Activities](image)
General government support services (administration, legal, human resources, financial, and information technology) are primarily funded by charges to the direct operating functions they support through a cost allocation program. The public safety function (police and fire) generate limited program revenues as well, but property taxes, sales tax and other general 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, various federal, state and local grants, special assessment, as well as other general revenues. The funding source for library and recreation services is primarily general revenues and some program fees. Community Development and Economic Development functions are funded by development related revenues as well as general revenues such as taxes, fees and investment income.

The cost of all governmental activities for fiscal year ended June 30, 2017 was $153.8 million, consistent with the previous year. As shown in the statement of activities, the amount the taxpayers ultimately funded for these activities was $73.9 million, the remaining $79.9 million was paid by various program revenues, including $42.9 million by those who directly benefited from the programs, $13.6 million from other governments and organizations that subsidized certain programs with operating grants and contributions, and $23.4 million from capital grants and contributions.

The following two charts illustrate the total revenue and expense for the governmental activities, excluding transfers for the fiscal years ended June 30, 2017 and 2016 respectively.
Highlights of the major revenue sources and expenses are listed below:

- Program revenues represent 44.1% of total revenues generated by governmental activities. Total current year’s program revenue of $79.9 decreased by $16.7 million from the previous year, primarily due to the reduced revenue from capital contributions and grants. In the previous year, there were several major capital improvement projects, including Foothill Parkway Westerly Improvements and Auto Center Drive Grade Separation, the City had received significant amounts from the federal, state and local agencies for the cost of these projects. As these projects are being completed or nearing completion, funds from capital contributions and grants had reduced sharply.

- Taxes comprised 51.8% of the total revenues from governmental activities. Total tax revenues were $93.8 million for the current year, showing a slight increase of $2.6 million from the previous year. Property tax revenue represents 45.9% of total taxes, where sales and use tax revenue ranked second at 43.8% of total tax revenue. The remaining 10.3% were comprised of franchise fee, business license tax, transient occupancy tax, and dwelling development fee.

- Comparing to the prior year, sales and use tax had the largest increase of $1.5 million, second by property taxes increase of $0.9 million. Stronger economy led by lower unemployment rate contributed to the steady growth in sales and use taxes. Active real estate market in the Inland region fueled the increase in assessed value, contributing to the slight increase in property tax, which marked the highest year since Fiscal Year 2009-10.

- Overall governmental activities expenses maintained at the same level with the previous year, with a slight decrease of $0.8 million. Despite the continuous increase in pension and healthcare costs, the City took effective measures to contain costs by extending the life of assets, reducing program costs, and refunding long-term obligations for reduced interest expenses.
Public Safety expenses increased by $5.0 million, primarily due to personnel cost increases. The increase was offset by decreases in other governmental activities, including a decrease of $3.9 million in Public Works and Maintenance Services, $1.2 million in Library and Recreation Services and another $1.2 million in Community Development. These decreases were results of vacancies, reduction and/or deferral of certain programs. General Government expenses went up by $0.9 million, mainly because of the increase in Other Post-Employment Benefit costs that was paid to the retirees. This increase was offset by a $0.9 million decrease in debt service as a result of a refunding that took place in the current year. Overall, comparing to the previous year, expenses reported in governmental activities decreased by $0.8 million in Fiscal Year 2016-17.

**Business-Type Activities**

The City’s net position in the business-type activities increased by $21.9 million. Primary contributors to the increase was a $21.1 million net operating surplus, added with a restatement of $0.8 million to the beginning net position, overall net position reported in the business-type activities reached to $245.5 million as of June 30, 2017.

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.

![Program Revenues and Expenses - Business-Type Activities](image)

Total expenses of all business-type activities for the fiscal year ended June 30, 2017 were $95.7 million, representing a slight increase of $1.1 million, or 1.2% from the previous year. As shown in the statement of activities, the amount paid by users of the systems was $100.2 million, reported as charge for services. Revenues from operating grants and contributions were $2.9 million, and capital grants and contributions were $13.1 million. Total program revenue reported for the year was $116.2 million.

Total resources available to finance business type activities were $341.2 million in Fiscal Year 2016-17. This amount is comprised of the beginning net position of $224.4 million which included a restatement of $0.8 million, and current year’s total revenues of $116.8 million. After funding total expenses of $95.7 million, net position for business-type activities increased by $21.9 million to $245.5 million at June 30, 2017.

Comparing to the previous year, expenses maintained fairly consistent with the previous year. Revenue, however, showed an increase of $5.6 million, primarily due to the $6.1 million increase in capital grants and contributions. The City secured several major funding sources during the year, including both grants and low interest rate loans. As the projects moving forward, reimbursements were received from these funding sources, contributed to the steep increase in capital contributions and grants revenue.
The General Fund is the primary operating fund of the City. Fund balance increased by $8.3 million for the fiscal year ended June 30, 2017, with an ending balance of $109.1 million.

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

<table>
<thead>
<tr>
<th></th>
<th>FY 2016-17</th>
<th>FY 2015-16</th>
<th>FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balances:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonspendable</td>
<td>$33.2</td>
<td>$34.1</td>
<td>$24.4</td>
</tr>
<tr>
<td>Committed</td>
<td>33.9</td>
<td>33.5</td>
<td>23.8</td>
</tr>
<tr>
<td>Assigned</td>
<td>42.0</td>
<td>33.2</td>
<td>50.7</td>
</tr>
<tr>
<td>Total Fund Balance</td>
<td>$109.1</td>
<td>$100.8</td>
<td>$98.9</td>
</tr>
<tr>
<td>Fund Balance - Beginning</td>
<td>$100.8</td>
<td>$98.9</td>
<td>$91.8</td>
</tr>
<tr>
<td>Excess Revenues Over Expenditures</td>
<td>1.6</td>
<td>(0.3)</td>
<td>4.8</td>
</tr>
<tr>
<td>Transfers</td>
<td>6.1</td>
<td>2.3</td>
<td>2.3</td>
</tr>
<tr>
<td>Restatement</td>
<td>0.6</td>
<td>(0.1)</td>
<td>-</td>
</tr>
<tr>
<td>Fund Balance - Ending</td>
<td>$109.1</td>
<td>$100.8</td>
<td>$98.9</td>
</tr>
</tbody>
</table>

The graph below illustrates General Fund revenues by major sources:
A two-year comparison of each General Fund revenue source for the fiscal years ended June 30, 2017 and 2016 is presented below:

The graph below illustrates General Fund expenditures by category:

![General Fund Revenues - Two-Year Comparison](image)

![General Fund Expenditures Year Ended June 30, 2017](image)
A two-year comparison of each General Fund expenditure category for the fiscal years ended June 30, 2017 and 2016 is presented below:

As shown in the graphs above, overall General Fund’s revenue maintained at the same level with the previous year, with a slight increase of $1.2 million, primarily due to the modest increase in property tax, sales tax and other taxes as a result of the slowly improving economy.

Overall General Fund expenditures merely decreased by $0.8 million comparing to the previous year. The $2.0 million increase in Public Safety cost and slight increases in other functional areas were offset by a $4.9 million decrease in capital outlay expenditures as the City scaled back on its facility improvement as one of the cost reduction measures.

**Other Major Governmental Funds**

The fund balance for the Development capital project fund decreased by $3.8 million from the previous year. Among the decrease, $1.2 million was a result of timing difference between when fees were collected and cost for inspective and permitting were incurred. In addition, the City incurred $2.0 million in financing uses related to a bond refunding. The refunding will result in long-term financial savings due to the lowered interest rates.

The Low/Mod Income Housing Asset capital project fund reported a fund balance of $23.1 million, showing a slight increase of $1.4 million from the previous year. The fund balance included long-term receivables in the amount of $3.3 million from the Successor Agency, and $8.5 million from various developers, as well as $5.7 million in land held for resale, as well as $5.7 million in cash. The land inventories were approved by the State Department of Finance as Housing assets on September 7, 2012, therefore, the City’s Housing Successor has 5 years since then to either develop these properties into affordable housing units, or liquidate them and deposit the funds to the Low and Moderate Income Housing Asset Fund. The beginning fund
balance of the Low/Mod Income Housing Asset fund was restated by $0.7 million to correct interest income applied to principal amount of a long-term note. Another $0.8 million was restated to the HUD Grant fund, two long-term forgivable loan payments were expensed during the prior year, where they should have been recognized as long-term receivable.

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, 2017, net capital assets totaled $683.3 million for the governmental activities, and $407.0 million for the business-type activities respectively. Depreciation on capital assets is recognized in the government-wide financial statements. Please refer to Note 7 of the accompanying financial statements for additional information.

The City has elected to use the “modified approach” as defined by GASB Statement No. 34 for infrastructure reporting for its street pavement system. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

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

- The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

The City policy is to achieve an average rating of 71, or “Good” condition for all streets. The average rating for the City’s streets at June 30, 2017 was 71, slightly decreased from the previous assessment result of 73. The City is continuously taking action to prevent deterioration through an on-going street rehabilitation program funded in the Capital Improvement Program. The program is formulated based on deficiencies identified as part of the City’s Pavement Management System (PMS). It includes short-term maintenance activities such as pothole patching, street sweeping, and crack sealing. The City expended $5.3 million on street maintenance during the current fiscal year. These expenditures delayed deterioration and maintained the street condition from the previous assessment. The City has estimated that the amount of annual expenditures required to maintain the current average PCI rating of 71 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 on the City’s Pavement Management Program.
The table below presents comparative summary information on the City’s capital assets:

<table>
<thead>
<tr>
<th>City of Corona's Capital Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net of Depreciation (in millions)</td>
</tr>
<tr>
<td>Governemental Activities</td>
</tr>
<tr>
<td>Activities</td>
</tr>
<tr>
<td>Land       $73.2   $65.2   $5.4       $5.4</td>
</tr>
<tr>
<td>Streets    195.8   178.5   195.8      178.5</td>
</tr>
<tr>
<td>Buildings and improvements                          114.8   113.9   55.1      54.0          169.9   167.9</td>
</tr>
<tr>
<td>Machinery and equipment                             9.6     8.8     39.6      37.1          49.2     45.9</td>
</tr>
<tr>
<td>Infrastructure                                     194.3   194.9   250.1     240.7         444.4    435.6</td>
</tr>
<tr>
<td>Construction in progress                            95.0    104.9   37.1      42.0          132.1    146.9</td>
</tr>
<tr>
<td>Intangible assets                                  0.6     0.2     19.7      19.7          20.3     19.9</td>
</tr>
<tr>
<td>Total Capital Assets                                $683.3  $666.4  $407.0     $398.9         $1,090.3 $1,065.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business-type Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities</td>
</tr>
<tr>
<td>Infrastructure                                     $194.3  $194.9  $250.1    $240.7         $444.4  $435.6</td>
</tr>
<tr>
<td>Construction in progress                            95.0    104.9   37.1      42.0          132.1    146.9</td>
</tr>
<tr>
<td>Intangible assets                                  0.6     0.2     19.7      19.7          20.3     19.9</td>
</tr>
<tr>
<td>Total Capital Assets                                $475.3  $571.3  $444.1    $482.9         $919.4  $922.2</td>
</tr>
</tbody>
</table>

| Debt Administration                                 |

The City continued its efforts to reduce its long-term debt obligation. In July 2016, the City refunded its 2006 Lease Revenue Bonds, Series C, and achieved net savings of $3.8 million, or 13.5% of the refunded debt.

Subsequently in January 2017, the City refunded three Community Facilities District bonds. Although these bonds are not the direct debt of the City, the refunding realized savings ranging from 4.5% to 13.6%, equivalent to approximately $200 to $3,000 per parcel per year on special tax assessment for the property owners of the City.

The schedule of outstanding long-term debt with comparative amounts for the previous fiscal year is presented below. For additional information, please refer to Note 9 of the accompanying financial statements.

<table>
<thead>
<tr>
<th>City of Corona's Outstanding Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in millions)</td>
</tr>
<tr>
<td>Governemental Activities</td>
</tr>
<tr>
<td>Activities</td>
</tr>
<tr>
<td>Loans and agreement payable                        $ -     $ -      $36.1      $36.0          $36.1   $36.0</td>
</tr>
<tr>
<td>Lease payable                                     18.0    19.5    -         -             18.0     19.5</td>
</tr>
<tr>
<td>Revenue bonds                                     24.5    28.0    44.7      48.5          69.2     76.5</td>
</tr>
<tr>
<td>Unamortized bond premium                          2.8     -       1.7       1.8            4.5      1.8</td>
</tr>
<tr>
<td>Total Outstanding Debt                             $45.3   $47.5    $82.5     $86.3          $127.8  $133.8</td>
</tr>
</tbody>
</table>
GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund appropriations were originally adopted at $140.3 million for Fiscal Year 2016-17, including transfer out of $0.7 million. Final appropriations were increased by $12.5 million to $152.9 million. Among the increase, $7.4 million was due to continuing appropriations from prior year’s capital projects and grant funded activities, $3.0 million for prior year committed purchases (encumbrances), and $2.2 million in additional funding approved by the City Council subsequent to the budget adoption. The additional appropriation included increased funding needs for the Public Safety Enterprise Communication system, computer aided dispatch and records management system, the police firearm facility improvement, the timekeeping system, and operating costs for several departments. Most operating budget increase were offset by increase in revenues generated by those departments, such as plan check, inspection, and permit/licenses. Below is a summary of changes made to the adopted budget:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Budget</td>
<td>$140,330,521</td>
</tr>
<tr>
<td>Continued Appropriations</td>
<td>7,372,639</td>
</tr>
<tr>
<td>Encumbrances</td>
<td>2,987,619</td>
</tr>
<tr>
<td>Supplemental Changes</td>
<td>2,184,424</td>
</tr>
<tr>
<td>Final Budget</td>
<td>$152,875,203</td>
</tr>
</tbody>
</table>

At June 30, 2017, the City’s General Fund concluded the fiscal year with a favorable variance of $19.0 million, contributed by higher than expected revenue and incoming transfers in the amount of $3.7 million, and budgetary savings of $15.3 million in expenditures and outgoing transfers.

Revenues from Current Services had a positive variance of $1.8 million mostly due to the increase in building and construction activities in the City, as well as Fire mutual aid services. Incoming transfers were $1.8 million higher than expected as the result of the bond refunding activity that reduced the reserve requirement.

Included in the $15.3 million in budgetary savings, $10.0 million was unspent funding for ongoing capital improvement projects. These funds will be carried over to next fiscal year to complete the projects. Overall spending in the General Government section realized cost savings of $2.1 million, primarily due to vacancies. Public Safety function achieved cost savings of $1.0 million due to effective control over personnel costs. Public Works and Maintenance Services ended the year with $1.4 million in cost savings through operations. Outgoing transfers was $0.6 million less than budgeted as supplement to operating deficit in the Citywide lighting district was not necessary. A retrofit capital improvement project had been planned for the lighting district in an effort to avoid future operating deficit. Please refer to the Required Supplementary Information section of the accompanying financial statement for additional information.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final Appropriation</td>
<td>$152,875,203</td>
</tr>
<tr>
<td>Actual Expenditures</td>
<td>137,466,109</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>98,822</td>
</tr>
<tr>
<td>Favorable Budget Variance</td>
<td>$15,310,272</td>
</tr>
</tbody>
</table>
CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, 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@CoronaCA.gov.
**Government-Wide Financial Statements**

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

*Business-Type Activities* – Activities relate to the City’s water system, water reclamation system, electric, transit and airport services. Fees charged to customers for the services provided cover all or most of the cost of the business-type activities.
CORONA
"THE CIRCLE CITY"
Established
May 4, 1886
To Cherish Our Past - To Plan Our Future
CITY OF CORONA

STATEMENT OF NET POSITION

JUNE 30, 2017

<table>
<thead>
<tr>
<th>Assets</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>$172,852,140</td>
<td>$95,807,194</td>
<td>$268,659,334</td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>6,550,115</td>
<td>13,098,436</td>
<td>19,648,551</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>610,898</td>
<td>3,146,467</td>
<td>3,757,365</td>
</tr>
<tr>
<td>Due from Other Governmental Agencies</td>
<td>19,961,594</td>
<td>5,032,801</td>
<td>24,994,395</td>
</tr>
<tr>
<td>Inventories and Prepayments</td>
<td>775,605</td>
<td>1,467,467</td>
<td>2,243,072</td>
</tr>
<tr>
<td>Prepaid Other Post Employment Benefits</td>
<td>1,072,050</td>
<td>-</td>
<td>1,072,050</td>
</tr>
<tr>
<td>Deposits</td>
<td>73,231</td>
<td>73,231</td>
<td></td>
</tr>
<tr>
<td>Land Held for Resale</td>
<td>5,653,055</td>
<td>-</td>
<td>5,653,055</td>
</tr>
<tr>
<td>Restricted Cash and Investments</td>
<td>2,084,323</td>
<td>11,607,440</td>
<td>13,691,763</td>
</tr>
<tr>
<td>Noncurrent Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental Balances</td>
<td>182,858,170</td>
<td>(182,858,170)</td>
<td>-</td>
</tr>
<tr>
<td>Capital Assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and Construction in Progress</td>
<td>363,985,766</td>
<td>62,186,006</td>
<td>426,171,772</td>
</tr>
<tr>
<td>Other Capital Assets, Net of Depreciation</td>
<td>319,277,497</td>
<td>344,813,319</td>
<td>664,090,816</td>
</tr>
<tr>
<td>Total Capital Assets</td>
<td>683,263,263</td>
<td>406,999,325</td>
<td>1,090,262,588</td>
</tr>
<tr>
<td>Total Noncurrent Assets</td>
<td>888,875,199</td>
<td>224,141,155</td>
<td>1,113,016,354</td>
</tr>
<tr>
<td>Total Assets</td>
<td>1,098,434,979</td>
<td>353,241,784</td>
<td>1,451,676,763</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deferred Inflows of Resources</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Charges on Refunding</td>
<td>567,243</td>
<td>-</td>
<td>567,243</td>
</tr>
<tr>
<td>Deferred Pension Related Items</td>
<td>39,871,805</td>
<td>10,178,762</td>
<td>50,050,567</td>
</tr>
<tr>
<td>Total Deferred Inflows of Resources</td>
<td>40,439,048</td>
<td>10,178,762</td>
<td>50,617,810</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>11,086,271</td>
<td>8,426,319</td>
<td>19,512,590</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>2,980,735</td>
<td>1,171,582</td>
<td>4,152,317</td>
</tr>
<tr>
<td>Deposits</td>
<td>12,421,796</td>
<td>333,496</td>
<td>12,755,292</td>
</tr>
<tr>
<td>Interest Payable</td>
<td>357,635</td>
<td>-</td>
<td>357,635</td>
</tr>
<tr>
<td>Claims and Judgments Payable</td>
<td>4,866,955</td>
<td>-</td>
<td>4,866,955</td>
</tr>
<tr>
<td>Compensated Absences Payable</td>
<td>6,458,664</td>
<td>859,558</td>
<td>7,318,222</td>
</tr>
<tr>
<td>Long-term Debt, Net of Unamortized Premium</td>
<td>2,729,405</td>
<td>5,750,075</td>
<td>8,479,480</td>
</tr>
<tr>
<td>Liabilities Payable from Restricted Assets</td>
<td>1,572,302</td>
<td>612,792</td>
<td>2,185,094</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>42,473,763</td>
<td>17,153,822</td>
<td>59,627,585</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Noncurrent Liabilities</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims and Judgments Payable</td>
<td>18,586,832</td>
<td>-</td>
<td>18,586,832</td>
</tr>
<tr>
<td>Compensated Absences Payable</td>
<td>2,102,297</td>
<td>139,835</td>
<td>2,242,132</td>
</tr>
<tr>
<td>Long-term Debt, Net of Unamortized Premium</td>
<td>42,632,677</td>
<td>76,737,062</td>
<td>119,369,739</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>214,804,238</td>
<td>21,290,708</td>
<td>236,094,946</td>
</tr>
<tr>
<td>Total Noncurrent Liabilities</td>
<td>278,126,044</td>
<td>98,167,605</td>
<td>376,293,649</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>320,599,807</td>
<td>115,321,427</td>
<td>435,921,234</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deferred Inflows of Resources</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Pension Related Items</td>
<td>6,024,721</td>
<td>2,577,717</td>
<td>8,602,438</td>
</tr>
<tr>
<td>Total Deferred Inflows of Resources</td>
<td>6,024,721</td>
<td>2,577,717</td>
<td>8,602,438</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Position</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Investment in Capital Assets</td>
<td>638,468,424</td>
<td>324,512,188</td>
<td>962,980,612</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Projects</td>
<td>26,448,791</td>
<td>6,735,454</td>
<td>33,184,245</td>
</tr>
<tr>
<td>Debt Service</td>
<td>3,439,357</td>
<td>-</td>
<td>3,439,357</td>
</tr>
<tr>
<td>Specific Projects and Programs:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation and Public Works</td>
<td>16,363,749</td>
<td>697,391</td>
<td>17,061,140</td>
</tr>
<tr>
<td>Special Assessment District Projects</td>
<td>14,377,296</td>
<td>-</td>
<td>14,377,296</td>
</tr>
<tr>
<td>Development Projects</td>
<td>5,276,971</td>
<td>-</td>
<td>5,276,971</td>
</tr>
<tr>
<td>Other Projects</td>
<td>725,421</td>
<td>725,421</td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>107,149,490</td>
<td>(86,423,631)</td>
<td>20,725,859</td>
</tr>
<tr>
<td>Total Net Position</td>
<td>$ 812,249,499</td>
<td>$ 245,521,402</td>
<td>$ 1,057,770,901</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements
### City of Corona

**Statement of Activities**

**Year Ended June 30, 2017**

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Contributions and Grants</th>
<th>Capital Contributions and Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Government</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Governmental Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>$28,273,481</td>
<td>$18,216,829</td>
<td>$382,512</td>
<td>$7,849</td>
</tr>
<tr>
<td>Public Safety - Fire</td>
<td>26,004,329</td>
<td>4,087,577</td>
<td>-</td>
<td>310,741</td>
</tr>
<tr>
<td>Public Safety - Police</td>
<td>47,773,812</td>
<td>1,090,884</td>
<td>677,483</td>
<td>217,322</td>
</tr>
<tr>
<td>Public Works &amp; Maintenance Services</td>
<td>35,763,511</td>
<td>15,757,571</td>
<td>7,460,078</td>
<td>22,118,254</td>
</tr>
<tr>
<td>Library and Recreation Services</td>
<td>5,281,168</td>
<td>1,690,619</td>
<td>4,900,159</td>
<td>-</td>
</tr>
<tr>
<td>Community Development</td>
<td>4,736,871</td>
<td>2,112,169</td>
<td>187,499</td>
<td>702,338</td>
</tr>
<tr>
<td>Economic Development</td>
<td>4,927,998</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest and Fiscal Charges</td>
<td>1,034,468</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Governmental Activities</strong></td>
<td>153,795,638</td>
<td>42,955,649</td>
<td>13,607,731</td>
<td>23,356,504</td>
</tr>
<tr>
<td><strong>Business-Type Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td>52,922,440</td>
<td>51,435,658</td>
<td>795,149</td>
<td>8,899,875</td>
</tr>
<tr>
<td>Water Reclamation</td>
<td>24,258,766</td>
<td>31,271,134</td>
<td>-</td>
<td>4,161,847</td>
</tr>
<tr>
<td>Electric</td>
<td>15,559,948</td>
<td>16,789,626</td>
<td>154,371</td>
<td>-</td>
</tr>
<tr>
<td>Transit Services</td>
<td>2,826,701</td>
<td>445,604</td>
<td>1,916,872</td>
<td>-</td>
</tr>
<tr>
<td>Airport</td>
<td>166,860</td>
<td>298,868</td>
<td>10,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Business-Type Activities</strong></td>
<td>95,734,715</td>
<td>100,240,890</td>
<td>2,876,392</td>
<td>13,061,722</td>
</tr>
<tr>
<td><strong>Total Primary Government</strong></td>
<td>$249,530,353</td>
<td>$143,196,539</td>
<td>$16,484,123</td>
<td>$36,418,226</td>
</tr>
</tbody>
</table>

**General Revenues**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taxes:</strong></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td></td>
</tr>
<tr>
<td>Transient Occupancy Tax</td>
<td></td>
</tr>
<tr>
<td>Sales and Use Tax</td>
<td></td>
</tr>
<tr>
<td>Franchise Tax</td>
<td></td>
</tr>
<tr>
<td>Business Tax</td>
<td></td>
</tr>
<tr>
<td>Dwelling Development Tax</td>
<td></td>
</tr>
<tr>
<td>Investment Earnings</td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td></td>
</tr>
<tr>
<td>Labor Abatement</td>
<td></td>
</tr>
</tbody>
</table>

**Transfers**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total General Revenues and Transfers</strong></td>
<td></td>
</tr>
<tr>
<td>Change in Net Position</td>
<td></td>
</tr>
<tr>
<td>Net Position, Beginning of Year</td>
<td></td>
</tr>
<tr>
<td>Restatement of Net Position</td>
<td></td>
</tr>
<tr>
<td>Net Position, Beginning of Year, as Restated</td>
<td></td>
</tr>
<tr>
<td><strong>Net Position at End of Year</strong></td>
<td></td>
</tr>
<tr>
<td>Governmental Activities</td>
<td>Business-Type Activities</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>(9,666,291)</td>
<td>$</td>
</tr>
<tr>
<td>(21,606,011)</td>
<td>-</td>
</tr>
<tr>
<td>(45,788,123)</td>
<td>-</td>
</tr>
<tr>
<td>9,572,392</td>
<td>-</td>
</tr>
<tr>
<td>1,309,610</td>
<td>-</td>
</tr>
<tr>
<td>(1,734,865)</td>
<td>-</td>
</tr>
<tr>
<td>(4,927,998)</td>
<td>-</td>
</tr>
<tr>
<td>(1,034,468)</td>
<td>-</td>
</tr>
<tr>
<td>(73,875,754)</td>
<td>-</td>
</tr>
<tr>
<td>-</td>
<td>8,208,242</td>
</tr>
<tr>
<td>-</td>
<td>11,174,215</td>
</tr>
<tr>
<td>-</td>
<td>1,384,049</td>
</tr>
<tr>
<td>-</td>
<td>(464,225)</td>
</tr>
<tr>
<td>-</td>
<td>142,008</td>
</tr>
<tr>
<td>-</td>
<td>20,444,289</td>
</tr>
<tr>
<td>(73,875,754)</td>
<td>20,444,289</td>
</tr>
</tbody>
</table>

43,059,232 - 43,059,232
2,300,764 - 2,300,764
41,145,616 - 41,145,616
4,685,914 - 4,685,914
2,234,262 - 2,234,262
344,640 - 344,640
623,227 | 199,758 | 822,985
6,834,784 | 479,465 | 7,314,249
57,386 - 57,386
44,970 (44,970) -

101,330,795 | 634,253 | 101,965,048
27,455,041 | 21,078,542 | 48,533,583
783,902,090 | 223,612,110 | 1,007,514,200
892,368 | 830,750 | 1,723,118
784,794,458 | 224,442,860 | 1,009,237,318

$ 812,249,499 | $ 245,521,402 | $ 1,057,770,901

See Notes to Financial Statements
Governmental Fund Financial Statements

MAJOR FUNDS:

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

**Capital Project Funds**

*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.

*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, 2017

<table>
<thead>
<tr>
<th>Assets</th>
<th>General</th>
<th>Low Mod Income Housing Asset</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments</td>
<td>$78,203,200</td>
<td>$5,697,312</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>3,013,491</td>
<td>2,005,300</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>408,620</td>
<td>19,537</td>
</tr>
<tr>
<td>Due from Other Governmental Agencies</td>
<td>12,431,104</td>
<td>-</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>5,610,516</td>
<td>-</td>
</tr>
<tr>
<td>Long-term Receivables, Net</td>
<td>8,039,763</td>
<td>3,269,328</td>
</tr>
<tr>
<td>Interfund Advances Receivable</td>
<td>24,928,512</td>
<td>-</td>
</tr>
<tr>
<td>Loans Receivable, Net</td>
<td>-</td>
<td>8,509,273</td>
</tr>
<tr>
<td>Inventories and Prepayments</td>
<td>273,634</td>
<td>-</td>
</tr>
<tr>
<td>Land Held for Resale</td>
<td>-</td>
<td>5,653,055</td>
</tr>
<tr>
<td>Restricted Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>84,732</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$132,993,572</strong></td>
<td><strong>$25,153,805</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities, Deferred Inflows of Resources, and Fund Balances</th>
<th>General</th>
<th>Low Mod Income Housing Asset</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>$8,063,334</td>
<td>$13,545</td>
</tr>
<tr>
<td>Deposits</td>
<td>12,401,912</td>
<td>18,334</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>2,248,726</td>
<td>-</td>
</tr>
<tr>
<td>Interfund Advances Payable</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Liabilities Payable from Restricted Assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>22,713,972</strong></td>
<td><strong>31,879</strong></td>
</tr>
</tbody>
</table>

| Deferred Inflows of Resources | | |
|--------------------------------|-----------------------------|
| Unavailable Revenue | 1,160,308 | 2,000,000 |
| **Total Deferred Inflows of Resources** | **1,160,308** | **2,000,000** |

| Fund Balances | | |
|---------------|-----------------------------|
| Nonspendable | 33,241,909 | - |
| Restricted | - | 23,121,926 |
| Committed | 33,898,271 | - |
| Assigned | 41,979,112 | - |
| Unassigned | - | - |
| **Total Fund Balances** | **109,119,292** | **23,121,926** |

| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | | |
|---------------------------------------------------------------|-----------------------------|
| **$132,993,572** | **$25,153,805** |

See Notes to Financial Statements
## Balance Sheet
### Governmental Funds
#### June 30, 2017

### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Development</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments</td>
<td>$20,745,734</td>
<td>$34,214,630</td>
<td>$138,860,876</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>-</td>
<td>1,444,994</td>
<td>6,463,785</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>68,540</td>
<td>114,201</td>
<td>610,898</td>
</tr>
<tr>
<td>Due from Other Governmental Agencies</td>
<td>-</td>
<td>7,529,442</td>
<td>19,960,546</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>-</td>
<td>-</td>
<td>5,610,516</td>
</tr>
<tr>
<td>Long-term Receivables, Net</td>
<td>-</td>
<td>-</td>
<td>11,309,091</td>
</tr>
<tr>
<td>Interfund Advances Receivable</td>
<td>105,385</td>
<td>-</td>
<td>25,033,897</td>
</tr>
<tr>
<td>Loans Receivable, Net</td>
<td>25,800</td>
<td>2,909,602</td>
<td>11,444,675</td>
</tr>
<tr>
<td>Inventories and Prepayments</td>
<td>-</td>
<td>-</td>
<td>273,634</td>
</tr>
<tr>
<td>Land Held for Resale</td>
<td>-</td>
<td>-</td>
<td>5,653,055</td>
</tr>
<tr>
<td>Restricted Assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>96,571</td>
<td>1,903,020</td>
<td>2,084,323</td>
</tr>
</tbody>
</table>

**Total Assets**

<table>
<thead>
<tr>
<th>Development</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$21,042,030</td>
<td>$48,115,889</td>
<td>$227,305,296</td>
</tr>
</tbody>
</table>

### Liabilities, Deferred Inflows of Resources, and Fund Balances

#### Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Development</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>$739,710</td>
<td>$1,560,594</td>
<td>$10,377,183</td>
</tr>
<tr>
<td>Deposits</td>
<td>-</td>
<td>1,550</td>
<td>12,421,796</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>-</td>
<td>5,610,516</td>
<td>5,610,516</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>-</td>
<td>732,009</td>
<td>2,980,735</td>
</tr>
<tr>
<td>Interfund Advances Payable</td>
<td>14,942,067</td>
<td>105,385</td>
<td>15,047,452</td>
</tr>
<tr>
<td>Liabilities Payable from Restricted Assets</td>
<td>83,282</td>
<td>1,489,020</td>
<td>1,572,302</td>
</tr>
</tbody>
</table>

**Total Liabilities**

<table>
<thead>
<tr>
<th>Development</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$15,765,059</td>
<td>$9,499,074</td>
<td>$48,009,984</td>
</tr>
</tbody>
</table>

#### Deferred Inflows of Resources

<table>
<thead>
<tr>
<th>Description</th>
<th>Development</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unavailable Revenue</td>
<td>-</td>
<td>-</td>
<td>3,160,308</td>
</tr>
</tbody>
</table>

**Total Deferred Inflows of Resources**

<table>
<thead>
<tr>
<th>Development</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>3,160,308</td>
</tr>
</tbody>
</table>

#### Fund Balances

<table>
<thead>
<tr>
<th>Description</th>
<th>Development</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable</td>
<td>-</td>
<td>-</td>
<td>33,241,909</td>
</tr>
<tr>
<td>Restricted</td>
<td>5,276,971</td>
<td>38,232,688</td>
<td>66,631,585</td>
</tr>
<tr>
<td>Committed</td>
<td>-</td>
<td>-</td>
<td>33,898,271</td>
</tr>
<tr>
<td>Assigned</td>
<td>-</td>
<td>432,652</td>
<td>42,411,764</td>
</tr>
<tr>
<td>Unassigned</td>
<td>-</td>
<td>(48,525)</td>
<td>(48,525)</td>
</tr>
</tbody>
</table>

**Total Fund Balances**

<table>
<thead>
<tr>
<th>Development</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,276,971</td>
<td>38,616,815</td>
<td>176,135,004</td>
</tr>
</tbody>
</table>

**Total Liabilities, Deferred Inflows of Resources, and Fund Balances**

<table>
<thead>
<tr>
<th>Development</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$21,042,030</td>
<td>$48,115,889</td>
<td>$227,305,296</td>
</tr>
</tbody>
</table>

---

*See Notes to Financial Statements*
Total Fund Balance - Total Governmental Funds  
$176,135,004

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. 683,263,263
- 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, 2016, and pension contributions subsequent to the measurement date are reclassified as deferred pension contributions. 18,256,956
- Deferred outflows of resources reported for the pension plan for government-wide statements:  
  - Net difference between projected and actual earnings on pension plan investments $20,980,768 20,980,768
- 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 1,160,308
  - Unavailable revenue from settlement claim 2,000,000 3,160,308
- 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. (357,635)
- 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 (8,498,550)
  - Unamortized Deferred Charges on Refunding 567,243
  - Long-term Debt (42,536,246)
  - Unamortized Bond Premium (2,825,836)
  - Net Pension Liability (213,520,911) (266,814,300)
- Deferred inflow of resources reported for the pension plan for government-wide statements:  
  - Difference between expected and actual experiences (2,442,320)
  - Changes in assumptions (4,837,108)
  - Net difference between projected and actual earnings on pension plan investments 1,392,405 (5,887,022)
- 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. 9,811,763
- Governmental funds report all OPEB contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as an asset or liability. 1,072,050

Net Position of Governmental Activities  
$812,249,499

See Notes to Financial Statements 33
### Revenues

<table>
<thead>
<tr>
<th>Source</th>
<th>General</th>
<th>Low Mod Income Housing Asset</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>$43,170,396</td>
<td>-</td>
</tr>
<tr>
<td>Sales Taxes</td>
<td>$41,145,616</td>
<td>-</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>$9,421,375</td>
<td>-</td>
</tr>
<tr>
<td>Licenses, Fees and Permits</td>
<td>$2,152,835</td>
<td>-</td>
</tr>
<tr>
<td>Fines and Penalties</td>
<td>$1,170,188</td>
<td>-</td>
</tr>
<tr>
<td>Special Assessments</td>
<td>$11,868</td>
<td>-</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>$597,451</td>
<td>26,461</td>
</tr>
<tr>
<td>Intergovernmental Revenues</td>
<td>$1,604,136</td>
<td>-</td>
</tr>
<tr>
<td>Current Services</td>
<td>$19,041,301</td>
<td>-</td>
</tr>
<tr>
<td>Payments in Lieu of Services</td>
<td>$9,768,422</td>
<td>129</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>$11,009,283</td>
<td>862,825</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>139,092,871</strong></td>
<td><strong>889,415</strong></td>
</tr>
</tbody>
</table>

### Expenditures

**Current:**

| General Government                          | $25,140,204   | -                            |
| Public Safety - Fire                        | $25,855,204   | -                            |
| Public Safety - Police                      | $46,280,916   | -                            |
| Public Works & Maintenance Services         | $18,516,010   | -                            |
| Library and Recreation Services             | $5,167,957    | -                            |
| Community Development                       | $4,527,438    | 150,849                      |
| Economic Development                        | $4,930,642    | -                            |
| Capital Outlay                              | $2,791,812    | 41,448                       |
| **Total Expenditures**                      | **137,466,109** | **192,297**                  |

**Excess (Deficiency) of Revenues Over (Under) Expenditures**

| Total Other Financing Sources (Uses)        | $6,093,977    | -                            |

**Net Change in Fund Balances**

| Fund Balances, Beginning of Year            | $100,778,066  | 21,687,599                   |
| Restatements                                | $620,487      | 737,209                      |
| **Fund Balances, Beginning of Year, as Restated** | **101,398,553** | **22,424,808** |

**Fund Balances, End of Year**

| **$109,119,292** | **$23,121,926** |
CITY OF CORONA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Capital Projects Funds</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>$</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Sales Taxes</td>
<td>-</td>
<td>-</td>
<td>43,170,396</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>-</td>
<td>-</td>
<td>41,145,616</td>
</tr>
<tr>
<td>Licenses, Fees and Permits</td>
<td>2,754,560</td>
<td>775,596</td>
<td>5,682,991</td>
</tr>
<tr>
<td>Fines and Penalties</td>
<td>-</td>
<td>297,405</td>
<td>1,467,593</td>
</tr>
<tr>
<td>Special Assessments</td>
<td>-</td>
<td>8,269,221</td>
<td>8,281,089</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>(6,862)</td>
<td>6,177</td>
<td>623,227</td>
</tr>
<tr>
<td>Intergovernmental Revenues</td>
<td>-</td>
<td>24,434,792</td>
<td>26,038,928</td>
</tr>
<tr>
<td>Current Services</td>
<td>-</td>
<td>219,213</td>
<td>19,260,514</td>
</tr>
<tr>
<td>Payments in Lieu of Services</td>
<td>344,640</td>
<td>-</td>
<td>10,113,191</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>74</td>
<td>2,239,771</td>
<td>14,111,953</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>3,092,412</strong></td>
<td><strong>36,242,175</strong></td>
<td><strong>179,316,873</strong></td>
</tr>
</tbody>
</table>

| Expenditures                    |                         |                          |                          |
| Current:                        |                         |                          |                          |
| General Government              | -                      | 379,931                  | 25,520,135               |
| Public Safety - Fire            | 43                     | -                        | 25,855,247               |
| Public Safety - Police          | -                      | 604,117                  | 46,885,033               |
| Public Works & Maintenance Services | 121,923            | 8,534,830                | 27,172,763               |
| Library and Recreation Services | -                      | 29,966                   | 5,197,923                |
| Community Development           | -                      | 138,265                  | 4,816,552                |
| Economic Development            | -                      | -                        | 4,930,642                |
| Capital Outlay                  | 4,167,297              | 23,578,616               | 30,579,173               |
| Debt Service:                   |                         |                          |                          |
| Principal Retirement            | -                      | -                        | 2,853,939                |
| Interest and Fiscal Charges     | -                      | 6,506                    | 1,408,493                |
| **Total Expenditures**          | **4,289,263**          | **33,272,231**           | **175,219,900**          |
| Excess (Deficiency) of Revenues |                         |                          |                          |
| Over (Under) Expenditures       | (1,196,851)            | 2,969,944                | 4,096,973                |

| Other Financing Sources (Uses)  |                         |                          |                          |
| Transfers In                   | -                      | 98,822                   | 6,291,621                |
| Transfers Out                  | (1,980,000)            | (3,598,395)              | (5,677,217)              |
| Refunding bonds issued         | -                      | 24,520,000               | 24,520,000               |
| Bond premium                   | -                      | 2,974,564                | 2,974,564                |
| Payment to refunded bond escrow agent | -              | (27,212,450)            | (27,212,450)            |
| **Total Other Financing Sources (Uses)** | (1,980,000) | (3,217,459) | 896,518 |

Net Change in Fund Balances
(3,176,851) (247,515) 4,993,491

Fund Balances, Beginning of Year
9,074,309 38,075,152 169,615,126

Restatements
(620,487) 789,178 1,526,387

Fund Balances, Beginning of Year, as Restated
8,453,822 38,864,330 171,141,513

Fund Balances, End of Year
$ 5,276,971 $ 38,616,815 $ 176,135,004

See Notes to Financial Statements
CITY OF CORONA

RECONCILATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Net Changes in Fund Balances - Total Governmental Funds $ 4,993,491

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 29,844,879
Deletions of capital assets during the current year (33,833)

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.

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 (111,164)
Other revenues 2,000,000

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.

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.

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Debt Incurred:
Lease Revenue Refunding Bond $ (24,520,000)
Bond Premium (2,974,564)
Deferred Charges 597,098
Principal Repayments:
Lease Revenue Bond Payable 27,975,000
Lease Payable 1,493,939
Bond Premium Amortization 148,728
Deferred Charges Amortization (29,855) 2,690,346

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

1,336,146

Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the statement of activities only the ARC is an expense.

1,072,050

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.

