



OFFICE OF: FINANCE DEPARTMENT

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February 16, 2016

Municipal Securities Rulemaking Board
1900 Duke Street Suite 600
Alexandria, VA 22314

Trustee:

Christopher Davy
The Bank of New York Mellon Trust Company, N.A.
400 S. Hope Street, Ste. 400
Los Angeles, CA 90071

Dissemination Agent:

City of Corona
400 S. Vicentia Ave., Suite 320
Corona, CA 92882-2187

**Subject: Secondary Market Disclosure
\$37,180,000 Corona Public Financing Authority
Lease Revenue Bonds Series C
(2006 Corporation Yard Expansion Project)
CUSIP # 21969P**

Attached is the Annual Report as required per Section 4 of the Continuing Disclosure Agreement dated December 1, 2006 in connection with the issuance of the above referenced bonds.

The Annual Report is comprised of the following information, as of June 30, 2015:
Per Section 4:

- (a) Audited Financial Statements for the year ended June 30, 2015 - [Comprehensive Annual Financial Report](#)
- (b) Information to the extent not included in the audited financial statements:
 - (i) Information concerning the actual revenues, expenditures, and beginning and ending fund balances for the General Fund, including information showing tax revenue collections by source – CAFR page 34-35

- (ii) Information showing the aggregate principal amount of long-term bonds, leases and other obligations which are payable out of the General Fund – CAFR page 83-85
- (iii) Information showing the assessed valuation of properties – CAFR page 199
- (iv) Information showing the total secured property tax levy and actual amounts collected – CAFR page 205
Sales tax receipts \$ 36,608,600
- (v) Information showing the balance sheet of the General Fund – CAFR page 30-31

Per Section 5:
Significant Events – none

If you have questions related to this Annual Report of the Corona Public Financing Authority, please contact me.

Sincerely,



Patricia Song
Finance Manager
Patricia.Song@ci.corona.ca.us

CITY OF CORONA

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

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

CITY OF CORONA

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

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

CITY OF CORONA

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

Note 7: Compensated Absences Payable

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

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

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

Note 8: Long-Term Obligations

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

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

a. Lease Payable

2012 Refunding Lease

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

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

Note 8: Long-Term Obligations (Continued)

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

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

b. Lease Revenue Bonds

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

2001 Lease Revenue Bonds, Series A

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

2006 Lease Revenue Bonds, Series C

The CPFA 2006 Lease Revenue Bonds Series C were issued on December 6, 2006 in the amount of \$37,180,000 to pay the costs of the Corporate Yard Expansion project and to redeem the outstanding 2000 Lease Revenue Bonds, Series A of the CPFA. The outstanding 2000 Lease Revenue Bonds were defeased in September 2008. The 2006 Lease Revenue Bonds bear interest from 3.625% to 5.00% and are due in annual installments ranging from \$1,135,000 to \$1,770,000 through September 1, 2036. The bonds are payable from the revenues expected to be received by the CPFA from the City as lease payments for the acquired improvements.

CITY OF CORONA

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

Note 8: Long-Term Obligations (Continued)

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

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

c. Special Assessment District Bonds (Indirect City Liability)

The payment of the special assessment district bonds is secured by valid assessment liens upon certain property in each district and is not a direct liability of the City. Reserves have been established from the bond proceeds to meet delinquencies should they occur and the City may, from time to time, when due and delinquent, advance available funds to pay the amount of any succeeding installment of the principal and the interest on the bonds. Therefore, the bonds are recorded as liabilities in the City's financial statements pursuant to GASB Statement No. 6.

Assessment District No. 90-1 Improvement Bonds

The \$3,000,000 Assessment District No. 90-1 Improvement Bonds were issued to finance construction and acquisition of improvements within Tract 22909. The outstanding bonds bear interest of 8.00% and mature in remaining annual installments of \$170,000 to \$185,000 through September 2, 2015.

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

d. Installment Agreement Payable

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

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

CITY OF CORONA**Schedule 5b****Assessed Value and Actual Value of Taxable Property****Last Ten Fiscal Years (in thousands of dollars)**

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Other	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2006	9,128,473	1,166,793	1,688,866	1,747,079	190,746	13,540,465	1.0043
2007	10,821,087	1,398,608	1,927,206	1,956,392	200,971	15,902,322	1.0025
2008	12,074,893	1,638,755	2,068,380	2,153,807	243,155	17,692,680	1.0018
2009	11,825,460	1,810,186	2,111,604	2,179,903	233,038	17,694,115	1.0012
2010	10,338,756	2,392,421	2,175,301	1,628,324	251,763	16,283,039	1.0006
2011	10,340,114	2,177,188	2,159,963	1,679,857	271,357	16,085,765	1.0000
2012	10,406,831	2,101,432	2,108,882	1,602,344	293,954	15,925,535	1.0000
2013	10,441,897	2,124,926	2,121,234	1,500,847	264,187	15,924,717	1.0000
2014	10,909,040	2,126,622	2,142,615	1,462,220	279,902	16,360,595	1.0000
2015	11,717,313	2,165,931	2,215,181	1,501,930	301,090	17,299,265	1.0000

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

Note: Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to the actual value. Tax rates are per \$1,000 of assessed value.

CITY OF CORONA**Schedule 8
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year ¹	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections ²	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	18,409,599	16,237,649	88.20%	827,438	17,065,087	92.70%
2007	23,054,281	19,690,971	85.41%	1,439,660	21,130,631	91.66%
2008	25,254,270	20,898,139	82.75%	2,427,904	23,326,043	92.36%
2009	25,036,199	21,120,483	84.36%	2,092,540	23,213,023	92.72%
2010	22,628,536	19,921,737	88.04%	1,424,373	21,346,110	94.33%
2011	22,451,824	19,619,070	87.38%	1,155,344	20,774,414	92.53%
2012	22,448,815	20,689,087	92.16%	979,403	21,668,490	96.52%
2013	22,560,351	21,235,423	94.13%	808,121	22,043,544	97.71%
2014	23,176,657	22,171,735	95.66%	695,420	22,867,155	98.66%
2015	24,628,905	23,778,058	96.55%	-	23,778,058	96.55%

Note: 1) Amounts excluded debt service levies and former Redevelopment property tax increment.
2) Amounts excluded interest and penalties.

Source: City of Corona Finance Department;
Riverside County Auditor-Controller's Office.

CITY OF CORONA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

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

CITY OF CORONA

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

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