

CITY OF CORNING,

CALIFORNIA

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED
JUNE 30, 2014**

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CITY OF CORNING
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2014

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INTRODUCTORY SECTION

City Officials

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**CITY OF CORNING
PRINCIPAL OFFICIALS
June 30, 2014**

**CITY COUNCIL
(Terms as of June 30, 2014)**

Name	Office	Term Expires
GARY STRACK	Mayor	2016
DARLENE DICKISON	Vice-Mayor	2018
WILLETTE SMITH	Councilwoman	2016
TONY CARDENAS	Councilman	2016
DAVE LINNET	Councilman	2018

**CITY CLERK
LISA LINNET**

**CITY TREASURER
PALA CANTRELL**

**CITY MANAGER & FINANCE DIRECTOR
JOHN BREWER**

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FINANCIAL SECTION

Independent Auditor's Report
Management Discussion and Analysis
Basic Financial Statements
Notes to the Basic Financial Statements

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Donald R. Reynolds

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To The Honorable Mayor and Members of the City Council
City of Corning
Corning, California

Report On the Financial Statements

I have audited the accompanying consolidated financial statements of City of Corning (the City), which comprise the consolidated statement of financial position as of June 30, 2014, and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, I 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 consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

1438 Oregon Street, P.O. Box 994508 Redding, CA 96099-4508 (530) 246-2834 fax (530) 244-0331

The Honorable Mayor and Members of the City Council
City of Corning
Corning, California

Opinion

In my opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the City of Corning as of June 30, 2014, and the changes in their net assets and their cash flows 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 and budgetary comparison information on pages 4 -12 and 60 - 64 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 3, 2015, on my consideration of the City's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Supplementary and Other Information

My 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 nonmajor fund financial statements and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional

The Honorable Mayor and Members of the City Council
City of Corning
Corning, California

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 my opinion, the combining nonmajor fund financial statements and budgetary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Donald R. Reynolds, CPA
Redding, California
February 3, 2015

CITY OF CORNING
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2014

As Management of the City of Corning (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the City's basic financial statements following this section.

The Management's Discussion and Analysis (MD&A) presents financial highlights; an overview of the accompanying financial statements; an analysis of financial position and results of operations; a current-to-prior year analysis; a discussion on restrictions and commitments; and a discussion on significant activity involving capital assets and long-term debt. The discussion focuses on the City's primary government and unless otherwise noted, component units reported separately from government are not included.

Financial Highlights

Government-Wide

All funds of the City are reported together in the Government-Wide Reports. Total assets of the City were \$34,191,921, deferred inflows of resources were \$4,205,990 and total liabilities were \$13,239,798 at June 30, 2014. The City's assets exceeded its liabilities by \$16,746,133 (net position) for the fiscal year reported. This is an increase of \$2,554,375 from the previous year when assets exceeded liabilities by \$14,191,758. The increase was primarily due to the City's grant activity and the City recognizing and refinancing its side fund liability to its employee pension plan, CalPERS, resulting in the prior period. The City overall experienced a surplus in the amount of \$2,558,386, consisting of a surplus of \$2,795,184 in the governmental funds and a deficit of (\$236,798) in the business-type funds.

Total net position is comprised of the following:

- (1) Capital assets, net of related debt and accumulated depreciation, of \$11,146,570 include property and equipment.
- (2) Net assets of \$2,195,120 are restricted for debt service.
- (3) Unrestricted net assets of \$3,404,443 represent the portion available to maintain the City's continuing obligations to citizens and creditors.

Fund Based – Governmental Funds

Governmental funds include the General Fund and all other funds, except those classified as business type. The City's governmental funds reported total ending fund balance of \$3,035,696 this year. This compares to the prior year ending fund balance of \$1,878,470 and is an increase of \$1,157,226 during the current year;

For the fiscal year ending June 30, 2014, the fund balance of the General Fund was \$1,285,233; of this amount \$830,000 is committed to fund balance reserve. The Fund Balance Reserve Policy is the City Council's goal to achieve a minimum margin of the annual general fund appropriations. For the fiscal year 2013-14, the \$830,000 fund balance reserve is 18.77% of reported expenditures (\$4,421,974).

Fund Based – Business Type Activities

The City's business type activities include the Water Fund, the Sewer Fund, the Solid Waste Enterprise Fund, the Airport Fund and the Transportation Center Fund. These funds reported total ending net position of \$7,597,381 as of June 30, 2014. This compares to the prior year ending net position of \$7,834,179 showing a decrease of \$236,798 during the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction of the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements present both long-term and short-term information about the City's overall financial picture. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis of full accrual accounting and elimination or reclassification of internal activities.