(1,999,026)

Change in Net Position of Governmental Activities $ 27,455,041

See Notes to Financial Statements 36
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, 2017**

### Assets

<table>
<thead>
<tr>
<th>Category</th>
<th>Water</th>
<th>Reclamation</th>
<th>Electric</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>$ 24,001,026</td>
<td>$ 54,831,382</td>
<td>$ 16,078,948</td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>7,053,669</td>
<td>3,987,226</td>
<td>2,033,007</td>
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<tr>
<td>Interest Receivable</td>
<td>82,512</td>
<td>187,852</td>
<td>59,230</td>
</tr>
<tr>
<td>Due from Other Governmental Agencies</td>
<td>4,763,141</td>
<td>25,959</td>
<td>103,899</td>
</tr>
<tr>
<td>Inventories and Prepayments</td>
<td>2,692,263</td>
<td>454,204</td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>-</td>
<td>73,231</td>
<td></td>
</tr>
<tr>
<td>Restricted:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>6,792,002</td>
<td>3,018,047</td>
<td>1,100,000</td>
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<tr>
<td><strong>Total Current Assets</strong></td>
<td>45,384,613</td>
<td>62,050,466</td>
<td>19,902,519</td>
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<tr>
<td><strong>Noncurrent Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and Construction in Progress</td>
<td>47,608,650</td>
<td>12,463,721</td>
<td>2,113,635</td>
</tr>
<tr>
<td>Other Capital Assets, Net of Depreciation</td>
<td>208,568,676</td>
<td>121,791,130</td>
<td>10,287,027</td>
</tr>
<tr>
<td><strong>Total Capital Assets</strong></td>
<td>256,177,326</td>
<td>134,254,851</td>
<td>12,400,662</td>
</tr>
<tr>
<td><strong>Total Noncurrent Assets</strong></td>
<td>256,177,326</td>
<td>134,254,851</td>
<td>12,400,662</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>301,561,939</td>
<td>196,305,317</td>
<td>32,303,181</td>
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</table>

### Deferred Outflows of Resources

<table>
<thead>
<tr>
<th>Category</th>
<th>Water</th>
<th>Reclamation</th>
<th>Electric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Pension Related Items</td>
<td>5,188,787</td>
<td>3,301,950</td>
<td>1,442,934</td>
</tr>
<tr>
<td><strong>Total Deferred Outflows of Resources</strong></td>
<td>5,188,787</td>
<td>3,301,950</td>
<td>1,442,934</td>
</tr>
<tr>
<td><strong>Total Assets and Deferred Outflows of Resources</strong></td>
<td><strong>306,750,726</strong></td>
<td><strong>199,607,267</strong></td>
<td><strong>33,746,115</strong></td>
</tr>
</tbody>
</table>

### Liabilities, Deferred Inflows of Resources, and Net Position

<table>
<thead>
<tr>
<th>Category</th>
<th>Water</th>
<th>Reclamation</th>
<th>Electric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>5,834,599</td>
<td>1,380,956</td>
<td>1,058,258</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>762,746</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposits</td>
<td>332,606</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Claims and Judgments Payable</td>
<td>397,909</td>
<td>238,785</td>
<td>192,510</td>
</tr>
<tr>
<td>Compensated Absences Payable</td>
<td>3,531,728</td>
<td>2,218,347</td>
<td>-</td>
</tr>
<tr>
<td>Long-term Debt</td>
<td>612,792</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Liabilities Payable from Restricted Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>11,472,380</td>
<td>3,838,088</td>
<td>1,250,768</td>
</tr>
<tr>
<td>Noncurrent Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interfund Advances Payable</td>
<td>-</td>
<td>-</td>
<td>9,856,445</td>
</tr>
<tr>
<td>Claims and Judgments Payable</td>
<td>97,015</td>
<td>42,820</td>
<td>-</td>
</tr>
<tr>
<td>Compensated Absences Payable</td>
<td>106,819,662</td>
<td>65,808,682</td>
<td>-</td>
</tr>
<tr>
<td>Long-term Debt, Net of Unamortized Premium</td>
<td>53,081,814</td>
<td>23,655,248</td>
<td>-</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>10,936,932</td>
<td>6,884,605</td>
<td>2,934,087</td>
</tr>
<tr>
<td><strong>Total Noncurrent Liabilities</strong></td>
<td>170,935,423</td>
<td>96,391,355</td>
<td>12,790,532</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>182,407,803</td>
<td>100,229,443</td>
<td>14,041,300</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements
CITY OF CORONA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017  

<table>
<thead>
<tr>
<th>Deferred Inflows of Resources</th>
<th>Water</th>
<th>Water Reclamation</th>
<th>Electric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Pension Related Items</td>
<td>1,354,067</td>
<td>826,225</td>
<td>326,216</td>
</tr>
<tr>
<td>Total Deferred Inflows of Resources</td>
<td>1,354,067</td>
<td>826,225</td>
<td>326,216</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Position</th>
<th>Water</th>
<th>Water Reclamation</th>
<th>Electric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Investment in Capital Assets</td>
<td>199,563,784</td>
<td>108,381,256</td>
<td>12,400,662</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Projects</td>
<td>6,568,086</td>
<td>167,368</td>
<td>-</td>
</tr>
<tr>
<td>Transportation</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(83,143,014)</td>
<td>(9,997,025)</td>
<td>6,977,937</td>
</tr>
<tr>
<td>Total Net Position</td>
<td>122,988,856</td>
<td>98,551,599</td>
<td>19,378,599</td>
</tr>
</tbody>
</table>

| Total Liabilities, Deferred Inflows of Resources, and Net Position | $ 306,750,726 | $ 199,607,267 | $ 33,746,115 |

Reconciliation of Net Position to the Statement of Net Position

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

See Notes to Financial Statements
CITY OF CORONA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

<table>
<thead>
<tr>
<th>Business-Type Activities - Enterprise Funds</th>
<th>Governmental Activities-Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Enterprise Funds</td>
<td>Totals</td>
</tr>
<tr>
<td>Assets</td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>$ 895,838</td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>24,534</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>5,466</td>
</tr>
<tr>
<td>Due from Other Governmental Agencies</td>
<td>139,802</td>
</tr>
<tr>
<td>Inventories and Prepayments</td>
<td>-</td>
</tr>
<tr>
<td>Deposits</td>
<td>-</td>
</tr>
<tr>
<td>Restricted:</td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>697,391</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>1,763,031</td>
</tr>
<tr>
<td>Noncurrent Assets</td>
<td></td>
</tr>
<tr>
<td>Capital Assets:</td>
<td></td>
</tr>
<tr>
<td>Land and Construction in Progress</td>
<td>-</td>
</tr>
<tr>
<td>Other Capital Assets, Net of Depreciation</td>
<td>4,166,486</td>
</tr>
<tr>
<td>Total Capital Assets</td>
<td>4,166,486</td>
</tr>
<tr>
<td>Total Noncurrent Assets</td>
<td>4,166,486</td>
</tr>
<tr>
<td>Total Assets</td>
<td>5,929,517</td>
</tr>
<tr>
<td>Deferred Outflows of Resources</td>
<td></td>
</tr>
<tr>
<td>Deferred Pension Related Items</td>
<td>245,091</td>
</tr>
<tr>
<td>Total Deferred Outflows of Resources</td>
<td>245,091</td>
</tr>
<tr>
<td>Total Assets and Deferred Outflows of Resources</td>
<td>$ 6,174,608</td>
</tr>
<tr>
<td>Liabilities, Deferred Inflows of Resources, and Net Position</td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>$ 152,506</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>408,836</td>
</tr>
<tr>
<td>Deposits</td>
<td>890</td>
</tr>
<tr>
<td>Claims and Judgments Payable</td>
<td>-</td>
</tr>
<tr>
<td>Compensated Absences Payable</td>
<td>30,354</td>
</tr>
<tr>
<td>Long-term Debt</td>
<td>-</td>
</tr>
<tr>
<td>Liabilities Payable from Restricted Assets</td>
<td>-</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>592,586</td>
</tr>
<tr>
<td>Noncurrent Liabilities</td>
<td></td>
</tr>
<tr>
<td>Interfund Advances Payable</td>
<td>130,000</td>
</tr>
<tr>
<td>Claims and Judgments Payable</td>
<td>-</td>
</tr>
<tr>
<td>Compensated Absences Payable</td>
<td>-</td>
</tr>
<tr>
<td>Long-term Capital Lease Payable</td>
<td>-</td>
</tr>
<tr>
<td>Long-term Debt, Net of Unamortized Premium</td>
<td>-</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>535,084</td>
</tr>
<tr>
<td>Total Noncurrent Liabilities</td>
<td>665,084</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>1,257,670</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements
### Deferred Inflows of Resources

<table>
<thead>
<tr>
<th></th>
<th>Enterprise Funds</th>
<th>Totals</th>
<th>Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Pension Related Items</td>
<td>71,209</td>
<td>2,577,717</td>
<td>137,699</td>
</tr>
<tr>
<td><strong>Total Deferred Inflows of Resources</strong></td>
<td>71,209</td>
<td>2,577,717</td>
<td>137,699</td>
</tr>
</tbody>
</table>

### Net Position

| Net Investment in Capital Assets | 4,166,486 | 324,512,188 | - |
| Restricted for:                  |           |             |   |
| Capital Projects                 | -         | 6,735,454   | - |
| Transportation                   | 697,391   | 697,391     | - |
| Unrestricted                     | (18,148)  | (86,180,250)| 9,568,382    |
| **Total Net Position**           | 4,845,729 | 245,764,783 | 9,568,382    |

### Total Liabilities, Deferred Inflows of Resources, and Net Position

<table>
<thead>
<tr>
<th></th>
<th>Enterprise Funds</th>
<th>Totals</th>
<th>Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Position</strong></td>
<td>6,174,608</td>
<td>546,278,716</td>
<td>35,214,694</td>
</tr>
</tbody>
</table>

### Reconciliation of Net Position to the Statement of Net Position

- Net Position per Statement of Net Position - Proprietary Funds: $245,764,783
- Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds: $(330,900)
- Current years’ adjustments to reflect the consolidation of internal service activities related to enterprise funds: $87,519
- **Net Position per Statement of Net Position**: $245,521,402

---

*See Notes to Financial Statements*
CITY OF CORONA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017

Operating Revenues

<table>
<thead>
<tr>
<th>Service Charges</th>
<th>Fees and Permits</th>
<th>Fines and Penalties</th>
<th>Other Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 48,664,512</td>
<td>$ 1,636,491</td>
<td>$ 500,530</td>
<td>$ 1,083,094</td>
</tr>
<tr>
<td>$ 30,294,984</td>
<td>186,876</td>
<td>306,298</td>
<td>482,996</td>
</tr>
<tr>
<td>$ 15,876,770</td>
<td>-</td>
<td>43,191</td>
<td>894,867</td>
</tr>
</tbody>
</table>

Total Operating Revenues

<table>
<thead>
<tr>
<th>Total Operating Revenues</th>
<th>Proprietary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 51,884,627</td>
<td>$ 31,271,154</td>
</tr>
<tr>
<td></td>
<td>$ 16,814,828</td>
</tr>
</tbody>
</table>

Operating Expenses

<table>
<thead>
<tr>
<th>Personnel Services</th>
<th>Contractual</th>
<th>Materials and Supplies</th>
<th>Utilities</th>
<th>Depreciation and Amortization</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 7,623,238</td>
<td>$ 3,596,039</td>
<td>$ 24,635,920</td>
<td>$ 4,661,074</td>
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</tr>
<tr>
<td>$ 4,668,829</td>
<td>$ 1,029,876</td>
<td>$ 7,604,842</td>
<td>$ 4,682,313</td>
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</tr>
<tr>
<td>$ 2,057,010</td>
<td>$ 364,747</td>
<td>$ 3,427,262</td>
<td>$ 951,551</td>
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</tbody>
</table>

Total Operating Expenses

<table>
<thead>
<tr>
<th>Total Operating Expenses</th>
<th>Proprietary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 47,789,429</td>
<td>$ 21,491,142</td>
</tr>
<tr>
<td></td>
<td>$ 14,951,280</td>
</tr>
</tbody>
</table>

Operating Income (Loss)

<table>
<thead>
<tr>
<th>Operating Income (Loss)</th>
<th>Proprietary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 4,095,198</td>
<td>$ 9,780,012</td>
</tr>
<tr>
<td></td>
<td>$ 1,863,548</td>
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</table>

Nonoperating Revenues (Expenses)

<table>
<thead>
<tr>
<th>Investment Earnings</th>
<th>Interest Expense</th>
<th>Operating Grants and Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 68,320</td>
<td>(5,249,130)</td>
<td>$ 71,144</td>
</tr>
<tr>
<td>$ 118,919</td>
<td>(2,768,677)</td>
<td></td>
</tr>
<tr>
<td>$ 11,307</td>
<td>(579,015)</td>
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</table>

Total Nonoperating Revenues (Expenses)

<table>
<thead>
<tr>
<th>Total Nonoperating Revenues (Expenses)</th>
<th>Proprietary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>(5,109,666)</td>
<td>(2,649,758)</td>
</tr>
<tr>
<td></td>
<td>(413,337)</td>
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</table>

Income (Loss) Before Contributions and Transfers

<table>
<thead>
<tr>
<th>Income (Loss) Before Contributions and Transfers</th>
<th>Proprietary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1,014,468)</td>
<td>7,130,254</td>
</tr>
<tr>
<td></td>
<td>1,450,211</td>
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</table>

Capital Grants and Contributions

<table>
<thead>
<tr>
<th>Capital Grants and Contributions</th>
<th>Transfers In</th>
<th>Transfers Out</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 9,623,880</td>
<td>$ 2,088,602</td>
<td>(22,485)</td>
</tr>
<tr>
<td>$ 4,161,847</td>
<td></td>
<td>(2,088,602)</td>
</tr>
</tbody>
</table>

Changes in Net Position

<table>
<thead>
<tr>
<th>Changes in Net Position</th>
<th>Proprietary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 8,586,927</td>
<td>$ 13,358,218</td>
</tr>
<tr>
<td></td>
<td>(638,391)</td>
</tr>
</tbody>
</table>

Net Position, Beginning of Year

<table>
<thead>
<tr>
<th>Net Position, Beginning of Year</th>
<th>Proprietary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 113,903,479</td>
<td>$ 84,944,156</td>
</tr>
<tr>
<td></td>
<td>19,933,915</td>
</tr>
</tbody>
</table>

Restatements

<table>
<thead>
<tr>
<th>Restatements</th>
<th>Proprietary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 498,450</td>
<td>$ 249,225</td>
</tr>
<tr>
<td>$ 83,075</td>
<td></td>
</tr>
</tbody>
</table>

Net Position, Beginning of Year, as Restated

<table>
<thead>
<tr>
<th>Net Position, Beginning of Year, as Restated</th>
<th>Proprietary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 114,401,929</td>
<td>$ 85,193,381</td>
</tr>
<tr>
<td></td>
<td>20,016,990</td>
</tr>
</tbody>
</table>

Net Position, End of Year

<table>
<thead>
<tr>
<th>Net Position, End of Year</th>
<th>Proprietary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 122,988,856</td>
<td>$ 98,551,599</td>
</tr>
<tr>
<td>$ 19,437,599</td>
<td></td>
</tr>
</tbody>
</table>

Reconciliation of Changes in Net Position to the Statement of Activities:

Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds

Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds

Changes in Net Position of Business-Type Activities per Statement of Activities

See Notes to Financial Statements

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CITY OF CORONA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
_PROPRIETARY FUNDS_
YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th>Business-Type Activities - Enterprise Funds</th>
<th>Other Enterprise Funds</th>
<th>Totals</th>
<th>Governmental Activities-Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Charges</td>
<td>278,348</td>
<td>14,627,425</td>
<td>956,451</td>
</tr>
<tr>
<td>Fees and Permits</td>
<td>1,645,162</td>
<td>6,635,824</td>
<td>151,014</td>
</tr>
<tr>
<td>Fines and Penalties</td>
<td>183,374</td>
<td>35,851,398</td>
<td>3,280,663</td>
</tr>
<tr>
<td>Utilities</td>
<td>219,438</td>
<td>16,536,504</td>
<td>919,208</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>667,239</td>
<td>13,574,261</td>
<td></td>
</tr>
<tr>
<td>Claims Expense</td>
<td>-</td>
<td>-</td>
<td>4,651,056</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>2,993,561</td>
<td>87,225,412</td>
<td>9,958,392</td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>(2,267,160)</td>
<td>13,471,598</td>
<td>(1,342,073)</td>
</tr>
<tr>
<td>Nonoperating Revenues (Expenses)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>1,212</td>
<td>199,758</td>
<td></td>
</tr>
<tr>
<td>Interest Expense</td>
<td>-</td>
<td>(8,596,822)</td>
<td></td>
</tr>
<tr>
<td>Operating Grants and Contributions</td>
<td>1,803,280</td>
<td>2,028,795</td>
<td></td>
</tr>
<tr>
<td><strong>Total Nonoperating Revenues (Expenses)</strong></td>
<td>1,804,492</td>
<td>(6,368,269)</td>
<td></td>
</tr>
<tr>
<td>Income (Loss) Before Contributions and Transfers</td>
<td>(462,668)</td>
<td>7,103,329</td>
<td>(1,342,073)</td>
</tr>
<tr>
<td>Capital Grants and Contributions</td>
<td>146,937</td>
<td>13,932,664</td>
<td></td>
</tr>
<tr>
<td>Transfers In</td>
<td>-</td>
<td>2,088,602</td>
<td></td>
</tr>
<tr>
<td>Transfers Out</td>
<td>-</td>
<td>(2,133,572)</td>
<td>(569,434)</td>
</tr>
<tr>
<td>Changes in Net Position</td>
<td>(315,731)</td>
<td>20,991,023</td>
<td>(1,911,507)</td>
</tr>
<tr>
<td>Net Position, Beginning of Year</td>
<td>5,161,460</td>
<td>223,943,010</td>
<td>11,479,889</td>
</tr>
<tr>
<td>Restatements</td>
<td>-</td>
<td>830,750</td>
<td></td>
</tr>
<tr>
<td>Net Position, Beginning of Year, as Restated</td>
<td>5,161,460</td>
<td>224,773,760</td>
<td>11,479,889</td>
</tr>
<tr>
<td><strong>Net Position, End of Year</strong></td>
<td><strong>4,845,729</strong></td>
<td><strong>245,764,783</strong></td>
<td><strong>9,568,382</strong></td>
</tr>
</tbody>
</table>

Reconciliation of Changes in Net Position to the Statement of Activities:

Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds $ 20,991,023  
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds 87,519  
Changes in Net Position of Business-Type Activities per Statement of Activities $ 21,078,542

See Notes to Financial Statements
CITY OF CORONA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities:</th>
<th>Water</th>
<th>Water Reclamation</th>
<th>Electric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash received from customers and users</td>
<td>$50,286,035</td>
<td>$30,649,681</td>
<td>$15,703,043</td>
</tr>
<tr>
<td>Cash paid to suppliers for goods and services</td>
<td>(32,993,655)</td>
<td>(12,952,561)</td>
<td>(11,439,836)</td>
</tr>
<tr>
<td>Cash paid to employees for services</td>
<td>(7,483,014)</td>
<td>(4,773,804)</td>
<td>(2,001,816)</td>
</tr>
<tr>
<td>Cash paid for current claims</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash paid for long-term claims</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash paid to others</td>
<td>(1,045,083)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash received from others</td>
<td>-</td>
<td>475,787</td>
<td>797,305</td>
</tr>
<tr>
<td><strong>Net Cash Provided (Used) by Operating Activities</strong></td>
<td><strong>8,764,283</strong></td>
<td><strong>13,399,103</strong></td>
<td><strong>3,058,696</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Non-Capital Financing Activities:</th>
<th>Water</th>
<th>Water Reclamation</th>
<th>Electric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>2,088,602</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(22,485)</td>
<td>(22,485)</td>
<td>(2,088,602)</td>
</tr>
<tr>
<td>Advance from other funds</td>
<td>-</td>
<td>-</td>
<td>(877,593)</td>
</tr>
<tr>
<td>Operating grants and contributions</td>
<td>71,144</td>
<td>-</td>
<td>154,371</td>
</tr>
<tr>
<td><strong>Net Cash Provided (Used) by Non-Capital Financing Activities</strong></td>
<td><strong>48,659</strong></td>
<td><strong>2,066,117</strong></td>
<td><strong>(2,811,824)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Capital and Related Financing Activities:</th>
<th>Water</th>
<th>Water Reclamation</th>
<th>Electric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from capital debt</td>
<td>-</td>
<td>2,137,976</td>
<td>-</td>
</tr>
<tr>
<td>Capital grants and contributions</td>
<td>9,623,880</td>
<td>4,161,847</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition and construction of capital assets</td>
<td>(18,092,618)</td>
<td>(5,526,748)</td>
<td>(515,560)</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>-</td>
<td>-</td>
<td>2,473,216</td>
</tr>
<tr>
<td>Retirement on long-term debt</td>
<td>(3,458,989)</td>
<td>(2,400,000)</td>
<td>-</td>
</tr>
<tr>
<td>Interest payments of long-term debt</td>
<td>(5,337,704)</td>
<td>(2,787,608)</td>
<td>(579,015)</td>
</tr>
<tr>
<td><strong>Net Cash Provided (Used) by Capital and Related Financing Activities</strong></td>
<td><strong>(17,265,431)</strong></td>
<td><strong>(4,414,533)</strong></td>
<td><strong>1,378,641</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Investing Activities:</th>
<th>Water</th>
<th>Water Reclamation</th>
<th>Electric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest received</td>
<td>71,272</td>
<td>44,572</td>
<td>(6,846)</td>
</tr>
<tr>
<td><strong>Net Cash Provided (Used) by Investing Activities</strong></td>
<td><strong>71,272</strong></td>
<td><strong>44,572</strong></td>
<td><strong>(6,846)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Increase (Decrease) in Cash and Cash Equivalents</th>
<th>Water</th>
<th>Water Reclamation</th>
<th>Electric</th>
</tr>
</thead>
<tbody>
<tr>
<td>(8,381,217)</td>
<td>11,095,259</td>
<td>1,618,667</td>
<td></td>
</tr>
</tbody>
</table>

| Cash and Cash Equivalents at Beginning of Year | $39,174,245 | 46,754,170 | 15,560,281 |
|**Cash and Cash Equivalents at End of Year** | **$30,793,028** | **$57,849,429** | **$17,178,948** |

See Notes to Financial Statements
**Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Water</th>
<th>Water Reclamation</th>
<th>Electric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income (Loss)</td>
<td>$ 4,095,198</td>
<td>$ 9,780,012</td>
<td>$ 1,863,548</td>
</tr>
</tbody>
</table>

**Adjustments to Reconcile Operating Income (Loss)**

**Net Cash Provided (Used) by Operating Activities:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Water</th>
<th>Water Reclamation</th>
<th>Electric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and Amortization</td>
<td>7,273,158</td>
<td>4,682,313</td>
<td>951,551</td>
</tr>
<tr>
<td>(Increase) decrease in accounts receivable</td>
<td>(762,178)</td>
<td>(138,477)</td>
<td>(206,684)</td>
</tr>
<tr>
<td>(Increase) decrease in deposits receivable</td>
<td>-</td>
<td>-</td>
<td>(10,234)</td>
</tr>
<tr>
<td>(Increase) decrease in due from other governments</td>
<td>(2,128,177)</td>
<td>(7,209)</td>
<td>(97,562)</td>
</tr>
<tr>
<td>(Increase) decrease in inventories and prepayments</td>
<td>449,020</td>
<td>-</td>
<td>408,551</td>
</tr>
<tr>
<td>(Increase) decrease in deferred outflows of pension related items</td>
<td>(4,722,395)</td>
<td>(3,005,326)</td>
<td>(1,314,401)</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable and accrued liabilities</td>
<td>(758,788)</td>
<td>(393,124)</td>
<td>94,332</td>
</tr>
<tr>
<td>Increase (decrease) in unearned revenue</td>
<td>(74,918)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in deposits payable</td>
<td>321,598</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in claims and judgments</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in compensated absences</td>
<td>9,067</td>
<td>(120,538)</td>
<td>73,900</td>
</tr>
<tr>
<td>Increase (decrease) in liabilities payable from restricted assets</td>
<td>209,146</td>
<td>(419,437)</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in pension liability</td>
<td>3,982,556</td>
<td>2,488,520</td>
<td>1,085,353</td>
</tr>
<tr>
<td>Increase (decrease) in deferred inflows of pension related items</td>
<td>870,996</td>
<td>532,369</td>
<td>210,342</td>
</tr>
<tr>
<td><strong>Total Adjustments</strong></td>
<td>4,669,085</td>
<td>3,619,091</td>
<td>1,195,148</td>
</tr>
</tbody>
</table>

**Net Cash Provided (Used) by Operating Activities**

<table>
<thead>
<tr>
<th>Description</th>
<th>Water</th>
<th>Water Reclamation</th>
<th>Electric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Activities</td>
<td>$ 8,764,283</td>
<td>$ 13,399,103</td>
<td>$ 3,058,696</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Water</th>
<th>Water Reclamation</th>
<th>Electric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization of bond premium</td>
<td>(88,575)</td>
<td>(18,930)</td>
<td>-</td>
</tr>
</tbody>
</table>
CITY OF CORONA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th>Business-Type Activities - Enterprise Funds</th>
<th>Other Enterprise Funds</th>
<th>Totals</th>
<th>Governmental Activities-Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received from customers and users</td>
<td>$ 17,606</td>
<td>$ 96,656,365</td>
<td>$ 7,744,969</td>
</tr>
<tr>
<td>Cash paid to suppliers for goods and services</td>
<td>(2,208,644)</td>
<td>(59,594,696)</td>
<td>(4,158,556)</td>
</tr>
<tr>
<td>Cash paid to employees for services</td>
<td>(325,720)</td>
<td>(14,584,354)</td>
<td>(1,007,713)</td>
</tr>
<tr>
<td>Cash paid for current claims</td>
<td>-</td>
<td>-</td>
<td>(994,375)</td>
</tr>
<tr>
<td>Cash paid for long-term claims</td>
<td>-</td>
<td>-</td>
<td>(2,207,059)</td>
</tr>
<tr>
<td>Cash paid to others</td>
<td>-</td>
<td>(1,045,083)</td>
<td>-</td>
</tr>
<tr>
<td>Cash received from others</td>
<td>974,308</td>
<td>2,247,400</td>
<td>870,754</td>
</tr>
<tr>
<td><strong>Net Cash Provided (Used) by Operating Activities</strong></td>
<td>(1,542,450)</td>
<td>23,679,632</td>
<td>248,020</td>
</tr>
<tr>
<td><strong>Cash Flows from Non-Capital Financing Activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>2,088,602</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>(2,133,572)</td>
<td>(569,434)</td>
</tr>
<tr>
<td>Advance from other funds</td>
<td>(15,000)</td>
<td>(892,593)</td>
<td>-</td>
</tr>
<tr>
<td>Operating grants and contributions</td>
<td>1,803,280</td>
<td>2,028,795</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Cash Provided (Used) by Non-Capital Financing Activities</strong></td>
<td>1,788,280</td>
<td>1,091,232</td>
<td>(569,434)</td>
</tr>
<tr>
<td><strong>Cash Flows from Capital and Related Financing Activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from capital debt</td>
<td>-</td>
<td>2,137,976</td>
<td>-</td>
</tr>
<tr>
<td>Capital grants and contributions</td>
<td>146,937</td>
<td>13,932,664</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition and construction of capital assets</td>
<td>(55,925)</td>
<td>(24,190,851)</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>-</td>
<td>2,473,216</td>
<td>-</td>
</tr>
<tr>
<td>Retirement on long-term debt</td>
<td>-</td>
<td>(5,858,989)</td>
<td>-</td>
</tr>
<tr>
<td>Interest payments of long-term debt</td>
<td>-</td>
<td>(8,704,327)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Cash Provided (Used) by Capital and Related Financing Activities</strong></td>
<td>91,012</td>
<td>(20,210,311)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Cash Flows from Investing Activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>(551)</td>
<td>108,447</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Cash Provided (Used) by Investing Activities</strong></td>
<td>(551)</td>
<td>108,447</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Increase (Decrease) in Cash and Cash Equivalents</strong></td>
<td>336,291</td>
<td>4,669,000</td>
<td>(321,414)</td>
</tr>
<tr>
<td>Cash and Cash Equivalents at Beginning of Year</td>
<td>1,256,938</td>
<td>102,745,634</td>
<td>34,312,678</td>
</tr>
<tr>
<td>Cash and Cash Equivalents at End of Year</td>
<td>$ 1,593,229</td>
<td>$ 107,414,634</td>
<td>$ 33,991,264</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements
## Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Other Enterprise Funds</th>
<th>Totals</th>
<th>Governmental Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income (Loss)</td>
<td>(2,267,160)</td>
<td>13,471,598</td>
<td>(1,342,073)</td>
</tr>
<tr>
<td><strong>Adjustments to Reconcile Operating Income (Loss)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Cash Provided (Used) by Operating Activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>667,239</td>
<td>13,574,261</td>
<td>-</td>
</tr>
<tr>
<td>(Increase) decrease in accounts receivable</td>
<td>(18,719)</td>
<td>(1,126,058)</td>
<td>(1,572)</td>
</tr>
<tr>
<td>(Increase) decrease in deposits receivable</td>
<td>-</td>
<td>(10,234)</td>
<td>-</td>
</tr>
<tr>
<td>(Increase) decrease in due from other governments</td>
<td>44,762</td>
<td>(2,188,186)</td>
<td>976</td>
</tr>
<tr>
<td>(Increase) decrease in inventories and prepayments</td>
<td>-</td>
<td>857,571</td>
<td>63,994</td>
</tr>
<tr>
<td>(Increase) decrease in deferred outflows of pension related items</td>
<td>(217,233)</td>
<td>(9,259,355)</td>
<td>(566,432)</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable and accrued liabilities</td>
<td>(160,670)</td>
<td>(1,218,250)</td>
<td>128,335</td>
</tr>
<tr>
<td>Increase (decrease) in unearned revenue</td>
<td>239,470</td>
<td>164,552</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in deposits payable</td>
<td>-</td>
<td>321,598</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in claims and judgments</td>
<td>-</td>
<td>-</td>
<td>1,449,622</td>
</tr>
<tr>
<td>Increase (decrease) in compensated absences</td>
<td>(28,374)</td>
<td>(65,945)</td>
<td>(3,390)</td>
</tr>
<tr>
<td>Increase (decrease) in liabilities payable from restricted assets</td>
<td>(210,291)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in pension liability</td>
<td>147,714</td>
<td>7,704,143</td>
<td>420,148</td>
</tr>
<tr>
<td>Increase (decrease) in deferred inflows of pension related items</td>
<td>50,521</td>
<td>1,664,228</td>
<td>98,412</td>
</tr>
<tr>
<td><strong>Total Adjustments</strong></td>
<td>724,710</td>
<td>10,208,034</td>
<td>1,590,093</td>
</tr>
<tr>
<td><strong>Net Cash Provided (Used) by Operating Activities</strong></td>
<td>(1,542,450)</td>
<td>23,679,632</td>
<td>248,020</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Other Enterprise Funds</th>
<th>Totals</th>
<th>Governmental Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization of bond premium</td>
<td>-</td>
<td>$ (107,505)</td>
<td>-</td>
</tr>
</tbody>
</table>
**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.
## STATEMENT OF FIDUCIARY NET POSITION
### FIDUCIARY FUNDS
#### JUNE 30, 2017

### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Successor Fund</th>
<th>Agency Trust Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments</td>
<td>$5,214,556</td>
<td>$3,194,303</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>-</td>
<td>97,131</td>
</tr>
<tr>
<td>Due from Other Governmental Agencies</td>
<td>-</td>
<td>178,742</td>
</tr>
<tr>
<td>Restricted Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>6,829,567</td>
<td>24,774,222</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>12,044,123</strong></td>
<td><strong>28,244,398</strong></td>
</tr>
</tbody>
</table>

### Deferred Outflows of Resources

<table>
<thead>
<tr>
<th>Description</th>
<th>Successor Fund</th>
<th>Agency Trust Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Pension Related Items</td>
<td>206,122</td>
<td></td>
</tr>
<tr>
<td><strong>Total Deferred Outflows of Resources</strong></td>
<td><strong>206,122</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Successor Fund</th>
<th>Agency Trust Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>890,054</td>
<td>$82,443</td>
</tr>
<tr>
<td>Long-Term Debt Due within One Year</td>
<td>3,970,000</td>
<td>-</td>
</tr>
<tr>
<td>Liabilities Payable from Restricted Assets</td>
<td>3,203</td>
<td>-</td>
</tr>
<tr>
<td>Noncurrent:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to Other Governmental Agencies</td>
<td>10,848,086</td>
<td>-</td>
</tr>
<tr>
<td>Long-term Debt, Net of Unamortized Premium</td>
<td>56,175,249</td>
<td>-</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>678,367</td>
<td>-</td>
</tr>
<tr>
<td>Due to Bondholders</td>
<td>-</td>
<td>28,161,955</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>72,564,959</strong></td>
<td><strong>28,244,398</strong></td>
</tr>
</tbody>
</table>

### Deferred Inflows of Resources

<table>
<thead>
<tr>
<th>Description</th>
<th>Successor Fund</th>
<th>Agency Trust Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Pension Related Items</td>
<td>166,630</td>
<td></td>
</tr>
<tr>
<td><strong>Total Deferred Inflows or Resources</strong></td>
<td><strong>166,630</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Net Position

<table>
<thead>
<tr>
<th>Description</th>
<th>Successor Fund</th>
<th>Agency Trust Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Held in Trust for Successor Agency Activities</td>
<td>(60,481,344)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td><strong>(60,481,344)</strong></td>
<td></td>
</tr>
</tbody>
</table>

---

See Notes to Financial Statements
CITY OF CORONA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2017

Additions

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>$10,386,370</td>
</tr>
<tr>
<td>Investment Income</td>
<td>$22,415</td>
</tr>
<tr>
<td><strong>Total Additions</strong></td>
<td><strong>$10,408,785</strong></td>
</tr>
</tbody>
</table>

Deductions

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Expenses</td>
<td>$246,925</td>
</tr>
<tr>
<td>Developer Payments - OPA Approved by DOF</td>
<td>$2,117,526</td>
</tr>
<tr>
<td>Debt Service Payments</td>
<td>$2,816,028</td>
</tr>
<tr>
<td><strong>Total Deductions</strong></td>
<td><strong>$5,180,479</strong></td>
</tr>
</tbody>
</table>

Changes in Net Position

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in Net Position</td>
<td>$5,228,306</td>
</tr>
</tbody>
</table>

Net Position, Beginning of Year

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Position, Beginning of Year</td>
<td>$(65,709,650)</td>
</tr>
</tbody>
</table>

Net Position, End of the Year

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Position, End of the Year</td>
<td>$(60,481,344)</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements
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<td>80</td>
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<td>7. Capital Assets</td>
<td>80</td>
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<td>8. Compensated Absences Payable</td>
<td>85</td>
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<td>9. Long-Term Obligations</td>
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CORONA
"THE CIRCLE CITY"
Established
May 4, 1886
To Cherish Our Past - To Plan Our Future
I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Summary of Significant Accounting Policies

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

a. Reporting Entity

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

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

Blended Component Units

The Corona Public Financing Authority is a joint powers authority organized under Section 6500 et seq. of the California Government Code on June 21, 1989, between the City and the Agency for the purpose of acting as a vehicle for various financing activities of the City and the Agency. The CPFA’s Board of Directors is the Corona City Council. The funds of the CPFA have been included in the governmental activities in the financial statements. Funds related to debt issued for proprietary activities are included in the business-type activities. Separate financial statements are not prepared.

The Corona Utility Authority is a joint powers authority which was established on February 6, 2002 pursuant to a Joint Exercise of Powers Agreement between the City and the Agency in accordance with the Joint Powers Law (Articles 1 through 4 of Chapter 5, Division 7, Title 1 of the California Government Code) for the purpose of assisting the City in the leasing of the water and water reclamation utility systems. The Authority’s Officers are the Corona City Council and the City’s executive management. The funds of the Authority have been included in the business-type activities in the financial statements. Separate financial statements are not prepared.
The Corona Housing Authority was established on February 16, 2011, pursuant to the California Housing Authority Law codified under State of California Health and Safety Code, Section 34200 et seq. The City Council became the commissioners of governing board of the CHA. The CHA was formed for purposes of providing sanitary and safe housing for people of very low, low or moderate income within the City’s territorial jurisdiction. This is achieved by building, acquiring, managing and maintaining residential rental units and providing financial assistance for rentals or ownership in the private real estate market. City staff provides management assistance to the CHA. Upon the dissolution of the former Corona Redevelopment Agency pursuant to Assembly Bill X1 26, the CHA elected to become the successor agency to the former Corona Redevelopment Agency’s housing functions (Housing Successor). Pursuant to Senate Bill 341, the CHA oversees the Low and Moderate Income Housing Asset fund. The funds of the CHA have been included in the governmental activities in the financial statements. Separate financial statements are not prepared.

b. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses three categories of funds: governmental, proprietary and fiduciary.
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 capital projects fund is used to account for Quimby and various development impact fees (DIF) received. The use of DIF funds is governed by Section 66006 of the Government Code.

- The Low Mod Income Housing Asset (Housing Successor) capital project fund accounts for the transactions related to low and moderate income housing activities pursuant to SB 341 and as prescribed in the Housing Element of the City’s General Plan.

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

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

  Public Financing Authority

Proprietary Funds

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

The following are the City’s major enterprise funds:

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

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

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

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

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

  Transit Services
  Airport

Additionally, the City reports the internal service funds that account for the City’s fleet operations, 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.
Note 1: Summary of Significant Accounting Policies (Continued)

The City reports the following two types of fiduciary funds:

Private-Purpose Trust Fund

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

Agency Funds

Two funds are reported under the Agency Fund type, the AD/CFD Fund and the AB109 PACT Fund. The AD/CFD Fund was established to account for receipt of special taxes and assessments used to pay principal and interest on related bonds that are not direct City liabilities, as well as receipt and disbursement of capital project bond proceeds related to bonds that are not direct obligations of the City.

The AB109 PACT Fund was created on December 16, 2015 to account for activities of the Riverside County Post-Release Accountability and Compliance Team (PACT). The City of Corona is one of the seven member agencies of PACT, and serves as the trustee for PACT. Funding for PACT comes from the State of California in accordance with AB 109, Public Safety Realignment Act of 2011.

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

c. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances presents the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.
Note 1: Summary of Significant Accounting Policies (Continued)

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

d. Basis of Accounting

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

Revenue – Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are 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 AQMD funds received after the 60-day accrual period.

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

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria listed above have been satisfied.
CITY OF CORONA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2017

Note 1: Summary of Significant Accounting Policies (Continued)

Expenses/Expenditures

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

Proprietary Funds Operating and Non-operating Revenues and Expenses

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

e. Cash, Cash Equivalents and Investments

Cash Management

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

Investments Valuation

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining the amount, the City uses the Market Approach, one of the three acceptable valuation techniques. Market approach uses prices generated for identical or similar assets or liabilities.

The City implemented GASB Statement No. 72, Fair Value Measurement and Application in its June 30, 2017 financial statements. The City’s investments were categorized as Level 2 only, and there were no Level 1 or Level 3 investments.

State Investment Pool

The City participates in the Local Agency Investment Fund (LAIF), an investment pool managed by the State of California. LAIF has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as a result of changes in interest rates.
All investments in LAIF were considered as Level 2 investment under GASB Statement No.72.

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

f. Receivables

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

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

Receivables are reported net of an allowance for uncollectible accounts. As of June 30, 2017, allowances of uncollectibles for governmental funds totaled $8,890,446, in the Low Mod Income Housing Asset capital project fund, primarily for the various development agreements entered between the City and the developers who constructed the various low and moderate income housing projects. Allowances of uncollectibles for proprietary funds totaled $236,192 as of June 30, 2017, with $133,642 for Water, $80,538 for Water Reclamation, and $22,012 for Electric utility.

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."
Note 1: Summary of Significant Accounting Policies (Continued)

g. Inventories, Prepaid Items and Land Held for Resale

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

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

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

h. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” Services provided are treated as revenues and expenses. Administrative overhead charges included with centralized expenses charged by the General Fund are included in the direct expenses of enterprise activities. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are eliminated as part of the reconciliation to the government-wide financial statements. Refer to Note 4 for additional information.

i. Capital Assets

The City’s assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting capital assets at $25,000 for non-infrastructure items and $100,000 for infrastructure. The City has chosen the “modified approach” for reporting the streets subsystem of infrastructure capital assets. Donated capital assets are reported at acquisition value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as shown below:

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

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

The City defines infrastructure as the basic physical assets that allow the City to function. These assets include the street system, water purification and distribution system, sewer collection and treatment system, park and recreation lands and improvement system, storm water conveyance system, and buildings combined with the site amenities such as parking and landscaped areas used by the City in the conduct of
its business. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, traffic control devices (signs, signals and pavement markings), landscaping and land. These subsystems were not delineated in the Basic Financial Statements. The appropriate operating department maintains information regarding the subsystems.

The City elected to use the “modified approach” as defined by GASB Statement No. 34 for infrastructure reporting of its streets, concrete and asphalt pavements. The City commissioned the most recent physical assessment of its street pavement condition in October 2017. The Citywide condition assessments are performed every three years, with each year focusing on specific regions of the City. Each homogeneous segment of City owned street was assigned a physical condition based on 17 potential defects. A Pavement Condition Index (PCI) was assigned to each street segment. The index is expressed in a continuous scale from 0 to 100, where 0 is assigned to the least acceptable physical condition and 100 is assigned to segments of street that have the physical characteristics of a new street. The City's policy relative to maintaining the street assets is to achieve an average rating of 71 for all street segments. This acceptable rating allows minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at the posted speeds. Please refer to the Required Supplementary Information section of this report for additional information on the modified approach.

For all other infrastructure systems, the City elected to use the “basic approach” as defined by GASB Statement No. 34 for infrastructure reporting. The City commissioned an appraisal of City owned infrastructure and property as of June 30, 1999 and has completed an internal update for June 30, 2017. This appraisal determined the original cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition. Original costs were developed in one of three ways: 1) historical records; 2) standard unit costs appropriate for the construction/acquisition date; or 3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date on a straight line, unrecovered cost method was computed using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the original cost.

j. Compensated Absences Payable

Under certain circumstances and according to the negotiated labor agreements, employees of the City are allowed to accumulate annual leave. This amount is accrued in the government-wide and proprietary fund statements. Please refer to Note 8 for additional information.

k. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.
Note 1: Summary of Significant Accounting Policies (Continued)

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

I. Net Pension Liability

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

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

Valuation Date (VD)       June 30, 2015
Measurement Date (MD)     June 30, 2016
Measurement Period (MP)   July 1, 2015 to June 30, 2016

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 two type of items that qualifies for reporting in this category. The item, deferred charge on refunding, is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other 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 of 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 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 criterions. 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
Note 1: Summary of Significant Accounting Policies (Continued)

committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts. Please refer to Note 15 for additional information.

Net Position

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

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

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, 2017, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

GASB Statement No. 77 – Tax Abatement Disclosures. This Statement establishes financial reporting standards for tax abatement agreements entered into by state and local governments. This Statement requires disclosure of tax abatement information about (1) a government’s own tax abatement agreements and (2) those that are entered into by other governments and that reduce the government’s tax revenues. The requirements of this Statement are effective for financial statements for reporting periods beginning after December 15, 2015.

II. STEWARDSHIP

Note 2: Stewardship, Compliance and Accountability

a. Deficit Fund Balance or Net Position

At June 30, 2017, the Public Facility Project Fund had a deficit fund balance of $48,525 and the Worker’s Compensation internal service fund had a deficit fund balance of $947,662. The deficit will be eliminated with future revenue. The Successor Agency Trust Fund had a deficit net position amount of $60,481,344.
III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

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

a. Cash Deposits

The carrying amounts of the City’s cash deposits were $1,585,718 at June 30, 2017. Bank balances before reconciling items were $3,930,553 at that date. All City’s cash and investments as of June 30, 2017 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;
Note 3: 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:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realized gain/(loss) on matured investments</td>
<td>$409,207</td>
<td>$(195,338)</td>
</tr>
<tr>
<td>Unrealized loss in changes in fair value of investments</td>
<td>$(3,271,454)</td>
<td>2,477,693</td>
</tr>
<tr>
<td>Interest Income</td>
<td>3,685,232</td>
<td>2,729,664</td>
</tr>
<tr>
<td>Total investment income</td>
<td>$822,985</td>
<td>$5,012,019</td>
</tr>
</tbody>
</table>

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, 2017:

<table>
<thead>
<tr>
<th></th>
<th>Government-Wide Statement of Net Position</th>
<th>Fiduciary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Governmental Activities</td>
<td>Business-Type Activities</td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>$172,852,140</td>
<td>$95,807,194</td>
</tr>
<tr>
<td>Restricted Cash and Investments</td>
<td>$2,084,323</td>
<td>$11,607,440</td>
</tr>
<tr>
<td>Total Cash and Investments</td>
<td>$2,086,323</td>
<td>$11,707,440</td>
</tr>
</tbody>
</table>

Total $322,363,745

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 of 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, 2017 included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities.
Note 3:  Cash and Investments (Continued)

As of June 30, 2017, the City had $58,867,510 invested in LAIF. Fair value of the City's LAIF investments was $58,805,150 as of June 30, 2017. 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 0.998940671.

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, 2017 are presented below:

<table>
<thead>
<tr>
<th>Investment Maturities (in Months)</th>
<th>Investment Type</th>
<th>12 Months or Less</th>
<th>12 Months to 60 Months</th>
<th>More than 60 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FHLB</td>
<td>$ 6,773,467</td>
<td>$ 11,246,090</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>FHLMC</td>
<td>949,972</td>
<td>19,378,544</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>FNMA</td>
<td>-</td>
<td>39,666,778</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>US T- Notes</td>
<td>-</td>
<td>50,316,542</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>LAIF</td>
<td>58,805,150</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Federated</td>
<td>59,710</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>American Honda Finance</td>
<td>-</td>
<td>2,767,683</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Apple Inc</td>
<td>2,490,950</td>
<td>2,676,129</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Bank of New York Mellon</td>
<td>-</td>
<td>1,191,288</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Bank of Tokyo Mit/NY</td>
<td>4,064,063</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Berkshire Hathaway Finance</td>
<td>-</td>
<td>2,603,288</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Chase Issuance Trust</td>
<td>-</td>
<td>2,603,288</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Chevron Corp</td>
<td>2,108,776</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Chubb Ina Holdings Inc.</td>
<td>-</td>
<td>2,559,507</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Cisco Systems</td>
<td>-</td>
<td>2,558,583</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Cooperative Centrale</td>
<td>2,886,643</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Costco Wholesale Corp</td>
<td>-</td>
<td>1,627,376</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Exxon Mobile</td>
<td>-</td>
<td>2,717,712</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Home Depot Inc</td>
<td>-</td>
<td>1,140,524</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Honda ABS</td>
<td>393,955</td>
<td>3,438,746</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>HSBC USA Inc</td>
<td>-</td>
<td>2,713,041</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>IBM Corp</td>
<td>3,625,787</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Intel Corp</td>
<td>2,624,370</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>John Deere Capital Corp</td>
<td>-</td>
<td>2,656,399</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>John Deere Owner Trust</td>
<td>28,707</td>
<td>4,297,743</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Microsoft</td>
<td>-</td>
<td>5,178,986</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Nissan ABS</td>
<td>-</td>
<td>1,898,911</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Occidental Petroleum Corp</td>
<td>-</td>
<td>1,647,921</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Oracle</td>
<td>-</td>
<td>2,552,366</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>PepsiCo Inc</td>
<td>2,121,536</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Praxair</td>
<td>-</td>
<td>2,523,169</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Qualcomm Inc.</td>
<td>-</td>
<td>2,422,776</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>State Street Bank</td>
<td>-</td>
<td>2,048,793</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Tennessee Valley Authority</td>
<td>-</td>
<td>4,020,400</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Toyota ABS</td>
<td>-</td>
<td>3,731,950</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Toyota Motor Corp</td>
<td>1,255,740</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>US Bancorp</td>
<td>-</td>
<td>3,681,982</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Wal- Mart Stores</td>
<td>1,471,947</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Wells Fargo Corp</td>
<td>-</td>
<td>2,558,475</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>1,585,718</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td><strong>$ 91,246,491</strong></td>
<td><strong>$ 185,821,702</strong></td>
<td><strong>$ -</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>
Note 3: Cash and Investments (Continued)

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Investment Maturities (in Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12 Months or Less</td>
</tr>
<tr>
<td>Restricted Cash and Investments:</td>
<td></td>
</tr>
<tr>
<td>Cash and Cash in Escrow</td>
<td>$4,808,774</td>
</tr>
<tr>
<td>Local Agency Investment Funds</td>
<td>3,366,586</td>
</tr>
<tr>
<td>Federated Treasury Obligation</td>
<td>5</td>
</tr>
<tr>
<td>Blackrock Federal</td>
<td>32,622,605</td>
</tr>
<tr>
<td>Invesco STIT Treasury Private 1933</td>
<td>196,885</td>
</tr>
<tr>
<td>MBIA Financial Guaranty Ins Policy</td>
<td>-</td>
</tr>
<tr>
<td>MBIA Debt Service Reserve Surety Bond</td>
<td>-</td>
</tr>
<tr>
<td>Natixis Funding Corp</td>
<td>-</td>
</tr>
<tr>
<td>Total Investments</td>
<td>$40,994,855</td>
</tr>
</tbody>
</table>

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

The City portfolio value fluctuates in an inverse relationship to any change in interest rates. Accordingly, if interest rates have risen, the portfolio value would have declined. If interest rates have fallen, the portfolio value would have risen.
As of June 30, 2017, the City had the following deposits and investments.

<table>
<thead>
<tr>
<th>City Treasury</th>
<th>Credit Rating</th>
<th>Fair Value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>Not Rated</td>
<td>$1,585,718</td>
<td>$1,585,718</td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>AAA</td>
<td>11,514,224</td>
<td></td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>AA+</td>
<td>5,208,662</td>
<td></td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>AA</td>
<td>2,663,235</td>
<td></td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>AA-</td>
<td>8,475,466</td>
<td></td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>A+</td>
<td>16,448,733</td>
<td></td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>A</td>
<td>22,946,733</td>
<td></td>
</tr>
<tr>
<td>Medium Term Notes</td>
<td>Not Rated</td>
<td>17,008,769</td>
<td>84,265,822</td>
</tr>
<tr>
<td>Tennessee Valley Authority</td>
<td>AA+</td>
<td>4,020,400</td>
<td></td>
</tr>
<tr>
<td>U.S. Government Agency Securities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FHLB</td>
<td>AA</td>
<td>18,019,557</td>
<td></td>
</tr>
<tr>
<td>FNMA</td>
<td>AA+</td>
<td>20,328,516</td>
<td></td>
</tr>
<tr>
<td>U.S. Treasury</td>
<td>Not Rated</td>
<td>50,316,542</td>
<td>128,331,393</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>AAA</td>
<td>59,710</td>
<td></td>
</tr>
<tr>
<td>Local Agency Investment Funds</td>
<td>Not Rated</td>
<td>58,805,150</td>
<td>58,805,150</td>
</tr>
<tr>
<td>Restricted Cash and Investments:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Investments with Fiscal Agents</td>
<td>Not Rated</td>
<td>40,486,778</td>
<td></td>
</tr>
<tr>
<td>Development Restricted Cash</td>
<td>Not Rated</td>
<td>63,000</td>
<td></td>
</tr>
<tr>
<td>Water Reclamation Restricted Cash</td>
<td>Not Rated</td>
<td>679,420</td>
<td></td>
</tr>
<tr>
<td>Electric Restricted Cash</td>
<td>Not Rated</td>
<td>1,100,000</td>
<td></td>
</tr>
<tr>
<td>Transit Restricted Cash</td>
<td>Not Rated</td>
<td>697,391</td>
<td></td>
</tr>
<tr>
<td>Special Tax Districts Restricted Cash</td>
<td>Not Rated</td>
<td>15,531</td>
<td></td>
</tr>
<tr>
<td>Retention &amp; Escrow Accounts</td>
<td>Not Rated</td>
<td>2,253,432</td>
<td>45,295,552</td>
</tr>
<tr>
<td>Total Investments</td>
<td></td>
<td>$322,363,745</td>
<td></td>
</tr>
</tbody>
</table>
Note 3:  Cash and Investments (Continued)

The City’s credit risk, expressed on a percentage basis as of June 30, 2017, is presented below:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Moody's Rating</th>
<th>S&amp;P Rating</th>
<th>% of Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAIF</td>
<td>NR</td>
<td>NR</td>
<td>21.15%</td>
</tr>
<tr>
<td>US T-Notes</td>
<td>AAA</td>
<td>NR</td>
<td>19.01%</td>
</tr>
<tr>
<td>FNMA</td>
<td>AAA</td>
<td>AA+</td>
<td>14.27%</td>
</tr>
<tr>
<td>FHLMC</td>
<td>AAA</td>
<td>AA+</td>
<td>7.31%</td>
</tr>
<tr>
<td>FHLB</td>
<td>AAA</td>
<td>AA+</td>
<td>6.48%</td>
</tr>
<tr>
<td>Microsoft</td>
<td>AAA</td>
<td>AAA</td>
<td>1.86%</td>
</tr>
<tr>
<td>John Deere Owner Trust</td>
<td>AAA</td>
<td>NR</td>
<td>1.56%</td>
</tr>
<tr>
<td>Bank of Tokyo-Mit UFJ</td>
<td>NR</td>
<td>NR</td>
<td>1.46%</td>
</tr>
<tr>
<td>Tennessee Valley Authority</td>
<td>AAA</td>
<td>AA+</td>
<td>1.45%</td>
</tr>
<tr>
<td>Honda ABS</td>
<td>AAA</td>
<td>NR</td>
<td>1.38%</td>
</tr>
<tr>
<td>Toyota ABS</td>
<td>AAA</td>
<td>AAA</td>
<td>1.34%</td>
</tr>
<tr>
<td>US Bancorp</td>
<td>A1</td>
<td>A+</td>
<td>1.32%</td>
</tr>
<tr>
<td>IBM Corp</td>
<td>A1</td>
<td>A+</td>
<td>1.30%</td>
</tr>
<tr>
<td>Cooperative Centrale</td>
<td>NR</td>
<td>NR</td>
<td>1.04%</td>
</tr>
<tr>
<td>American Honda Finance</td>
<td>A1</td>
<td>A+</td>
<td>1.00%</td>
</tr>
<tr>
<td>Exxon Mobile Corp</td>
<td>AAA</td>
<td>AA+</td>
<td>0.98%</td>
</tr>
<tr>
<td>HSBC USA Inc</td>
<td>A2</td>
<td>A</td>
<td>0.98%</td>
</tr>
<tr>
<td>John Deere Capital Corp</td>
<td>A2</td>
<td>A</td>
<td>0.96%</td>
</tr>
<tr>
<td>Bank of New York</td>
<td>A1</td>
<td>A</td>
<td>0.96%</td>
</tr>
<tr>
<td>Intel Corp</td>
<td>A1</td>
<td>A+</td>
<td>0.94%</td>
</tr>
<tr>
<td>Chase Issuance Trust</td>
<td>NR</td>
<td>AAA</td>
<td>0.94%</td>
</tr>
<tr>
<td>Wells Fargo Corp</td>
<td>A2</td>
<td>A</td>
<td>0.93%</td>
</tr>
<tr>
<td>Cisco Systems</td>
<td>A1</td>
<td>AA-</td>
<td>0.92%</td>
</tr>
<tr>
<td>Chubb Ina Holdings</td>
<td>A3</td>
<td>A</td>
<td>0.92%</td>
</tr>
<tr>
<td>Oracle Corp</td>
<td>A1</td>
<td>AA-</td>
<td>0.92%</td>
</tr>
<tr>
<td>Praxair</td>
<td>A2</td>
<td>A</td>
<td>0.91%</td>
</tr>
<tr>
<td>Apple Inc</td>
<td>AA1</td>
<td>AA+</td>
<td>0.90%</td>
</tr>
<tr>
<td>Qualcomm Inc</td>
<td>A1</td>
<td>A+</td>
<td>0.87%</td>
</tr>
<tr>
<td>ChevronTexaco Corp</td>
<td>AA2</td>
<td>AA-</td>
<td>0.78%</td>
</tr>
<tr>
<td>Pepsico Inc</td>
<td>A1</td>
<td>A</td>
<td>0.76%</td>
</tr>
<tr>
<td>State Street Bank</td>
<td>A1</td>
<td>A</td>
<td>0.74%</td>
</tr>
<tr>
<td>Nissan ABS</td>
<td>AAA</td>
<td>NR</td>
<td>0.68%</td>
</tr>
<tr>
<td>Costco Wholesale Corporation</td>
<td>A1</td>
<td>A+</td>
<td>0.59%</td>
</tr>
<tr>
<td>Occidental Petroleum Corp</td>
<td>A3</td>
<td>A</td>
<td>0.59%</td>
</tr>
<tr>
<td>Wal- Mart Stores</td>
<td>AA2</td>
<td>AA</td>
<td>0.53%</td>
</tr>
<tr>
<td>Toyota Motor Corp</td>
<td>AA3</td>
<td>AA-</td>
<td>0.45%</td>
</tr>
<tr>
<td>Berkshire Hathaway Finance Corp</td>
<td>AA2</td>
<td>AA</td>
<td>0.43%</td>
</tr>
<tr>
<td>Home Depot Inc</td>
<td>A2</td>
<td>A</td>
<td>0.41%</td>
</tr>
<tr>
<td>Federated Gov Obligation Money Market Fund</td>
<td>NR</td>
<td>NR</td>
<td>0.02%</td>
</tr>
</tbody>
</table>

Total                                      100.0%
Note 3: Cash and Investments (Continued)

f. Fair Value Measurement and Application

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

The City has the following recurring fair value measurements as of June 30, 2017:

<table>
<thead>
<tr>
<th>Investments</th>
<th>June 30, 2017 Fair Value</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Treasury</td>
<td>$50,316,542</td>
<td>2</td>
</tr>
<tr>
<td>Federal Government Agency</td>
<td>82,035,251</td>
<td>2</td>
</tr>
<tr>
<td>Medium-Term Corporate Notes</td>
<td>67,872,523</td>
<td>2</td>
</tr>
<tr>
<td>Asset-Backed Securities</td>
<td>16,393,299</td>
<td>2</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>59,710</td>
<td>2</td>
</tr>
<tr>
<td>Local Agency Investment Fund</td>
<td>58,805,150</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total Cash Investments</strong></td>
<td>$275,482,475</td>
<td></td>
</tr>
<tr>
<td><strong>Restricted Investments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Agency Investment Fund</td>
<td>3,366,586</td>
<td>2</td>
</tr>
<tr>
<td>Federal Government Agency</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Medium-Term Corporate Notes</td>
<td>37,120,187</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total Restricted Investments</strong></td>
<td>$40,486,778</td>
<td></td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td>$315,969,253</td>
<td></td>
</tr>
</tbody>
</table>

Note 4: Interfund Transactions

a. Current Interfund Receivables/Payables

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. The following is a summary of current interfund balances as of June 30, 2017:

<table>
<thead>
<tr>
<th>Receivable Fund</th>
<th>Amount</th>
<th>Payable Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Funds:</td>
<td></td>
<td>Non-Major Funds:</td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>$5,610,516</td>
<td>Special Revenue Funds:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Special Tax District</td>
<td>$1,554</td>
</tr>
<tr>
<td>Capital Projects Funds:</td>
<td></td>
<td>Public Facility Project</td>
<td>863,522</td>
</tr>
<tr>
<td></td>
<td></td>
<td>HUD Grants</td>
<td>19,997</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other Grants</td>
<td>4,725,443</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$5,610,516</td>
<td>Total</td>
<td>$5,610,516</td>
</tr>
</tbody>
</table>
Note 4: Interfund Transactions (Continued)

b. Long-Term Interfund Receivables/Payables

At June 30, 2017, the funds below have made advances that were not expected to be repaid within one year.

<table>
<thead>
<tr>
<th>Receivable Fund</th>
<th>Amount</th>
<th>Payable Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Funds:</td>
<td></td>
<td>Major Funds:</td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>$24,928,512</td>
<td>Capital Project Funds:</td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td></td>
<td>Development</td>
<td>$14,942,067</td>
</tr>
<tr>
<td>Capital Project Funds:</td>
<td></td>
<td>Enterprise Funds:</td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td>105,385</td>
<td>Electric</td>
<td>9,856,445</td>
</tr>
<tr>
<td>Non-Major Funds:</td>
<td></td>
<td>Special Revenue Funds:</td>
<td></td>
</tr>
<tr>
<td>Special Tax Districts</td>
<td></td>
<td>Special Tax Districts</td>
<td>105,385</td>
</tr>
<tr>
<td>Enterprise Funds:</td>
<td></td>
<td>Airport</td>
<td>130,000</td>
</tr>
<tr>
<td>Total</td>
<td>$25,033,897</td>
<td>Total</td>
<td>$25,033,897</td>
</tr>
</tbody>
</table>

The General Fund made cash advances to the Park Development (Quimby) capital project fund over the years to help the Quimby fund to repay its outstanding 2001 lease revenue bonds. These bonds were issued to refund the 1989 and 1993 Lease Revenue Bonds issued by the then Corona Public Improvement Corporation. Bond proceeds were used to acquire park land throughout the City. Repayments to the General Fund will continue to be made from development impact fees collected with future development. As of June 30, 2017, the balance of this Interfund Loan was $14,942,067.

A loan was made from the General Fund to the Electric enterprise fund to pay for certain capital improvement projects, and to call the outstanding 2005 Clearwater Cogeneration Projects Certificates of Participation. As of June 30, 2017, the balance payable from Electric to the General Fund was $9,856,445.

In January 1998, The General Fund made a loan to the Airport fund to pay for certain improvement. Repayment was expected over a 27-year period with annual payment of $15,000. As of June 30, 2017 the loan balance due from the Airport enterprise fund was $130,000.

The Development capital project fund advance of $105,385 is being repaid by special assessments collected in a landscape maintenance district over a 10-year period with annual payments of $56,035.
Note 4: Interfund Transactions (Continued)

c. Internal Balances – Capital Lease

Related Parties

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

Capital Lease Obligations

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

Per the Lease Agreements, maximum lease payments are calculated with a discount rate of 6.0%. The original lease payments since Fiscal Year 2001-02 through Fiscal Year 2007-08 were established as 5.0% to 8.0% of the corresponding utility sales revenues of that year, equivalent to discounting the lease principal amounts by a range from 1.2% to 3.0%. Starting Fiscal Year 2008-09 and continued to the next fiscal year, the lease payment was calculated with a 3.5% to 4.0% growth factor over the previous fiscal year, equivalent to discounting the lease principal amounts by 3.2% for Water Utilities and 2.8% for Water Reclamation Utilities. In Fiscal Year 2011-12, the annual lease payment for Water Utility was calculated with a discount rate of 6.0% with a catch-up payment for the prior years in the amount of $311,015, and the Water Reclamation Utility’s lease payment was discounted at 5.7% of the lease principal amount. For fiscal years 2013-14 and 2014-15, the lease payment for Water and Water Reclamation utilities were calculated with a discount rate of 5.0% and 4.4% respectively. For fiscal year ended June 30, 2017, the lease payment for Water and Water Reclamation utilities were calculated with a discount rate of 3.4% and 3.1% respectively.

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, 2017:

<table>
<thead>
<tr>
<th>Lease</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Lease - Water Utility</td>
<td>$106,819,662</td>
</tr>
<tr>
<td>Capital Lease - Water Reclamation Utility</td>
<td>65,808,682</td>
</tr>
<tr>
<td>Total Internal Balances - Capital Leases</td>
<td>$172,628,344</td>
</tr>
</tbody>
</table>
Note 4: Interfund Transactions (Continued)

Current Year Transactions

During Fiscal Year 2016-2017, the following related party transactions were recorded by the City and the Authority:

<table>
<thead>
<tr>
<th>Lease</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Utility</td>
<td>$3,397,942</td>
</tr>
<tr>
<td>Water Reclamation Utility</td>
<td>$2,041,048</td>
</tr>
<tr>
<td>Total Payment from the Authority to the City</td>
<td>$5,438,990</td>
</tr>
</tbody>
</table>

Capital Lease Payments

At June 30, 2017, 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:

<table>
<thead>
<tr>
<th>Corona Utility Authority Future Lease Payments - Water Utility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year</td>
</tr>
<tr>
<td>---------------------</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>2019</td>
</tr>
<tr>
<td>2020</td>
</tr>
<tr>
<td>2021</td>
</tr>
<tr>
<td>2022</td>
</tr>
<tr>
<td>2023 - 2027</td>
</tr>
<tr>
<td>2028 - 2032</td>
</tr>
<tr>
<td>2033 - 2037</td>
</tr>
<tr>
<td>2038 - 2042</td>
</tr>
<tr>
<td>2043 - 2047</td>
</tr>
<tr>
<td>2048 - 2052</td>
</tr>
<tr>
<td>2053 - 2057</td>
</tr>
<tr>
<td><strong>Total Future Lease Payments</strong></td>
</tr>
<tr>
<td><strong>Amount to be Forgiven at End of Lease</strong></td>
</tr>
<tr>
<td><strong>Present Value of Total Lease Payment</strong></td>
</tr>
</tbody>
</table>
Note 4: Interfund Transactions (Continued)

At June 30, 2017, 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:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$</td>
<td>$2,041,048</td>
</tr>
<tr>
<td>2019</td>
<td>-</td>
<td>$2,041,048</td>
</tr>
<tr>
<td>2020</td>
<td>-</td>
<td>$1,932,246</td>
</tr>
<tr>
<td>2021</td>
<td>-</td>
<td>$1,828,883</td>
</tr>
<tr>
<td>2022</td>
<td>-</td>
<td>$1,730,689</td>
</tr>
<tr>
<td>2023 - 2027</td>
<td>-</td>
<td>$7,344,036</td>
</tr>
<tr>
<td>2028 - 2032</td>
<td>-</td>
<td>$5,529,976</td>
</tr>
<tr>
<td>2033 - 2037</td>
<td>-</td>
<td>$4,126,292</td>
</tr>
<tr>
<td>2038 - 2042</td>
<td>-</td>
<td>$3,040,150</td>
</tr>
<tr>
<td>2043 - 2047</td>
<td>-</td>
<td>$2,199,711</td>
</tr>
<tr>
<td>2048 - 2052</td>
<td>-</td>
<td>$1,614,844</td>
</tr>
<tr>
<td>2053 - 2057</td>
<td>-</td>
<td>$1,159,387</td>
</tr>
</tbody>
</table>

Total Future Lease Payments: $34,588,310

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 fund to another. The purpose of the majority of transfers is to reimburse a fund that has incurred costs on behalf of another fund. Significant one-time transfers made during the current fiscal year were:

- $1,173,010 from the Gas Tax special revenue fund to the General Fund for the reimbursement of street maintenance costs.
- $1,980,000 from Development capital projects fund to the General Fund cover anticipated operating budget shortfall due to development activities.
- $395,500 from Warehouse internal service fund to the General Fund for reimbursement of excess indirect cost allocation charges.
- $2,088,602 from the Electric enterprise fund to the Water Reclamation Fund to reimburse certain bond covenant charges the Water Reclamation Fund paid the Electric Fund in prior years.
Note 4:  Interfund Transactions (Continued)

Total transfers of $8,380,223 are presented below:

<table>
<thead>
<tr>
<th>Transfers Out</th>
<th>Transfers In</th>
<th>Water Reclamation Fund</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Transfers In</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>General Fund</td>
<td>Nonmajor Governmental Funds</td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>$</td>
<td>-</td>
<td>$ 98,822</td>
</tr>
<tr>
<td>Development</td>
<td>1,980,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nonmajor Governmental</td>
<td>3,598,395</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Water</td>
<td>22,485</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Water Reclamation</td>
<td>22,485</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Electric</td>
<td>-</td>
<td>2,088,602</td>
<td>2,088,602</td>
</tr>
<tr>
<td>Internal Service Funds</td>
<td>569,434</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Totals</td>
<td>$ 6,192,799</td>
<td>$ 98,822</td>
<td>$ 2,088,602</td>
</tr>
</tbody>
</table>

Note 5:  Long-Term Receivables

Long-term receivables on the governmental fund financial statement as of June 30, 2017 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:

<table>
<thead>
<tr>
<th>Governmental Funds</th>
<th>Loans Receivable</th>
<th>Long-Term Receivable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>Capital Project Funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td>25,800</td>
<td>-</td>
</tr>
<tr>
<td>Low Mod Income Housing Asset</td>
<td>8,509,273</td>
<td>3,269,328</td>
</tr>
<tr>
<td>Non-Major Funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Project Funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HUD Grants</td>
<td>2,909,602</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$ 11,444,675</td>
<td>$ 11,309,091</td>
</tr>
</tbody>
</table>

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

- Various City/former Corona Redevelopment Agency loans totaled $7,578,758 as of June 30, 2017. The loans were approved by the Oversight Board on May 30, 2013. Finding of Completion was issued by the California Department of Finance on April 8, 2013. Repayments of these City loans from the Successor Agency were scheduled to commence after Fiscal Year 2014-15 after the SERAF Loan was paid in full. Please refer to Note 21.b for additional information.
Note 5: Long-Term Receivables (Continued)

- Reimbursement receivables from developers for the Temescal Canyon Communications Tower in the amount of $277,746.

- Amount to be reimbursed by developers for South Corona area Community Facilities Plan for $183,259.

The Development capital project fund reported loans receivable of $25,800 for the sale of real property to a developer.

Long-term receivables from the Successor Agency Trust Fund in the amount of $3,269,328 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, 2017, which was assumed by the CHA as the housing successor upon the dissolution of the former Corona Redevelopment Agency. Please refer to Note 21.b for additional information. The fund also reported loans receivable from various developers with a total of $8,509,273 at June 30, 2017.

Loans receivable in the amount of $2,909,602 reported in the HUD Grants fund represented various outstanding HUD program loans as of June 30, 2017.

Note 6: Land Held for Resale

Land held for resale consists of real property acquired by the City and held for resale to private developers. The amount recorded as land held for resale and the corresponding fund balance classified as restricted as of June 30, 2017 was $5,653,055.

Note 7: Capital Assets

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

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

All other capital assets including other infrastructure systems were reported using the basic approach whereby accumulated depreciation and/or amortization and depreciation/amortization expense have been recorded.
A summary of capital assets of the City as of June 30, 2017 is presented below:

<table>
<thead>
<tr>
<th>Governmental Activities:</th>
<th>Restated Balance June 30, 2016</th>
<th>Transfers from Business-type</th>
<th>Construction in Progress Completed</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets not being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$65,222,283</td>
<td>$ -</td>
<td>$ -</td>
<td>$9,794,351</td>
<td>$ -</td>
<td>$73,196,634</td>
</tr>
<tr>
<td>Streets</td>
<td>178,543,217</td>
<td>-</td>
<td>15,415,906</td>
<td>1,793,900</td>
<td>-</td>
<td>195,753,023</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>104,227,730</td>
<td>-</td>
<td>(27,609,973)</td>
<td>18,418,352</td>
<td>-</td>
<td>95,036,109</td>
</tr>
<tr>
<td>Total Capital Assets not being Depreciated</td>
<td>347,993,230</td>
<td>-</td>
<td>(12,194,067)</td>
<td>28,186,603</td>
<td>-</td>
<td>363,985,766</td>
</tr>
<tr>
<td>Capital assets being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and Improvements</td>
<td>218,691,766</td>
<td>-</td>
<td>5,826,016</td>
<td>-</td>
<td>(112,230)</td>
<td>224,405,552</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>33,621,485</td>
<td>7,526</td>
<td>2,509,333</td>
<td>352,891</td>
<td>(1,179,835)</td>
<td>35,311,400</td>
</tr>
<tr>
<td>Computer Software</td>
<td>457,829</td>
<td>-</td>
<td>48,185</td>
<td>428,907</td>
<td>-</td>
<td>934,921</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>314,736,868</td>
<td>-</td>
<td>3,810,533</td>
<td>876,478</td>
<td>-</td>
<td>319,423,879</td>
</tr>
<tr>
<td>Total Capital Assets being Depreciated</td>
<td>567,507,948</td>
<td>7,526</td>
<td>12,194,067</td>
<td>1,658,276</td>
<td>(1,292,065)</td>
<td>580,075,752</td>
</tr>
</tbody>
</table>

Less accumulated depreciation for:

| Buildings and Improvements | (104,761,921) | - | - | (4,926,942) | 86,148 | (109,602,715) |
| Machinery and Equipment | (24,841,067) | (7,526) | - | (2,003,801) | 1,172,084 | (25,680,310) |
| Computer Software | (255,223) | - | - | (139,544) | - | (394,767) |
| Infrastructure | (119,838,168) | - | - | (5,282,295) | - | (125,120,463) |
| Total Accumulated Depreciation | (249,696,379) | (7,526) | - | (12,352,582) | 1,258,232 | (260,798,255) |

Total Capital Assets Being Depreciated, Net | 317,811,569 | - | 12,194,067 | (10,694,306) | (33,833) | 319,277,497 |

Governmental Activities Capital Assets, Net | $665,804,799 | $ - | $ - | $17,492,297 | $ (33,833) | $683,263,263 |

Governmental activity capital assets were restated by $634,019, due to the recognition of construction in progress that should have been expensed as repairs in prior years.

Refer to Note 20 for additional information on the restatement of beginning balances.
For the year ended June 30, 2017, accumulated depreciation on governmental activity capital assets and depreciation expense charged to each governmental function are presented as follows:

<table>
<thead>
<tr>
<th></th>
<th>Restated Balance June 30, 2016</th>
<th>Current Year Depreciation</th>
<th>Accumulated Depreciation</th>
<th>Adjustments to Depreciation</th>
<th>Accumulated Depreciation June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Governments</td>
<td>$35,828,725</td>
<td>$2,941,374</td>
<td>$38,770,099</td>
<td>$1,847,393</td>
<td>$40,617,492</td>
</tr>
<tr>
<td>Public Safety - Fire</td>
<td>7,172,971</td>
<td>435,212</td>
<td>7,608,183</td>
<td>(124,380)</td>
<td>7,483,803</td>
</tr>
<tr>
<td>Public Safety - Police</td>
<td>8,186,078</td>
<td>991,287</td>
<td>9,177,365</td>
<td>(3,057,456)</td>
<td>6,119,909</td>
</tr>
<tr>
<td>Public Works</td>
<td>8,267,293</td>
<td>795,570</td>
<td>9,062,863</td>
<td>(17,566)</td>
<td>9,045,297</td>
</tr>
<tr>
<td>Maintenance Services</td>
<td>190,051,199</td>
<td>7,164,414</td>
<td>197,215,613</td>
<td>129,951</td>
<td>197,345,564</td>
</tr>
<tr>
<td>Library and Recreation</td>
<td>190,113</td>
<td>24,725</td>
<td>214,838</td>
<td>(28,648)</td>
<td>186,190</td>
</tr>
<tr>
<td><strong>Total Depreciation Expense</strong></td>
<td><strong>$249,696,379</strong></td>
<td><strong>$12,352,582</strong></td>
<td><strong>$262,048,961</strong></td>
<td><strong>(1,250,706)</strong></td>
<td><strong>$260,798,255</strong></td>
</tr>
</tbody>
</table>
### Note 7: Capital Assets (Continued)

<table>
<thead>
<tr>
<th>Business-Type Activities:</th>
<th>Restated Balance June 30, 2016</th>
<th>Transfer to Governmental Activities</th>
<th>Construction in Progress Completed</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets not being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$5,407,497</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$13,930</td>
<td>-</td>
</tr>
<tr>
<td>Water Reclamation Rights</td>
<td>19,644,651</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>42,778,579</td>
<td>-</td>
<td>(21,627,808)</td>
<td>15,969,157</td>
<td>-</td>
<td>37,119,928</td>
</tr>
<tr>
<td>Total Capital Assets not being Depreciated</td>
<td>67,830,727</td>
<td>-</td>
<td>(21,627,808)</td>
<td>15,983,087</td>
<td>-</td>
<td>62,186,006</td>
</tr>
<tr>
<td>Capital assets being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and Improvements</td>
<td>95,035,425</td>
<td>-</td>
<td>3,332,183</td>
<td>-</td>
<td>-</td>
<td>(228,524)</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>90,643,062</td>
<td>(7,527)</td>
<td>7,663,207</td>
<td>556,980</td>
<td>(2,134,740)</td>
<td>96,720,982</td>
</tr>
<tr>
<td>Computer Software</td>
<td>150,754</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>150,754</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>328,692,455</td>
<td>-</td>
<td>10,632,418</td>
<td>4,709,122</td>
<td>-</td>
<td>344,027,548</td>
</tr>
<tr>
<td>Emission Reduction Credits</td>
<td>230,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>230,000</td>
</tr>
<tr>
<td>Total Capital Assets being Depreciated</td>
<td>514,751,696</td>
<td>(7,527)</td>
<td>21,627,808</td>
<td>5,266,102</td>
<td>-</td>
<td>539,268,368</td>
</tr>
<tr>
<td>Less accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and Improvements</td>
<td>(41,040,880)</td>
<td>-</td>
<td>-</td>
<td>(2,097,089)</td>
<td>90,406</td>
<td>(43,047,563)</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>(53,537,146)</td>
<td>7,527</td>
<td>-</td>
<td>(5,524,660)</td>
<td>1,917,001</td>
<td>(57,137,278)</td>
</tr>
<tr>
<td>Computer Software</td>
<td>(103,439)</td>
<td>-</td>
<td>-</td>
<td>(22,511)</td>
<td>-</td>
<td>(125,950)</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>(87,984,257)</td>
<td>-</td>
<td>-</td>
<td>(5,930,001)</td>
<td>-</td>
<td>(93,914,258)</td>
</tr>
<tr>
<td>Emission Reduction Credits</td>
<td>(230,000)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(230,000)</td>
</tr>
<tr>
<td>Total Accumulated Depreciation</td>
<td>(182,895,722)</td>
<td>7,527</td>
<td>-</td>
<td>(13,574,261)</td>
<td>2,007,407</td>
<td>(194,455,049)</td>
</tr>
<tr>
<td>Total Capital Assets Being Depreciated, Net</td>
<td>331,855,974</td>
<td>-</td>
<td>21,627,808</td>
<td>(8,308,159)</td>
<td>(362,304)</td>
<td>344,813,319</td>
</tr>
<tr>
<td>Business-Type Activities Capital Assets, Net</td>
<td>$399,686,701</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$7,674,928</td>
<td>$ (362,304)</td>
</tr>
</tbody>
</table>

Business-type capital assets were restated by $830,750, due to the recognition of construction in progress that was expensed rather than added to construction in progress in prior years.

Refer to Note 20 for additional information on the restatement of beginning balances.

Business-type activities depreciation expense for capital assets for the year ended June 30, 2017, is as follows:

- Water $7,273,158
- Water Reclamation 4,682,313
- Electric 951,551
- Transit Services 629,943
- Airport 37,296

Total depreciation expense - business-type activities $13,574,261
Below is a summary of infrastructure assets of the City as of June 30, 2017:

<table>
<thead>
<tr>
<th>Description</th>
<th>Historical Cost</th>
<th>Accumulated Depreciation</th>
<th>Net Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Government Activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Modified Approach</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Street Pavement System</td>
<td>$195,753,023</td>
<td></td>
<td>$195,753,023</td>
</tr>
<tr>
<td><strong>Basic Approach</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Curbing</td>
<td>78,004,749</td>
<td>(36,397,240)</td>
<td>41,607,509</td>
</tr>
<tr>
<td>Sidewalks</td>
<td>86,619,738</td>
<td>(39,291,870)</td>
<td>47,327,868</td>
</tr>
<tr>
<td>Signs and Lights</td>
<td>42,492,452</td>
<td>(14,022,147)</td>
<td>28,470,305</td>
</tr>
<tr>
<td>Storm Drains</td>
<td>106,390,725</td>
<td>(33,708,191)</td>
<td>72,682,534</td>
</tr>
<tr>
<td>Fiberoptics</td>
<td>5,899,800</td>
<td>(1,701,015)</td>
<td>4,198,785</td>
</tr>
<tr>
<td>Water Reclamation</td>
<td>16,415</td>
<td></td>
<td>16,415</td>
</tr>
<tr>
<td><strong>Subtotal Basic Approach</strong></td>
<td>319,423,879</td>
<td>(125,120,463)</td>
<td>194,303,416</td>
</tr>
<tr>
<td><strong>Total Governmental Activities</strong></td>
<td>$515,176,902</td>
<td>(125,120,463)</td>
<td>$390,056,439</td>
</tr>
</tbody>
</table>

| **Business-Type Activities:** | | | |
| **Basic Approach**            | | | |
| Fiberoptics                   | $235,952        | (149,881)                 | 86,071    |
| Curbing                       | 200             | (15)                      | 185       |
| Sidewalks                     | 1,131           | (87)                      | 1,044     |
| Electric                      | 6,212,266       | (1,214,941)               | 4,997,325 |
| Signs and Lights              | 249,371         | (34,912)                  | 214,459   |
| Storm Drains                  | 63,839          |                          | 63,839    |
| Water                         | 237,529,804     | (67,188,765)              | 170,341,039 |
| Water-Reclamation             | 99,734,985      | (25,325,657)              | 74,409,328 |
| **Total Business-Type Activities** | $344,027,548 | (93,914,258)             | $250,113,290 |

Construction in Progress and Capital Project Commitments

The City has active construction projects as of June 30, 2017. 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 $132,156,037.

The following material construction commitments existed at June 30, 2017:

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Contract Amount</th>
<th>Expenditures to date as of June 30, 2017</th>
<th>Remaining Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corona Storm Drain Line 52</td>
<td>$4,333,333</td>
<td>$</td>
<td>$4,333,333</td>
</tr>
<tr>
<td>Cajalco/115 Interchange Improvement</td>
<td>44,583,468</td>
<td>-</td>
<td>44,583,468</td>
</tr>
<tr>
<td><strong>Business-Type Activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Garden District Well</td>
<td>$6,304,093</td>
<td>108,884</td>
<td>6,195,209</td>
</tr>
<tr>
<td><strong>Total Construction Commitments</strong></td>
<td>$55,220,894</td>
<td>$108,884</td>
<td>$55,112,010</td>
</tr>
</tbody>
</table>
Note 8: Compensated Absences Payable

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

As shown in the table below, the long-term portion of this debt amounts to $2,102,297 for governmental activities and $139,835 for business-type activities at June 30, 2017. 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, 2017 was $8,560,961 for governmental activities and $999,393 for business-type activities.

<table>
<thead>
<tr>
<th>Amounts Amounts Due</th>
<th>Balance</th>
<th>Incurred</th>
<th>Satisfied</th>
<th>Balance</th>
<th>Due Within One Year</th>
<th>Amounts Due in More than One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>July 1, 2016</td>
<td></td>
<td></td>
<td>June 30, 2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governmental Activities</td>
<td>$8,323,933</td>
<td>$6,684,868</td>
<td>$6,447,840</td>
<td>$8,560,961</td>
<td>$6,458,664</td>
<td>$2,102,297</td>
</tr>
<tr>
<td>Business-Type Activities</td>
<td>$1,065,338</td>
<td>$739,448</td>
<td>$805,393</td>
<td>$999,393</td>
<td>$859,558</td>
<td>$139,835</td>
</tr>
</tbody>
</table>

Note 9: Long-Term Obligations

The following is a summary of long-term obligation transactions of the City for the year ended June 30, 2017:

<table>
<thead>
<tr>
<th>Governmental Activities:</th>
<th>Balance</th>
<th>Defeased</th>
<th>Incurred</th>
<th>Satisfied</th>
<th>Balance</th>
<th>June 30, 2016</th>
<th>Incurred</th>
<th>Satisfied</th>
<th>Due Within One Year</th>
<th>Amounts Due in More than One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease Payable</td>
<td>$19,510,185</td>
<td>$ -</td>
<td>-</td>
<td>$1,493,939</td>
<td>$18,016,246</td>
<td>$1,544,405</td>
<td>$16,471,841</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lease Revenue Bonds Payable</td>
<td>27,975,000</td>
<td>26,615,000</td>
<td>148,728</td>
<td>2,825,836</td>
<td>26,520,000</td>
<td>1,185,000</td>
<td>23,335,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unamortized Bond Premium</td>
<td>-</td>
<td>2,974,564</td>
<td>2,825,836</td>
<td>-</td>
<td>2,825,836</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Governmental Activities</td>
<td>$47,485,185</td>
<td>$26,615,000</td>
<td>$3,002,667</td>
<td>$27,494,564</td>
<td>$45,362,082</td>
<td>$2,729,405</td>
<td>$42,632,677</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business-Type Activities:</th>
<th>Balance</th>
<th>Defeased</th>
<th>Incurred</th>
<th>Satisfied</th>
<th>Balance</th>
<th>June 30, 2016</th>
<th>Incurred</th>
<th>Satisfied</th>
<th>Due Within One Year</th>
<th>Amounts Due in More than One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installment Agreement Payable</td>
<td>9,220,726</td>
<td>-</td>
<td>-</td>
<td>564,562</td>
<td>8,656,164</td>
<td>584,315</td>
<td>8,071,849</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracts Payable</td>
<td>690,390</td>
<td>-</td>
<td>-</td>
<td>1,519,427</td>
<td>26,728,425</td>
<td>1,835,760</td>
<td>24,893,665</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term Loan Payable</td>
<td>26,110,876</td>
<td>2,137,976</td>
<td>-</td>
<td>3,775,000</td>
<td>44,710,000</td>
<td>3,330,000</td>
<td>41,380,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue Bonds</td>
<td>48,485,000</td>
<td>-</td>
<td>-</td>
<td>107,505</td>
<td>1,701,158</td>
<td>-</td>
<td>1,701,158</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unamortized Bond Premium</td>
<td>1,808,663</td>
<td>-</td>
<td>1,701,158</td>
<td>-</td>
<td>1,701,158</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Business-Type Activities</td>
<td>$86,315,655</td>
<td>-</td>
<td>2,137,976</td>
<td>5,966,494</td>
<td>$82,487,137</td>
<td>$5,750,075</td>
<td>$76,737,062</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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.
Note 9: Long-Term Obligations (Continued)

As of June 30, 2017, the net present value of future minimum lease payments required under the capital lease was $18,016,246. The future minimum lease payments are presented below:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Lease Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$2,135,122</td>
</tr>
<tr>
<td>2019</td>
<td>2,135,122</td>
</tr>
<tr>
<td>2020</td>
<td>2,135,122</td>
</tr>
<tr>
<td>2021</td>
<td>2,135,122</td>
</tr>
<tr>
<td>2022</td>
<td>2,135,122</td>
</tr>
<tr>
<td>2022-2026</td>
<td>10,675,611</td>
</tr>
</tbody>
</table>

Total Minimum Lease Payments 21,351,221
Less: Amount Representing Interest (3,334,975)
Present Value of Future Minimum Lease Payments $18,016,246

b. Lease Revenue Bonds

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 in the amount of $11,120,000 were defeased in September 2008. The 2006 Lease Revenue Bonds bear interest from 3.625% to 5.000% 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 to be received by the CPFA from the City as lease payments for the acquired improvements.

On September 1, 2016, these outstanding debts were fully defeased with the proceeds from the CPFA 2016 Lease Revenue Refunding Bonds.

2016 Lease Revenue Refunding Bonds

On July 7, 2016, the CPFA issued the 2016 Lease Revenue Refunding Bonds in the amount of $24,520,000 to refund the CPFA 2006 Lease Revenue Bonds Series C. The bonds issued at a premium of $2,974,564 and bear interest rates from 2.000% to 5.000% per annum. Interest is paid semiannually on May 1 and November 1 of each year, commencing May 1, 2017. Annual installments ranging from $880,000 to $1,590,000 are due through November 1, 2036. The bonds are payable from the revenues to be received by the CPFA from the City as lease payments for the right to use certain real property.
Note 9: Long-Term Obligations (Continued)

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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Lease Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$2,115,900</td>
</tr>
<tr>
<td>2019</td>
<td>2,120,750</td>
</tr>
<tr>
<td>2020</td>
<td>2,112,350</td>
</tr>
<tr>
<td>2021</td>
<td>2,106,250</td>
</tr>
<tr>
<td>2022</td>
<td>2,108,150</td>
</tr>
<tr>
<td>2023-2027</td>
<td>9,788,650</td>
</tr>
<tr>
<td>2028-2032</td>
<td>6,704,500</td>
</tr>
<tr>
<td>2033-2036</td>
<td>6,681,175</td>
</tr>
</tbody>
</table>

Total Minimum Lease Payments 33,737,725
Less: Amount Representing Interest (9,217,725)
Present Value of Future Minimum Lease Payments $24,520,000

c. Installment Agreement Payables

The following outstanding installment agreement payables were reported in the business-type activities as of June 30, 2017:

<table>
<thead>
<tr>
<th>Issuance</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elsinore Valley Municipal Water District Agreement</td>
<td>$469,655</td>
</tr>
<tr>
<td>Brine Line System Discharge Right Agreement</td>
<td>8,186,509</td>
</tr>
<tr>
<td>Total Installment Agreement Payable</td>
<td>$8,656,164</td>
</tr>
</tbody>
</table>

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, 2017 was $469,655. The future annual debt service requirements per the agreement are presented below:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Elsinore Valley Municipal Water District Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
</tr>
<tr>
<td>2018</td>
<td>$229,910</td>
</tr>
<tr>
<td>2019</td>
<td>239,745</td>
</tr>
<tr>
<td>Totals</td>
<td>$469,655</td>
</tr>
</tbody>
</table>
Note 9: Long-Term Obligations (Continued)

Brine Line System Discharge Right Agreement

On November 5, 2014, the City Council and the Corona Utility Authority Board authorized an agreement for the assignment of California Rehabilitation Center’s wastewater discharge rights by and among the City of Corona, the Western Municipal Water District of Riverside County, the California Department of Corrections and Rehabilitation, and the City of Norco. The City of Corona purchased 750,000 gallons per day wastewater disposal right from the City of Norco through the Santa Ana Regional Interceptor (SARI) or Inland Empire Brine Line for a total amount of $9,864,651. Initial principal payment of $1,000,000 was made in June 2015, and the remaining balance was to be amortized at an interest rate of 3.00% over 20 years through 2035. Annual payment is $600,000. As of June 30, 2017, outstanding balance on the debt was $8,186,509. The future annual debt service requirements per the agreement are presented below:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Brine Line System Discharge Right Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
</tr>
<tr>
<td>2018</td>
<td>$354,405</td>
</tr>
<tr>
<td>2019</td>
<td>365,037</td>
</tr>
<tr>
<td>2020</td>
<td>375,988</td>
</tr>
<tr>
<td>2021</td>
<td>387,268</td>
</tr>
<tr>
<td>2022</td>
<td>398,886</td>
</tr>
<tr>
<td>2023-2027</td>
<td>2,181,270</td>
</tr>
<tr>
<td>2028-2032</td>
<td>2,528,690</td>
</tr>
<tr>
<td>2033-2035</td>
<td>1,594,965</td>
</tr>
<tr>
<td>Totals</td>
<td>$8,186,509</td>
</tr>
</tbody>
</table>

d. Contracts Payable

Contracts Payable arise from the acquisition of certain water and water reclamation facilities and represent amounts due to Western Municipal Water District payable from future water and water reclamation connection fees associated with the acquired facilities. Future connections are provided as needed in the area and as such cannot be scheduled. When connection fees are received, the amounts attributable to the cost of physical connection are recognized as revenue and any additional amounts are credited to the contributed capital account. The amount outstanding at June 30, 2017 was $690,390, with 50% of the obligation attributable to the Water Utility and 50% attributable to Water Reclamation Utility.

e. Term Loans Payable

The following outstanding term loan obligations were reported in the business-type activities as of June 30, 2017:

<table>
<thead>
<tr>
<th>Term Loans</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Revolving Fund Loan Contract No. C-06-4802-110</td>
<td>$15,503,295</td>
</tr>
<tr>
<td>State Revolving Fund Loan Contract No. C-06-7834-110</td>
<td>$11,226,130</td>
</tr>
<tr>
<td><strong>Total Term Loans Payable</strong></td>
<td><strong>$26,729,425</strong></td>
</tr>
</tbody>
</table>
State Revolving Fund Loan Contract No. C-06-4802-110

On June 10, 2003, the City and the State Water Resources Control Board of the State of California entered into a State Revolving Fund Loan Contract No. C-06-4802-110 for a maximum amount of $30,228,817, for construction of facilities at the Water Reclamation Facility No. 1. These facilities will provide recycled water to existing and future customers within the City. The loan is payable over a period of 20 years at an interest rate of 2.50% in equal annual installments of $1,944,995 through 2026. The amount outstanding at June 30, 2017 was $15,503,295. Annual future debt service requirements for the loan are presented below:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1,557,413</td>
<td>387,582</td>
<td>1,944,995</td>
</tr>
<tr>
<td>2019</td>
<td>1,596,348</td>
<td>348,647</td>
<td>1,944,995</td>
</tr>
<tr>
<td>2020</td>
<td>1,636,257</td>
<td>308,738</td>
<td>1,944,995</td>
</tr>
<tr>
<td>2021</td>
<td>1,677,163</td>
<td>267,832</td>
<td>1,944,995</td>
</tr>
<tr>
<td>2022</td>
<td>1,719,092</td>
<td>225,903</td>
<td>1,944,995</td>
</tr>
<tr>
<td>2023-2026</td>
<td>7,317,022</td>
<td>462,959</td>
<td>7,779,981</td>
</tr>
<tr>
<td>Totals</td>
<td>$15,503,295</td>
<td>$2,001,661</td>
<td>$17,504,956</td>
</tr>
</tbody>
</table>

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 the construction of facilities at the Water Reclamation Facility No. 2. These facilities will provide recycled water to existing and future customers within the City. The loan is payable over a period of 30 years at an interest rate of 2.10% in equal annual installments of $507,889 through 2046. Annual debt service payments will begin one year after completion. The project was completed on August 31, 2017, and debt service payment will commence on August 31, 2017. The balance of outstanding debt is equivalent to the amount that has been drawn on this loan, which was $11,226,130 as of June 30, 2017.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>278,347</td>
<td>229,542</td>
<td>507,889</td>
</tr>
<tr>
<td>2019</td>
<td>277,986</td>
<td>229,903</td>
<td>507,889</td>
</tr>
<tr>
<td>2020</td>
<td>283,823</td>
<td>224,066</td>
<td>507,889</td>
</tr>
<tr>
<td>2021</td>
<td>289,784</td>
<td>218,105</td>
<td>507,889</td>
</tr>
<tr>
<td>2022</td>
<td>295,869</td>
<td>212,020</td>
<td>507,889</td>
</tr>
<tr>
<td>2023-2027</td>
<td>1,575,195</td>
<td>964,250</td>
<td>2,539,445</td>
</tr>
<tr>
<td>2028-2032</td>
<td>1,747,685</td>
<td>791,761</td>
<td>2,539,446</td>
</tr>
<tr>
<td>2033-2037</td>
<td>1,939,062</td>
<td>600,383</td>
<td>2,539,445</td>
</tr>
<tr>
<td>2038-2042</td>
<td>2,151,397</td>
<td>388,049</td>
<td>2,539,446</td>
</tr>
<tr>
<td>2043-2047</td>
<td>2,366,982</td>
<td>152,463</td>
<td>2,539,445</td>
</tr>
<tr>
<td>Totals</td>
<td>$11,226,130</td>
<td>$4,010,542</td>
<td>$15,236,672</td>
</tr>
</tbody>
</table>
Note 9: Long-Term Obligations (Continued)

f. Revenue Bonds

The following outstanding revenue bonds were reported in the business-type activities as of June 30, 2017:

<table>
<thead>
<tr>
<th>Revenue Bonds</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$35,880,000 Corona Utility Authority 2012 Water Revenue Bonds</td>
<td>$30,695,000</td>
</tr>
<tr>
<td>$20,890,000 Corona Utility Authority 2013 Wastewater Revenue Bonds</td>
<td>$14,015,000</td>
</tr>
<tr>
<td><strong>Total Revenue Bonds</strong></td>
<td><strong>$44,710,000</strong></td>
</tr>
</tbody>
</table>

2012 Corona Utility Authority Water Revenue Bonds

On August 1, 2012, the Corona Utility Authority issued the 2012 Water Revenue bonds in the amount of $35,880,000 (plus a net original issue premium of $5.8 million) with interest rates ranging from 1.0% to 5.0% to refund several outstanding City debts and to fund certain capital improvement projects for the Water Utility. The CUA 2012 Water Revenue bonds possessed an underlying credit rating of “AA” from Standard & Poor’s.

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

The outstanding bonds bear interest rates from 2.0% to 5.0% and are due in annual installments ranging from $1,165,000 to $2,395,000 through 2030 with term bonds in the amount of $5,155,000 due on September 1, 2032. The bonds are considered a liability of the Water Utility fund. The future annual debt service requirements for the 2012 CUA Water Revenue bonds are presented below:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$1,390,000</td>
<td>$1,359,700</td>
<td>$2,749,700</td>
</tr>
<tr>
<td>2019</td>
<td>$1,430,000</td>
<td>$1,310,250</td>
<td>$2,740,250</td>
</tr>
<tr>
<td>2020</td>
<td>$1,485,000</td>
<td>$1,259,375</td>
<td>$2,744,375</td>
</tr>
<tr>
<td>2021</td>
<td>$1,530,000</td>
<td>$1,206,500</td>
<td>$2,736,500</td>
</tr>
<tr>
<td>2022</td>
<td>$1,595,000</td>
<td>$1,144,000</td>
<td>$2,739,000</td>
</tr>
<tr>
<td>2023-2027</td>
<td>$9,130,000</td>
<td>$4,490,225</td>
<td>$13,620,225</td>
</tr>
<tr>
<td>2028-2032</td>
<td>$11,495,000</td>
<td>$2,090,625</td>
<td>$13,585,625</td>
</tr>
<tr>
<td>2033-2037</td>
<td>$2,640,000</td>
<td>$66,000</td>
<td>$2,706,000</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$30,695,000</strong></td>
<td><strong>$12,926,675</strong></td>
<td><strong>$43,621,675</strong></td>
</tr>
</tbody>
</table>

2013 Corona Utility Authority Wastewater Revenue Bonds

On June 26, 2013, the Corona Utility Authority issued the 2013 Wastewater Revenue bonds in the amount of $20,890,000 (plus a net original issue premium of $2.1 million) with interest rates ranging from 2.0% to 5.0%, to refund several outstanding City debts, and to fund certain capital improvement projects for the Water Reclamation Utility. The CUA 2013 Wastewater Revenue bonds possessed an underlying credit rating of “AA” from Standard & Poor’s.
Note 9: Long-Term Obligations (Continued)

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

The outstanding bonds bear interest rate from 2.0% to 5.0% and are due in annual installments ranging from $590,000 to $2,400,000 through 2028 with term bonds in the amount of $2,860,000 due on September 1, 2031. The bonds are considered a liability of the Water Reclamation Utility fund. The future annual debt service requirements for the 2013 CUA Wastewater Revenue bonds are presented below:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$1,940,000</td>
<td>$560,300</td>
<td>$2,500,300</td>
</tr>
<tr>
<td>2019</td>
<td>2,015,000</td>
<td>481,200</td>
<td>2,496,200</td>
</tr>
<tr>
<td>2020</td>
<td>590,000</td>
<td>429,100</td>
<td>1,019,100</td>
</tr>
<tr>
<td>2021</td>
<td>615,000</td>
<td>405,000</td>
<td>1,020,000</td>
</tr>
<tr>
<td>2022</td>
<td>640,000</td>
<td>379,900</td>
<td>1,019,900</td>
</tr>
<tr>
<td>2023-2027</td>
<td>3,640,000</td>
<td>1,427,425</td>
<td>5,067,425</td>
</tr>
<tr>
<td>2028-2032</td>
<td>4,575,000</td>
<td>485,625</td>
<td>5,060,625</td>
</tr>
<tr>
<td>Totals</td>
<td>$14,015,000</td>
<td>$4,168,550</td>
<td>$18,183,550</td>
</tr>
</tbody>
</table>

g. Defeased Debt

2006 Lease Revenue Bonds, Series C

The $37,180,000 CPFA 2006 Lease Revenue Bonds Series C were defeased on September 1, 2016. The outstanding debts were fully defeased with the proceeds from the CPFA 2016 Lease Revenue Refunding Bonds.

Note 10: Pledged Revenues

The City has pledged, as security for its water revenue bonds and term loans, a portion of the utility customer revenues, net of specified operating expenses, to repay $71,439,425 in outstanding debts as of June 30, 2017. These debts were to provide financing for various capital projects of the City, including the construction of certain water system and wastewater treatment facilities. The bonds and loans are payable solely from the City’s utility customer net revenues. Annual principal and interest payments on these bonds are expected to require less than 25.5% of net revenues subject to the pledge. The total remaining debt service including interest to be paid on these obligations are $94,546,853. Principal and interest paid for the current year was $7,754,521, and total customer net revenue subject to pledge was $30,411,352.
Note 11: Non-City Obligations

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

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

As of June 30, 2017, the special assessment district bonds’ balances outstanding were:

<table>
<thead>
<tr>
<th>Assessment District Bonds (Non-City Debt)</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 855,000 A.D. No. 95-1 Improvement Bonds</td>
<td>$ 225,000</td>
</tr>
<tr>
<td>$ 1,624,200 A.D. No. 96-1 1996 A Improvement Bonds</td>
<td>430,000</td>
</tr>
<tr>
<td>$ 685,000 A.D. No. 96-1 1997 A Improvement Bonds</td>
<td>230,000</td>
</tr>
<tr>
<td>$ 1,605,000 A.D. No. 96-1 1997 B Improvement Bonds</td>
<td>565,000</td>
</tr>
<tr>
<td>$ 2,657,100 A.D. No. 96-1 1999 A Improvement Bonds</td>
<td>1,165,000</td>
</tr>
</tbody>
</table>

Total Special Assessment District Bonds $ 2,615,000

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

These bonds are authorized pursuant to the Mello-Roos Community Facilities Act of 1982 as amended, and are payable from special taxes levied on property within the Community Facilities Districts according to a methodology approved by the voters within the District and by the City Council. Neither the faith and credit nor taxing power of the City is pledged to the payment of the bonds. Reserves have been established from the bond proceeds to meet delinquencies should they occur. If delinquencies occur beyond the amounts held in those reserves, the City has no duty to pay the delinquency out of any available funds of the City. The City acts solely as an agent for those paying taxes levied and the bondholders.
Note 11: Non-City Obligations (Continued)

The following CFD bonds are currently active:

<table>
<thead>
<tr>
<th>Community Facility District Bonds (Non-City Debt)</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>62,845,000 CFD 90-1 Refunding Bonds</td>
<td>$13,300,000</td>
</tr>
<tr>
<td>6,485,000 CFD 2000-1, Series A Special Tax Bonds</td>
<td>4,195,000</td>
</tr>
<tr>
<td>1,610,000 CFD 2000-1, Series B Special Tax Bonds</td>
<td>1,120,000</td>
</tr>
<tr>
<td>3,675,000 CFD 2001-2 Special Tax Bonds</td>
<td>2,580,000</td>
</tr>
<tr>
<td>10,870,000 CFD 2003-2 Special Tax Bonds, 2005 Series</td>
<td>3,445,000</td>
</tr>
<tr>
<td>3,805,000 CFD 2003-2 Special Tax Bonds, 2006 Series</td>
<td>2,810,000</td>
</tr>
<tr>
<td>10,280,000 CFD 2004-1 Special Tax Bonds</td>
<td>2,910,000</td>
</tr>
<tr>
<td>7,195,000 CFD 86-2 Refunding 2014 Series A Bonds</td>
<td>4,425,000</td>
</tr>
<tr>
<td>7,350,000 CFD 89-1 Refunding 2014 Series A Bonds</td>
<td>5,035,000</td>
</tr>
<tr>
<td>5,495,000 CFD 89-1 IA Refunding 2014 Series A Bonds</td>
<td>3,760,000</td>
</tr>
<tr>
<td>9,525,000 CFD 97-2 Refunding 2014 Series A Bonds</td>
<td>7,635,000</td>
</tr>
<tr>
<td>13,455,000 CFD 2002-1 2017 Special Tax Bonds</td>
<td>13,455,000</td>
</tr>
<tr>
<td>7,125,000 CFD 2002-1 2017 Special Tax Bonds IA</td>
<td>7,125,000</td>
</tr>
<tr>
<td>7,010,000 CFD 2002-4 2017 Special Tax Bonds</td>
<td>7,010,000</td>
</tr>
<tr>
<td><strong>Total Community Facilities District Bonds</strong></td>
<td>$78,805,000</td>
</tr>
</tbody>
</table>

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, 2017, the aggregate principal amount of Conduit Debt Obligations outstanding totaled $11,258,369.

Note 12: Bond Requirements

The City adopted an Administrative Policy No. 300.22, City Bond Compliance, on July 23, 2012. The purpose of the policy is to ensure all requirements of the federal and state law necessary to preserve the tax advantages of the City bonds are continuously complied with for the requisite periods. The policy covers the investment and expenditure of bond proceeds, the use of bond-financed facilities and other administrative requirements including continuing disclosure, arbitrage calculation and records retention.

At June 30, 2017, management believes the City and its component units are in compliance with all covenants of the various debt indentures.
Note 13: Pension Plan

a. General Information about the Pension Plans

Plan Description

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

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

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.
Note 13: Pension Plan (Continued)

The Plans’ provisions and benefits in effect at June 30, 2017, are summarized as follows:

<table>
<thead>
<tr>
<th>Miscellaneous</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Classic</strong></td>
</tr>
<tr>
<td><strong>Prior to January 1, 2013</strong></td>
</tr>
<tr>
<td>Benefit formula</td>
</tr>
<tr>
<td>Benefit vesting schedule</td>
</tr>
<tr>
<td>Benefit payments</td>
</tr>
<tr>
<td>Retirement age</td>
</tr>
<tr>
<td>Monthly benefits, as a % of eligible compensation</td>
</tr>
<tr>
<td>Required employee contribution rates</td>
</tr>
<tr>
<td>Required employer contribution rates</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Safety Police</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Classic</strong></td>
</tr>
<tr>
<td><strong>Prior to January 1, 2013</strong></td>
</tr>
<tr>
<td>Benefit formula</td>
</tr>
<tr>
<td>Benefit vesting schedule</td>
</tr>
<tr>
<td>Benefit payments</td>
</tr>
<tr>
<td>Retirement age</td>
</tr>
<tr>
<td>Monthly benefits, as a % of eligible compensation</td>
</tr>
<tr>
<td>Required employee contribution rates</td>
</tr>
<tr>
<td>Required employer contribution rates</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Safety Fire</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Classic</strong></td>
</tr>
<tr>
<td><strong>Prior to January 1, 2013</strong></td>
</tr>
<tr>
<td>Benefit formula</td>
</tr>
<tr>
<td>Benefit vesting schedule</td>
</tr>
<tr>
<td>Benefit payments</td>
</tr>
<tr>
<td>Retirement age</td>
</tr>
<tr>
<td>Monthly benefits, as a % of eligible compensation</td>
</tr>
<tr>
<td>Required employee contribution rates</td>
</tr>
<tr>
<td>Required employer contribution rates</td>
</tr>
</tbody>
</table>

*Closed to new entrants
Note 13: Pension Plan (Continued)

Employees Covered - Miscellaneous and Safety Police Plans

At June 30, 2017, the following employees were covered by the benefit terms of the Plan:

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inactive employees or beneficiaries currently receiving benefits</td>
<td>504</td>
</tr>
<tr>
<td>Inactive employees entitled to but not yet receiving benefits</td>
<td>24</td>
</tr>
<tr>
<td>Active employees</td>
<td>585</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,113</strong></td>
</tr>
</tbody>
</table>

Contributions

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

For the year ended June 30, 2017, the contributions recognized as a reduction to the net pension liability was $7,373,950, $8,123,334, and $4,648,267 for the Miscellaneous, Police, and Fire Plans, respectively.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

<table>
<thead>
<tr>
<th>Valuation Date</th>
<th>June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurement Date</td>
<td>June 30, 2016</td>
</tr>
<tr>
<td>Actuarial Cost Method</td>
<td>Entry Age Normal Cost Method</td>
</tr>
<tr>
<td>Actuarial Assumptions</td>
<td></td>
</tr>
<tr>
<td>Discount Rate</td>
<td>7.65%</td>
</tr>
<tr>
<td>Inflation</td>
<td>2.75%</td>
</tr>
<tr>
<td>Projected Salary Increase</td>
<td>Varies by Entry Age and Service</td>
</tr>
<tr>
<td>Investment Rate of Return*</td>
<td>7.50%</td>
</tr>
<tr>
<td>Mortality Rate Table**</td>
<td>Derived using CalPERS’ Membership Data for all Funds</td>
</tr>
</tbody>
</table>

* 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.
Change of Assumptions

GASB Statement No. 68, paragraph 68 states that the long long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

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

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

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.
Note 13: Pension Plan (Continued)

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>New Strategic Allocation</th>
<th>Real Return Years 1-10*</th>
<th>Real Return Years 11+**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equity</td>
<td>51.00%</td>
<td>5.25%</td>
<td>5.71%</td>
</tr>
<tr>
<td>Global Fixed Income</td>
<td>20.00%</td>
<td>0.99%</td>
<td>2.43%</td>
</tr>
<tr>
<td>Inflation Sensitive</td>
<td>6.00%</td>
<td>0.45%</td>
<td>3.36%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>10.00%</td>
<td>6.83%</td>
<td>6.95%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>10.00%</td>
<td>4.50%</td>
<td>5.13%</td>
</tr>
<tr>
<td>Infrastructure and Forestland</td>
<td>2.00%</td>
<td>4.50%</td>
<td>5.09%</td>
</tr>
<tr>
<td>Liquidity</td>
<td>1.00%</td>
<td>-0.55%</td>
<td>-1.05%</td>
</tr>
<tr>
<td>Total</td>
<td>100.00%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* An expected inflation of 2.5% used for this period
** An expected inflation of 3.0% used for this period

Changes in the Net Pension Liability

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

<table>
<thead>
<tr>
<th>Miscellaneous Plan:</th>
<th>Increase (Decrease)</th>
<th>Total Pension Liability</th>
<th>Plan Fiduciary Net Position</th>
<th>Net Pension Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at: 6/30/16 (Valuation Date of 6/30/15)</td>
<td></td>
<td>$308,699,178</td>
<td>$199,609,340</td>
<td>$109,089,838</td>
</tr>
<tr>
<td>Changes recognized for the Measurement Period:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Cost</td>
<td>4,295,676</td>
<td></td>
<td>4,295,676</td>
<td></td>
</tr>
<tr>
<td>Interest on TPL</td>
<td>23,066,815</td>
<td></td>
<td>23,066,815</td>
<td></td>
</tr>
<tr>
<td>Changes in benefit terms</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>(1,961,004)</td>
<td></td>
<td>(1,961,004)</td>
<td></td>
</tr>
<tr>
<td>Changes in assumptions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Contributions from the employer</td>
<td>-</td>
<td>7,373,950</td>
<td>(7,373,950)</td>
<td></td>
</tr>
<tr>
<td>Contributions from the employees</td>
<td>-</td>
<td>1,975,493</td>
<td>(1,975,493)</td>
<td></td>
</tr>
<tr>
<td>Net investment income</td>
<td>-</td>
<td>1,044,158</td>
<td>(1,044,158)</td>
<td></td>
</tr>
<tr>
<td>Benefit payments, including refunds of employee contributions</td>
<td>(14,718,032)</td>
<td>(14,718,032)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Administrative Expense</td>
<td>-</td>
<td>(121,423)</td>
<td>121,423</td>
<td></td>
</tr>
<tr>
<td>Net changes during 2015-2016</td>
<td></td>
<td>$10,683,455</td>
<td>$(4,445,854)</td>
<td>$15,129,309</td>
</tr>
<tr>
<td>Balance at: 6/30/17 (Measurement Date of 6/30/16)</td>
<td></td>
<td>$319,382,633</td>
<td>$195,163,486</td>
<td>$124,219,147</td>
</tr>
</tbody>
</table>
Note 13: Pension Plan (Continued)

Safety Police Plan:

<table>
<thead>
<tr>
<th></th>
<th>Total Pension Liability</th>
<th>Plan Fiduciary Net Position</th>
<th>Net Pension Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at: 6/30/2016 (Valuation Date of 6/30/15)</td>
<td>$203,368,598</td>
<td>$138,093,758</td>
<td>$65,274,840</td>
</tr>
</tbody>
</table>

Changes recognized for the Measurement Period:

- Service Cost: $4,874,596
- Interest on TPL: $15,292,872
- Changes in benefit terms: $(1,847,830)
- Differences between expected and actual experience: $(1,847,830)
- Changes in assumptions: $(8,102,489)
- Contributions from the employer: $(8,123,334)
- Contributions from the employees: $(1,599,970)
- Net investment income: $(707,298)
- Benefit payments, including refunds of employee contributions: $(8,102,489)
- Administrative Expense: $(84,027)

Net changes during 2015-2016: $10,217,149

Balance at: 6/30/17 (Measurement Date of 6/30/16) $213,585,747

(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.

The City reported net pension liabilities for its proportionate share of the Safety Fire Plan in the amount of $39,306,263.

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, 2016, 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, 2015 rolled forward to June 30, 2016 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, 2015 and 2016, was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Plan Net Pension Liability/(Asset)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at: 6/30/2015 (Valuation Date)</td>
<td>$31,783,428</td>
</tr>
<tr>
<td>Balance at: 6/30/2016 (Measurement Date)</td>
<td>39,306,263</td>
</tr>
<tr>
<td>Net Changes during 2015-16</td>
<td>$7,522,835</td>
</tr>
</tbody>
</table>
Note 13: 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 7.65%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.65%) or 1% point higher (8.65%) than the current rate:

<table>
<thead>
<tr>
<th></th>
<th>Miscellaneous</th>
<th>Safety Police</th>
<th>Safety Fire</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1% Decrease</td>
<td>6.65%</td>
<td>6.65%</td>
<td>6.65%</td>
<td>$ 334,715,381</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>$168,732,829</td>
<td>$106,339,865</td>
<td>$59,642,687</td>
<td></td>
</tr>
<tr>
<td>Current Discount Rate</td>
<td>7.65%</td>
<td>7.65%</td>
<td>7.65%</td>
<td></td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>$124,219,147</td>
<td>$73,247,903</td>
<td>$39,306,263</td>
<td>$236,773,313</td>
</tr>
<tr>
<td>1% Increase</td>
<td>8.65%</td>
<td>8.65%</td>
<td>8.65%</td>
<td></td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>$86,623,852</td>
<td>$48,746,433</td>
<td>$22,612,143</td>
<td>$157,982,428</td>
</tr>
</tbody>
</table>

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2017, the City recognized pension expense of $8,277,234, $8,213,959, and $2,966,664 for the Miscellaneous, Safety Police, and Safety Fire Plans, respectively. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th></th>
<th>Miscellaneous</th>
<th>Safety - Police</th>
<th>Safety - Fire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Outflows of Resources</td>
<td>$9,175,138</td>
<td>$8,867,806</td>
<td>$3,537,799</td>
</tr>
<tr>
<td>Deferred Inflows of Resources</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$19,884,745</td>
<td>$16,593,811</td>
<td>$13,778,133</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Miscellaneous</th>
<th>Safety - Police</th>
<th>Safety - Fire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Outflows of Resources</td>
<td>10,709,607</td>
<td>7,262,005</td>
<td>7,926,928</td>
</tr>
<tr>
<td>Deferred Inflows of Resources</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$18,984,745</td>
<td>$15,593,811</td>
<td>$13,778,133</td>
</tr>
</tbody>
</table>
Amounts of $9,175,138, $8,867,806, and $3,537,799 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, 2017. Amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<table>
<thead>
<tr>
<th>Year ended June 30</th>
<th>Miscellaneous Deferred Outflows/(Inflows) of Resources</th>
<th>Safety - Police Deferred Outflows/(Inflows) of Resources</th>
<th>Safety - Fire Deferred Outflows/(Inflows) of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$ (1,052,356)</td>
<td>$ 121,019</td>
<td>$ 845,595</td>
</tr>
<tr>
<td>2018</td>
<td>1,179,654</td>
<td>121,018</td>
<td>1,126,343</td>
</tr>
<tr>
<td>2019</td>
<td>4,901,932</td>
<td>2,397,409</td>
<td>3,777,094</td>
</tr>
<tr>
<td>2020</td>
<td>2,794,698</td>
<td>1,630,861</td>
<td>2,063,611</td>
</tr>
<tr>
<td>2021</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Thereafter</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$ 7,823,928</td>
<td>$ 4,270,307</td>
<td>$ 7,812,643</td>
</tr>
</tbody>
</table>

b. Defined Contribution Pension Plan

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

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate from the date of employment. The City requires the employee to contribute 6.2% of the 7.5% required by the Federal Government. The City’s contribution for each employee and interest allocated to the employee’s account are fully vested immediately. During Fiscal Year 2016-17, the City contributed $21,060 on hourly salaries of $1,617,322 with the employees contributing $100,419.

Note 14: 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 (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 IRC Section 115 trust fund dedicated to prefunding OPEB for all eligible California public agencies. CERBT is administered by the California Public Employees’ Retirement System (CalPERS) Board of Administration.
Note 14: Other Post-Employment Benefits Other Than Pensions (OPEB) (Continued)

Plan Description

The City's OPEB includes medical benefits and life insurances for all retirees covered by CalPERS medical plan, regardless of age or bargaining group. For Tier I management employees, an annual amount of $1,500 is also contributed into their flex accounts.

Medical Benefits

The City contributes the minimum employer contribution for all retirees who retain coverage in the City's medical plan in accordance with the Public Employees' Medical and Hospital Care Act (PEMHCA) requirements and the City's current PEMHCA resolutions. The minimum employer contribution was $125 per month in 2016, and $128 per month in 2017.

Under the plan, employees are classified into tiers, which are based on hire date. Medical benefits differ based on the tier and bargaining group as shown below:

<table>
<thead>
<tr>
<th>Tier</th>
<th>Bargaining Group</th>
<th>Hiring Date</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Miscellaneous employees and Elected Officials</td>
<td>Prior to January 1, 1999</td>
<td>100% of medical premium for employees and dependents</td>
</tr>
<tr>
<td></td>
<td>Fire employees</td>
<td>Prior to July 1, 2000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Police employees</td>
<td>Prior to January 1, 2000</td>
<td></td>
</tr>
<tr>
<td>2-5</td>
<td>Miscellaneous employees and Elected Officials</td>
<td>On or after January 1, 1999</td>
<td>CalPERS Minimum Employer Contribution</td>
</tr>
<tr>
<td></td>
<td>Fire employees</td>
<td>On or after July 1, 2000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Police employees</td>
<td>On or after January 1, 2000</td>
<td></td>
</tr>
</tbody>
</table>

Flex Account

The City contributes an annual amount of $1,500 to a flex account for healthcare expense for Tier 1 Management employees and elected officials.

Life Insurance

The face amount of life insurance provided is $50,000 until age 70, when the coverage ends. This life insurance coverage is provided to all retirees who were full time employees prior to retirement. Life insurance premiums are currently at the rate of $.12 per $1,000 of coverage, or $6.00 per month.

CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for CERBT in accordance with GASB Statement No. 74. That report may be obtained by contacting CalPERS at 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 City's prefunding policy includes amortization of the unfunded Actuarial Accrued Liability (AAL) over a closed 30-year period initially effective July 1, 2007. The remaining period applicable in determining the Annual Required Contribution (ARC) for fiscal year ended June 30, 2017 was 21 years. Amortization payments are determined on a level percent of pay basis. For Fiscal Year 2016-17, the City contributed $10,000,838 to the plan, including $6,931,922 for current premiums as pay-as-you-go cost, and an additional $3,068,916 to prefund the plan.
Note 14: Other Post-Employment Benefits Other Than Pensions (OPEB) (Continued)

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 closed period of thirty years initially effective July 1, 2007.

For Fiscal Year 2016-17, the City’s annual OPEB cost of $8,928,788 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 asset for the past three fiscal years are presented below:

<table>
<thead>
<tr>
<th>Fiscal Year Ending</th>
<th>Annual OPEB Cost</th>
<th>Actual Contribution</th>
<th>Percentage of ARC Contributed</th>
<th>Net OPEB Asset (Liability)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/2015</td>
<td>$6,387,548</td>
<td>$6,387,548</td>
<td>100%</td>
<td>$</td>
</tr>
<tr>
<td>6/30/2016</td>
<td>8,665,381</td>
<td>8,665,381</td>
<td>100%</td>
<td>-</td>
</tr>
<tr>
<td>6/30/2017</td>
<td>8,928,788</td>
<td>10,000,838</td>
<td>112%</td>
<td>1,072,050 (1)</td>
</tr>
</tbody>
</table>

(1) Actuarially determined implicit subsidy.

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.

The most recent actuarial valuation for the City’s OPEB plan has a valuation date of July 1, 2017. However, the information pertains to GASB Statement No. 75 which will be implemented in Fiscal Year 2017-18. The information presented below is for the previous three actuarial valuations.

Schedule of Funding Progress - Other Post-Employment Benefit Plan

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Accrued Liability (AAL) (A)</th>
<th>Actuarial Value of Assets (B)</th>
<th>Unfunded Actuarial Accrued Liability (UAAL) (A) - (B)</th>
<th>Funded Ratio (B) / (A)</th>
<th>Annual Covered Payroll (C)</th>
<th>UAAL as a Percentage of Covered Payroll ((A - B) / C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/01/11</td>
<td>$96,530,244</td>
<td>$16,182,147</td>
<td>$80,348,097</td>
<td>16.8%</td>
<td>$50,192,076</td>
<td>160.1%</td>
</tr>
<tr>
<td>07/01/13</td>
<td>96,174,626</td>
<td>20,412,616</td>
<td>75,762,010</td>
<td>21.2%</td>
<td>44,512,395</td>
<td>170.2%</td>
</tr>
<tr>
<td>07/01/15</td>
<td>126,756,944</td>
<td>26,019,812</td>
<td>100,737,132</td>
<td>20.5%</td>
<td>46,879,660</td>
<td>214.9%</td>
</tr>
</tbody>
</table>
Note 14: Other Post-Employment Benefits Other Than Pensions (OPEB) (Continued)

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.

For the actuarial valuation date as of July 1, 2015, the following actuarial methods and assumptions were used:

<table>
<thead>
<tr>
<th>Method</th>
<th>Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding Method</td>
<td>Entry Age Normal Cost, level percent pay</td>
</tr>
<tr>
<td>Asset Valuation Method</td>
<td>Market value of assets</td>
</tr>
<tr>
<td>Long-term Return on Assets</td>
<td>7.28%</td>
</tr>
<tr>
<td>Discount Rate</td>
<td>7.28%</td>
</tr>
<tr>
<td>Participants Valued</td>
<td>Current active employees and retired participants and covered dependents.</td>
</tr>
<tr>
<td>Salary Increase</td>
<td>3.25% per year</td>
</tr>
<tr>
<td>Assumed Wage Inflation</td>
<td>3.00% per year</td>
</tr>
<tr>
<td>General Inflation Rate</td>
<td>2.75% per year</td>
</tr>
<tr>
<td>Remaining Amortization Period</td>
<td>22 years</td>
</tr>
</tbody>
</table>

Note 15: Classification of Net Position and Fund Balances

a. Government-Wide Financial Statements

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

Net Investment in Capital Assets

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

Restricted

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

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 Administrative Services 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 Administrative Services Director, or with approval of City Council, depending on the amount of request.

**Assigned Fund Balance**

Amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City Council delegates the authority to assign amounts to be used for specific purposes to the Administrative Services Director.
Note 15: Classification of Net Position and Fund Balances (Continued)

Unassigned Fund Balance

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

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

The fund balances of the City’s governmental funds as of June 30, 2017 are presented below:

<table>
<thead>
<tr>
<th>Fund Balances:</th>
<th>General</th>
<th>Low Mod Income</th>
<th>Development</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term Receivables</td>
<td>$8,039,763</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$8,039,763</td>
</tr>
<tr>
<td>Interfund Advances Receivable</td>
<td>24,928,512</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>24,928,512</td>
</tr>
<tr>
<td>Inventories and Prepayments</td>
<td>273,634</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>273,634</td>
</tr>
<tr>
<td>Restricted:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Street Maintenance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15,413,304</td>
<td>15,413,304</td>
</tr>
<tr>
<td>Trip Reduction</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>950,445</td>
<td>950,445</td>
</tr>
<tr>
<td>Asset Forfeiture</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>518,007</td>
<td>518,007</td>
</tr>
<tr>
<td>Debt Service</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>17,816,653</td>
<td>17,816,653</td>
</tr>
<tr>
<td>Housing &amp; Community Development</td>
<td>-</td>
<td>23,121,926</td>
<td>-</td>
<td>3,314,258</td>
<td>26,436,184</td>
</tr>
<tr>
<td>Other Grants</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>220,021</td>
<td>220,021</td>
</tr>
<tr>
<td>Development</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,276,971</td>
<td>5,276,971</td>
</tr>
<tr>
<td>Committed:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency Contingency</td>
<td>30,000,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30,000,000</td>
</tr>
<tr>
<td>Designated Revenues</td>
<td>3,898,271</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,898,271</td>
</tr>
<tr>
<td>Assigned:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget Balancing Measures</td>
<td>28,945,252</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>28,945,252</td>
</tr>
<tr>
<td>Continuing Appropriations</td>
<td>12,029,030</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12,029,030</td>
</tr>
<tr>
<td>City Equipment</td>
<td>122,647</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>122,647</td>
</tr>
<tr>
<td>Other Capital Projects</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>432,652</td>
<td>432,652</td>
</tr>
<tr>
<td>Other Purposes</td>
<td>882,183</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>882,183</td>
</tr>
<tr>
<td>Unassigned</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(48,525)</td>
<td>(48,525)</td>
</tr>
<tr>
<td>Total Fund Balances</td>
<td>$109,119,292</td>
<td>$23,121,926</td>
<td>$5,276,971</td>
<td>$38,616,815</td>
<td>$176,135,004</td>
</tr>
</tbody>
</table>

Note 16: Risk Management

a. Workers’ Compensation Insurance

The City’s self-insured retention is $1,000,000 with an excess policy insuring claims over $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 costs. The actuarial estimated liability for pending and incurred, but not reported claims at June 30, 2017 has been included in the Claims Payable amount for the same reporting period. As of June 30, 2017, the City’s workers’ compensation self-insurance program was funded at a confidence level of 75% according to the most recent actuarial study dated March 14, 2017.
Note 16: Risk Management (Continued)

The following table presents claims and judgments payable for the City’s workers' compensation self-insurance program for fiscal year ended June 30, 2017 and its four preceding years:

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30</th>
<th>Claims Payable July 1</th>
<th>Claims and Changes in Estimates</th>
<th>Claims Paid</th>
<th>Claims Payable June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$ 17,847,000</td>
<td>$ 2,379,549</td>
<td>(1,988,549)</td>
<td>$ 18,238,000</td>
</tr>
<tr>
<td>2014</td>
<td>18,238,000</td>
<td>1,089,655</td>
<td>(1,852,655)</td>
<td>17,475,000</td>
</tr>
<tr>
<td>2015</td>
<td>17,475,000</td>
<td>3,511,384</td>
<td>(2,646,384)</td>
<td>18,340,000</td>
</tr>
<tr>
<td>2016</td>
<td>18,340,000</td>
<td>2,595,911</td>
<td>(1,060,640)</td>
<td>19,875,271</td>
</tr>
<tr>
<td>2017</td>
<td>19,875,271</td>
<td>2,953,371</td>
<td>(1,691,537)</td>
<td>21,137,105</td>
</tr>
</tbody>
</table>

Of the total liabilities, $3,925,878 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, 2017 has been included in the Claims Payable amount for the same reporting period. These liabilities are recognized on government-wide statements. As of June 30, 2017, the City’s General Liability self-insurance program was funded above the confidence level of 90% according to the most recent actuarial study dated March 14, 2017.

The following table presents claims and judgments payable for the general liability self-insurance program, including property losses, for fiscal year ended June 30, 2017 and its four preceding years:

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30</th>
<th>Claims Payable July 1</th>
<th>Claims and Changes in Estimates</th>
<th>Claims Paid</th>
<th>Claims Payable June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$ 3,036,000</td>
<td>$ 802,402</td>
<td>(912,402)</td>
<td>$ 2,926,000</td>
</tr>
<tr>
<td>2014</td>
<td>2,926,000</td>
<td>180,998</td>
<td>(565,998)</td>
<td>2,541,000</td>
</tr>
<tr>
<td>2015</td>
<td>2,541,000</td>
<td>251,204</td>
<td>(261,204)</td>
<td>2,531,000</td>
</tr>
<tr>
<td>2016</td>
<td>2,531,000</td>
<td>23,330</td>
<td>(425,436)</td>
<td>2,128,894</td>
</tr>
<tr>
<td>2017</td>
<td>2,128,894</td>
<td>294,831</td>
<td>(107,043)</td>
<td>2,316,682</td>
</tr>
</tbody>
</table>

Of the total liabilities, $941,077 is due within one year or less. Claims are paid by the internal service funds.

c. Property Losses (excluding earthquake or flood)

The City's property losses are covered by insurance policies for covered value of $100,000,000 with deductibles ranging from $2,500 to $50,000. The estimated liability for pending and incurred but not reported claims at June 30, 2017 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 17: Commitments and Contingencies

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

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

Under Article XIIIB 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, 2017, the City’s appropriations limit totaled $480,263,934 and the City’s appropriations subject to limitation were $95,848,913.

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 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 December 2017.
Note 17: Commitments and Contingencies (Continued)

On February 13, 2016, an incident occurred at the Water Reclamation Facility No. 1 causing 4.1 million gallons of fully treated water with chlorine residual released into a nearby creek. All necessary regulatory notifications were addressed in a timely manner, however, there will likely be a mandatory fine as well as an administrative fine assessed by the State Water Resources Control Board. The amount of the fine could not be reasonably estimated as of the financial statement date, and would be solely determined by the State. As of date, the City has not received any notices of violation from the State.

As of June 30, 2017, in the opinion of City Administration, there were no additional outstanding matters that would have a significant effect on the financial position of the City.

Note 18: Joint Venture

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

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

WRCRWA owns and operates 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:

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

The City’s investment in WRCRWA for the fiscal year ended June 30, 2017 was $4,000,000. At June 30, 2017, WRCRWA reported a preliminary total asset of $116,630,395, total liabilities of $70,109,180, and a deferred inflow of resources of $350,000, with net position of $46,171,215. Current year operating expenses exceed operating revenue by $1,428,100, net against non-operating revenue of $1,189,048, and a loss on disposal of assets in the amount of $583,337, net position for WRCRWA decreased from the previous fiscal year by $239,052. Contact WRCRA at 450 Alessandro Boulevard, Riverside, CA 92517, for audited financial information.
Note 19: Tax Abatement

In prior years, the City entered into various tax abatement agreements with local businesses. The abatements may be granted to any business located within or promising to relocate to the City. For the Fiscal Year ended June 30, 2017, the City abated taxes totaling $4,470,266. Under this program, the City has the following tax abatement agreements:

- A sales tax abatement to a commercial fueling and energy operation facility for expanding operations within the City of Corona, resulting in a significant new local sales tax revenues. Per the agreement, the City shall pay an amount equal to 50% of sales tax revenues received in excess of $250,000. In Fiscal Year 2016-17 the abatement amounted to $261,008.

- A sales tax reduction for a material production and construction company for creating employment opportunities and revenues within the City. Per the agreement, if during any fiscal year, sales tax revenues exceeds $1,000,000 the amount abated shall be a sum equal to 50% of the sales tax revenues in excess of $250,000. If during any fiscal year, sales tax revenues are no less than $500,000 and no more than $1,000,000 the amount abated shall be a sum equal to 25% of the sales tax revenues in excess of $250,000. If during any fiscal year, sales tax revenues are less than $500,000 the City shall not pay the business. In Fiscal Year 2016-17 the abatement amounted to $116,983.

- A sales tax reduction for construction and operation of an automotive dealership within the City. Per the agreement, the City shall make annual payments for 15 years in an amount equal to 50% of the sales tax revenues received in excess of $200,000 annually, up to a maximum of $6,000,000. In Fiscal Year 2016-17 the abatement amounted to $173,661.

- A sales tax reduction for a warehouse wholesaler for building and operating a new store within the City. Per the agreement, sales tax revenues shall be allocated each year to the City from the first $200,000 of revenues, the next $200,000 to the developer and the balance allocated 50% to the City and 50% to the developer. In Fiscal Year 2016-17 the abatement amounted to $1,216,360.

- A sales tax reduction for a commercial business involving the retail sale of construction materials for generating significant new tax revenues and maintaining sales office operations within the City. Per the agreement, the City shall pay quarterly in an amount equal to 50% of the sales tax revenues received. In Fiscal Year 2016-17 the abatement amounted to $2,702,254.
Note 20: Restatements

a. Restatement on Government-Wide Statements

Restatements to net position made on the government-wide statements for Fiscal Year 2016-17 are summarized below:

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Net Position, as reported</td>
<td>$783,902,090</td>
<td>$223,612,110</td>
</tr>
<tr>
<td>Restatements</td>
<td>892,368</td>
<td>830,750</td>
</tr>
<tr>
<td>Beginning Net Position, as restated</td>
<td>$784,794,458</td>
<td>$224,442,860</td>
</tr>
</tbody>
</table>

Restatement to Governmental Activities

A total of $892,368 was increased from the beginning net position in governmental activities due to the following adjustments:

a) The City adjusted $737,209 beginning net position related to long-term receivables recorded in the Low Mod Income Housing Asset Fund.

b) The City adjusted $789,178 beginning net position to record loans receivable in the HUD Grants Fund, which should have been recorded in prior years.

c) A total amount of $(634,019), previously reported in Construction in Progress should have been expensed in prior years. See Note 7, Capital Assets, for additional information.

Restatement to Business-Type Activities

A total of $830,750 was increased from the beginning net position in business-type activities. These restatements were performed to record prior year costs, which were previously expensed as capital asset additions to construction in progress. The project was expensed in prior years due to uncertainty as to whether the project would be completed. In Fiscal Year 2016-17, it was determined that the project would be finalized and the City restated the prior year balances to add prior year costs incurred.

b. Restatement on Fund Statements

Governmental Funds

Restatements to fund balance on the governmental fund financial statements for Fiscal Year 2016-17, are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Development</th>
<th>Low Mod Income Housing</th>
<th>Other Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Fund Balance, as reported</td>
<td>$100,778,066</td>
<td>$9,074,309</td>
<td>$21,687,599</td>
<td>$38,075,152</td>
</tr>
<tr>
<td>Restatements</td>
<td>620,487</td>
<td>(620,487)</td>
<td>737,209</td>
<td>789,178</td>
</tr>
<tr>
<td>Beginning Fund Balance, as restated</td>
<td>$101,398,553</td>
<td>$8,453,822</td>
<td>$22,424,808</td>
<td>$38,864,330</td>
</tr>
</tbody>
</table>
Note 20: Restatements (Continued)

General Fund

The City adjusted $620,487 to account for an interfund loan receivable due from the Development capital projects fund which was previously recorded in the fund balance assigned for receivables from other funds.

Development Fund

The City adjusted $(620,487) to account for an interfund loan payable due to the General fund. The amount was previously recorded as due from developers in prior years.

Low Mod Income Housing Fund

The City adjusted $737,209 beginning fund balance related to long-term receivables recorded in the Low Mod Income Housing Asset Fund.

Other Governmental Funds

The City adjusted $789,178 beginning fund balance to record loans receivable in the HUD Grants Fund, which should have been recorded in prior years.

c. Restatement on Proprietary Fund Statements

<table>
<thead>
<tr>
<th>Proprietary Funds</th>
<th>Water</th>
<th>Water Reclamation</th>
<th>Electric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Net Position, as reported</td>
<td>$113,903,479</td>
<td>$84,944,156</td>
<td>$19,933,915</td>
</tr>
<tr>
<td>Restatements</td>
<td>498,450</td>
<td>249,225</td>
<td>83,075</td>
</tr>
<tr>
<td>Beginning Net Position, as restated</td>
<td>$114,401,929</td>
<td>$85,193,381</td>
<td>$20,016,990</td>
</tr>
</tbody>
</table>

Proprietary Funds

The City adjusted the beginning net position in the Water, Water Reclamation, and Electric fund in the amounts of $498,450, $249,225, and $83,075, respectively. These restatements were performed to record prior year costs, which were previously expensed as capital asset additions to construction in progress. The project was expensed in prior years due to uncertainty as to whether the project would be completed. In fiscal year 2016-17, it was determined that the project would be finalized and the City restated the prior year balances to add prior year costs incurred.

Note 21: Successor Agency Trust for Former Corona Redevelopment Agency

The Successor Agency Trust for the former Corona Redevelopment Agency (Successor Agency) was established on February 1, 2012 in accordance to the Assembly Bill X1 26 that provides for the dissolution of all redevelopment agencies in the State of California. The establishment of the Successor Agency was approved by the City Council on January 11, 2012 through City Resolution No. 2012-004.
Note 21: Successor Agency Trust for Former Corona Redevelopment Agency (Continued)

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

a. Cash and Investment

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

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments Pooled with the City</td>
</tr>
<tr>
<td>Cash and Investments with Fiscal Agent</td>
</tr>
<tr>
<td><strong>Total Cash and Investments</strong></td>
</tr>
</tbody>
</table>

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

b. Due to Other Governmental Agencies

As of June 30, 2017, the Successor Agency reported due to other governmental agencies in the amount of $10,848,086.

<table>
<thead>
<tr>
<th>Due to Other Governmental Agencies</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERAF loan due to Corona Housing Authority</td>
<td>$ 3,269,328</td>
</tr>
<tr>
<td>Former Redevelopment Agency/City Loan due to City</td>
<td>7,578,758</td>
</tr>
<tr>
<td><strong>Total Due to Other Governmental Agencies</strong></td>
<td><strong>$10,848,086</strong></td>
</tr>
</tbody>
</table>

Supplemental Educational Revenue Augmentation Fund (SERAF) loan that was made in Fiscal Year 2009-10 to fund for the State’s Proposition 98 obligations to schools. With the dissolution of redevelopment agencies on February 1, 2012, the City through Resolution No. 2012-005, elected not to retain the housing assets and functions previously performed by the former Corona Redevelopment Agency, and transferred all rights, assets, liabilities, duties and obligations associated with the housing activities to the Corona Housing Authority (CHA), a component unit of the City of Corona. California State Department of Finance (DOF) allowed the SERAF loan to be transferred to CHA, the Housing Successor, and be placed on the Recognized Obligation Payments Schedule (ROPS) for repayment. The SERAF loan carried a balance of $3,269,328 as of June 30, 2017, and payment commenced in Fiscal Year 2016-17.
Note 21:  Successor Agency Trust for Former Corona Redevelopment Agency (Continued)

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

The following is a summary of loans due to the City as of June 30, 2017:

<table>
<thead>
<tr>
<th>Amount Due to the City of Corona</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Street South Project Area 1994 Loan</td>
<td>$66,991</td>
</tr>
<tr>
<td>Main Street South Project Area 2001 Loan</td>
<td>$224,020</td>
</tr>
<tr>
<td>Temescal Canyo Project Area 2005 Loan</td>
<td>$328,112</td>
</tr>
<tr>
<td>Temescal Canyo Project Area 2006 Loan</td>
<td>$4,020,841</td>
</tr>
<tr>
<td>Main Street South Project Area 2007 Loan</td>
<td>$326,650</td>
</tr>
<tr>
<td>Merged Project Area 2010 Loan</td>
<td>$150,360</td>
</tr>
<tr>
<td>Temescal Canyon Project Area 2010 Loan</td>
<td>$331,507</td>
</tr>
<tr>
<td>Corona Revitalization Zone 2011 Loan</td>
<td>$2,130,277</td>
</tr>
<tr>
<td><strong>Total Amount Due to the City of Corona</strong></td>
<td><strong>$7,578,758</strong></td>
</tr>
</tbody>
</table>

c. Long-Term Obligations

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

<table>
<thead>
<tr>
<th>Amounts Due Within One Year</th>
<th>Amounts Due in More than One Year</th>
</tr>
</thead>
</table>
| Balance  
June 30, 2016 | Incurred or Issued | Satisfied or Matured | Balance  
June 30, 2017 |  |
| 2007 Temescal Canyon Project Area Tax Allocation Bonds | $17,000,000 | $795,000 | $16,205,000 | $825,000 | $15,380,000 |
| 2007 Merged and Amended Project Area "A" Tax Allocation Bonds | 24,910,000 | 515,000 | 24,395,000 | 545,000 | 23,850,000 |
| Subordinate Tax Allocation Refunding Bonds, Series 2015A | 16,895,000 | - | 16,895,000 | 1,635,000 | 15,260,000 |
| Subordinate Taxable Tax Allocation Refunding Bonds, Series 2015A-T | 3,140,000 | 2,375,000 | 765,000 | 765,000 | - |
| Long-Term Agreement Payable | 390,000 | 190,000 | 200,000 | 200,000 | - |
| **Total** | **62,335,000** | **3,875,000** | **3,970,000** | **54,490,000** |

Unamortized Bond Premium  
1,688,034

Unamortized Bond (Discount)  
(2,785)

**Total**  
$60,145,249
Note 21: Successor Agency Trust for Former Corona Redevelopment Agency (Continued)

2007 Temescal Canyon Project Area Tax Allocation Bonds

The $22,155,000 of Temescal Canyon Project Area 2007 Tax Allocation Bonds were issued to facilitate the transformation of a former mining facility and blighted area into developed backbone infrastructure improvements within the project area. The bonds bore interest from 4.00% to 4.50% and were due in annual installments ranging from $495,000 to $735,000, with term bonds of $1,475,000 due November 1, 2022, $1,515,000 due November 1, 2024, $1,650,000 due November 1, 2026, $2,760,000 due November 1, 2029 and $3,155,000 due November 1, 2032. The escrow term bonds in the amount of $3,465,000 bore interest at 4.50% and is due November 1, 2032. The annual debt service requirements for the 2007 Temescal Canyon Tax Allocation Bonds are presented below:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$825,000</td>
<td>$698,056</td>
<td>$1,523,056</td>
</tr>
<tr>
<td>2019</td>
<td>$855,000</td>
<td>$662,673</td>
<td>$1,517,673</td>
</tr>
<tr>
<td>2020</td>
<td>$860,000</td>
<td>$626,093</td>
<td>$1,486,093</td>
</tr>
<tr>
<td>2021</td>
<td>$875,000</td>
<td>$588,703</td>
<td>$1,463,703</td>
</tr>
<tr>
<td>2022</td>
<td>$880,000</td>
<td>$550,409</td>
<td>$1,430,409</td>
</tr>
<tr>
<td>2023-2027</td>
<td>4,730,000</td>
<td>2,150,603</td>
<td>6,880,603</td>
</tr>
<tr>
<td>2028-2032</td>
<td>5,845,000</td>
<td>981,338</td>
<td>6,826,338</td>
</tr>
<tr>
<td>2033-2034</td>
<td>1,335,000</td>
<td>30,038</td>
<td>1,365,038</td>
</tr>
<tr>
<td>Totals</td>
<td>$16,205,000</td>
<td>$6,287,913</td>
<td>$22,492,913</td>
</tr>
</tbody>
</table>

2007 Project Area "A" Taxable Tax Allocation Bonds

The $29,550,000 of Project Area "A" 2007 Taxable Tax Allocation Bonds were issued on a parity basis with the 2004 Tax Allocation Bonds to further facilitate the rehabilitation of a retail center and the development of mixed used commercial, hotel, office, and light industrial projects within the Merged Downtown project area. The bonds bore interest from 4.69% to 6.25% and were due in annual installments ranging from $315,000 to $1,140,000, with term bonds of $23,850,000 due September 1, 2027. The annual debt service requirements for the 2007 Project Area "A" Tax Allocation Bonds are presented below:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$545,000</td>
<td>$1,506,814</td>
<td>$2,051,814</td>
</tr>
<tr>
<td>2019</td>
<td>$575,000</td>
<td>$1,473,599</td>
<td>$2,048,599</td>
</tr>
<tr>
<td>2020</td>
<td>$605,000</td>
<td>$1,436,700</td>
<td>$2,041,700</td>
</tr>
<tr>
<td>2021</td>
<td>$645,000</td>
<td>$1,397,613</td>
<td>$2,042,613</td>
</tr>
<tr>
<td>2022</td>
<td>$685,000</td>
<td>$1,356,024</td>
<td>$2,041,024</td>
</tr>
<tr>
<td>2023-2027</td>
<td>14,870,000</td>
<td>5,148,606</td>
<td>20,018,606</td>
</tr>
<tr>
<td>2028</td>
<td>6,470,000</td>
<td>202,317</td>
<td>6,672,317</td>
</tr>
<tr>
<td>Totals</td>
<td>$24,395,000</td>
<td>$12,521,673</td>
<td>$36,916,673</td>
</tr>
</tbody>
</table>
Note 21: Successor Agency Trust for Former Corona Redevelopment Agency (Continued)

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:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$1,635,000</td>
<td>$737,325</td>
<td>$2,372,325</td>
</tr>
<tr>
<td>2019</td>
<td>2,460,000</td>
<td>663,600</td>
<td>3,123,600</td>
</tr>
<tr>
<td>2020</td>
<td>2,560,000</td>
<td>563,200</td>
<td>3,123,200</td>
</tr>
<tr>
<td>2021</td>
<td>2,665,000</td>
<td>445,375</td>
<td>3,110,375</td>
</tr>
<tr>
<td>2022</td>
<td>2,800,000</td>
<td>308,750</td>
<td>3,108,750</td>
</tr>
<tr>
<td>2023-2034</td>
<td>4,775,000</td>
<td>241,625</td>
<td>5,016,625</td>
</tr>
<tr>
<td>Totals</td>
<td>$16,895,000</td>
<td>$2,959,875</td>
<td>$19,854,875</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$765,000</td>
<td>$5,738</td>
<td>$770,738</td>
</tr>
<tr>
<td>Totals</td>
<td>$765,000</td>
<td>$5,738</td>
<td>$770,738</td>
</tr>
</tbody>
</table>

Pledged Revenue for Tax Allocation Bonds

Due to the dissolution of the former Corona Redevelopment Agency, the tax increment funds that were pledged to the bondholders were no longer received in full by the Agency. AB X1.26 restructured the former redevelopment agencies’ revenue from tax increment to Redevelopment Property Tax Trust Fund (RPTTF). RPTTF funds are distributed semi-annually to the Successor Agency to pay enforceable obligations approved by the California State Department of Finance on the Recognized Obligations Payment Schedule (ROPS). The total principal and interest remaining on the Successor Agency debt obligations were $80,248,899 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 $10,386,370 and the debt service obligation on the bonds was $6,954,665.
Note 21: Successor Agency Trust for Former Corona Redevelopment Agency (Continued)

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, 2017, the outstanding balance was $200,000.

d. Commitments and Contingencies

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

At June 30, 2017, 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.

Note 22: Subsequent Events

Labor Negotiations

The Memorandum of Understanding (MOU) between the City and Corona General Employees’ Association (CGEA) and Corona Supervisors’ Association (CSA) expired on June 30, 2016. City management had been in active negotiations with these two labor groups since 2016. In October 2017, since the parties were not able to agree on certain issues, impasses were declared. The City, CGEA, and CSA is undergoing fact-finding as part of mediation with the assistance of the Public Employee Relations Board (PERB). Recommended settlements are expected to be received from PERB before December 2017.

The MOU between the City and the Corona Police Employees, Corona Police Supervisors, and Corona Firefighters’ Association expired on June 30, 2017. City Management has started to actively negotiate with these three labor groups. The City has been paying eligible members of each group the same salary and benefits as prescribed in the expired MOU’s until new agreements are entered into.
**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 Changes in Net Pension Liability and Related Ratios – Safety Fire Plan
- Schedule of Plan Contributions – Safety Fire Plan
- Other Post-Employment Benefits (OPEB) Plan Funding Progress
BUDGETARY INFORMATION

Through the budget process, the City Council sets the direction of the City, allocates its resources and establishes its priorities. The annual budget establishes the foundation of effective financial management by providing resource planning, performance measures and controls that permit the evaluation and adjustment of the City's performance in all of its functional areas. It assures the efficient and effective uses of the City's economic resources, as well as ensuring the highest priorities are accomplished for the fiscal year. It also serves as a vehicle that accurately and openly communicates these priorities to the community, businesses, vendors, employees and other public agencies.

The City's budget cycle is on an annual basis, which serves a fiscal period from July 1 to June 30. The City's budgets are developed consistent with generally accepted principles and procedures. There are no significant non-budgeted financial activities. For governmental funds, revenues are budgeted by entitlements, grants, and estimates of future development and economic growth. Expenditures and transfers are budgeted based upon available financial resources.

The City of Corona's budget is prepared and based on five expense categories; personnel, non-personnel (such as supplies and services), capital outlay, debt service and capital improvement projects. The first two listed are considered operational in nature and are known as recurring costs. Capital outlays refer to minor equipment purchases which are generally infrequent and valued at less than $50,000. Capital outlays are paid for out of the operating fund. Debt service refers to principal and interest payments on borrowed funds (such as bonds or long-term loans). Capital improvement projects (CIP) are asset acquisitions and/or major facilities, systems, and infrastructure improvements which cost over $50,000. These reside “outside” of the operational budget and are an example of a one-time cost.

The City collects and records revenue and expenditures within the following categories:

- Governmental activities
- Business-type activities

The governmental funds include the General Fund, special revenue, debt service and capital projects funds. All funding sources are kept separate for both reporting and use of the money. The General Fund funds most of the City services including public safety, recreation, and community development. Effective with the Fiscal Year 2016-17 budget planning season, the City of Corona implemented its first phase of a ‘zero-based’ budget procedure, which is a rigorous, structured approach in evaluating each dollar that is appropriated to fund critical City services and programs. Prior to Fiscal Year 2016-17, the City utilized an ‘expenditure control budget’ (ECB) procedure for 22 years, as outlined in previously adopted budget resolutions. While the principles of ECB do emphasize cost control, this approach is not as responsive to service needs, which may both expand and contract over time. The ECB approach also tends to produce static budgets, due to its heavy reliance on the use of targets. The Fiscal Year 2016-17 budget was developed using the zero-based budgetary approach, which allows the City management to effectively analyze budget variances and promote transparency and accountability.

The budget process begins as a team effort in January of each year. The Administrative Services Department works in cooperation with all City departments to formulate revenue projections for the upcoming fiscal year. From there, the individual departments use the projected revenues to prioritize and recommend the next fiscal year’s objectives. The City Manager’s Office and the Administrative Services Department jointly review each budget proposal, revenue assumptions, and all current financial obligations, before presenting the Proposed Budget for the City Council. The City Council reviews the Proposed Budget at a study session open to the public, with the final adoption scheduled 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.

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.

Major changes between original budget and final budget, and variance between final budget and actual are presented for the General Fund and major special revenue funds as shown below:

<table>
<thead>
<tr>
<th>Major Governmental Funds:</th>
<th>Budget</th>
<th>Variance Favorable/ (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td>General Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$ 136,200,085</td>
<td>$ 137,160,689</td>
</tr>
<tr>
<td>Expenditure</td>
<td>139,639,393</td>
<td>152,184,075</td>
</tr>
<tr>
<td>Net Transfer</td>
<td>3,690,606</td>
<td>3,735,576</td>
</tr>
<tr>
<td>Net change in Fund Balance</td>
<td>$ 251,298</td>
<td>$ (1,287,810)</td>
</tr>
</tbody>
</table>
General Fund

General Fund appropriations were originally adopted at $140.3 million, including transfers out to special assessment district funds in the amount of $0.7 million for payment of general public benefit within those districts as determined by the special tax engineer. The final appropriations were increased by $12.5 million from the adopted budget. Among the increase, $7.4 million was due to continuing appropriation from prior year’s capital projects and grant funded activities, $3.0 million for prior year committed purchases (encumbrances), and $2.2 million in additional funding approved by the City Council subsequent to the budget adoption. Included in the additional funding was $1.0 million in capital improvement projects such as the Public Safety Enterprise Communication (PSEC) System, Computer Aided Dispatch (CAD)/Records Management System (RMS), Emergency Flood Response Grant, Police Firearm Facility Repairs/Replacement, and the Timekeeping System. An increase of $1.1 million was approved for the operating budgets of Administrative Services, Community Development, Police, Fire, Maintenance Services and Library and Recreation Services. Many of the operating budget items were offset with increases to the revenue budget through grant funding and/or other revenue sources.

For Fiscal Year 2016-17, General Fund revenues had a favorable variance of $2.2 million comparing to the final budget. Property tax received was $1.0 million higher than anticipated due to similar conditions in the housing market from the prior year. Sales tax activity was lower than anticipated, resulting in sales tax revenues of $1.0 million less than originally projected. Other taxes including Transient Occupancy Tax, Franchise, and Business License had an unfavorable variance of $0.2 million for the year. Revenues collected from current services was $1.8 million higher than budgeted, mostly due to the large increase in plan check and planning application fees. Additionally, there were increases for Fire mutual aid services, the Afterschool Kids Club Program, and facility rentals related to the Circle City Center.
### BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
#### FOR FISCAL YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th>Variance with Final Budget</th>
<th>Budget Amounts</th>
<th>Actual Amounts</th>
<th>Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td></td>
</tr>
<tr>
<td>Budgetary Fund Balance, July 1, as restated</td>
<td>$101,398,553</td>
<td>$101,398,553</td>
<td>$101,398,553</td>
</tr>
</tbody>
</table>

#### Resources (Inflows):
- **Property taxes**: 42,190,000 (42,190,000) 43,170,396 980,396
- **Sales taxes**: 42,199,000 (42,199,000) 41,145,616 (1,053,384)
- **Other taxes**: 9,445,350 (9,626,950) 9,421,375 (205,575)
- **Licenses, fees and permits**: 1,746,200 (1,746,200) 2,152,835 406,635
- **Intergovernmental**: 735,876 (1,380,764) 1,604,136 223,372
- **Contribution from property owners**: - - 11,868 11,868
- **Current services**: 17,191,150 (17,216,150) 19,041,301 1,825,151
- **Investment earnings**: 1,361,283 (1,361,283) 597,451 (763,832)
- **Fines and penalties**: 1,085,000 (1,085,000) 1,170,188 85,188
- **Payments in lieu of services**: 10,021,866 (10,021,866) 9,768,422 (253,444)
- **Other revenues**: 10,224,360 (10,333,476) 11,009,283 675,807
- **Transfers in**: 4,381,734 (4,426,704) 6,192,799 1,766,095


#### Charges to Appropriation (Outflow):
- **General government**: 25,919,996 (27,240,423) 25,140,204 2,100,219
- **Public Safety - Fire**: 25,866,673 (26,636,188) 25,855,204 700,984
- **Public Safety - Police**: 46,498,554 (46,522,873) 46,280,916 241,957
- **Public Works & Maintenance Services**: 19,304,155 (19,895,591) 18,516,010 1,379,581
- **Library and Recreation Services**: 5,063,555 (5,329,605) 5,167,957 161,648
- **Community Development**: 4,417,195 (4,564,355) 4,527,438 36,917
- **Economic Development**: 4,665,422 (4,813,469) 4,930,642 (117,173)
- **Capital outlay**: 3,557,543 (12,835,271) 2,791,812 10,043,459
- **Debt service**: 2,934,883 (2,934,883) 2,853,939 80,944
- **Interest and fiscal charges**: 1,411,417 (1,411,417) 1,401,987 9,430
- **Transfers out**: 691,128 (691,128) 98,822 592,306

**Total Charges to Appropriations**: 140,330,521 (152,875,203) 137,564,931 15,310,272

**Budgetary Fund Balance, June 30**: $101,649,851 (90,110,743) $109,119,292 $19,008,549
MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS

The City accounts for and reports its infrastructure capital assets in accordance with GASB Statement No. 34. Infrastructure assets are defined as the basic physical systems including street, water purification and distribution system, water reclamation collection and treatment facilities, park and recreation lands and improvement; storm water conveyance system, and buildings combined with site amenities such as parking and landscaped areas used by the City in the conduct of City business. Each major infrastructure system can be divided into subsystems. For example, the street system can be divided into concrete and asphalt pavements, concrete curb and gutters, sidewalks, medians, streetlights, traffic control devices (signs, signals and pavement markings), landscaping and land. Subsystem detail is not presented in these basic financial statements; however, the City maintains detailed information on these subsystems in its core financial system.

The City has elected to use the “modified approach” as defined by GASB Statement No. 34 for infrastructure reporting for its concrete and asphalt pavement system. Under the modified approach, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

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

- The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

The City commissioned a study to update the physical condition assessment of the streets within three regions of the City annually. The prior two assessment studies were completed in October 2016 and October 2015. The most recent assessment was performed in September 2017 using the StreetSaver software. The results from the most recent three assessments are shown below:

<table>
<thead>
<tr>
<th>Assessment Date</th>
<th>PCI Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2015</td>
<td>72</td>
</tr>
<tr>
<td>October 2016</td>
<td>73</td>
</tr>
<tr>
<td>September 2017</td>
<td>71</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Condition</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good to Excellent</td>
<td>71-100</td>
</tr>
<tr>
<td>Fair</td>
<td>51-70</td>
</tr>
<tr>
<td>Poor</td>
<td>26-50</td>
</tr>
<tr>
<td>Very Poor</td>
<td>0-25</td>
</tr>
</tbody>
</table>

The City’s policy is to maintain an average rating of 71, or “Good” condition, for all streets. This rating level allows minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at the posted speeds. As of October 1, 2016, the City’s street system was rated at a PCI index of 73 on the average for the entire network. A breakdown by condition is as follows:

<table>
<thead>
<tr>
<th>Condition</th>
<th>% of Streets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good to Excellent</td>
<td>70%</td>
</tr>
<tr>
<td>Fair</td>
<td>21%</td>
</tr>
<tr>
<td>Poor</td>
<td>6%</td>
</tr>
<tr>
<td>Very Poor</td>
<td>3%</td>
</tr>
</tbody>
</table>

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 $5,297,756 on street maintenance for the fiscal year ended June 30, 2017. 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 71 in the current year. The City has estimated that the amount of annual expenditures required to maintain the current average PCI rating of 71 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:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Maintenance Requirement</th>
<th>Actual Expenditures</th>
<th>PCI Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>$ 5,100,000</td>
<td>$ 5,347,401</td>
<td>75</td>
</tr>
<tr>
<td>2013-14</td>
<td>5,100,000</td>
<td>4,588,777</td>
<td>73</td>
</tr>
<tr>
<td>2014-15</td>
<td>4,800,000</td>
<td>5,094,898</td>
<td>72</td>
</tr>
<tr>
<td>2015-16</td>
<td>4,800,000</td>
<td>12,403,677</td>
<td>73</td>
</tr>
<tr>
<td>2016-17</td>
<td>4,800,000</td>
<td>5,297,756</td>
<td>71</td>
</tr>
</tbody>
</table>

As of June 30, 2017, approximately 30% of the City’s streets were rated below the average policy standard of 71. This was a slight increase from the prior year’s assessment. In the most recent physical condition assessment of all City streets, it was estimated that in addition to the minimum annual maintenance requirement of $4.8 million, the total deferred work to rehabilitate all roads amounted to $55.2 million as of June 30, 2017.
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MISCELLANEOUS PLAN
LAST TEN FISCAL YEARS(1)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL PENSION LIABILITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Cost</td>
<td>$4,295,676</td>
<td>$4,563,432</td>
<td>$5,035,483</td>
</tr>
<tr>
<td>Interest</td>
<td>23,066,815</td>
<td>22,262,610</td>
<td>21,435,216</td>
</tr>
<tr>
<td>Difference Between expected and Actual Experience</td>
<td>(1,961,004)</td>
<td>(1,751,061)</td>
<td>-</td>
</tr>
<tr>
<td>Changes in Assumptions</td>
<td>-</td>
<td>(5,796,569)</td>
<td>-</td>
</tr>
<tr>
<td>Benefit Payments, Including Refunds of employee Contributions</td>
<td>(14,718,032)</td>
<td>(13,719,331)</td>
<td>(13,231,513)</td>
</tr>
<tr>
<td><strong>Net Change in Total Pension Liability</strong></td>
<td>10,683,455</td>
<td>5,559,081</td>
<td>13,239,186</td>
</tr>
<tr>
<td><strong>Total Pension Liability - Beginning</strong></td>
<td>308,699,178</td>
<td>303,140,097</td>
<td>289,900,911</td>
</tr>
<tr>
<td><strong>Total Pension Liability - Ending (a)</strong></td>
<td>$319,382,633</td>
<td>$308,699,178</td>
<td>$303,140,097</td>
</tr>
<tr>
<td><strong>PLAN FIDUCIARY NET POSITION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution - Employer</td>
<td>$7,373,950</td>
<td>$8,612,426</td>
<td>$7,913,193</td>
</tr>
<tr>
<td>Contribution - Employee</td>
<td>1,975,493</td>
<td>2,099,982</td>
<td>2,168,466</td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>1,044,158</td>
<td>4,430,161</td>
<td>29,675,543</td>
</tr>
<tr>
<td>Benefit Payments, Including Refunds of Employee Contributions</td>
<td>(14,718,032)</td>
<td>(13,719,331)</td>
<td>(13,231,513)</td>
</tr>
<tr>
<td>Administrative Expense</td>
<td>(121,423)</td>
<td>(224,286)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Change in Fiduciary Net Position</strong></td>
<td>(4,445,854)</td>
<td>1,198,952</td>
<td>26,525,689</td>
</tr>
<tr>
<td><strong>Plan Fiduciary Net Position - Beginning</strong></td>
<td>199,609,340</td>
<td>198,410,388</td>
<td>171,884,699</td>
</tr>
<tr>
<td><strong>Plan Fiduciary Net Position - Ending (b)</strong></td>
<td>$195,163,486</td>
<td>$199,609,340</td>
<td>$198,410,388</td>
</tr>
<tr>
<td><strong>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</strong></td>
<td>$124,219,147</td>
<td>$109,089,838</td>
<td>$104,729,709</td>
</tr>
</tbody>
</table>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability

<table>
<thead>
<tr>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>61.11%</td>
<td>64.66%</td>
<td>65.45%</td>
</tr>
</tbody>
</table>

Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll

<table>
<thead>
<tr>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25,968,300</td>
<td>$26,820,056</td>
<td>$27,078,868</td>
</tr>
</tbody>
</table>

(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 three years are shown.

(2) Net of administrative expenses.

Notes to Schedule:

Benefit Changes: There were no changes in benefits.

Changes of Assumptions: No changes in assumptions.
<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially Determined Contribution</td>
<td>$ 9,175,138</td>
<td>$ 7,373,950</td>
<td>$ 8,612,427</td>
</tr>
<tr>
<td>Contribution in Relation to the Actuarially Determined Contribution</td>
<td>(9,175,138)</td>
<td>(7,373,950)</td>
<td>(8,612,427)</td>
</tr>
<tr>
<td>Contribution Deficiency (Excess)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Covered Payroll</td>
<td>$ 23,728,408</td>
<td>$ 23,919,171</td>
<td>$ 25,422,638</td>
</tr>
<tr>
<td>Contributions as a Percentage of Covered Payroll</td>
<td>38.67%</td>
<td>30.83%</td>
<td>33.88%</td>
</tr>
</tbody>
</table>

(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 three years is shown.

**Note to Schedule:**

Valuation Date: June 30, 2014

Methods and assumptions used to determine contribution rates:

<table>
<thead>
<tr>
<th>Method</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial cost method</td>
<td>Entry age normal</td>
</tr>
<tr>
<td>Amortization method</td>
<td>Level percentage of payroll, closed</td>
</tr>
<tr>
<td>Assets valuation method</td>
<td>Market Value</td>
</tr>
<tr>
<td>Inflation</td>
<td>2.75%</td>
</tr>
<tr>
<td>Salary increases</td>
<td>Varies by category, entry age, and duration of service</td>
</tr>
<tr>
<td>Payroll growth</td>
<td>3.00%</td>
</tr>
<tr>
<td>Investment rate of return</td>
<td>7.50% net of pension investment and administrative expenses, including inflation.</td>
</tr>
<tr>
<td>Retirement age</td>
<td>The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.</td>
</tr>
<tr>
<td>Mortality</td>
<td>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.</td>
</tr>
</tbody>
</table>
### SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

**SAFETY POLICE PLAN**

**LAST TEN FISCAL YEARS(1)**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL PENSION LIABILITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Cost</td>
<td>$4,874,596</td>
<td>$4,735,543</td>
<td>$4,618,139</td>
</tr>
<tr>
<td>Interest</td>
<td>15,292,872</td>
<td>14,549,722</td>
<td>13,684,244</td>
</tr>
<tr>
<td>Difference Between expected and Actual Experience</td>
<td>(1,847,830)</td>
<td>642,707</td>
<td>-</td>
</tr>
<tr>
<td>Changes in Assumptions</td>
<td>-</td>
<td>(3,951,003)</td>
<td>-</td>
</tr>
<tr>
<td>Benefit Payments, Including Refunds of employee Contributions</td>
<td>(8,102,489)</td>
<td>(7,482,701)</td>
<td>(7,151,132)</td>
</tr>
<tr>
<td><strong>Net Change in Total Pension Liability</strong></td>
<td>10,217,149</td>
<td>8,494,268</td>
<td>11,151,251</td>
</tr>
<tr>
<td><strong>Total Pension Liability - Beginning</strong></td>
<td>203,368,598</td>
<td>194,874,330</td>
<td>183,723,079</td>
</tr>
<tr>
<td><strong>Total Pension Liability - Ending (a)</strong></td>
<td>$213,585,747</td>
<td>$203,368,598</td>
<td>$194,874,330</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PLAN FIDUCIARY NET POSITION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution - Employer</td>
<td>$8,123,334</td>
<td>$6,391,221</td>
<td>$5,650,100</td>
</tr>
<tr>
<td>Contribution - Employee</td>
<td>1,599,970</td>
<td>1,517,507</td>
<td>1,462,671</td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>707,298</td>
<td>2,973,078</td>
<td>19,983,092</td>
</tr>
<tr>
<td>Benefit Payments, Including Refunds of Employee Contributions</td>
<td>(8,102,489)</td>
<td>(7,482,701)</td>
<td>(7,151,132)</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>(84,027)</td>
<td>(155,162)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Change in Fiduciary Net Position</strong></td>
<td>2,244,086</td>
<td>3,243,943</td>
<td>19,944,731</td>
</tr>
<tr>
<td><strong>Plan Fiduciary Net Position - Beginning</strong></td>
<td>138,093,758</td>
<td>134,849,815</td>
<td>114,905,084</td>
</tr>
<tr>
<td><strong>Plan Fiduciary Net Position - Ending (b)</strong></td>
<td>$140,337,844</td>
<td>$138,093,758</td>
<td>$134,849,815</td>
</tr>
<tr>
<td><strong>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</strong></td>
<td>$73,247,903</td>
<td>$65,274,840</td>
<td>$60,024,515</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</strong></td>
<td>65.71%</td>
<td>67.90%</td>
<td>69.20%</td>
</tr>
<tr>
<td><strong>Covered Payroll</strong></td>
<td>$17,276,613</td>
<td>$16,848,270</td>
<td>$15,386,513</td>
</tr>
<tr>
<td><strong>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</strong></td>
<td>423.97%</td>
<td>387.43%</td>
<td>390.11%</td>
</tr>
</tbody>
</table>

(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 three years are shown.

(2) Net of administrative expenses.

**Notes to Schedule:**

**Benefit Changes:** There were no changes in benefits.

**Changes of Assumptions:** No changes in assumptions.
## SCHEDULE OF PLAN CONTRIBUTIONS

**SAFETY POLICE PLAN**  
**LAST TEN FISCAL YEARS (1)**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially Determined Contribution</td>
<td>$8,867,806</td>
<td>$8,123,334</td>
<td>$6,391,222</td>
</tr>
<tr>
<td>Contribution in Relation to the Actuarially Determined Contribution</td>
<td>(8,867,806)</td>
<td>(8,123,334)</td>
<td>(6,391,222)</td>
</tr>
<tr>
<td>Contribution Deficiency (Excess)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Covered Payroll</td>
<td>$18,290,005</td>
<td>$17,486,548</td>
<td>$16,688,133</td>
</tr>
<tr>
<td>Contributions as a Percentage of Covered Payroll</td>
<td>48.48%</td>
<td>46.45%</td>
<td>38.30%</td>
</tr>
</tbody>
</table>

(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 three years are shown.

### Note to Schedule:

- **Valuation Date:** June 30, 2014
- **Methods and assumptions used to determine contribution rates:**
  - Actuarial cost method: Entry age normal  
  - Amortization method: Level percentage of payroll, closed  
  - Assets valuation method: Market Value  
  - Inflation: 2.75%  
  - Salary increases: Varies by entry age and service  
  - Payroll growth: 3.00%  
  - Investment rate of return: 7.50% net of pension investment and administrative expenses, including inflation.  
  - Retirement age: The probabilities of retirement are based on the 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.
CITY OF CORONA
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
JUNE 30, 2017

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

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of the Net Pension Liability</td>
<td>0.75892%</td>
<td>0.77136%</td>
<td>0.46039%</td>
</tr>
<tr>
<td>Proportionate Share of the Net Pension Liability</td>
<td>$39,306,263</td>
<td>$31,783,428</td>
<td>$28,647,492</td>
</tr>
<tr>
<td>Covered Payroll</td>
<td>$9,885,314</td>
<td>$9,624,801</td>
<td>$9,308,854</td>
</tr>
<tr>
<td>Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll</td>
<td>397.62%</td>
<td>330.22%</td>
<td>298.78%</td>
</tr>
<tr>
<td>Plan Fiduciary Net Position</td>
<td>$110,508,660</td>
<td>$111,251,864</td>
<td>$106,234,188</td>
</tr>
<tr>
<td>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</td>
<td>73.76%</td>
<td>77.78%</td>
<td>78.83%</td>
</tr>
</tbody>
</table>

Notes to Schedule:
  Benefit Changes: No changes in benefits.
  Changes of Assumptions: No changes in assumptions.

(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 three years are shown.
### CITY OF CORONA

**REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**

**JUNE 30, 2017**

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**SCHEDULE OF PLAN CONTRIBUTIONS**

**SAFETY FIRE PLAN**

**LAST TEN FISCAL YEARS(3)**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially Determined Contribution</td>
<td>$3,537,799</td>
<td>$4,648,267</td>
<td>$4,239,757</td>
</tr>
<tr>
<td>Contribution in Relation to the Actuarially Determined Contribution</td>
<td>(3,537,799)</td>
<td>(4,648,267)</td>
<td>(4,239,757)</td>
</tr>
<tr>
<td>Contribution Deficiency (Excess)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Covered Payroll</td>
<td>$10,511,383</td>
<td>$9,885,314</td>
<td>$9,624,801</td>
</tr>
<tr>
<td>Contributions as a Percentage of Covered Payroll</td>
<td>33.66%</td>
<td>47.02%</td>
<td>44.05%</td>
</tr>
</tbody>
</table>

---

(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 three years are shown.

**Note to Schedule:**

Valuation Date: June 30, 2014

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%
  - **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%
OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN FUNDING PROGRESS

A schedule of funding progress including the previous three actuarial valuations is presented below:

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Accrued Liability (AAL)</th>
<th>Actuarial Accrued Assets</th>
<th>Unfunded Liability (UAAL)</th>
<th>Funded Covered Ratio</th>
<th>Annual Payroll</th>
<th>UAAL as a Percentage of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/01/11</td>
<td>$96,530,244</td>
<td>$16,182,147</td>
<td>$80,348,097</td>
<td>16.8%</td>
<td>$50,192,076</td>
<td>160.1%</td>
</tr>
<tr>
<td>07/01/13</td>
<td>96,174,626</td>
<td>20,412,616</td>
<td>75,762,010</td>
<td>21.2%</td>
<td>44,512,395</td>
<td>170.2%</td>
</tr>
<tr>
<td>07/01/15</td>
<td>126,756,944</td>
<td>26,019,812</td>
<td>100,737,132</td>
<td>20.5%</td>
<td>46,879,660</td>
<td>214.9%</td>
</tr>
</tbody>
</table>

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, 2017 for the two years ending June 30, 2017 and 2018. However, the information pertains to GASB Statement No. 75 which will be implemented in Fiscal Year 2017-18. The information presented above is for the previous three actuarial valuations.

Please refer to Note 14 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.

**Capital Project Funds**

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

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

**Capital Project Funds (continued)**

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

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

**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.
## CITY OF CORONA

### COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Gas Tax</th>
<th>Measure A</th>
<th>Trip Reduction</th>
<th>Asset Forfeiture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments</td>
<td>$4,570,541</td>
<td>$9,000,622</td>
<td>$893,929</td>
<td>$599,659</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>-</td>
<td>3,715</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>15,683</td>
<td>29,999</td>
<td>3,066</td>
<td>2,057</td>
</tr>
<tr>
<td>Due from Other Governmental Agencies</td>
<td>-</td>
<td>2,017,804</td>
<td>53,450</td>
<td>-</td>
</tr>
<tr>
<td>Loans Receivable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>1,586</td>
<td>1,406,909</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$4,587,810</td>
<td>$12,459,049</td>
<td>$950,445</td>
<td>$601,716</td>
</tr>
</tbody>
</table>

### Liabilities and Fund Balances

#### Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Gas Tax</th>
<th>Measure A</th>
<th>Trip Reduction</th>
<th>Asset Forfeiture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>$55,362</td>
<td>$166,258</td>
<td>$ -</td>
<td>$376</td>
</tr>
<tr>
<td>Deposits</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>83,333</td>
</tr>
<tr>
<td>Interfund Advances Payable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Liabilities Payable from Restricted Assets</td>
<td>1,586</td>
<td>1,410,349</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>56,948</td>
<td>1,576,607</td>
<td>-</td>
<td>83,709</td>
</tr>
</tbody>
</table>

#### Fund Balances

<table>
<thead>
<tr>
<th>Description</th>
<th>Gas Tax</th>
<th>Measure A</th>
<th>Trip Reduction</th>
<th>Asset Forfeiture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted</td>
<td>4,530,862</td>
<td>10,882,442</td>
<td>950,445</td>
<td>518,007</td>
</tr>
<tr>
<td>Assigned</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unassigned</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Fund Balances</td>
<td>4,530,862</td>
<td>10,882,442</td>
<td>950,445</td>
<td>518,007</td>
</tr>
</tbody>
</table>

Total Liabilities and Fund Balances | $4,587,810 | $12,459,049 | $950,445 | $601,716
## CITY OF CORONA

## COMBINING BALANCE SHEET
### NONMAJOR GOVERNMENTAL FUNDS
#### JUNE 30, 2017

### Assets
- **Cash and Investments**: $17,977,100
- **Accounts Receivable**: 106,538
- **Interest Receivable**: 61,700
- **Due from Other Governmental Agencies**: 151,800
- **Loans Receivable**: -

### Restricted Assets:
- **Cash and Investments**: 15,531

### Total Assets:
- **Total Assets**: $18,312,669

### Liabilities and Fund Balances

#### Liabilities
- **Accounts Payable and Accrued Liabilities**: $315,646
- **Deposits**: 1,550
- **Due to Other Funds**: 1,554
- **Interfund Advances Payable**: 105,385
- **Liabilities Payable from Restricted Assets**: 72,085

### Total Liabilities:
- **Total Liabilities**: $496,220

#### Fund Balances
- **Restricted**: 17,816,449
- **Assigned**: -
- **Unassigned**: -

### Total Fund Balances:
- **Total Fund Balances**: 17,816,449

### Total Liabilities and Fund Balances:
- **Total Liabilities and Fund Balances**: $18,312,669

### Special Revenue Funds

<table>
<thead>
<tr>
<th></th>
<th>Special Tax Districts</th>
<th>Other Grants &amp; Endowments</th>
<th>Public Facility Project</th>
<th>HUD Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and Investments</strong></td>
<td>$17,977,100</td>
<td>$519,030</td>
<td>$</td>
<td>$493,912</td>
</tr>
<tr>
<td><strong>Accounts Receivable</strong></td>
<td>106,538</td>
<td>1,075</td>
<td>-</td>
<td>17,895</td>
</tr>
<tr>
<td><strong>Interest Receivable</strong></td>
<td>61,700</td>
<td>1,663</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Due from Other Governmental Agencies</strong></td>
<td>151,800</td>
<td>-</td>
<td>826,521</td>
<td>170,724</td>
</tr>
<tr>
<td><strong>Loans Receivable</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Restricted Assets:</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,909,602</td>
</tr>
<tr>
<td><strong>Cash and Investments</strong></td>
<td>15,531</td>
<td>-</td>
<td>113,288</td>
<td>-</td>
</tr>
</tbody>
</table>

### Total Assets:
- **Total Assets**: $18,312,669

### Special Revenue Funds (CONTINUED)

<table>
<thead>
<tr>
<th></th>
<th>Special Tax Districts</th>
<th>Other Grants &amp; Endowments</th>
<th>Public Facility Project</th>
<th>HUD Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$496,220</td>
<td>314,354</td>
<td>988,334</td>
<td>277,875</td>
</tr>
</tbody>
</table>

### Capital Projects Funds

<table>
<thead>
<tr>
<th></th>
<th>Public Facility Project</th>
<th>HUD Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and Investments</strong></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Accounts Payable and Accrued Liabilities</strong></td>
<td>$124,812</td>
<td>$143,604</td>
</tr>
<tr>
<td><strong>Deposits</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Due to Other Funds</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Interfund Advances Payable</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Liabilities Payable from Restricted Assets</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>988,334</td>
<td>277,875</td>
</tr>
</tbody>
</table>

### Capital Projects Funds (CONTINUED)

<table>
<thead>
<tr>
<th></th>
<th>Public Facility Project</th>
<th>HUD Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Fund Balances</strong></td>
<td>17,816,449</td>
<td>3,314,258</td>
</tr>
<tr>
<td><strong>Total Liabilities and Fund Balances</strong></td>
<td>$18,312,669</td>
<td>$3,592,133</td>
</tr>
</tbody>
</table>

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## CITY OF CORONA

### COMBINING BALANCE SHEET

#### NONMAJOR GOVERNMENTAL FUNDS

#### JUNE 30, 2017

<table>
<thead>
<tr>
<th>Assets</th>
<th>Capital Projects Funds</th>
<th>Debt Service Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Planned Local Drainage</td>
<td>Other Grants</td>
<td>Public Financing Authority</td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>$152,008</td>
<td>$7,829</td>
<td>$34,214,630</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>9,519</td>
<td>1,306,252</td>
<td>1,444,994</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>-</td>
<td>33</td>
<td>114,201</td>
</tr>
<tr>
<td>Due from Other Governmental Agencies</td>
<td>317,924</td>
<td>3,991,219</td>
<td>7,529,442</td>
</tr>
<tr>
<td>Loans Receivable</td>
<td>-</td>
<td>-</td>
<td>2,909,602</td>
</tr>
<tr>
<td>Restricted Assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>-</td>
<td>365,502</td>
<td>1,903,020</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$479,451</td>
<td>$5,670,835</td>
<td>$48,115,889</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Fund Balances</th>
<th>Capital Projects Funds</th>
<th>Debt Service Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>$46,799</td>
<td>$654,554</td>
<td>$1,560,594</td>
</tr>
<tr>
<td>Deposits</td>
<td>-</td>
<td>-</td>
<td>1,550</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>-</td>
<td>4,725,443</td>
<td>5,610,516</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>-</td>
<td>273,231</td>
<td>732,009</td>
</tr>
<tr>
<td>Interfund Advances Payable</td>
<td>-</td>
<td>-</td>
<td>105,385</td>
</tr>
<tr>
<td>Liabilities Payable from Restricted Assets</td>
<td>-</td>
<td>5,000</td>
<td>1,489,020</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>46,799</td>
<td>5,658,228</td>
<td>9,499,074</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Balances</th>
<th>Capital Projects Funds</th>
<th>Debt Service Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted</td>
<td>-</td>
<td>12,607</td>
<td>38,232,688</td>
</tr>
<tr>
<td>Assigned</td>
<td>432,652</td>
<td>-</td>
<td>432,652</td>
</tr>
<tr>
<td>Unassigned</td>
<td>-</td>
<td>-</td>
<td>(48,525)</td>
</tr>
<tr>
<td>Total Fund Balances</td>
<td>432,652</td>
<td>12,607</td>
<td>38,616,815</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Liabilities and Fund Balances</th>
<th>Capital Projects Funds</th>
<th>Debt Service Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$479,451</td>
<td>$5,670,835</td>
<td>$48,115,889</td>
</tr>
</tbody>
</table>
## CITY OF CORONA

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

**NONMAJOR GOVERNMENTAL FUNDS**

**YEAR ENDED JUNE 30, 2017**

### Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>Gas Tax</th>
<th>Measure A</th>
<th>Trip Reduction</th>
<th>Asset Forfeiture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licenses, Fees and Permits</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fines and Penalties</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>297,405</td>
</tr>
<tr>
<td>Special Assessments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>6,097</td>
<td>(24,635)</td>
<td>5,075</td>
<td>2,567</td>
</tr>
<tr>
<td>Intergovernmental Revenues</td>
<td>3,114,133</td>
<td>11,412,904</td>
<td>210,269</td>
<td>-</td>
</tr>
<tr>
<td>Current Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>11,836</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>3,132,066</td>
<td>11,388,269</td>
<td>215,344</td>
<td>299,972</td>
</tr>
</tbody>
</table>

### Expenditures

**Current:**
- General Government
- Public Safety - Fire
- Public Safety - Police
- Public Works & Maintenance Services: 1,173,533
- Library and Recreation Services
- Community Development
- Capital Outlay: 608,045
- Debt Service:
  - Interest and Fiscal Charges: 17,565

**Capital Outlay:** 1,173,010

**Total Expenditures:** 1,781,578

### Excess (Deficiency) of Revenues Over (Under) Expenditures

<table>
<thead>
<tr>
<th>Description</th>
<th>Gas Tax</th>
<th>Measure A</th>
<th>Trip Reduction</th>
<th>Asset Forfeiture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess (Deficiency)</td>
<td>1,350,488</td>
<td>599,972</td>
<td>185,014</td>
<td>282,407</td>
</tr>
</tbody>
</table>

### Other Financing Sources (Uses)

- Transfers In
- Transfers Out: (1,173,010)
- Refunding bonds issued
- Bond premium
- Payment to refunded bond escrow agent

**Total Other Financing Uses:** (1,173,010)

### Fund Balances

- **Fund Balances, Beginning of Year:** 4,353,384
- **Restatements:**
- **Fund Balances, Beginning of Year, as Restated:** 4,353,384
- **Fund Balances, End of Year:** $4,530,862

### Special Revenue Funds

<table>
<thead>
<tr>
<th>Description</th>
<th>Gas Tax</th>
<th>Measure A</th>
<th>Trip Reduction</th>
<th>Asset Forfeiture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas Tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Measure A</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Trip Reduction</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Asset Forfeiture</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### Combining Statement of Revenues, Expenditures and Changes in Fund Balances

**Nonmajor Governmental Funds**

**Year Ended June 30, 2017**

#### Revenues

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Special Revenue Funds</th>
<th>Other Grants &amp; Endowments</th>
<th>Capital Projects Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Special Tax Districts</td>
<td>Public Facility Project</td>
<td>HUD Grants</td>
</tr>
<tr>
<td>Licenses, Fees and Permits</td>
<td>$ 1,925</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Fines and Penalties</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Special Assessments</td>
<td>8,269,221</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>(3,493)</td>
<td>810</td>
<td>-</td>
</tr>
<tr>
<td>Intergovernmental Revenues</td>
<td>-</td>
<td>357,569</td>
<td>5,489,886</td>
</tr>
<tr>
<td>Current Services</td>
<td>-</td>
<td>174,725</td>
<td>626,579</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>191,071</td>
<td>92</td>
<td>95,779</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>8,503,212</strong></td>
<td><strong>533,196</strong></td>
<td><strong>5,489,886</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>722,358</strong></td>
</tr>
</tbody>
</table>

#### Expenditures

Current:

- General Government: 86,842
- Public Safety - Fire: -
- Public Safety - Police: -
- Public Works & Maintenance Services: 5,900,397
- Library and Recreation Services: 17,766
- Community Development: -
- Capital Outlay: 1,866,633
- Debt Service:
  - Interest and Fiscal Charges: 6,506

**Total Expenditures**

- 7,860,378
- 604,318
- 5,538,249
- 596,528

**Excess (Deficiency) of Revenues Over (Under) Expenditures**

- 642,834
- (71,122)
- (48,363)
- 125,830

#### Other Financing Sources (Uses)

- Transfers In: 98,822
- Transfers Out: - (38)
- Refunding bonds issued: -
- Bond premium: -
- Payment to refunded bond escrow agent: -

**Total Other Financing Uses**

- 98,822
- (38)
- -
- -

**Net Change in Fund Balances**

- 741,656
- (71,160)
- (48,363)
- 125,830

**Fund Balances, Beginning of Year**

- 17,074,793
- 278,574
- (162)
- 2,399,250

**Restatements**

- -
- -
- -
- 789,178

**Fund Balances, Beginning of Year, as Restated**

- 17,074,793
- 278,574
- (162)
- 3,188,428

**Fund Balances, End of Year**

- $ 17,816,449
- $ 207,414
- $ (48,525)
- $ 3,314,258

---

**Continued**
## CITY OF CORONA

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

**NONMAJOR GOVERNMENTAL FUNDS**

**YEAR ENDED JUNE 30, 2017**

### Revenues

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Capital Projects Funds</th>
<th>Debt Service Fund</th>
<th>Total Other Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Planned Local Drainage</td>
<td>Public Financing Authority</td>
<td></td>
</tr>
<tr>
<td>Licenses, Fees and Permits</td>
<td>$773,671</td>
<td>-</td>
<td>$775,596</td>
</tr>
<tr>
<td>Fines and Penalties</td>
<td>-</td>
<td>-</td>
<td>297,405</td>
</tr>
<tr>
<td>Special Assessments</td>
<td>-</td>
<td>-</td>
<td>8,269,221</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>-</td>
<td>71</td>
<td>6,177</td>
</tr>
<tr>
<td>Intergovernmental Revenues</td>
<td>3,223,452</td>
<td>-</td>
<td>24,434,792</td>
</tr>
<tr>
<td>Current Services</td>
<td>-</td>
<td>-</td>
<td>219,213</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>240,116</td>
<td>1,700,877</td>
<td>2,239,771</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>1,013,787</td>
<td>4,924,400</td>
<td>36,242,175</td>
</tr>
</tbody>
</table>

### Expenditures

**Current:**

- General Government: $293,089
- Public Safety - Fire: -
- Public Safety - Police: -
- Public Works & Maintenance Services: $928,436
- Library and Recreation Services: $12,200
- Community Development: -
- Capital Outlay: $6,931
- Debt Service:
  - Interest and Fiscal Charges: -

**Total Expenditures**: $935,367

**Excess (Deficiency) of Revenues Over (Under) Expenditures**

- Planned Local Drainage: $78,420
- Other Grants: $97,868
- **Total Other Financing Uses**: $2,416,841

**Net Change in Fund Balances**

- Planned Local Drainage: $78,420
- Other Grants: $97,868
- **Total**: $2,416,637

**Fund Balances, Beginning of Year**

- Planned Local Drainage: $354,232
- Other Grants: $(85,261)

**Restatements**

- Planned Local Drainage: -
- Other Grants: -

**Fund Balances, Beginning of Year, as Restated**

- Planned Local Drainage: $354,232
- Other Grants: $(85,261)

**Fund Balances, End of Year**

- Planned Local Drainage: $432,652
- Other Grants: $12,607

**Total**: $38,616,815
The Budgetary Comparison Schedules – Nonmajor Governmental Funds consist of the following fund types:

- Nonmajor Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
CITY OF CORONA
BUDGETARY COMPARISON SCHEDULE
GAS TAX
YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th>Budget Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td>Budgetary Fund Balance, July 1</td>
<td>$ 4,353,384</td>
<td>$ 4,353,384</td>
</tr>
<tr>
<td>Resources (Inflows):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>3,272,699</td>
<td>3,272,699</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>57,700</td>
<td>57,700</td>
</tr>
<tr>
<td>Other revenues</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amounts Available for Appropriations</td>
<td>$ 7,683,783</td>
<td>$ 7,683,783</td>
</tr>
<tr>
<td>Charges to Appropriation (Outflow):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public works &amp; maintenance services</td>
<td>1,293,454</td>
<td>1,289,787</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>912,500</td>
<td>3,754,713</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>1,400,000</td>
</tr>
<tr>
<td>Total Charges to Appropriations</td>
<td>$ 2,205,954</td>
<td>$ 6,444,500</td>
</tr>
<tr>
<td>Budgetary Fund Balance, June 30</td>
<td>$ 5,477,829</td>
<td>$ 1,239,283</td>
</tr>
</tbody>
</table>
## Budgetary Comparison Schedule
### Measure A Fund
#### Year Ended June 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Budget Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>Positive (Negative)</td>
</tr>
<tr>
<td>Budgetary Fund Balance, July 1</td>
<td>$10,282,470</td>
<td>$10,282,470</td>
<td>$10,282,470</td>
</tr>
<tr>
<td><strong>Resources (Inflows):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>4,146,000</td>
<td>4,146,000</td>
<td>11,412,904</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>75,700</td>
<td>75,700</td>
<td>(24,635)</td>
</tr>
<tr>
<td><strong>Amounts Available for Appropriations</strong></td>
<td>14,504,170</td>
<td>14,504,170</td>
<td>21,670,739</td>
</tr>
<tr>
<td><strong>Charges to Appropriation (Outflow):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public works &amp; maintenance services</td>
<td>252,889</td>
<td>252,889</td>
<td>502,134</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>5,740,000</td>
<td>21,390,698</td>
<td>10,286,163</td>
</tr>
<tr>
<td><strong>Total Charges to Appropriations</strong></td>
<td>5,992,889</td>
<td>21,643,587</td>
<td>10,788,297</td>
</tr>
<tr>
<td>Budgetary Fund Balance, June 30</td>
<td>$8,511,281</td>
<td>$(7,139,417)</td>
<td>$10,882,442</td>
</tr>
</tbody>
</table>
## CITY OF CORONA

### BUDGETARY COMPARISON SCHEDULE

**TRIP REDUCTION**

**YEAR ENDED JUNE 30, 2017**

<table>
<thead>
<tr>
<th>Resource (Inflows)</th>
<th>Original</th>
<th>Final</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budgetary Fund Balance, July 1</strong></td>
<td>$765,431</td>
<td>$765,431</td>
<td>$765,431</td>
<td>-</td>
</tr>
<tr>
<td><strong>Resources (Inflows):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>200,000</td>
<td>200,000</td>
<td>210,269</td>
<td>10,269</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>6,000</td>
<td>6,000</td>
<td>5,075</td>
<td>(925)</td>
</tr>
<tr>
<td><strong>Amounts Available for Appropriations</strong></td>
<td>971,431</td>
<td>971,431</td>
<td>980,775</td>
<td>9,344</td>
</tr>
<tr>
<td><strong>Charges to Appropriation (Outflow):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public works &amp; maintenance services</td>
<td>18,000</td>
<td>31,931</td>
<td>30,330</td>
<td>1,601</td>
</tr>
<tr>
<td><strong>Total Charges to Appropriations</strong></td>
<td>18,000</td>
<td>31,931</td>
<td>30,330</td>
<td>1,601</td>
</tr>
<tr>
<td><strong>Budgetary Fund Balance, June 30</strong></td>
<td>$953,431</td>
<td>$939,500</td>
<td>$950,445</td>
<td>$10,945</td>
</tr>
</tbody>
</table>
## CITY OF CORONA

### BUDGETARY COMPARISON SCHEDULE

**ASSET FORFEITURE**

**YEAR ENDED JUNE 30, 2017**

<table>
<thead>
<tr>
<th>Budget Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td>Resources (Inflows):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budgetary Fund Balance, July 1</td>
<td>$235,600</td>
<td>$235,600</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>2,800</td>
<td>2,800</td>
</tr>
<tr>
<td>Fines and penalties</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Amounts Available for Appropriations</strong></td>
<td>238,400</td>
<td>238,400</td>
</tr>
<tr>
<td>Charges to Appropriation (Outflow):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public safety - Police</td>
<td>10,000</td>
<td>19,282</td>
</tr>
<tr>
<td><strong>Total Charges to Appropriations</strong></td>
<td>10,000</td>
<td>19,282</td>
</tr>
<tr>
<td><strong>Budgetary Fund Balance, June 30</strong></td>
<td>$228,400</td>
<td>$219,118</td>
</tr>
</tbody>
</table>
CITY OF CORONA

BUDGETARY COMPARISON SCHEDULE
SPECIAL TAX DISTRICTS
YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Budget Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td></td>
</tr>
<tr>
<td>Budgetary Fund Balance, July 1</td>
<td>$ 17,074,793</td>
<td>$ 17,074,793</td>
<td>$ 17,074,793</td>
</tr>
<tr>
<td>Resources (Inflows):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>-</td>
<td>-</td>
<td>1,925</td>
</tr>
<tr>
<td>Special assessments</td>
<td>8,652,269</td>
<td>8,652,269</td>
<td>8,269,221</td>
</tr>
<tr>
<td>Current services</td>
<td>116,000</td>
<td>116,000</td>
<td>44,488</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>158,303</td>
<td>158,303</td>
<td>(3,493)</td>
</tr>
<tr>
<td>Other revenues</td>
<td>800</td>
<td>800</td>
<td>191,071</td>
</tr>
<tr>
<td>Transfers in</td>
<td>-</td>
<td>691,128</td>
<td>98,822</td>
</tr>
<tr>
<td><strong>Amounts Available for Appropriations</strong></td>
<td>26,002,165</td>
<td>26,693,293</td>
<td>25,676,827</td>
</tr>
<tr>
<td>Charges to Appropriation (Outflow):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>142,279</td>
<td>142,546</td>
<td>86,842</td>
</tr>
<tr>
<td>Public works &amp; maintenance services</td>
<td>7,988,251</td>
<td>7,974,068</td>
<td>5,900,397</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>785,169</td>
<td>7,410,285</td>
<td>1,866,633</td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and fiscal charges</td>
<td>6,510</td>
<td>6,510</td>
<td>6,506</td>
</tr>
<tr>
<td><strong>Total Charges to Appropriations</strong></td>
<td>8,922,209</td>
<td>15,533,409</td>
<td>7,860,378</td>
</tr>
<tr>
<td>Budgetary Fund Balance, June 30</td>
<td>$ 17,079,956</td>
<td>$ 11,159,884</td>
<td>$ 17,816,449</td>
</tr>
</tbody>
</table>
CITY OF CORONA

BUDGETARY COMPARISON SCHEDULE
OTHER GRANTS & ENDOWMENTS
YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th>Budgetary Fund Balance, July 1</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variances</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Final Budget</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Positive</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(Negative)</td>
</tr>
<tr>
<td>Budgetary Fund Balance, July 1</td>
<td>$278,574</td>
<td>$278,574</td>
<td>$278,574</td>
<td>$-</td>
</tr>
<tr>
<td>Resources (Inflows):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>341,385</td>
<td>382,140</td>
<td>357,569</td>
<td>(24,571)</td>
</tr>
<tr>
<td>Current services</td>
<td>200,000</td>
<td>200,000</td>
<td>174,725</td>
<td>(25,275)</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>7,800</td>
<td>7,800</td>
<td>810</td>
<td>(6,990)</td>
</tr>
<tr>
<td>Other revenues</td>
<td>-</td>
<td>-</td>
<td>92</td>
<td>92</td>
</tr>
<tr>
<td><strong>Amounts Available for Appropriations</strong></td>
<td>827,759</td>
<td>868,514</td>
<td>811,770</td>
<td>(56,744)</td>
</tr>
<tr>
<td>Charges to Appropriation (Outflow):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public safety - Police</td>
<td>694,755</td>
<td>808,956</td>
<td>586,552</td>
<td>222,404</td>
</tr>
<tr>
<td>Library and recreation services</td>
<td>-</td>
<td>27,718</td>
<td>17,766</td>
<td>9,952</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
<td>38</td>
<td>(38)</td>
</tr>
<tr>
<td><strong>Total Charges to Appropriations</strong></td>
<td>694,755</td>
<td>836,674</td>
<td>604,356</td>
<td>232,318</td>
</tr>
<tr>
<td>Budgetary Fund Balance, June 30</td>
<td>$133,004</td>
<td>$31,840</td>
<td>$207,414</td>
<td>$175,574</td>
</tr>
</tbody>
</table>
## CITY OF CORONA
### BUDGETARY COMPARISON SCHEDULE
#### LOW MOD INCOME HOUSING ASSET
#### YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Budget Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td></td>
</tr>
<tr>
<td>Budgetary Fund Balance, July 1, as restated</td>
<td>$22,424,808</td>
<td>$22,424,808</td>
<td>$22,424,808</td>
</tr>
<tr>
<td><strong>Resources (Inflows):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>31,500</td>
<td>31,500</td>
<td>26,461</td>
</tr>
<tr>
<td>Developer participation</td>
<td>-</td>
<td>-</td>
<td>129</td>
</tr>
<tr>
<td>Other revenues</td>
<td>3,910,000</td>
<td>3,910,000</td>
<td>862,825</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Amounts Available for Appropriations</strong></td>
<td>$26,366,308</td>
<td>$26,366,308</td>
<td>$23,314,223</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Charges to Appropriation (Outflow):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Development</td>
<td>125,065</td>
<td>125,146</td>
<td>150,849</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>25,000</td>
<td>2,060,714</td>
<td>41,448</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Charges to Appropriations</strong></td>
<td>150,065</td>
<td>2,185,860</td>
<td>192,297</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Budgetary Fund Balance, June 30 | $26,216,243 | $24,180,448 | $23,121,926                                   | $(1,058,522)
### CITY OF CORONA

#### BUDGETARY COMPARISON SCHEDULE

**DEVELOPMENT**

**YEAR ENDED JUNE 30, 2017**

<table>
<thead>
<tr>
<th>Budget Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budgetary Fund Balance, July 1, as restated</strong></td>
<td>$ 8,453,822</td>
<td>$ 8,453,822</td>
</tr>
<tr>
<td><strong>Resources (Inflows):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licenses and permits</td>
<td>3,610,600</td>
<td>3,610,600</td>
</tr>
<tr>
<td>Use of money and property</td>
<td>311,700</td>
<td>311,700</td>
</tr>
<tr>
<td>Developer participation</td>
<td>200,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Amounts Available for Appropriation</strong></td>
<td>12,576,122</td>
<td>12,576,122</td>
</tr>
<tr>
<td><strong>Charges to Appropriation (Outflow):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public safety - Fire</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td>Public works</td>
<td>90,782</td>
<td>115,616</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>6,185,633</td>
<td>16,843,374</td>
</tr>
<tr>
<td>Transfers out</td>
<td>2,412,300</td>
<td>2,412,300</td>
</tr>
<tr>
<td><strong>Total Charges to Appropriations</strong></td>
<td>8,688,758</td>
<td>19,371,333</td>
</tr>
<tr>
<td><strong>Budgetary Fund Balance, June 30</strong></td>
<td>$ 3,887,364</td>
<td>$(6,795,211)</td>
</tr>
</tbody>
</table>
CITY OF CORONA

BUDGETARY COMPARISON SCHEDULE
PUBLIC FACILITY PROJECT
YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th>Budget Amounts</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budgetary Fund Balance, July 1</td>
<td>$ (162)</td>
<td>$ (162)</td>
<td>$ (162)</td>
</tr>
<tr>
<td>Resources (Inflows):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>1,000,000</td>
<td>4,847,000</td>
<td>5,489,886</td>
<td>642,886</td>
</tr>
<tr>
<td>Amounts Available for Appropriations</td>
<td>999,838</td>
<td>4,846,838</td>
<td>5,489,724</td>
<td>642,886</td>
</tr>
<tr>
<td>Charges to Appropriation (Outflow):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital outlay</td>
<td>-</td>
<td>12,756,571</td>
<td>5,538,249</td>
<td>7,218,322</td>
</tr>
<tr>
<td>Total Charges to Appropriations</td>
<td>-</td>
<td>12,756,571</td>
<td>5,538,249</td>
<td>7,218,322</td>
</tr>
<tr>
<td>Budgetary Fund Balance, June 30</td>
<td>$ 999,838</td>
<td>$ (7,909,733)</td>
<td>$ (48,525)</td>
<td>$ 7,861,208</td>
</tr>
</tbody>
</table>
## CITY OF CORONA

### BUDGETARY COMPARISON SCHEDULE

#### HUD GRANTS

**YEAR ENDED JUNE 30, 2017**

<table>
<thead>
<tr>
<th>Budgeted Items</th>
<th>Budget Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>Original</td>
</tr>
<tr>
<td>Budgetary Fund Balance, July 1, as restated</td>
<td>$3,188,428</td>
<td>$3,188,428</td>
<td>$3,188,428</td>
</tr>
<tr>
<td><strong>Resources (Inflows):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>1,590,220</td>
<td>1,590,220</td>
<td>626,579</td>
</tr>
<tr>
<td>Other revenues</td>
<td>-</td>
<td>-</td>
<td>95,779</td>
</tr>
<tr>
<td><strong>Amounts Available for Appropriations</strong></td>
<td>4,778,648</td>
<td>4,778,648</td>
<td>3,910,786</td>
</tr>
<tr>
<td><strong>Charges to Appropriation (Outflow):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Development</td>
<td>72,775</td>
<td>72,775</td>
<td>138,265</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>1,517,445</td>
<td>2,508,671</td>
<td>458,263</td>
</tr>
<tr>
<td><strong>Total Charges to Appropriations</strong></td>
<td>1,590,220</td>
<td>2,581,446</td>
<td>596,528</td>
</tr>
<tr>
<td><strong>Budgetary Fund Balance, June 30</strong></td>
<td>$3,188,428</td>
<td>$2,197,202</td>
<td>$3,314,258</td>
</tr>
<tr>
<td></td>
<td>Budget Amounts</td>
<td>Actual Amounts</td>
<td>Variance with Final Budget</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>----------------</td>
<td>----------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td></td>
</tr>
<tr>
<td>Resources (Inflows):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licenses, fees and permits</td>
<td>751,000</td>
<td>751,000</td>
<td>773,671</td>
</tr>
<tr>
<td>Other revenues</td>
<td>237,425</td>
<td>237,425</td>
<td>240,116</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts Available for Appropriations</td>
<td>1,342,657</td>
<td>1,342,657</td>
<td>1,368,019</td>
</tr>
<tr>
<td>Charges to Appropriation (Outflow):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public works &amp; maintenance services</td>
<td>1,034,202</td>
<td>1,010,727</td>
<td>928,436</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>-</td>
<td>60,000</td>
<td>6,931</td>
</tr>
<tr>
<td></td>
<td>1,034,202</td>
<td>1,070,727</td>
<td>935,367</td>
</tr>
<tr>
<td>Budgetary Fund Balance, June 30</td>
<td>$ 308,455</td>
<td>$ 271,930</td>
<td>$ 432,652</td>
</tr>
</tbody>
</table>
### CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE**  
**OTHER GRANTS**  
**YEAR ENDED JUNE 30, 2017**

<table>
<thead>
<tr>
<th></th>
<th>Budget Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td></td>
</tr>
<tr>
<td><strong>Budgetary Fund Balance, July 1</strong></td>
<td>$ (85,261)</td>
<td>$ (85,261)</td>
<td>$ (85,261)</td>
</tr>
<tr>
<td><strong>Resources (Inflows):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>66,532</td>
<td>399,881</td>
<td>3,223,452</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>162</td>
<td>162</td>
<td>71</td>
</tr>
<tr>
<td>Other revenues</td>
<td></td>
<td>66,267,783</td>
<td>1,700,877</td>
</tr>
<tr>
<td><strong>Amounts Available for Appropriations</strong></td>
<td>(18,567)</td>
<td>66,582,565</td>
<td>4,839,139</td>
</tr>
<tr>
<td><strong>Charges to Appropriation (Outflow):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library and recreation services</td>
<td>-</td>
<td>12,073</td>
<td>12,200</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>299,217</td>
<td>80,101,624</td>
<td>4,814,332</td>
</tr>
<tr>
<td><strong>Total Charges to Appropriations</strong></td>
<td>299,217</td>
<td>80,113,697</td>
<td>4,826,532</td>
</tr>
<tr>
<td><strong>Budgetary Fund Balance, June 30</strong></td>
<td>$ (317,784)</td>
<td>$ (13,531,132)</td>
<td>$ 12,607</td>
</tr>
</tbody>
</table>


### CITY OF CORONA

**BUDGETARY COMPARISON SCHEDULE**  
PUBLIC FINANCING AUTHORITY  
YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Budget Amounts</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td></td>
</tr>
<tr>
<td><strong>Budgetary Fund Balance, July 1</strong></td>
<td>$2,416,841</td>
<td>$2,416,841</td>
<td>$2,416,841</td>
</tr>
<tr>
<td><strong>Resources (Inflows):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings</td>
<td>19,100</td>
<td>19,100</td>
<td>19,685</td>
</tr>
<tr>
<td>Refunding bonds issued</td>
<td>-</td>
<td>-</td>
<td>24,520,000</td>
</tr>
<tr>
<td>Bond premium</td>
<td>-</td>
<td>-</td>
<td>2,974,564</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Amounts Available for Appropriations</strong></td>
<td>2,435,941</td>
<td>2,435,941</td>
<td>29,931,090</td>
</tr>
<tr>
<td><strong>Charges to Appropriation (Outflow):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>-</td>
<td>1,052,379</td>
<td>293,089</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
<td>2,425,347</td>
</tr>
<tr>
<td>Payment to refunded bond escrow agent</td>
<td>-</td>
<td>28,572,466</td>
<td>27,212,450</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Charges to Appropriations</strong></td>
<td>-</td>
<td>29,624,845</td>
<td>29,930,886</td>
</tr>
<tr>
<td><strong>Budgetary Fund Balance, June 30</strong></td>
<td>$2,435,941</td>
<td>$(27,188,904)</td>
<td>$204</td>
</tr>
</tbody>
</table>
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.

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

Transit Services Fund – This fund is used to account for the operations of the City’s transportation system for a fixed route and demand response service (Corona Cruiser and Dial-A-Ride) which, along with farebox revenues, receives grants from the Transportation Development Act (TDA).

Airport Fund – This fund is used to account for the operations of the City’s municipal airport. The airport provides services to general aviation aircraft for recreation purposes only. It is a self-supporting activity based on rental charges and state grants.
CITY OF CORONA

COMBINING STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUNDS
JUNE 30, 2017

<table>
<thead>
<tr>
<th>Business-Type Activities - Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit</td>
</tr>
<tr>
<td>Services</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>Assets</td>
</tr>
<tr>
<td>Current Assets</td>
</tr>
<tr>
<td>Cash and Investments</td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
</tr>
<tr>
<td>Interest Receivable</td>
</tr>
<tr>
<td>Due from Other Governmental Agencies</td>
</tr>
<tr>
<td>Restricted:</td>
</tr>
<tr>
<td>Cash and Investments</td>
</tr>
<tr>
<td>Total Current Assets</td>
</tr>
<tr>
<td>Noncurrent Assets</td>
</tr>
<tr>
<td>Capital Assets:</td>
</tr>
<tr>
<td>Capital Assets, Net of Depreciation</td>
</tr>
<tr>
<td>Total Capital Assets</td>
</tr>
<tr>
<td>Total Noncurrent Assets</td>
</tr>
<tr>
<td>Total Assets</td>
</tr>
<tr>
<td>Deferred Outflows of Resources</td>
</tr>
<tr>
<td>Deferred Pension Related Items</td>
</tr>
<tr>
<td>Total Deferred Outflows of Resources</td>
</tr>
<tr>
<td>Total Assets and Deferred Outflows of Resources</td>
</tr>
<tr>
<td>Liabilities, Deferred Inflows of Resources, and Net Position</td>
</tr>
<tr>
<td>Liabilities</td>
</tr>
<tr>
<td>Current Liabilities</td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
</tr>
<tr>
<td>Unearned Revenue</td>
</tr>
<tr>
<td>Deposits</td>
</tr>
<tr>
<td>Compensated Absences Payable</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
</tr>
<tr>
<td>Noncurrent Liabilities</td>
</tr>
<tr>
<td>Interfund Advances Payable</td>
</tr>
<tr>
<td>Compensated Absences Payable</td>
</tr>
<tr>
<td>Net Pension Liability</td>
</tr>
<tr>
<td>Total Noncurrent Liabilities</td>
</tr>
<tr>
<td>Total Liabilities</td>
</tr>
<tr>
<td>Deferred Inflows of Resources</td>
</tr>
<tr>
<td>Deferred Pension Related Items</td>
</tr>
<tr>
<td>Total Deferred Inflows of Resources</td>
</tr>
<tr>
<td>Net Position</td>
</tr>
<tr>
<td>Net Investment in Capital Assets</td>
</tr>
<tr>
<td>Restricted for:</td>
</tr>
<tr>
<td>Transportation</td>
</tr>
<tr>
<td>Unrestricted</td>
</tr>
<tr>
<td>Total Net Position</td>
</tr>
<tr>
<td>Total Liabilities, Deferred Inflows of Resources, and Net Position</td>
</tr>
</tbody>
</table>

165
## Business-Type Activities - Enterprise Funds

<table>
<thead>
<tr>
<th></th>
<th>Transit Services</th>
<th>Airport</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees and Permits</td>
<td>$ -</td>
<td>$ 35,914</td>
<td>$ 35,914</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>427,533</td>
<td>262,954</td>
<td>690,487</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>427,533</td>
<td>298,868</td>
<td>726,401</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>278,348</td>
<td>-</td>
<td>278,348</td>
</tr>
<tr>
<td>Contractual</td>
<td>1,634,568</td>
<td>10,594</td>
<td>1,645,162</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>73,341</td>
<td>110,033</td>
<td>183,374</td>
</tr>
<tr>
<td>Utilities</td>
<td>210,501</td>
<td>8,937</td>
<td>219,438</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>629,943</td>
<td>37,296</td>
<td>667,239</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>2,826,701</td>
<td>166,860</td>
<td>2,993,561</td>
</tr>
<tr>
<td><strong>Operating Income (Loss)</strong></td>
<td>(2,399,168)</td>
<td>132,008</td>
<td>(2,267,160)</td>
</tr>
<tr>
<td><strong>Nonoperating Revenues (Expenses)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>(430)</td>
<td>1,642</td>
<td>1,212</td>
</tr>
<tr>
<td>Operating Grants and Contributions</td>
<td>1,793,280</td>
<td>10,000</td>
<td>1,803,280</td>
</tr>
<tr>
<td><strong>Total Nonoperating Revenues (Expenses)</strong></td>
<td>1,792,850</td>
<td>11,642</td>
<td>1,804,492</td>
</tr>
<tr>
<td>Income (Loss) Before Contributions and Transfers</td>
<td>(606,318)</td>
<td>143,650</td>
<td>(462,668)</td>
</tr>
<tr>
<td>Capital Grants and Contributions</td>
<td>146,937</td>
<td>-</td>
<td>146,937</td>
</tr>
<tr>
<td>Changes in Net Position</td>
<td>(459,381)</td>
<td>143,650</td>
<td>(315,731)</td>
</tr>
<tr>
<td><strong>Net Position, Beginning of Year</strong></td>
<td>4,928,920</td>
<td>232,540</td>
<td>5,161,460</td>
</tr>
<tr>
<td><strong>Net Position, End of Year</strong></td>
<td>$ 4,469,539</td>
<td>$ 376,190</td>
<td>$ 4,845,729</td>
</tr>
</tbody>
</table>
### CITY OF CORONA

#### COMBINING STATEMENT OF CASH FLOWS

**NON-MAJOR PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2017**

<table>
<thead>
<tr>
<th>Business-Type Activities - Enterprise Funds</th>
<th>Transit Services</th>
<th>Airport</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received from customers and users</td>
<td>$ -</td>
<td>$ 17,606</td>
<td>$ 17,606</td>
</tr>
<tr>
<td>Cash paid to suppliers for goods and services</td>
<td>(2,078,893)</td>
<td>(129,751)</td>
<td>(2,208,644)</td>
</tr>
<tr>
<td>Cash paid to employees for services</td>
<td>(325,717)</td>
<td>(3)</td>
<td>(325,720)</td>
</tr>
<tr>
<td>Cash received from others</td>
<td>711,289</td>
<td>263,019</td>
<td>974,308</td>
</tr>
<tr>
<td><strong>Net Cash Provided (Used) by Operating Activities</strong></td>
<td>(1,693,321)</td>
<td>150,871</td>
<td>(1,542,450)</td>
</tr>
</tbody>
</table>

| **Cash Flows from Non-Capital Financing Activities:**  |                  |         |        |
| Advance from other funds                    | -                | (15,000) | (15,000) |
| Operating grants and contributions          | 1,793,280        | 10,000  | 1,803,280 |
| **Net Cash Provided (Used) by Non-Capital Financing Activities** | 1,793,280 | (5,000) | 1,788,280 |

| **Cash Flows from Capital and Related Financing Activities:**  |                  |         |        |
| Capital grants and contributions            | 146,937          | -       | 146,937 |
| Acquisition and construction of capital assets | (55,925) | -       | (55,925) |
| **Net Cash Provided (Used) by Capital and Related Financing Activities** | 91,012 | - | 91,012 |

| **Cash Flows from Investing Activities:**  |                  |         |        |
| Interest received                           | (1,513)          | 962     | (551)  |
| **Net Cash Provided (Used) by Investing Activities** | (1,513) | 962 | (551) |

| **Net Increase (Decrease) in Cash and Cash Equivalents** | 189,458 | 146,833 | 336,291 |

| Cash and Cash Equivalents at Beginning of Year | 1,033,804 | 223,134 | 1,256,938 |
| **Cash and Cash Equivalents at End of Year** | $ 1,223,262 | $ 369,967 | $ 1,593,229 |

| **Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:**  |                  |         |        |
| Operating income (loss)                     | $ (2,399,168) | $ 132,008 | (2,267,160) |
| **Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:**  |                  |         |        |
| Depreciation                               | 629,943         | 37,296  | 667,239 |
| (Increase) decrease in accounts receivable | (411)           | (18,308) | (18,719) |
| (Increase) decrease in accounts payable    | 44,762          | -       | 44,762  |
| (Increase) decrease in deferred outflows of pension related items | (217,181) | (52) | (217,233) |
| Increase (decrease) in accounts payable    | (160,483)       | (187)   | (160,670) |
| Increase (decrease) in unearned revenue    | 239,405         | 65      | 239,470  |
| Increase (decrease) in compensated absences| (28,374)        | -       | (28,374) |
| Increase (decrease) in pension liability   | 147,746         | (32)    | 147,714  |
| Increase (decrease) in deferred inflows of pension related items | 50,440 | 81 | 50,521 |
| **Total Adjustments**                      | 705,847         | 18,863  | 724,710  |
| **Net Cash Provided (Used) by Operating Activities** | $ (1,693,321) | $ 150,871 | (1,542,450) |

| **Non-Cash Investing, Capital, and Financing Activities:**  |                  |         |        |
| There were no non-cash investing, capital or financing activities during fiscal year 2016-2017. |                  |         |        |
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.
## Combining Statement of Net Position
### Internal Service Funds
#### June 30, 2017

### Assets

<table>
<thead>
<tr>
<th>Current Assets</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments</td>
<td>$11,260,737</td>
<td>$19,923,894</td>
<td>$2,495,783</td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>8,840</td>
<td>77,490</td>
<td>-</td>
</tr>
<tr>
<td>Due from Other Governmental Agencies</td>
<td>1,048</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Inventories and Prepayments</td>
<td>161,971</td>
<td>340,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>11,432,596</strong></td>
<td><strong>20,341,384</strong></td>
<td><strong>2,495,783</strong></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>11,432,596</strong></td>
<td><strong>20,341,384</strong></td>
<td><strong>2,495,783</strong></td>
</tr>
</tbody>
</table>

### Deferred Outflows of Resources

<table>
<thead>
<tr>
<th>Deferred Pension Related Items</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Deferred Outflows of Resources</strong></td>
<td><strong>570,459</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Liabilities, Deferred Inflows of Resources, and Net Position

### Liabilities

<table>
<thead>
<tr>
<th>Current Liabilities</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>$372,041</td>
<td>$151,941</td>
<td>$179,101</td>
</tr>
<tr>
<td>Claims and Judgments Payable</td>
<td>-</td>
<td>3,925,878</td>
<td>941,077</td>
</tr>
<tr>
<td>Compensated Absences Payable</td>
<td>61,013</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>433,054</strong></td>
<td><strong>4,077,819</strong></td>
<td><strong>1,120,178</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Noncurrent Liabilities</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims and Judgments Payable</td>
<td>-</td>
<td>17,211,227</td>
<td>1,375,605</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>1,174,506</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Noncurrent Liabilities</strong></td>
<td><strong>1,174,506</strong></td>
<td><strong>17,211,227</strong></td>
<td><strong>1,375,605</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>1,607,560</strong></td>
<td><strong>21,289,046</strong></td>
<td><strong>2,495,783</strong></td>
</tr>
</tbody>
</table>

### Deferred Inflows of Resources

<table>
<thead>
<tr>
<th>Deferred Pension Related Items</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Deferred Inflows of Resources</strong></td>
<td><strong>133,170</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Net Position

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Net Position</strong></td>
<td><strong>10,262,325</strong></td>
<td><strong>(947,662)</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities, Deferred Inflows of Resources, and Net Position</strong></td>
<td><strong>12,003,055</strong></td>
<td><strong>20,341,384</strong></td>
<td><strong>2,495,783</strong></td>
</tr>
</tbody>
</table>
## CITY OF CORONA

### COMBINING STATEMENT OF NET POSITION
**INTERNAL SERVICE FUNDS**
**JUNE 30, 2017**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Warehouse</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>$ 310,850</td>
<td>$ 33,991,264</td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>-</td>
<td>86,330</td>
</tr>
<tr>
<td>Due from Other Governmental Agencies</td>
<td>-</td>
<td>1,048</td>
</tr>
<tr>
<td>Inventories and Prepayments</td>
<td>-</td>
<td>501,971</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>310,850</td>
<td>34,580,613</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>310,850</td>
<td>34,580,613</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Deferred Outflows of Resources</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Pension Related Items</td>
<td>63,622</td>
<td>634,081</td>
</tr>
<tr>
<td><strong>Total Deferred Outflows of Resources</strong></td>
<td>63,622</td>
<td>634,081</td>
</tr>
<tr>
<td><strong>Total Assets and Deferred Outflows of Resources</strong></td>
<td>$ 374,472</td>
<td>$ 35,214,694</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities, Deferred Inflows of Resources, and Net Position Liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>$ 6,005</td>
<td>$ 709,088</td>
</tr>
<tr>
<td>Claims and Judgments Payable</td>
<td>-</td>
<td>4,866,955</td>
</tr>
<tr>
<td>Compensated Absences Payable</td>
<td>1,398</td>
<td>62,411</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>7,403</td>
<td>5,638,454</td>
</tr>
</tbody>
</table>

| **Noncurrent Liabilities**                                            |           |              |
| Claims and Judgments Payable                                          | -         | 18,586,832   |
| Net Pension Liability                                                 | 108,821   | 1,283,327    |
| **Total Noncurrent Liabilities**                                      | 108,821   | 19,870,159   |
| **Total Liabilities**                                                 | 116,224   | 25,508,613   |

| **Deferred Inflows of Resources**                                     |           |              |
| Deferred Pension Related Items                                        | 4,529     | 137,699      |
| **Total Deferred Inflows of Resources**                               | 4,529     | 137,699      |

| **Net Position**                                                      |           |              |
| Unrestricted                                                          | 253,719   | 9,568,382    |

| **Total Net Position**                                               | 253,719   | 9,568,382    |
| **Total Liabilities, Deferred Inflows of Resources, and Net Position** | $ 374,472 | $ 35,214,694 |
CITY OF CORONA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017

### Operating Revenues

<table>
<thead>
<tr>
<th></th>
<th>Fleet Operations</th>
<th>Workers’ Compensation</th>
<th>Liability Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Charges</td>
<td>$3,369,543</td>
<td>$2,914,487</td>
<td>$791,778</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>856,944</td>
<td>11,472</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td><strong>4,226,487</strong></td>
<td><strong>2,925,959</strong></td>
<td><strong>791,778</strong></td>
</tr>
</tbody>
</table>

### Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>Fleet Operations</th>
<th>Workers’ Compensation</th>
<th>Liability Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>846,395</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Contractual</td>
<td>68,700</td>
<td>-</td>
<td>196</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>2,179,546</td>
<td>446,255</td>
<td>624,393</td>
</tr>
<tr>
<td>Utilities</td>
<td>918,996</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Claims Expense</td>
<td>-</td>
<td>4,059,103</td>
<td>591,953</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>4,013,637</strong></td>
<td><strong>4,505,358</strong></td>
<td><strong>1,216,542</strong></td>
</tr>
</tbody>
</table>

### Income (Loss) Before Transfers

<table>
<thead>
<tr>
<th></th>
<th>Fleet Operations</th>
<th>Workers’ Compensation</th>
<th>Liability Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income (Loss)</td>
<td>212,850</td>
<td>(1,579,399)</td>
<td>(424,764)</td>
</tr>
<tr>
<td>Income (Loss) Before Transfers</td>
<td>212,850</td>
<td>(1,579,399)</td>
<td>(424,764)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transfers Out</th>
<th>Fleet Operations</th>
<th>Workers’ Compensation</th>
<th>Liability Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>(173,534)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Changes in Net Position

<table>
<thead>
<tr>
<th></th>
<th>Fleet Operations</th>
<th>Workers’ Compensation</th>
<th>Liability Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in Net Position</td>
<td>39,316</td>
<td>(1,579,399)</td>
<td>(424,764)</td>
</tr>
</tbody>
</table>

### Net Position, Beginning of Year

<table>
<thead>
<tr>
<th></th>
<th>Fleet Operations</th>
<th>Workers’ Compensation</th>
<th>Liability Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Position, Beginning of Year</td>
<td>10,223,009</td>
<td>631,737</td>
<td>424,764</td>
</tr>
</tbody>
</table>

### Net Position, End of Year

<table>
<thead>
<tr>
<th></th>
<th>Fleet Operations</th>
<th>Workers’ Compensation</th>
<th>Liability Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Position, End of Year</td>
<td>$10,262,325</td>
<td>$(947,662)</td>
<td>$-</td>
</tr>
</tbody>
</table>
CITY OF CORONA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th>Governmental Activities - Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warehouse</td>
</tr>
</tbody>
</table>

### Operating Revenues

| Service Charges | $ 670,733 | $ 7,746,541 |
| Other Revenues  | 1,362     | 869,778     |

**Total Operating Revenues**

| 672,095 | 8,616,319 |

### Operating Expenses

| Personnel Services | 110,056 | 956,451 |
| Contractual        | 82,118  | 151,014 |
| Materials and Supplies | 30,469 | 3,280,663 |
| Utilities          | 212     | 919,208 |
| Claims Expense     | -       | 4,651,056 |

**Total Operating Expenses**

| 222,855 | 9,958,392 |

| Operating Income (Loss) | 449,240 | (1,342,073) |
| Income (Loss) Before Transfers | 449,240 | (1,342,073) |

| Transfers Out | (395,900) | (569,434) |
| Changes in Net Position | 53,340 | (1,911,507) |

| Net Position, Beginning of Year | 200,379 | 11,479,889 |

| Net Position, End of Year | $ 253,719 | $ 9,568,382 |
CITY OF CORONA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017

Cash Flows from Operating Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Fleet Operations</th>
<th>Workers’ Compensation</th>
<th>Liability Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash received from customers and users</td>
<td>3,372,049</td>
<td>2,910,409</td>
<td>791,778</td>
</tr>
<tr>
<td>Cash paid to suppliers for goods and services</td>
<td>(3,064,352)</td>
<td>(518,661)</td>
<td>(449,588)</td>
</tr>
<tr>
<td>Cash paid to employees for services</td>
<td>(891,937)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash paid for current claims</td>
<td>-</td>
<td>(753,913)</td>
<td>(240,462)</td>
</tr>
<tr>
<td>Cash paid for long-term claims</td>
<td>-</td>
<td>(2,043,356)</td>
<td>(163,703)</td>
</tr>
<tr>
<td>Cash received from others</td>
<td>857,920</td>
<td>11,472</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Cash Provided (Used) by Operating Activities</strong></td>
<td>273,680</td>
<td>(394,049)</td>
<td>(61,975)</td>
</tr>
</tbody>
</table>

Cash Flows from Non-Capital Financing Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Fleet Operations</th>
<th>Workers’ Compensation</th>
<th>Liability Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash transfers out</td>
<td>(173,534)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Cash Provided (Used) by Non-Capital Financing Activities</strong></td>
<td>(173,534)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Cash Flows from Investing Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Fleet Operations</th>
<th>Workers’ Compensation</th>
<th>Liability Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Increase (Decrease) in Cash and Cash Equivalents</strong></td>
<td>100,146</td>
<td>(394,049)</td>
<td>(61,975)</td>
</tr>
</tbody>
</table>

Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>Fleet Operations</th>
<th>Workers’ Compensation</th>
<th>Liability Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of Year</td>
<td>11,160,591</td>
<td>20,317,943</td>
<td>2,557,758</td>
</tr>
<tr>
<td>End of Year</td>
<td>11,260,737</td>
<td>19,923,894</td>
<td>2,495,783</td>
</tr>
</tbody>
</table>

Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Fleet Operations</th>
<th>Workers’ Compensation</th>
<th>Liability Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income (Loss)</td>
<td>212,850</td>
<td>(1,579,399)</td>
<td>(424,764)</td>
</tr>
</tbody>
</table>

Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Fleet Operations</th>
<th>Workers’ Compensation</th>
<th>Liability Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in Assets and Liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in accounts receivable</td>
<td>2,506</td>
<td>(4,078)</td>
<td>-</td>
</tr>
<tr>
<td>(Increase) decrease in due from other governments</td>
<td>976</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(Increase) decrease in inventories and prepayments</td>
<td>63,994</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(Increase) decrease in deferred outflows of pension related items</td>
<td>(509,113)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable and accrued liabilities</td>
<td>38,896</td>
<td>(72,406)</td>
<td>175,001</td>
</tr>
<tr>
<td>Increase (decrease) in claims and judgments</td>
<td>-</td>
<td>1,261,834</td>
<td>187,788</td>
</tr>
<tr>
<td>Increase (decrease) in compensated absences</td>
<td>(2,331)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in pension liability</td>
<td>371,255</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in deferred inflows of pension related items</td>
<td>94,647</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Adjustments</strong></td>
<td>60,830</td>
<td>1,185,350</td>
<td>362,789</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Fleet Operations</th>
<th>Workers’ Compensation</th>
<th>Liability Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Cash Provided (Used) by Operating Activities</strong></td>
<td>273,680</td>
<td>(394,049)</td>
<td>(61,975)</td>
</tr>
</tbody>
</table>

Non-Cash Investing, Capital, and Financing Activities:

There were no non-cash investing, capital or financing activities during fiscal year 2016-2017.
CITY OF CORONA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017

| Governmental Activities - Internal Service Funds |
|-----------------|-----------------|
| Warehouse | Totals |
| Cash Flows from Operating Activities | | |
| Cash received from customers and users | $670,733 | $7,744,969 |
| Cash paid to suppliers for goods and services | $(125,955) | $(4,158,556) |
| Cash paid to employees for services | $(115,776) | $(1,007,713) |
| Cash paid for current claims | - | $(994,375) |
| Cash paid for long-term claims | - | $(2,207,059) |
| Cash received from others | 1,362 | 870,754 |
| **Net Cash Provided (Used) by Operating Activities** | | |
| **Warehouse** | **Totals** |
| $430,364 | $248,020 |

Cash Flows from Non-Capital Financing Activities

| Cash transfers out | $(395,900) | $(569,434) |
| **Net Cash Provided (Used) by Non-Capital Financing Activities** | | |
| **Warehouse** | **Totals** |
| $(395,900) | $(569,434) |

Cash Flows from Investing Activities

| Net Increase (Decrease) in Cash and Cash Equivalents | 34,464 | $(321,414) |

Cash and Cash Equivalents

| Beginning of Year | 276,386 | 34,312,678 |
| End of Year | **$310,850** | **$33,991,264** |

Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities

| Operating Income (Loss) | $449,240 | $(1,342,073) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities: | | |
| Changes in Assets and Liabilities: | | |
| (Increase) decrease in accounts receivable | - | $(1,572) |
| (Increase) decrease in due from other governments | - | 976 |
| (Increase) decrease in inventories and prepayments | - | 63,994 |
| (Increase) decrease in deferred outflows of pension related items | $(57,319) | $(566,432) |
| Increase (decrease) in accounts payable and accrued liabilities | $(13,156) | 128,335 |
| Increase (decrease) in claims and judgments | - | $1,449,622 |
| Increase (decrease) in compensated absences | $(1,059) | $(3,390) |
| Increase (decrease) in pension liability | 48,893 | 420,148 |
| Increase (decrease) in deferred inflows of pension related items | 3,765 | 98,412 |
| **Total Adjustments** | $(18,876) | 1,590,093 |
| Net Cash Provided (Used) by Operating Activities | **$430,364** | **$248,020** |

Non-Cash Investing, Capital, and Financing Activities:

There were no non-cash investing, capital or financing activities during fiscal year 2016-201
To Cherish Our Past - To Plan Our Future

CORONA
“THE CIRCLE CITY”
Established
May 4, 1886
### Combining Financial Statements

**Agency Funds**

Agency Funds are custodial in nature and do not involve measurement of results and operations.
### Combining Statement of Net Position
**All Agency Funds**
**June 30, 2017**

<table>
<thead>
<tr>
<th></th>
<th>AD/CFD Fund</th>
<th>AB109 PACT</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>$1,136,902</td>
<td>$2,057,401</td>
<td>$3,194,303</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>$90,075</td>
<td>$7,056</td>
<td>$97,131</td>
</tr>
<tr>
<td>Due from Other Governmental Agencies</td>
<td>$178,742</td>
<td>-</td>
<td>$178,742</td>
</tr>
<tr>
<td>Restricted Assets:</td>
<td>$24,774,222</td>
<td>-</td>
<td>$24,774,222</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$26,179,941</td>
<td>$2,064,457</td>
<td>$28,244,398</td>
</tr>
</tbody>
</table>

|                |             |            |           |
| **Liabilities:** |             |            |           |
| Accounts Payable and Accrued Liabilities | $12,743     | $69,700   | $82,443   |
| Due to Bondholders | $26,167,198 | $1,994,757| $28,161,955|
| **Total Liabilities** | $26,179,941 | $2,064,457| $28,244,398|
### CITY OF CORONA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**ALL AGENCY FUNDS**

**YEAR ENDED JUNE 30, 2017**

<table>
<thead>
<tr>
<th></th>
<th>Balance 7/1/2016</th>
<th>Additions</th>
<th>Deductions</th>
<th>Balance 6/30/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AD/CFD Fund</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>$1,151,397</td>
<td>$20,651,370</td>
<td>$20,665,865</td>
<td>$1,136,902</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>88,538</td>
<td>248,180</td>
<td>246,643</td>
<td>90,075</td>
</tr>
<tr>
<td>Due from Other Governmental Agencies</td>
<td>217,029</td>
<td>178,743</td>
<td>217,030</td>
<td>178,742</td>
</tr>
<tr>
<td>Restricted Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>24,972,935</td>
<td>58,296,007</td>
<td>58,494,720</td>
<td>24,774,222</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$26,429,899</td>
<td>$79,374,300</td>
<td>$79,624,258</td>
<td>$26,179,941</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>$11,619</td>
<td>$6,401,483</td>
<td>$6,400,359</td>
<td>$12,743</td>
</tr>
<tr>
<td>Due to Bondholders</td>
<td>26,418,280</td>
<td>43,551,444</td>
<td>43,802,526</td>
<td>26,167,198</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$26,429,899</td>
<td>$49,952,927</td>
<td>$50,202,885</td>
<td>$26,179,941</td>
</tr>
</tbody>
</table>

| **AB109 PACT**    |                   |            |             |                   |
| Assets            |                   |            |             |                   |
| Cash and Investments | $3,485,076  | $890,125   | $2,317,800  | $2,057,401        |
| Interest Receivable | 9,200    | 7,056      | 9,200       | 7,056             |
| **Total Assets**  | $3,494,276     | $897,181   | $2,327,000  | $2,064,457        |
| Liabilities       |                   |            |             |                   |
| Accounts Payable and Accrued Liabilities | $349,041 | $1,819,864 | $2,099,205  | 69,700            |
| Due to Bondholders | 3,145,235 | 897,181    | 2,047,659   | 1,994,757         |
| **Total Liabilities** | $3,494,276 | $2,717,045 | $4,146,864  | $2,064,457        |

### Totals - All Agency Funds

<table>
<thead>
<tr>
<th></th>
<th>Balance 7/1/2016</th>
<th>Additions</th>
<th>Deductions</th>
<th>Balance 6/30/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>$4,636,473</td>
<td>$21,541,495</td>
<td>$22,983,665</td>
<td>$3,194,303</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>97,738</td>
<td>255,236</td>
<td>255,843</td>
<td>97,131</td>
</tr>
<tr>
<td>Due from Other Governmental Agencies</td>
<td>217,029</td>
<td>178,743</td>
<td>217,030</td>
<td>178,742</td>
</tr>
<tr>
<td>Restricted Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>24,972,935</td>
<td>58,296,007</td>
<td>58,494,720</td>
<td>24,774,222</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$29,924,175</td>
<td>$80,271,481</td>
<td>$81,951,258</td>
<td>$28,244,398</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>$360,660</td>
<td>$8,221,347</td>
<td>$8,499,564</td>
<td>$82,443</td>
</tr>
<tr>
<td>Due to Bondholders</td>
<td>29,563,515</td>
<td>44,448,625</td>
<td>45,850,185</td>
<td>28,161,955</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$29,924,175</td>
<td>$52,669,972</td>
<td>$54,349,749</td>
<td>$28,244,398</td>
</tr>
</tbody>
</table>
### 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.

<table>
<thead>
<tr>
<th>Contents</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Trends</strong> – These schedules contain information to help readers to understand how the City's financial performance and well-being have changed over time.</td>
<td></td>
</tr>
<tr>
<td>1 Net Position by Component</td>
<td>184</td>
</tr>
<tr>
<td>2 Changes in Net Position</td>
<td>186</td>
</tr>
<tr>
<td>3 Fund Balances – Governmental Funds</td>
<td>190</td>
</tr>
<tr>
<td>4 Changes in Fund Balances – Governmental Funds</td>
<td>192</td>
</tr>
<tr>
<td><strong>Revenue Capacity</strong> – These schedules contain information to help readers to assess the City's most significant own-source revenues.</td>
<td></td>
</tr>
<tr>
<td>5a Water Sales by User Type</td>
<td>194</td>
</tr>
<tr>
<td>5b Assessed Value and Actual Value of Taxable Property</td>
<td>195</td>
</tr>
<tr>
<td>6a Potable Water Rates</td>
<td>196</td>
</tr>
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<td>6b Reclaimed Water Rates</td>
<td>197</td>
</tr>
<tr>
<td>6c Direct and Overlapping Property Tax Rates</td>
<td>198</td>
</tr>
<tr>
<td>7a Principal Water Customers</td>
<td>199</td>
</tr>
<tr>
<td>7b Principal Property Tax Payers</td>
<td>200</td>
</tr>
<tr>
<td>8 Property Tax Levies and Collections</td>
<td>201</td>
</tr>
<tr>
<td><strong>Debt Capacity</strong> – 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.</td>
<td></td>
</tr>
<tr>
<td>9 Ratios of Outstanding Debt by Type</td>
<td>202</td>
</tr>
<tr>
<td>10 Ratios of Net General Bonded Debt Outstanding</td>
<td>204</td>
</tr>
<tr>
<td>11 Direct and Overlapping Governmental Activities Debt</td>
<td>205</td>
</tr>
<tr>
<td>12 Legal Debt Margin Information</td>
<td>208</td>
</tr>
<tr>
<td>13 Pledged Revenue Coverage</td>
<td>210</td>
</tr>
</tbody>
</table>
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.

14 Demographic and Economic Statistics 212
15 Principal Employers 213

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.

16 Full-time Equivalent City Government Employees by Function/Program 214
17 Operating Indicators by Function/Program 216
18 Capital Assets Statistics by Function/Program 218

Sources: Unless otherwise noted, the information in these schedules was derived from the City’s Comprehensive Financial Reports (CAFR) for the relevant year.
CORONA
“THE CIRCLE CITY”
Established
May 4, 1886
To Cherish Our Past - To Plan Our Future
### Schedule 1

#### Net Position by Component

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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Projects</td>
<td>26,832,918</td>
<td>24,440,919</td>
<td>23,435,434</td>
<td>31,326,722</td>
</tr>
<tr>
<td>Debt Service</td>
<td>3,439,357</td>
<td>2,416,841</td>
<td>2,653,417</td>
<td>2,770,292</td>
</tr>
<tr>
<td>Transportation and Public Works</td>
<td>16,363,749</td>
<td>15,401,285</td>
<td>19,206,895</td>
<td>19,224,575</td>
</tr>
<tr>
<td>Special Assessment District</td>
<td>14,377,296</td>
<td>17,074,793</td>
<td>15,602,868</td>
<td>13,862,186</td>
</tr>
<tr>
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<td><strong>Business-Type Activities</strong></td>
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*Note: The City implemented GASB Statements No. 68 and 71 in fiscal years ended June 30, 2015.*
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<td>$228,912,014</td>
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<td>130,390</td>
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<td>18,065,870</td>
<td>10,779,222</td>
<td>18,188,735</td>
<td>17,031,575</td>
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<td>18,065,870</td>
<td>10,779,222</td>
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<td>17,031,575</td>
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<td>(100,444,897)</td>
<td>(107,169,420)</td>
<td>73,811,520</td>
<td>(82,129,735)</td>
<td>(110,940,686)</td>
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### Schedule 2
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)

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<th>Fiscal Year</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
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<tr>
<td>Governmental Activities:</td>
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<td>24,052,304</td>
<td>23,062,147</td>
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<td>40,779,963</td>
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<td>26,500,708</td>
<td>29,160,167</td>
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<td>15,192,888</td>
<td>13,373,418</td>
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<td>2,732,394</td>
<td>2,477,893</td>
<td>2,355,405</td>
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<td>166,860</td>
<td>197,702</td>
<td>282,969</td>
<td>281,771</td>
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<td>Governmental Activities:</td>
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<tr>
<td>Charges for Services:</td>
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<tr>
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<td>2,070,221</td>
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<tr>
<td>Charges for Services:</td>
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* For 2016 and prior, General Government’s program revenue was restated to reclassify Lease and Rental Income from General Revenues to Program Revenues.
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<td>43,533,983</td>
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<td>23,066,539</td>
<td>23,849,351</td>
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<td>19,419,682</td>
<td>19,112,894</td>
<td>14,964,342</td>
<td>7,633,603</td>
<td>1,301,569</td>
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<td>4,242,725</td>
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<td>3,092,311</td>
<td>3,204,585</td>
<td>4,506,740</td>
<td>4,726,300</td>
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<td>3,011,565</td>
<td>3,079,224</td>
<td>3,295,825</td>
<td>3,551,199</td>
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<td>3,023,714</td>
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<td>20,993,799</td>
<td>20,043,766</td>
<td>20,211,720</td>
<td>19,475,470</td>
<td>19,616,269</td>
<td>20,282,692</td>
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<td>318,831</td>
<td>264,464</td>
<td>280,729</td>
<td>333,015</td>
<td>341,989</td>
<td>495,603</td>
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<tr>
<td>$ 5,620,168</td>
<td>8,977,103</td>
<td>3,743,333</td>
<td>9,480,514</td>
<td>19,967,971</td>
<td>17,140,582</td>
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<tr>
<td>53,906,208</td>
<td>50,243,765</td>
<td>48,103,987</td>
<td>50,979,766</td>
<td>49,629,071</td>
<td>44,795,972</td>
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<td>30,620,212</td>
<td>29,472,121</td>
<td>27,361,203</td>
<td>26,779,144</td>
<td>26,569,560</td>
<td>23,379,820</td>
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<tr>
<td>17,138,240</td>
<td>16,531,675</td>
<td>17,247,983</td>
<td>23,891,958</td>
<td>23,896,507</td>
<td>24,824,172</td>
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<td>415,615</td>
<td>633,355</td>
<td>364,830</td>
<td>412,928</td>
<td>371,714</td>
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<td>280,915</td>
<td>265,838</td>
<td>297,638</td>
<td>286,546</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1,635,598</td>
<td>1,531,791</td>
<td>1,600,444</td>
<td>1,724,206</td>
<td>1,567,193</td>
<td>1,454,320</td>
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<tr>
<td>3,453,420</td>
<td>11,730,500</td>
<td>3,261,322</td>
<td>4,728,651</td>
<td>6,702,937</td>
<td>19,829,148</td>
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<td>$ 107,450,208</td>
<td>$ 110,409,045</td>
<td>$ 98,237,407</td>
<td>$ 108,803,199</td>
<td>$ 108,736,982</td>
<td>$ 114,646,533</td>
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<td>$ 175,445,886</td>
<td>$ 178,470,219</td>
<td>$ 166,657,603</td>
<td>$ 164,175,516</td>
<td>$ 166,070,593</td>
<td>$ 169,784,701</td>
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Continued Page 1 of 2
Schedule 2
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net (Expense)/Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governmental Activities</td>
<td>$ (73,875,754)</td>
<td>$ (57,999,580)</td>
<td>$ (53,099,079)</td>
<td>$ (71,620,834)</td>
</tr>
<tr>
<td>Business-Type Activities</td>
<td>20,444,289</td>
<td>10,143,246</td>
<td>18,314,266</td>
<td>6,998,759</td>
</tr>
<tr>
<td>Total Primary Government Net Expense</td>
<td>$ (53,431,465)</td>
<td>$ (47,856,334)</td>
<td>$ (34,784,813)</td>
<td>$ (64,622,075)</td>
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<td>General Revenues and Other Changes in Net Position</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governmental Activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>$ 43,059,232</td>
<td>$ 42,156,726</td>
<td>$ 38,656,150</td>
<td>$ 36,462,210</td>
</tr>
<tr>
<td>Sales and Use Tax</td>
<td>41,145,616</td>
<td>39,663,795</td>
<td>36,608,600</td>
<td>35,623,651</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>9,565,580</td>
<td>9,349,800</td>
<td>10,566,662</td>
<td>9,099,819</td>
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<tr>
<td>Total taxes</td>
<td>93,770,428</td>
<td>91,170,321</td>
<td>85,831,412</td>
<td>81,185,680</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>623,227</td>
<td>3,172,905</td>
<td>1,988,557</td>
<td>2,296,081</td>
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<tr>
<td>Miscellaneous</td>
<td>6,892,170</td>
<td>4,765,043</td>
<td>3,686,771</td>
<td>2,096,681</td>
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<tr>
<td>Unrestricted Grants and Contributions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>407</td>
</tr>
<tr>
<td>Gain/(Loss) on Sale of Capital Asset</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Extraordinary Items</td>
<td>-</td>
<td>-</td>
<td>5,054,583</td>
<td>(56,854,230)</td>
</tr>
<tr>
<td>Transfers</td>
<td>44,970</td>
<td>14,540</td>
<td>-</td>
<td>916,819</td>
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<tr>
<td>Total Governmental Activities</td>
<td>101,330,795</td>
<td>99,122,809</td>
<td>96,561,323</td>
<td>27,807,800</td>
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<tr>
<td>Business-Type Activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>199,758</td>
<td>1,839,114</td>
<td>862,948</td>
<td>1,189,440</td>
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<td>Other Income</td>
<td>479,465</td>
<td>45,168</td>
<td>493</td>
<td>1,996,793</td>
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<tr>
<td>Gain/(Loss) on Sale of Capital Asset</td>
<td>-</td>
<td>-</td>
<td>(10,207)</td>
<td>2,497,251</td>
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<tr>
<td>Transfers</td>
<td>(44,970)</td>
<td>(14,540)</td>
<td>-</td>
<td>916,819</td>
</tr>
<tr>
<td>Total Business-Type Activities</td>
<td>634,253</td>
<td>1,869,742</td>
<td>853,234</td>
<td>6,600,303</td>
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<tr>
<td>Total Primary Government</td>
<td>$ 101,965,048</td>
<td>$ 100,992,551</td>
<td>$ 97,414,557</td>
<td>$ 34,408,103</td>
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<tr>
<td>Change in Net Position</td>
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<td></td>
<td></td>
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<tr>
<td>Governmental Activities</td>
<td>$ 27,455,041</td>
<td>$ 41,123,229</td>
<td>$ 43,462,244</td>
<td>$ (43,813,034)</td>
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<tr>
<td>Business-Type Activities</td>
<td>21,078,542</td>
<td>12,012,988</td>
<td>19,167,500</td>
<td>13,599,062</td>
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<tr>
<td>Total Primary Government</td>
<td>$ 48,533,583</td>
<td>$ 53,136,217</td>
<td>$ 62,629,744</td>
<td>$ (30,213,972)</td>
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Note: The City implemented GASB Statements No. 68 and 71 in fiscal years ended June 30, 2015.
### Fiscal Year

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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$ (84,625,187)</td>
<td>$ (86,111,861)</td>
<td>$ (104,335,419)</td>
<td>$ (116,020,072)</td>
<td>$ (113,231,438)</td>
<td>$ (105,980,239)</td>
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<td>Cost</td>
<td>3,520,584</td>
<td>7,320,578</td>
<td>5,459,942</td>
<td>8,933,340</td>
<td>11,068,255</td>
<td>12,217,195</td>
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<td>(81,104,603)</td>
<td>$ (78,791,283)</td>
<td>$ (98,875,477)</td>
<td>$ (107,086,732)</td>
<td>$ (102,163,183)</td>
<td>$ (93,763,044)</td>
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<tr>
<td>EBIT</td>
<td>4,019,878</td>
<td>4,019,878</td>
<td>4,019,878</td>
<td>4,019,878</td>
<td>4,019,878</td>
<td>4,019,878</td>
</tr>
<tr>
<td>EBITDA</td>
<td>5,179,516</td>
<td>5,179,516</td>
<td>5,179,516</td>
<td>5,179,516</td>
<td>5,179,516</td>
<td>5,179,516</td>
</tr>
<tr>
<td>Income</td>
<td>4,019,878</td>
<td>4,019,878</td>
<td>4,019,878</td>
<td>4,019,878</td>
<td>4,019,878</td>
<td>4,019,878</td>
</tr>
<tr>
<td>Net</td>
<td>4,019,878</td>
<td>4,019,878</td>
<td>4,019,878</td>
<td>4,019,878</td>
<td>4,019,878</td>
<td>4,019,878</td>
</tr>
</tbody>
</table>

Concluded Page 2 of 2
Note: The City implemented GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions in Fiscal Year 2009-10. The City has elected not to retroactively restate the fund balance information for prior years. Amount reported as “Reserved” and “Unreserved” in prior years include amounts that would be reported as “Assigned” and “Unassigned” under GASB Statement No. 54 classification. Many items reported as “Reserved” prior to FY2009-10 were nonspendable, restricted, committed, or assigned.
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 22,797,277</td>
<td>$ 15,070,684</td>
<td>$ 15,112,080</td>
<td>$ 19,708,805</td>
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<td>$ -</td>
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<tr>
<td></td>
<td>22,804,343</td>
<td>18,279,947</td>
<td>18,072,691</td>
<td>17,597,806</td>
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<td></td>
<td>41,298,885</td>
<td>43,205,474</td>
<td>50,333,810</td>
<td>40,338,627</td>
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<td>-</td>
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<tr>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20,156,768</td>
<td>20,672,134</td>
</tr>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>54,773,799</td>
<td>58,818,482</td>
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<tr>
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<td>$ 86,900,505</td>
<td>$ 76,556,105</td>
<td>$ 83,518,581</td>
<td>$ 77,645,238</td>
<td>$ 74,930,567</td>
<td>$ 79,490,616</td>
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<tr>
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<td>$ 61,512,775</td>
<td>$ 61,220,936</td>
<td>$ 61,568,872</td>
<td>$ 58,835,683</td>
<td>$ -</td>
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<td>22,103,295</td>
<td>27,425,735</td>
<td>35,292,020</td>
<td>41,491,338</td>
<td>-</td>
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<td>17,604,929</td>
<td>19,215,798</td>
<td>25,061,577</td>
<td>26,635,398</td>
<td>-</td>
<td>-</td>
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<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(769,101)</td>
<td>-</td>
<td>-</td>
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<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>81,668,685</td>
<td>83,897,261</td>
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<td>-</td>
<td>-</td>
<td>39,029,410</td>
<td>34,241,391</td>
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<td>-</td>
<td>-</td>
<td>18,110,464</td>
<td>16,909,462</td>
</tr>
<tr>
<td></td>
<td>$ 101,220,999</td>
<td>$ 107,862,469</td>
<td>$ 121,922,469</td>
<td>$ 126,193,318</td>
<td>$ 138,808,559</td>
<td>$ 135,048,114</td>
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**CITY OF CORONA**

**Schedule 4**

**Changes in Fund Balances, Governmental Funds**

_Last Ten Fiscal Years (modified accrual basis of accounting)_

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>$43,170,396</td>
<td>$42,175,687</td>
<td>$38,896,950</td>
<td>$36,721,899</td>
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<tr>
<td>Sales Taxes</td>
<td>41,145,616</td>
<td>39,663,796</td>
<td>38,565,868</td>
<td>37,430,489</td>
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<tr>
<td>Other Taxes</td>
<td>9,421,375</td>
<td>9,255,961</td>
<td>7,598,684</td>
<td>6,835,935</td>
</tr>
<tr>
<td>Licenses, Fees and Permits</td>
<td>5,682,991</td>
<td>7,947,593</td>
<td>9,599,549</td>
<td>2,777,719</td>
</tr>
<tr>
<td>Fines and Penalties</td>
<td>1,467,593</td>
<td>1,338,341</td>
<td>1,041,887</td>
<td>1,068,778</td>
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<tr>
<td>Special Assessments</td>
<td>8,281,089</td>
<td>8,801,035</td>
<td>9,437,713</td>
<td>9,439,079</td>
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<tr>
<td>Investment Earnings</td>
<td>623,227</td>
<td>3,169,381</td>
<td>1,988,557</td>
<td>2,296,081</td>
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<tr>
<td>Intergovernmental Revenues</td>
<td>26,038,928</td>
<td>41,588,677</td>
<td>27,601,255</td>
<td>29,487,199</td>
</tr>
<tr>
<td>Current Services</td>
<td>19,260,514</td>
<td>18,375,839</td>
<td>17,276,984</td>
<td>17,287,466</td>
</tr>
<tr>
<td>Payments in Lieu of Services</td>
<td>10,113,191</td>
<td>10,202,448</td>
<td>12,638,674</td>
<td>10,644,539</td>
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<tr>
<td>Other Revenues</td>
<td>14,111,953</td>
<td>13,314,649</td>
<td>15,300,761</td>
<td>14,900,407</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$179,316,873</td>
<td>$195,833,407</td>
<td>$179,947,882</td>
<td>$168,889,591</td>
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<table>
<thead>
<tr>
<th><strong>Expenditures:</strong></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>25,520,135</td>
<td>25,200,855</td>
<td>21,735,399</td>
<td>23,938,276</td>
</tr>
<tr>
<td>Public Safety - Fire</td>
<td>25,855,247</td>
<td>25,894,695</td>
<td>24,874,714</td>
<td>24,247,894</td>
</tr>
<tr>
<td>Public Safety - Police</td>
<td>46,885,033</td>
<td>45,080,687</td>
<td>41,966,882</td>
<td>41,161,796</td>
</tr>
<tr>
<td>Public Works &amp; Maintenance Services</td>
<td>27,172,763</td>
<td>33,621,625</td>
<td>27,777,052</td>
<td>35,125,462</td>
</tr>
<tr>
<td>Library and Recreation Services</td>
<td>5,197,923</td>
<td>4,669,898</td>
<td>4,677,992</td>
<td>4,440,588</td>
</tr>
<tr>
<td>Community Development</td>
<td>4,816,552</td>
<td>5,953,143</td>
<td>3,829,120</td>
<td>3,422,846</td>
</tr>
<tr>
<td>Economic Development</td>
<td>4,930,642</td>
<td>4,422,141</td>
<td>3,107,755</td>
<td>2,529,859</td>
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<tr>
<td>Capital Outlay</td>
<td>30,579,173</td>
<td>43,444,050</td>
<td>34,342,416</td>
<td>23,609,928</td>
</tr>
<tr>
<td>Debt Service</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Principal</td>
<td>2,853,939</td>
<td>2,800,122</td>
<td>3,672,900</td>
<td>3,545,895</td>
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<tr>
<td>Interest and Fiscal Charges</td>
<td>1,408,493</td>
<td>1,953,345</td>
<td>2,064,757</td>
<td>2,210,669</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$175,219,900</td>
<td>$193,040,561</td>
<td>$168,048,867</td>
<td>$164,233,213</td>
</tr>
</tbody>
</table>

| **Excess of Revenues Over/(Under) Expenditures** | 4,096,973 | 2,792,846 | 11,898,895 | 4,656,378 |

| **Other Financing Sources/(Uses):** |            |            |            |            |
| Loss from Sale of Land Held for Resale | - | - | - | - |
| Issuance of Debt | 24,520,000 | - | - | - |
| Principal Retirement | (27,212,450) | - | - | - |
| Proceeds from Sale of Capital Asset | - | - | - | - |
| Bond Premium | 2,974,564 | - | - | - |
| Transfers In | 6,291,621 | 2,588,851 | 2,315,815 | 3,767,587 |
| Transfers Out | (5,677,217) | (1,987,900) | (1,739,145) | (1,124,534) |
| **Total Other Financing Sources/(Uses):** | 896,518 | 600,951 | 576,670 | 2,643,053 |

| **Extraordinary Items:** |            |            |            | (56,854,230) |
| Special Items | - | - | - | - |
| **Net Change in Fund Balances:** | $4,993,491 | $3,393,797 | $12,475,565 | (49,554,799) |

| Debt Service as a Percentage of Non-capital Expenditures | 2.9% | 3.2% | 4.3% | 4.1% |
|-------------|------------|------------|------------|------------|------------|------------|
|             | 39,447,422 | 45,754,306 | 59,090,960 | 62,049,578 | 66,704,668 | 67,566,222 |
| 34,529,611  | 32,725,933 | 29,923,541 | 27,915,576 | 31,366,283 | 37,682,528 |
| 6,370,589   | 6,238,073  | 5,976,783  | 5,943,514  | 6,321,411  | 6,343,066  |
| 2,462,107   | 2,817,125  | 2,187,466  | 2,244,379  | 3,986,271  | 3,939,938  |
| 1,717,820   | 1,841,074  | 2,168,820  | 2,625,345  | 1,643,556  | 1,602,034  |
| 9,477,719   | 9,296,683  | 9,645,684  | 9,230,699  | 9,186,822  | 7,363,443  |
| 470,023     | 4,047,070  | 3,380,168  | 7,205,344  | 8,221,715  | 10,324,740 |
| 15,312,882  | 15,731,101 | 17,140,177 | 16,982,385 | 23,725,540 | 18,579,692 |
| 16,003,725  | 14,392,726 | 13,724,789 | 13,469,450 | 15,015,541 | 16,746,141 |
| 8,999,739   | 9,544,525  | 9,681,893  | 10,524,934 | 11,992,502 | 13,249,357 |
| 18,919,899  | 17,714,051 | 16,833,436 | 11,586,690 | 11,854,846 | 11,337,159 |
| 153,711,536 | 163,102,667| 169,753,717| 169,777,867| 190,019,155| 194,734,320|
| 23,088,936  | 20,711,464 | 20,335,688 | 20,752,739 | 26,442,100 | 26,165,731 |
| 22,965,971  | 22,921,163 | 23,068,351 | 22,886,210 | 23,826,368 | 24,986,115 |
| 39,770,719  | 41,751,366 | 39,523,177 | 43,154,254 | 41,099,396 | 42,002,945 |
| 37,909,062  | 38,237,264 | 37,572,220 | 38,683,385 | 40,615,476 | 41,683,329 |
| 2,758,037   | 2,720,741  | 2,694,192  | 2,925,121  | 3,228,510  | 3,910,240  |
| 3,019,174   | 2,971,829  | 3,258,772  | 3,280,136  | 1,928,329  | 3,057,996  |
| 816,342     | 9,560,505  | 10,942,983 | 18,776,318 | 14,337,175 | 13,347,887 |
| 7,769,015   | 4,349,725  | 11,089,418 | 21,562,741 | 24,337,661 | 35,001,560 |
| 3,654,332   | 7,082,070  | 7,578,502  | 8,139,799  | 13,837,430 | 5,984,493  |
| 2,719,421   | 7,547,454  | 14,756,645 | 14,041,809 | 16,730,459 | 14,389,659 |
| 144,471,009 | 157,853,571| 170,819,948| 194,202,512| 206,292,904| 211,129,955|
| 9,240,527   | 5,249,096  | 1,066,231  | 24,424,645 | 16,273,749 | 16,395,635 |
|             | -          | -          | -          | (472,252)  | -          |
|             | -          | -          | -          | 5,167,326  | 35,874,600 |
|             | -          | -          | -          | -          | -          |
|             | -          | -          | 2,400,000  | -          | -          |
|             | -          | -          | -          | -          | 30,601,167 |
| 3,771,227   | 4,533,758  | 79,529,457 | 17,440,737 | 21,302,803 | (28,843,505)|
| (1,250,885) | (5,582,646) | (76,674,137)| (10,398,334)| (20,176,928)| -          |
| 2,520,342   | (1,048,889)| 2,855,320  | 9,442,403  | 5,820,949  | 37,632,262 |
| (8,033,621) | (19,852,703)| -          | -          | -          | -          |
|             | -          | -          | 9,653,196  | -          | -          |
| $ 3,727,248 | $ (15,652,495)| $ 1,789,089| $ (14,982,242)| $ (799,604)| $ 21,236,627|

|        | 4.6% | 9.5% | 14.0% | 12.8% | 16.8% | 11.6% |

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### CITY OF CORONA

#### Schedule 5a

**Water Sales By User Type**

**Last Ten Fiscal Years**

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30</th>
<th>Residential Acre Feet</th>
<th>Residential % of Total</th>
<th>Commercial Acre Feet</th>
<th>Commercial % of Total</th>
<th>Industrial Acre Feet</th>
<th>Industrial % of Total</th>
<th>Public Agency Acre Feet</th>
<th>Public Agency % of Total</th>
<th>Agricultural, Irrigation and Other Acre Feet</th>
<th>Agricultural, Irrigation and Other % of Total</th>
<th>Total Acre Feet</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>27,598</td>
<td>67.5</td>
<td>3,803</td>
<td>9.4</td>
<td>1,557</td>
<td>3.8</td>
<td>3,039</td>
<td>7.4</td>
<td>4,870</td>
<td>11.9</td>
<td>40,867</td>
<td>100.0</td>
</tr>
<tr>
<td>2009</td>
<td>26,761</td>
<td>61.5</td>
<td>4,916</td>
<td>11.3</td>
<td>1,592</td>
<td>3.8</td>
<td>2,973</td>
<td>6.8</td>
<td>7,280</td>
<td>16.6</td>
<td>43,522</td>
<td>100.0</td>
</tr>
<tr>
<td>2010</td>
<td>23,752</td>
<td>64.5</td>
<td>4,404</td>
<td>12.0</td>
<td>1,216</td>
<td>3.3</td>
<td>4,278</td>
<td>11.6</td>
<td>3,165</td>
<td>8.6</td>
<td>36,815</td>
<td>100.0</td>
</tr>
<tr>
<td>2011</td>
<td>22,121</td>
<td>65.4</td>
<td>3,812</td>
<td>11.3</td>
<td>1,158</td>
<td>3.4</td>
<td>3,058</td>
<td>9.0</td>
<td>3,700</td>
<td>10.9</td>
<td>33,849</td>
<td>100.0</td>
</tr>
<tr>
<td>2012</td>
<td>22,735</td>
<td>65.5</td>
<td>3,662</td>
<td>10.6</td>
<td>1,184</td>
<td>3.4</td>
<td>3,355</td>
<td>9.6</td>
<td>3,768</td>
<td>10.9</td>
<td>34,704</td>
<td>100.0</td>
</tr>
<tr>
<td>2013</td>
<td>23,283</td>
<td>64.8</td>
<td>3,480</td>
<td>9.7</td>
<td>1,225</td>
<td>3.4</td>
<td>3,711</td>
<td>10.3</td>
<td>4,243</td>
<td>11.8</td>
<td>35,942</td>
<td>100.0</td>
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<tr>
<td>2014</td>
<td>23,979</td>
<td>66.8</td>
<td>3,188</td>
<td>10.8</td>
<td>1,254</td>
<td>4.7</td>
<td>597</td>
<td>1.9</td>
<td>8,077</td>
<td>15.8</td>
<td>37,095</td>
<td>100.0</td>
</tr>
<tr>
<td>2015</td>
<td>21,621</td>
<td>63.0</td>
<td>3,024</td>
<td>8.8</td>
<td>1,090</td>
<td>3.2</td>
<td>510</td>
<td>1.5</td>
<td>8,061</td>
<td>23.5</td>
<td>34,306</td>
<td>100.0</td>
</tr>
<tr>
<td>2016</td>
<td>18,876</td>
<td>62.9</td>
<td>2,726</td>
<td>9.1</td>
<td>958</td>
<td>3.2</td>
<td>391</td>
<td>1.3</td>
<td>7,054</td>
<td>23.5</td>
<td>30,005</td>
<td>100.0</td>
</tr>
<tr>
<td>2017</td>
<td>19,668</td>
<td>65.0</td>
<td>2,814</td>
<td>9.3</td>
<td>998</td>
<td>3.3</td>
<td>383</td>
<td>1.3</td>
<td>6,412</td>
<td>21.2</td>
<td>30,275</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Note:** 1) Amounts include reclaimed water sales.

**Source:** City of Corona Department of Water and Power.
### Schedule 5b
**Assessed Value and Actual Value of Taxable Property**

**Last Ten Fiscal Years (in thousands of dollars)**

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30</th>
<th>Residential Property</th>
<th>Commercial Property</th>
<th>Industrial Property</th>
<th>Other</th>
<th>Less: Tax Exempt Property</th>
<th>Total Taxable Value</th>
<th>Total Direct Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>12,074,893</td>
<td>1,638,755</td>
<td>2,068,380</td>
<td>2,153,807</td>
<td>243,155</td>
<td>17,692,680</td>
<td>1.0018</td>
</tr>
<tr>
<td>2009</td>
<td>11,825,460</td>
<td>1,810,186</td>
<td>2,111,604</td>
<td>2,179,903</td>
<td>233,038</td>
<td>17,694,115</td>
<td>1.0012</td>
</tr>
<tr>
<td>2010</td>
<td>10,338,756</td>
<td>2,392,421</td>
<td>2,175,301</td>
<td>1,628,324</td>
<td>251,763</td>
<td>16,283,039</td>
<td>1.0006</td>
</tr>
<tr>
<td>2011</td>
<td>10,340,114</td>
<td>2,177,188</td>
<td>2,159,963</td>
<td>1,679,857</td>
<td>271,357</td>
<td>16,085,765</td>
<td>1.0000</td>
</tr>
<tr>
<td>2012</td>
<td>10,406,831</td>
<td>2,101,432</td>
<td>2,108,882</td>
<td>1,602,344</td>
<td>293,954</td>
<td>15,925,535</td>
<td>1.0000</td>
</tr>
<tr>
<td>2013</td>
<td>10,441,897</td>
<td>2,124,926</td>
<td>2,121,234</td>
<td>1,500,847</td>
<td>264,187</td>
<td>15,924,717</td>
<td>1.0000</td>
</tr>
<tr>
<td>2014</td>
<td>10,909,040</td>
<td>2,126,622</td>
<td>2,142,615</td>
<td>1,462,220</td>
<td>279,902</td>
<td>16,360,595</td>
<td>1.0000</td>
</tr>
<tr>
<td>2015</td>
<td>11,717,313</td>
<td>2,165,931</td>
<td>2,215,181</td>
<td>1,501,930</td>
<td>301,090</td>
<td>17,299,265</td>
<td>1.0000</td>
</tr>
<tr>
<td>2016</td>
<td>12,263,772</td>
<td>2,245,287</td>
<td>2,304,917</td>
<td>1,589,670</td>
<td>354,324</td>
<td>18,049,322</td>
<td>1.0000</td>
</tr>
<tr>
<td>2017</td>
<td>12,889,324</td>
<td>2,271,239</td>
<td>2,344,708</td>
<td>1,626,588</td>
<td>335,878</td>
<td>18,795,981</td>
<td>1.0000</td>
</tr>
</tbody>
</table>

**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.
## Monthly Base Rates

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Quantity Rate per 100 C.F. 2</th>
<th>5/8&quot;</th>
<th>3/4&quot;</th>
<th>1&quot;</th>
<th>1 1/2&quot;</th>
<th>2&quot;</th>
<th>3&quot;</th>
<th>4&quot;</th>
<th>6&quot;</th>
<th>8&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1.61</td>
<td>16.40</td>
<td>21.51</td>
<td>30.77</td>
<td>53.63</td>
<td>78.26</td>
<td>133.76</td>
<td>205.47</td>
<td>377.35</td>
<td>555.00</td>
</tr>
<tr>
<td>2009</td>
<td>1.77</td>
<td>18.04</td>
<td>23.66</td>
<td>33.85</td>
<td>58.99</td>
<td>86.09</td>
<td>147.13</td>
<td>226.02</td>
<td>415.08</td>
<td>610.50</td>
</tr>
<tr>
<td>2010</td>
<td>1.81 3</td>
<td>18.04</td>
<td>23.66</td>
<td>33.85</td>
<td>58.99</td>
<td>86.09</td>
<td>147.13</td>
<td>226.02</td>
<td>415.08</td>
<td>610.50</td>
</tr>
<tr>
<td>2011</td>
<td>1.85 4</td>
<td>18.04</td>
<td>23.66</td>
<td>33.85</td>
<td>58.99</td>
<td>86.09</td>
<td>147.13</td>
<td>226.02</td>
<td>415.08</td>
<td>610.50</td>
</tr>
<tr>
<td>2012</td>
<td>1.92 5</td>
<td>18.44</td>
<td>24.18</td>
<td>34.59</td>
<td>60.29</td>
<td>87.98</td>
<td>150.37</td>
<td>230.99</td>
<td>424.21</td>
<td>623.93</td>
</tr>
<tr>
<td>2013</td>
<td>2.04 6</td>
<td>18.88</td>
<td>24.76</td>
<td>35.42</td>
<td>61.73</td>
<td>90.09</td>
<td>153.98</td>
<td>236.53</td>
<td>434.39</td>
<td>638.90</td>
</tr>
<tr>
<td>2014</td>
<td>2.10 7</td>
<td>19.23</td>
<td>25.23</td>
<td>36.09</td>
<td>62.90</td>
<td>91.80</td>
<td>156.91</td>
<td>241.02</td>
<td>442.64</td>
<td>651.04</td>
</tr>
<tr>
<td>2015</td>
<td>2.10 7</td>
<td>19.23</td>
<td>25.23</td>
<td>36.09</td>
<td>62.90</td>
<td>91.80</td>
<td>156.91</td>
<td>241.02</td>
<td>442.64</td>
<td>651.04</td>
</tr>
<tr>
<td>2016</td>
<td>2.10 7</td>
<td>19.23</td>
<td>25.23</td>
<td>36.09</td>
<td>62.90</td>
<td>91.80</td>
<td>156.91</td>
<td>241.02</td>
<td>442.64</td>
<td>651.04</td>
</tr>
<tr>
<td>2017</td>
<td>2.10 7</td>
<td>19.23</td>
<td>25.23</td>
<td>36.09</td>
<td>62.90</td>
<td>91.80</td>
<td>156.91</td>
<td>241.02</td>
<td>442.64</td>
<td>651.04</td>
</tr>
</tbody>
</table>

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 form WMWD of $0.04 per 100 C.F. for Tier 1 rates.

5) For Fiscal Year 2011-12, the quantity rate includes a pass-through charge from WMWD of $0.03 per 100 C.F. for Tier 1 rates.

6) For Fiscal Year 2012-13, the quantity rate includes a pass-through charge from WMWD of $0.08 per 100 C.F. for Tier 1 rates.

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

Source: City of Corona Department of Water and Power.
### Monthly Base Rates

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>5/8&quot;</th>
<th>3/4&quot;</th>
<th>1&quot;</th>
<th>1 1/2&quot;</th>
<th>2&quot;</th>
<th>3&quot;</th>
<th>4&quot;</th>
<th>6&quot;</th>
<th>8&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$1.26</td>
<td>N/A</td>
<td>$21.51</td>
<td>$30.77</td>
<td>$53.63</td>
<td>$78.26</td>
<td>$133.76</td>
<td>$205.47</td>
<td>$377.35</td>
</tr>
<tr>
<td>2009</td>
<td>1.39</td>
<td>N/A</td>
<td>23.66</td>
<td>33.85</td>
<td>58.99</td>
<td>86.09</td>
<td>147.13</td>
<td>226.02</td>
<td>415.08</td>
</tr>
<tr>
<td>2010</td>
<td>1.39</td>
<td>18.04</td>
<td>23.66</td>
<td>33.85</td>
<td>58.99</td>
<td>86.09</td>
<td>147.13</td>
<td>226.02</td>
<td>415.08</td>
</tr>
<tr>
<td>2011</td>
<td>1.39</td>
<td>18.04</td>
<td>23.66</td>
<td>33.85</td>
<td>58.99</td>
<td>86.09</td>
<td>147.13</td>
<td>226.02</td>
<td>415.08</td>
</tr>
<tr>
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<td>18.04</td>
<td>23.66</td>
<td>33.85</td>
<td>58.99</td>
<td>86.09</td>
<td>147.13</td>
<td>226.02</td>
<td>415.08</td>
</tr>
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<td>18.53</td>
<td>24.30</td>
<td>34.76</td>
<td>60.58</td>
<td>88.41</td>
<td>151.10</td>
<td>232.12</td>
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<tr>
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<td>18.90</td>
<td>24.79</td>
<td>35.46</td>
<td>61.79</td>
<td>90.18</td>
<td>154.12</td>
<td>236.76</td>
<td>434.82</td>
</tr>
<tr>
<td>2015</td>
<td>1.51</td>
<td>18.90</td>
<td>24.79</td>
<td>35.46</td>
<td>61.79</td>
<td>90.18</td>
<td>154.12</td>
<td>236.76</td>
<td>434.82</td>
</tr>
<tr>
<td>2016</td>
<td>1.51</td>
<td>18.90</td>
<td>24.79</td>
<td>35.46</td>
<td>61.79</td>
<td>90.18</td>
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<tr>
<td>2017</td>
<td>1.51</td>
<td>18.90</td>
<td>24.79</td>
<td>35.46</td>
<td>61.79</td>
<td>90.18</td>
<td>154.12</td>
<td>236.76</td>
<td>434.82</td>
</tr>
</tbody>
</table>

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

2) For Fiscal Year 2009-10 and forward, the stated rate per 100 C.F. is for Tier 1 of the Budget Based Water Rate Structure adopted with Ordinance No. 3025, effective March 19, 2010.

Source: City of Corona Department of Water and Power.
### CITY OF CORONA

**Schedule 6c**

**Direct and Overlapping Property Tax Rates**

*Last Ten Fiscal Years (rate per $100 of assessed value)*

<table>
<thead>
<tr>
<th>Year</th>
<th>City Direct Rates</th>
<th>Overlapping Rates 2</th>
</tr>
</thead>
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<tr>
<td></td>
<td>Basic Rate</td>
<td>General Obligation</td>
</tr>
<tr>
<td>2008</td>
<td>1.0000</td>
<td>0.0018</td>
</tr>
<tr>
<td>2009</td>
<td>1.0000</td>
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<td>1.0000</td>
<td>0.0000</td>
</tr>
<tr>
<td>2014</td>
<td>1.0000</td>
<td>0.0000</td>
</tr>
<tr>
<td>2015</td>
<td>1.0000</td>
<td>0.0000</td>
</tr>
<tr>
<td>2016</td>
<td>1.0000</td>
<td>0.0000</td>
</tr>
<tr>
<td>2017</td>
<td>1.0000</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

**Notes:**

1) The City’s basic property tax rate may only be increased by a majority vote of the City’s residents. Rates for debt service are set based on each year’s requirements.

2) Overlapping rates are those of local and county governments that apply to property owners within the City of Corona. Not all overlapping rates apply to all Corona property owners.

**Source:** HdL Coren & Cone, Riverside County Assessor 2007/08-2016/17 Tax Rate Table.
## CITY OF CORONA

### Schedule 7a

**Principal Water Customers**

**Current Year and Nine Years Ago**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Corona</td>
<td>$2,725,374</td>
<td>Rank 1: 5.78%</td>
<td>$2,236,020</td>
<td>Rank 1: 5.52%</td>
</tr>
<tr>
<td>Corona-Norco USD</td>
<td>747,166</td>
<td>Rank 2: 1.59%</td>
<td>748,086</td>
<td>Rank 2: 1.85%</td>
</tr>
<tr>
<td>Eagle Glen Master HOA</td>
<td>235,886</td>
<td>Rank 3: 0.50%</td>
<td>183,018</td>
<td>Rank 4: 0.45%</td>
</tr>
<tr>
<td>Mesa General Engineering Inc.</td>
<td>232,240</td>
<td>Rank 4: 0.49%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aseptic Solutions USA</td>
<td>224,170</td>
<td>Rank 5: 0.48%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SCG Atlas Ashton, LLC</td>
<td>173,788</td>
<td>Rank 6: 0.37%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waterstone at Corona Pointe</td>
<td>171,433</td>
<td>Rank 7: 0.36%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TTC ROC III Promenade LLC</td>
<td>171,390</td>
<td>Rank 8: 0.36%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated Protein Tech</td>
<td>167,295</td>
<td>Rank 9: 0.36%</td>
<td>247,857</td>
<td>Rank 3: 0.61%</td>
</tr>
<tr>
<td>SGC Atlas Deerwood, LLC</td>
<td>146,936</td>
<td>Rank 10: 0.31%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Westdale Asset Management</td>
<td>124,149</td>
<td>Rank 5: 0.31%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EWR, Inc.</td>
<td>121,223</td>
<td>Rank 6: 0.32%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ERP Operating Limited Partnership</td>
<td>115,188</td>
<td>Rank 7: 0.28%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Castle &amp; Cooke California, Inc.</td>
<td>112,652</td>
<td>Rank 8: 0.28%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sierra Peak HOA</td>
<td>99,605</td>
<td>Rank 9: 0.25%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taylor Woodrow</td>
<td>97,461</td>
<td>Rank 10: 0.24%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,995,678</strong></td>
<td><strong>10.60%</strong></td>
<td><strong>$4,085,259</strong></td>
<td><strong>10.11%</strong></td>
</tr>
</tbody>
</table>

*Source: City of Corona Department of Water and Power.*
### CITY OF CORONA

**Schedule 7b**

**Principal Property Tax Payers**

**Current Year and Nine Years Ago**

<table>
<thead>
<tr>
<th>Taxpayer</th>
<th>2017 Taxable Assess Value</th>
<th>2017 Rank</th>
<th>2017 Percentage of Total City Taxable Assessed Value</th>
<th>2008 Taxable Assess Value</th>
<th>2008 Rank</th>
<th>2008 Percentage of Total City Taxable Assessed Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Castle and Cooke Corona Inc.</td>
<td>$179,540,097</td>
<td>1</td>
<td>0.96%</td>
<td>$145,703,451</td>
<td>2</td>
<td>0.82%</td>
</tr>
<tr>
<td>Kaiser Foundation Health Plan Inc</td>
<td>164,627,507</td>
<td>2</td>
<td>0.88%</td>
<td>129,180,929</td>
<td>3</td>
<td>0.73%</td>
</tr>
<tr>
<td>Rexco</td>
<td>115,642,179</td>
<td>3</td>
<td>0.62%</td>
<td>100,825,831</td>
<td>5</td>
<td>0.57%</td>
</tr>
<tr>
<td>SCG Atlas Deerwood LLC</td>
<td>97,747,953</td>
<td>4</td>
<td>0.52%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waterstone Apartments NF</td>
<td>96,110,387</td>
<td>5</td>
<td>0.51%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costco Wholesale Corporation</td>
<td>89,636,842</td>
<td>6</td>
<td>0.48%</td>
<td>75,498,550</td>
<td>9</td>
<td>0.43%</td>
</tr>
<tr>
<td>TTC ROC III Promenade</td>
<td>78,583,092</td>
<td>7</td>
<td>0.42%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arantine Hills Holdings LP</td>
<td>75,128,500</td>
<td>8</td>
<td>0.40%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dart Container Corporation of Calif</td>
<td>68,714,614</td>
<td>9</td>
<td>0.37%</td>
<td>77,934,803</td>
<td>8</td>
<td>0.44%</td>
</tr>
<tr>
<td>Artisan Corona Apartments LLC</td>
<td>65,300,810</td>
<td>10</td>
<td>0.35%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Watson Laboratories Inc</td>
<td></td>
<td></td>
<td></td>
<td>172,774,545</td>
<td>1</td>
<td>0.98%</td>
</tr>
<tr>
<td>Dairy Farmers of America Inc.</td>
<td></td>
<td></td>
<td></td>
<td>108,218,414</td>
<td>4</td>
<td>0.61%</td>
</tr>
<tr>
<td>WS 1 INV LP</td>
<td></td>
<td></td>
<td></td>
<td>100,095,607</td>
<td>6</td>
<td>0.57%</td>
</tr>
<tr>
<td>Dos Lagos Lifestyle Center</td>
<td></td>
<td></td>
<td></td>
<td>96,406,801</td>
<td>7</td>
<td>0.54%</td>
</tr>
<tr>
<td>Avalon California Value VI</td>
<td></td>
<td></td>
<td></td>
<td>47,255,815</td>
<td>10</td>
<td>0.27%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,031,031,981</strong></td>
<td></td>
<td><strong>5.51%</strong></td>
<td><strong>$1,053,894,746</strong></td>
<td></td>
<td><strong>5.96%</strong></td>
</tr>
</tbody>
</table>

*Source: HdL Coren & Cone, Riverside County Assessor combined tax roll, and the SBE non-unitary tax roll.*
### CITY OF CORONA

**Schedule 8**

**Property Tax Levies and Collections**

**Last Ten Fiscal Years**

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30,</th>
<th>Taxes Levied for the Fiscal Year&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Percentage of Levy</th>
<th>Delinquent Tax Collections&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Total Collections to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td></td>
<td>Amount</td>
<td>Percentage</td>
</tr>
<tr>
<td>2008</td>
<td>25,254,270</td>
<td>82.75%</td>
<td>1,439,660</td>
<td>22,337,799</td>
</tr>
<tr>
<td>2009</td>
<td>25,036,199</td>
<td>84.36%</td>
<td>2,427,904</td>
<td>23,548,387</td>
</tr>
<tr>
<td>2010</td>
<td>22,628,536</td>
<td>88.04%</td>
<td>2,092,540</td>
<td>22,014,277</td>
</tr>
<tr>
<td>2011</td>
<td>22,451,824</td>
<td>87.38%</td>
<td>1,424,373</td>
<td>21,043,443</td>
</tr>
<tr>
<td>2012</td>
<td>22,448,815</td>
<td>92.16%</td>
<td>1,155,344</td>
<td>21,844,431</td>
</tr>
<tr>
<td>2013</td>
<td>22,560,351</td>
<td>94.13%</td>
<td>979,403</td>
<td>22,214,826</td>
</tr>
<tr>
<td>2014</td>
<td>23,176,657</td>
<td>95.66%</td>
<td>808,121</td>
<td>22,979,856</td>
</tr>
<tr>
<td>2015</td>
<td>24,628,905</td>
<td>96.55%</td>
<td>695,420</td>
<td>24,473,478</td>
</tr>
<tr>
<td>2016</td>
<td>25,563,557</td>
<td>96.60%</td>
<td>585,598</td>
<td>25,280,102</td>
</tr>
<tr>
<td>2017</td>
<td>26,689,890</td>
<td>97.49%</td>
<td>528,723</td>
<td>26,548,190</td>
</tr>
</tbody>
</table>

**Note:**

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

2) Amounts excluded interest and penalties.

**Source:** *City of Corona Administrative Services Department; Riverside County Auditor-Controller’s Office.*
**CITY OF CORONA**

**Schedule 9**

*Ratios of Outstanding Debt by Type*

*Last Ten Fiscal Years (dollars in thousands, except per capita)*

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Obligation Bonds</th>
<th>Redevelopment Obligation Bonds</th>
<th>Lease Revenue Bonds</th>
<th>Loans Payable</th>
<th>Lease Payable</th>
<th>Long-Term Agreement Payable</th>
<th>Special Assessment Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1,445</td>
<td>90,940</td>
<td>73,390</td>
<td>569</td>
<td>583</td>
<td>6,882</td>
<td>2,225</td>
</tr>
<tr>
<td>2009</td>
<td>950</td>
<td>87,805</td>
<td>70,695</td>
<td>-</td>
<td>475</td>
<td>5,725</td>
<td>1,900</td>
</tr>
<tr>
<td>2010</td>
<td>-</td>
<td>85,075</td>
<td>67,905</td>
<td>-</td>
<td>-</td>
<td>4,530</td>
<td>1,435</td>
</tr>
<tr>
<td>2011</td>
<td>-</td>
<td>82,025</td>
<td>65,015</td>
<td>-</td>
<td>26</td>
<td>3,301</td>
<td>1,025</td>
</tr>
<tr>
<td>2012</td>
<td>-</td>
<td>-</td>
<td>62,020</td>
<td>-</td>
<td>25,283</td>
<td>- 1</td>
<td>660</td>
</tr>
<tr>
<td>2013</td>
<td>-</td>
<td>-</td>
<td>33,270</td>
<td>-</td>
<td>23,719</td>
<td>- 1</td>
<td>515</td>
</tr>
<tr>
<td>2014</td>
<td>-</td>
<td>-</td>
<td>31,250</td>
<td>-</td>
<td>22,353</td>
<td>- 1</td>
<td>355</td>
</tr>
<tr>
<td>2015</td>
<td>-</td>
<td>-</td>
<td>29,145</td>
<td>-</td>
<td>20,955</td>
<td>- 1</td>
<td>185</td>
</tr>
<tr>
<td>2016</td>
<td>-</td>
<td>-</td>
<td>27,975</td>
<td>-</td>
<td>19,510</td>
<td>- 1</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td>-</td>
<td>-</td>
<td>24,520</td>
<td>-</td>
<td>18,016</td>
<td>- 1</td>
<td>-</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>Installment Agreement Payable</th>
<th>Long-Term Installment Payable</th>
<th>Term Loan Payable</th>
<th>Certificates of Participation</th>
<th>Revenue Bonds</th>
<th>Contracts Payable</th>
<th>Total Government</th>
<th>Percent of Personal Income</th>
<th>Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>37</td>
<td>30,215</td>
<td>41,990</td>
<td>98,145</td>
<td>-</td>
<td>690</td>
<td>347,111</td>
<td>8.6%</td>
<td>$ 2,354</td>
</tr>
<tr>
<td>2,000</td>
<td>29,325</td>
<td>39,625</td>
<td>95,645</td>
<td>-</td>
<td>690</td>
<td>334,835</td>
<td>8.5%</td>
<td>$ 2,253</td>
</tr>
<tr>
<td>2,036</td>
<td>28,400</td>
<td>37,207</td>
<td>93,035</td>
<td>-</td>
<td>690</td>
<td>320,313</td>
<td>7.9%</td>
<td>$ 2,130</td>
</tr>
<tr>
<td>1,764</td>
<td>27,435</td>
<td>34,724</td>
<td>90,320</td>
<td>-</td>
<td>690</td>
<td>306,325</td>
<td>7.4%</td>
<td>$ 1,994</td>
</tr>
<tr>
<td>1,485</td>
<td>26,430</td>
<td>32,176</td>
<td>87,495</td>
<td>-</td>
<td>690</td>
<td>236,239</td>
<td>5.6%</td>
<td>$ 1,539</td>
</tr>
<tr>
<td>1,299</td>
<td>-</td>
<td>21,362</td>
<td>64,380</td>
<td>60,791</td>
<td>690</td>
<td>206,026</td>
<td>4.9%</td>
<td>$ 1,314</td>
</tr>
<tr>
<td>1,104</td>
<td>-</td>
<td>19,951</td>
<td>24,480</td>
<td>57,630</td>
<td>690</td>
<td>157,813</td>
<td>3.8%</td>
<td>$ 992</td>
</tr>
<tr>
<td>9,766</td>
<td>-</td>
<td>19,142</td>
<td>23,785</td>
<td>54,067</td>
<td>690</td>
<td>157,735</td>
<td>3.8%</td>
<td>$ 991</td>
</tr>
<tr>
<td>9,221</td>
<td>-</td>
<td>26,111</td>
<td>-</td>
<td>50,294</td>
<td>690</td>
<td>133,801</td>
<td>3.1%</td>
<td>$ 813</td>
</tr>
<tr>
<td>8,656</td>
<td>-</td>
<td>26,729</td>
<td>-</td>
<td>44,710</td>
<td>690</td>
<td>123,321</td>
<td>2.8%</td>
<td>$ 735</td>
</tr>
</tbody>
</table>
**CITY OF CORONA**

**Schedule 10**

**Ratios of Net General Bonded Debt Outstanding**

_Last Ten Fiscal Years (dollars in thousands, except per capita)_

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Obligation</th>
<th>Redevelopment Assessment Bond</th>
<th>Special Lease</th>
<th>Revenue Bond</th>
<th>Total General Debt</th>
<th>General Restricted Debt</th>
<th>General Bonded for Debt</th>
<th>Bonded Value of Actual Debt</th>
<th>General Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1,445</td>
<td>90,940</td>
<td>2,225</td>
<td>73,390</td>
<td>168,000</td>
<td>25,251</td>
<td>142,749</td>
<td>0.81%</td>
<td>968</td>
</tr>
<tr>
<td>2009</td>
<td>950</td>
<td>87,805</td>
<td>1,900</td>
<td>70,695</td>
<td>161,350</td>
<td>11,969</td>
<td>149,381</td>
<td>0.84%</td>
<td>1,005</td>
</tr>
<tr>
<td>2010</td>
<td>-</td>
<td>85,075</td>
<td>1,435</td>
<td>67,905</td>
<td>154,415</td>
<td>7,080</td>
<td>147,335</td>
<td>0.90%</td>
<td>980</td>
</tr>
<tr>
<td>2011</td>
<td>-</td>
<td>82,025</td>
<td>1,025</td>
<td>65,015</td>
<td>148,065</td>
<td>10,774</td>
<td>137,291</td>
<td>0.85%</td>
<td>894</td>
</tr>
<tr>
<td>2012</td>
<td>-</td>
<td>-</td>
<td>660</td>
<td>62,020</td>
<td>62,680</td>
<td>3,418</td>
<td>59,262</td>
<td>0.37%</td>
<td>386</td>
</tr>
<tr>
<td>2013</td>
<td>-</td>
<td>-</td>
<td>515</td>
<td>33,270</td>
<td>33,785</td>
<td>2,773</td>
<td>31,012</td>
<td>0.19%</td>
<td>198</td>
</tr>
<tr>
<td>2014</td>
<td>-</td>
<td>-</td>
<td>355</td>
<td>31,250</td>
<td>31,605</td>
<td>2,770</td>
<td>28,835</td>
<td>0.18%</td>
<td>181</td>
</tr>
<tr>
<td>2015</td>
<td>-</td>
<td>-</td>
<td>185</td>
<td>29,145</td>
<td>29,330</td>
<td>2,653</td>
<td>26,677</td>
<td>0.15%</td>
<td>168</td>
</tr>
<tr>
<td>2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>27,975</td>
<td>27,975</td>
<td>2,417</td>
<td>25,558</td>
<td>0.14%</td>
<td>155</td>
</tr>
<tr>
<td>2017</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>24,520</td>
<td>24,520</td>
<td>3,439</td>
<td>21,081</td>
<td>0.12%</td>
<td>126</td>
</tr>
</tbody>
</table>

**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**¹

*As of June 30, 2017 (dollars in thousands)*

<table>
<thead>
<tr>
<th>Direct and Overlapping Tax and Assessment Debt:</th>
<th>Debt Outstanding</th>
<th>Est. Percentage Applicable ²</th>
<th>Share of Overlapping Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan Water District</td>
<td>$74,905</td>
<td>0.727%</td>
<td>$545</td>
</tr>
<tr>
<td>Riverside City Community College District</td>
<td>262,165</td>
<td>20.152%</td>
<td>52,831</td>
</tr>
<tr>
<td>Alvord Unified School District</td>
<td>217,966</td>
<td>12.748%</td>
<td>27,786</td>
</tr>
<tr>
<td>Corona-Norco Unified School District</td>
<td>330,159</td>
<td>54.746%</td>
<td>180,749</td>
</tr>
<tr>
<td>Alvord Unified School District CFD No. 2006-1</td>
<td>7,340</td>
<td>8.333%</td>
<td>612</td>
</tr>
<tr>
<td>Corona-Norco Unified School District CFD No. 97-1</td>
<td>1,001</td>
<td>100.000%</td>
<td>1,001</td>
</tr>
<tr>
<td>Corona-Norco Unified School District CFD No. 99-1</td>
<td>2,553</td>
<td>100.000%</td>
<td>2,553</td>
</tr>
<tr>
<td>Corona-Norco Unified School District CFD No. 99-2, Imp Areas A, B, C</td>
<td>5,466</td>
<td>100.000%</td>
<td>5,466</td>
</tr>
<tr>
<td>Corona-Norco Unified School District CFD No. 00-1</td>
<td>1,890</td>
<td>100.000%</td>
<td>1,890</td>
</tr>
<tr>
<td>Corona-Norco Unified School District CFD No. 01-1, Imp Areas A &amp; B</td>
<td>7,400</td>
<td>100.000%</td>
<td>7,400</td>
</tr>
<tr>
<td>Corona-Norco Unified School District CFD No. 01-2, Imp Areas A, B, C</td>
<td>12,150</td>
<td>100.000%</td>
<td>12,150</td>
</tr>
<tr>
<td>Corona-Norco Unified School District CFD No. 03-3, Imp Area A</td>
<td>3,780</td>
<td>100.000%</td>
<td>3,780</td>
</tr>
<tr>
<td>Corona-Norco Unified School District CFD No. 03-5</td>
<td>1,940</td>
<td>100.000%</td>
<td>1,940</td>
</tr>
<tr>
<td>City of Corona CFD No. 86-2 Refunding 2014 Series A</td>
<td>4,425</td>
<td>100.000%</td>
<td>4,425</td>
</tr>
<tr>
<td>City of Corona CFD No. 89-1 Refunding 2014 Series A</td>
<td>5,035</td>
<td>100.000%</td>
<td>5,035</td>
</tr>
<tr>
<td>City of Corona CFD No. 89-1 IA Refunding 2014 Series A</td>
<td>3,760</td>
<td>100.000%</td>
<td>3,760</td>
</tr>
<tr>
<td>City of Corona CFD No. 90-1</td>
<td>13,300</td>
<td>100.000%</td>
<td>13,300</td>
</tr>
<tr>
<td>City of Corona CFD No. 97-2 Refunding 2014 Series A</td>
<td>7,635</td>
<td>100.000%</td>
<td>7,635</td>
</tr>
<tr>
<td>City of Corona CFD No. 2000-1</td>
<td>5,315</td>
<td>100.000%</td>
<td>5,315</td>
</tr>
<tr>
<td>City of Corona CFD No. 2001-2</td>
<td>2,580</td>
<td>100.000%</td>
<td>2,580</td>
</tr>
<tr>
<td>City of Corona CFD No. 2002-1, Refunding 2017</td>
<td>13,455</td>
<td>100.000%</td>
<td>13,455</td>
</tr>
<tr>
<td>City of Corona CFD No. 2002-1, Improvement Area, Refunding 2017</td>
<td>7,125</td>
<td>100.000%</td>
<td>7,125</td>
</tr>
<tr>
<td>City of Corona CFD No. 2002-4, Refunding 2017</td>
<td>7,010</td>
<td>100.000%</td>
<td>7,010</td>
</tr>
<tr>
<td>City of Corona CFD No. 2003-2</td>
<td>6,255</td>
<td>100.000%</td>
<td>6,255</td>
</tr>
<tr>
<td>City of Corona CFD No. 2004-1</td>
<td>2,910</td>
<td>100.000%</td>
<td>2,910</td>
</tr>
<tr>
<td>California Statewide Communities Development Authority CFD No. 2002-1</td>
<td>3,810</td>
<td>100.000%</td>
<td>3,810</td>
</tr>
<tr>
<td>City of Corona 1915 Act Bonds</td>
<td>2,615</td>
<td>100.000%</td>
<td>2,615</td>
</tr>
</tbody>
</table>

**Total Overlapping Tax and Assessment Debt**

$387,888

### Direct and Overlapping General Fund Debt:

**Overlapping General Fund Obligations**

<table>
<thead>
<tr>
<th></th>
<th>Debt Outstanding</th>
<th>Est. Percentage Applicable ²</th>
<th>Share of Overlapping Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riverside County General Fund Obligations</td>
<td>$849,105</td>
<td>7.506%</td>
<td>$63,734</td>
</tr>
<tr>
<td>Riverside County Pension Obligations Bonds</td>
<td>286,535</td>
<td>7.506%</td>
<td>21,507</td>
</tr>
<tr>
<td>Corona-Norco Unified School District General Fund Obligations</td>
<td>24,390</td>
<td>54.746%</td>
<td>13,353</td>
</tr>
</tbody>
</table>

**Total Overlapping General Fund Obligations**

$98,594

**Direct General Fund Obligations:**

<table>
<thead>
<tr>
<th></th>
<th>Debt Outstanding</th>
<th>Est. Percentage Applicable ²</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Corona General Fund Obligations</td>
<td>42,536</td>
<td>100.000%</td>
</tr>
</tbody>
</table>

**Total Direct General Fund Obligations**

$42,536

**Total Direct and Overlapping General Fund Obligations**

$141,130

*Less:* Riverside County Supported Obligations

$364

**Total Net Direct and Overlapping General Fund Obligations**

$140,766

**Total Direct Debt**

$42,536

**Total Gross Overlapping Debt**

$486,482

**Total Net Overlapping Debt**

$486,118

**Gross Combined Total Direct and Overlapping Debt**³

$529,018

**Net Combined Total Direct and Overlapping Debt**

$528,654

See Notes on the following page.
## CITY OF CORONA

### Schedule 11

**Direct and Overlapping Governmental Activities Debt**

As of June 30, 2017 (dollars in thousands)

<table>
<thead>
<tr>
<th>Notes to Schedule 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td>3) Amount excluded tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.</td>
</tr>
</tbody>
</table>
CORONA
“THE CIRCLE CITY”
Established
May 4, 1886
To Cherish Our Past - To Plan Our Future
CITY OF CORONA

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

Legal Debt Margin Calculation for Fiscal Year 2017

<table>
<thead>
<tr>
<th>Assessed Value</th>
<th>$ 18,795,981</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Limit (15% of assessed value)</td>
<td>2,819,397</td>
</tr>
<tr>
<td>Debt Applicable to limit:</td>
<td></td>
</tr>
<tr>
<td>General obligation debt</td>
<td>42,536</td>
</tr>
<tr>
<td>Less: Amount set aside for repayment of general obligation debt</td>
<td>-</td>
</tr>
<tr>
<td>Total net debt applicable to limit</td>
<td>42,536</td>
</tr>
<tr>
<td>Legal Debt Margin</td>
<td>$ 2,776,861</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt Limit</th>
<th>Total net debt applicable to limit</th>
<th>Legal debt margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$ 2,653,902</td>
<td>82,869</td>
<td>$ 2,571,033</td>
</tr>
<tr>
<td>2009</td>
<td>$ 2,654,117</td>
<td>77,845</td>
<td>$ 2,576,272</td>
</tr>
<tr>
<td>2010</td>
<td>$ 2,442,456</td>
<td>72,435</td>
<td>$ 2,370,021</td>
</tr>
<tr>
<td>2011</td>
<td>$ 2,412,865</td>
<td>68,339</td>
<td>$ 2,344,526</td>
</tr>
</tbody>
</table>

Total debt applicable to the limit as a percentage of debt limit:

- 2008: 3.123%
- 2009: 2.933%
- 2010: 2.966%
- 2011: 2.832%

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.
<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>$2,388,830</td>
<td>$2,388,708</td>
<td>$2,454,089</td>
<td>$2,594,890</td>
<td>$2,707,398</td>
<td>$2,819,397</td>
</tr>
<tr>
<td></td>
<td>$2,328,332</td>
<td>$2,331,719</td>
<td>$2,400,486</td>
<td>$2,544,790</td>
<td>$2,659,913</td>
<td>$2,776,861</td>
</tr>
</tbody>
</table>

|       | 2.533% | 2.386% | 2.184% | 1.931% | 1.754% | 1.509% |

|       | 60,498 | 56,989 | 53,603 | 50,100 | 47,485 | 42,536 |
### CITY OF CORONA

#### Schedule 13

**Pledged Revenue Coverage**

*Last Ten Fiscal Years (dollars in thousands)*

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Lease Payments</th>
<th>Current Account Balance</th>
<th>Debt Service Principal</th>
<th>Debt Service Interest</th>
<th>Coverage Collections</th>
<th>Special Assessment Balance</th>
<th>Debt Service Principal</th>
<th>Debt Service Interest</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>5,673</td>
<td>152</td>
<td>2,620</td>
<td>3,212</td>
<td>1.00</td>
<td>487</td>
<td>38</td>
<td>340</td>
<td>187</td>
</tr>
<tr>
<td>2009</td>
<td>5,663</td>
<td>150</td>
<td>2,695</td>
<td>3,118</td>
<td>1.00</td>
<td>571</td>
<td>28</td>
<td>325</td>
<td>162</td>
</tr>
<tr>
<td>2010</td>
<td>5,686</td>
<td>125</td>
<td>2,790</td>
<td>3,021</td>
<td>1.00</td>
<td>525</td>
<td>79</td>
<td>465</td>
<td>131</td>
</tr>
<tr>
<td>2011</td>
<td>5,677</td>
<td>126</td>
<td>2,890</td>
<td>2,915</td>
<td>1.00</td>
<td>376</td>
<td>152</td>
<td>410</td>
<td>97</td>
</tr>
<tr>
<td>2012</td>
<td>5,669</td>
<td>166</td>
<td>2,995</td>
<td>2,801</td>
<td>1.01</td>
<td>212</td>
<td>238</td>
<td>365</td>
<td>67</td>
</tr>
<tr>
<td>2013</td>
<td>30,825</td>
<td>11</td>
<td>28,750</td>
<td>2,075</td>
<td>1.00</td>
<td>212</td>
<td>5</td>
<td>145</td>
<td>47</td>
</tr>
<tr>
<td>2014</td>
<td>3,394</td>
<td>19</td>
<td>2,020</td>
<td>1,365</td>
<td>1.01</td>
<td>208</td>
<td>4</td>
<td>160</td>
<td>34</td>
</tr>
<tr>
<td>2015</td>
<td>3,373</td>
<td>19</td>
<td>2,105</td>
<td>1,281</td>
<td>1.00</td>
<td>192</td>
<td>1</td>
<td>170</td>
<td>22</td>
</tr>
<tr>
<td>2016</td>
<td>2,353</td>
<td>19</td>
<td>1,170</td>
<td>1,216</td>
<td>0.99</td>
<td>192</td>
<td>0</td>
<td>185</td>
<td>7</td>
</tr>
<tr>
<td>2017</td>
<td>30,614</td>
<td>5</td>
<td>27,975</td>
<td>1,367</td>
<td>1.04</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Notes:**

1. Includes the defeasance of 2002 Lease Revenue bonds.
2. Includes the defeasance of the 1998 Water Revenue bonds.
3. Includes the defeasance of 1997 COPs and 2003 COPs.
4. Includes the advanced redemption of 2005 COPs.
5. Includes the defeasance of 2006 Lease Revenue bonds.

*Details regarding the City’s outstanding debt can be found in the notes to the financial statements.*
![Table](image)
## CITY OF CORONA

### Schedule 14

**Demographic and Economic Statistics**

**Last Ten Calendar Years**

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Personal Income (thousands of dollars)</th>
<th>Personal Median Age</th>
<th>School Enrollment</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>145,848</td>
<td>3,951,127</td>
<td>n/a</td>
<td>49,865</td>
<td>4.3%</td>
</tr>
<tr>
<td>2008</td>
<td>146,620</td>
<td>4,010,577</td>
<td>n/a</td>
<td>51,334</td>
<td>6.2%</td>
</tr>
<tr>
<td>2009</td>
<td>148,770</td>
<td>3,946,874</td>
<td>30.5</td>
<td>52,138</td>
<td>10.0%</td>
</tr>
<tr>
<td>2010</td>
<td>150,416</td>
<td>4,031,149</td>
<td>31.5</td>
<td>52,914</td>
<td>10.9%</td>
</tr>
<tr>
<td>2011</td>
<td>154,520</td>
<td>4,124,911</td>
<td>31.5</td>
<td>53,153</td>
<td>10.1%</td>
</tr>
<tr>
<td>2012</td>
<td>156,823</td>
<td>4,232,339</td>
<td>32.0</td>
<td>53,437</td>
<td>7.0%</td>
</tr>
<tr>
<td>2013</td>
<td>159,132</td>
<td>4,179,125</td>
<td>32.2</td>
<td>53,782</td>
<td>6.1%</td>
</tr>
<tr>
<td>2014</td>
<td>159,109</td>
<td>4,164,996</td>
<td>32.6</td>
<td>53,739</td>
<td>6.4%</td>
</tr>
<tr>
<td>2015</td>
<td>164,659</td>
<td>4,340,504</td>
<td>33.4</td>
<td>53,354</td>
<td>5.2%</td>
</tr>
<tr>
<td>2016</td>
<td>167,759</td>
<td>4,420,877</td>
<td>33.9</td>
<td>53,157</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

**Sources:**

1. *HdL Coren & Cone*
2. *California Department of Education.*
## Schedule 15
### Principal Employers
#### Current Year and Nine Years Ago

<table>
<thead>
<tr>
<th>Employer</th>
<th>Employees</th>
<th>Rank</th>
<th>Percentage of Total City Employment</th>
<th>Employees</th>
<th>Rank</th>
<th>Percentage of Total City Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corona-Norco Unified School District</td>
<td>5,399</td>
<td>1</td>
<td>6.57%</td>
<td>5,147</td>
<td>1</td>
<td>6.36%</td>
</tr>
<tr>
<td>Corona Regional Medical Center</td>
<td>1,113</td>
<td>2</td>
<td>1.35%</td>
<td>1,140</td>
<td>4</td>
<td>1.41%</td>
</tr>
<tr>
<td>Kaiser Permanente</td>
<td>995</td>
<td>3</td>
<td>1.21%</td>
<td>1,783</td>
<td>2</td>
<td>2.20%</td>
</tr>
<tr>
<td>All American Asphalt</td>
<td>840</td>
<td>4</td>
<td>1.02%</td>
<td>970</td>
<td>7</td>
<td>1.20%</td>
</tr>
<tr>
<td>City of Corona</td>
<td>805</td>
<td>5</td>
<td>0.98%</td>
<td>1,041</td>
<td>5</td>
<td>1.29%</td>
</tr>
<tr>
<td>Fender Guitar</td>
<td>650</td>
<td>6</td>
<td>0.79%</td>
<td>800</td>
<td>8</td>
<td>0.99%</td>
</tr>
<tr>
<td>Monster Energy</td>
<td>607</td>
<td>8</td>
<td>0.74%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TWR Framing Enterprises</td>
<td>600</td>
<td>7</td>
<td>0.73%</td>
<td>1,034</td>
<td>6</td>
<td>1.28%</td>
</tr>
<tr>
<td>Thermal Structures</td>
<td>500</td>
<td>8</td>
<td>0.61%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Veg Fresh Farms</td>
<td>425</td>
<td>9</td>
<td>0.52%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CoreMark International</td>
<td>421</td>
<td>10</td>
<td>0.51%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Watson Laboratories, Inc.</td>
<td></td>
<td></td>
<td></td>
<td>1,285</td>
<td>3</td>
<td>1.59%</td>
</tr>
<tr>
<td>Dart Container Corporation</td>
<td></td>
<td></td>
<td></td>
<td>625</td>
<td>9</td>
<td>0.77%</td>
</tr>
<tr>
<td>LDI Mechanical</td>
<td></td>
<td></td>
<td></td>
<td>456</td>
<td>10</td>
<td>0.56%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,355</strong></td>
<td></td>
<td><strong>15.03%</strong></td>
<td><strong>14,281</strong></td>
<td></td>
<td><strong>17.65%</strong></td>
</tr>
</tbody>
</table>

Source: City of Corona’s Economic Development Division; California Labor Market.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Government</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elected Officials</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
<td>6.00</td>
</tr>
<tr>
<td>Management Services</td>
<td>10.35</td>
<td>9.73</td>
<td>9.73</td>
<td>9.85</td>
<td>9.84</td>
<td>8.00</td>
<td>9.00</td>
<td>9.00</td>
<td>12.00</td>
<td>19.00</td>
</tr>
<tr>
<td>Legal &amp; Risk Management(^1)</td>
<td>7.67</td>
<td>6.67</td>
<td>6.01</td>
<td>5.29</td>
<td>5.01</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Administrative Services(^2)</td>
<td>42.23</td>
<td>42.56</td>
<td>34.30</td>
<td>36.31</td>
<td>37.40</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
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<td>Firefighters and officers</td>
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<td>4.00</td>
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<td>Transit Services</td>
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<td>1.00</td>
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<tr>
<td>Parks and Community Services(^7)</td>
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<td>Redevelopment(^8)</td>
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<tr>
<td><strong>Total</strong></td>
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<td>738.90</td>
<td>710.23</td>
<td>712.12</td>
<td>727.10</td>
<td>638.00</td>
<td>714.00</td>
<td>720.00</td>
<td>757.00</td>
<td>874.00</td>
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</tbody>
</table>

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

**Source:** City of Corona, Administrative Services Department.

**Note:**

1. Formerly City Attorney’s Office. During Fiscal Year 2014-15, Risk Management Division merged into the City Attorney’s Office and formed Legal & Risk Management Department.
2. Formerly Finance Department. During Fiscal Year 2014-15, Human Resources Department merged into Finance and formed Administrative Services Department.
3. During Fiscal Year 2014-15, Housing Division was merged into Community Development Department.
4. Building Department merged into Community Development Department during Fiscal Year 2008-09.
5. Public Works Department was reorganized during Fiscal Year 2013-14, various maintenance functions were removed from Public Works, and a new department, Maintenance Services was established to assume these functions.
6. Formerly Housing and Economic Development, during Fiscal Year 2014-15, the Housing component was merged into Community Development Department.
7. 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.
8. Redevelopment Department was dissolved in Fiscal Year 2011-12.
CORONA
"THE CIRCLE CITY"
Established
May 4, 1886
To Cherish Our Past - To Plan Our Future
## Operating Indicators by Function/Program

### Last Ten Fiscal Years

<table>
<thead>
<tr>
<th>Function/Program</th>
<th>2017</th>
<th>2016*</th>
<th>2015*</th>
<th>2014*</th>
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<tbody>
<tr>
<td><strong>Police</strong></td>
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<tr>
<td>Physical Arrests</td>
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<td>5,583</td>
<td>5,337</td>
<td>5,422</td>
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<td>Parking Violations</td>
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<td>3,974</td>
<td>4,098</td>
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<td>Traffic Violations</td>
<td>11,896</td>
<td>12,132</td>
<td>11,133</td>
<td>11,147</td>
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<td><strong>Fire</strong></td>
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<tr>
<td>Emergency Responses</td>
<td>12,981</td>
<td>12,112</td>
<td>11,263</td>
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<td>Fires Extinguished</td>
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<td>381</td>
<td>346</td>
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<td>Inspections</td>
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<td>1,757</td>
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<td><strong>Public Works/Maintenance Services</strong></td>
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<td>Street Resurfacing (miles)</td>
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<td>41</td>
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<td>72</td>
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<td>Street Lights Repaired</td>
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<td>1,342</td>
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<td>598</td>
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<td>Potholes Filled (sq. ft)</td>
<td>75,000</td>
<td>15,076</td>
<td>15,978</td>
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<td><strong>Parks and Community Services</strong></td>
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<td>Sportsfields Participation</td>
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<td>1,670,668</td>
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<td>Other Activity Participation</td>
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<td><strong>Library and Recreation Services</strong></td>
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<td>Volumes in Collection</td>
<td>167,586</td>
<td>164,421</td>
<td>167,432</td>
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<tr>
<td>Total Volumes Borrowed*</td>
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<td>New Connections</td>
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<td>Water Main Repairs</td>
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<td>84</td>
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<tr>
<td>Average Daily Consumption (millions of gallons)</td>
<td>30.4</td>
<td>28.4</td>
<td>32.6</td>
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<td><strong>Wastewater</strong></td>
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<tr>
<td>Average Daily Sewage Treatment (millions of gallons)</td>
<td>14.0</td>
<td>14.0</td>
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<td><strong>Transit Services</strong></td>
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<tr>
<td>Total Route Miles (round-trip)</td>
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<td>Passengers</td>
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<td>Fixed Route</td>
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*Total Volumes Borrowed were restated for years between 2011 and 2016 to exclude the number of visits to Corona Library’s website.

Source: Various City departments.
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<td>163,054</td>
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<td>166,744</td>
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<td>65,635</td>
<td>61,285</td>
<td>58,153</td>
<td>64,689</td>
<td>63,122</td>
<td>64,079</td>
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217
### Schedule 18
#### Capital Asset Statistics by Function/Program
#### Last Ten Fiscal Years

<table>
<thead>
<tr>
<th>Function/Program</th>
<th>Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Police</strong></td>
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</tr>
<tr>
<td>Stations</td>
<td>1</td>
</tr>
<tr>
<td>Zone Offices</td>
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</tr>
<tr>
<td>Patrol Units</td>
<td>55</td>
</tr>
<tr>
<td><strong>Fire Stations</strong></td>
<td></td>
</tr>
<tr>
<td>Streets and Alleys (miles)</td>
<td>406</td>
</tr>
<tr>
<td><strong>Streets</strong></td>
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</tr>
<tr>
<td>Streets and Alleys (miles)</td>
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</tr>
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<td><strong>Streetlights</strong></td>
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<td><strong>Traffic Signals</strong></td>
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</tr>
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<td><strong>Library and Recreation Services</strong></td>
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</tr>
<tr>
<td><strong>Total Park Acreage</strong></td>
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<td><strong>Playgrounds</strong></td>
<td>27</td>
</tr>
<tr>
<td><strong>Baseball/softball diamonds</strong></td>
<td>36</td>
</tr>
<tr>
<td><strong>Soccer/football fields</strong></td>
<td>18</td>
</tr>
<tr>
<td><strong>Community Centers</strong></td>
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</tr>
<tr>
<td><strong>Civic Center Auditorium Seating Capacity</strong></td>
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<tr>
<td><strong>Fiesta Bandshell Seating Capacity</strong></td>
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<td><strong>Water</strong></td>
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<td><strong>Water Main (miles)</strong></td>
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<tr>
<td><strong>Fire Hydrants</strong></td>
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<td><strong>Storage Capacity</strong></td>
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<tr>
<td><strong>Wastewater</strong></td>
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<tr>
<td><strong>Sanitary Sewers (miles)</strong></td>
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<td><strong>Storm Sewers (miles)</strong></td>
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<td><strong>Treatment Capacity</strong></td>
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<td><strong>Transit Services</strong></td>
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<td><strong>Minibuses</strong></td>
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<td>Fixed Route</td>
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</tr>
<tr>
<td>Dial-A-Ride</td>
<td>11</td>
</tr>
</tbody>
</table>

**Source:** Various City departments.

**Note:** Includes only City-owned street lights.