The *Statement of Net Position* is measured as the difference between (a) assets and deferred outflow of resources and (b) liabilities and deferred inflow of resources. This is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position may serve as an indicator of whether or not its financial health is improving or deteriorating.

The *Statement of Activities* presents information on how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that only result in cash flows in future periods; e.g. earned but unused vacation leaves.

In both the Statement of Net Position and Statement of Activities we divide the City into two kinds of activities:

Governmental Activities – Most of the City's basic services are reported here, including General Government (City Council, City Clerk, City Manager's Department, General and Fiscal Services), Public Safety (Police and Fire), Community Development and Planning, Swimming Pool and Public Works. Revenues from property taxes, transient occupancy taxes (TOT), sales tax, business license tax, etc. finance most of these activities.

Business-type Activities – The City charges a fee to customers to recover all or most of certain services it provides. The City's water, sewer, solid waste, airport and transportation center are included in this category.

Fund Financial Statements

The Fund Financial Statements are designed to report information about groupings (funds) of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. The City uses all three types, each using different accounting methods.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Corning maintains 38 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund which is considered the only major fund. Data from the other 37 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Corning adopts annual appropriations for its governmental funds. As required supplementary statements, budgetary comparison statements have been provided to demonstrate compliance with adopted appropriations. The basic governmental fund financial statements can be found on pages 13-15 of this report.

Proprietary Funds – Proprietary funds are primarily used to account for when the City charges for the services it provides, whether to outside customers or to other units of the City. These funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities, using an accrual basis of accounting. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities that are reported in the government-wide financial statements but provide more detailed information, such as the statement of cash flows. The City used 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 Building and Equipment Services, Self-Insurance and Information Technology funds. Since these activities predominantly benefit governmental rather than business-type functions, they are included with the governmental activities in the government-wide financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the City. In these cases, the City has a fiduciary responsibility and is acting as a trustee. The Statement of Fiduciary Net Position separately reports all of the City's fiduciary activities. The City excludes those activities from the City's other financial statements because the City cannot use these assets to finance its operations. However, the City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information. The City's progress in funding its obligation to provide pension benefits to its employees is presented. The Statements of Revenues, Expenditures, and Changes in Fund balances – Budget and Actual for the individual funds are also presented.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

This analysis will focus on the City's net position (Table 1) and changes in net position (Table 2) of the governmental and business-type activities for the fiscal year ending June 30, 2014.

TABLE 1 - NET POSITION						
	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2014	2013	2014	2013	2014	2013
Assets:						
Cash and other assets	\$ 7,325,642	\$ 6,993,933	\$ 3,350,564	\$ 3,193,297	\$ 10,676,206	\$ 10,187,230
Capital assets	<u>8,727,208</u>	<u>7,242,551</u>	<u>14,788,507</u>	<u>15,448,961</u>	<u>23,515,715</u>	<u>22,691,512</u>
Total Assets	<u>\$ 16,052,850</u>	<u>\$ 14,236,484</u>	<u>\$ 18,139,071</u>	<u>\$ 18,642,258</u>	<u>\$ 34,191,921</u>	<u>\$ 32,878,742</u>
Liabilities						
Other liabilities	\$ 4,527,725	\$ 5,342,886	\$ 657,082	\$ 689,616	\$ 5,184,807	\$ 6,032,502
Long-term liabilities	<u>2,376,373</u>	<u>2,535,939</u>	<u>9,884,608</u>	<u>10,118,463</u>	<u>12,260,981</u>	<u>12,654,402</u>
Total Liabilities	<u>6,904,098</u>	<u>7,878,825</u>	<u>10,541,690</u>	<u>10,808,079</u>	<u>17,445,788</u>	<u>18,686,904</u>
Net Position						
Invested in capital assets net of related debt	6,529,839	7,015,128	4,616,731	4,997,230	11,146,570	12,012,538
Restricted	-	-	2,195,120	2,036,414	2,195,120	2,035,414
Unrestricted	<u>2,618,913</u>	<u>(657,469)</u>	<u>785,530</u>	<u>800,535</u>	<u>3,404,443</u>	<u>143,066</u>
Total Net Position	<u>\$ 9,148,752</u>	<u>\$ 6,357,659</u>	<u>\$ 7,597,381</u>	<u>\$ 7,834,179</u>	<u>\$ 16,746,133</u>	<u>\$ 14,191,838</u>

In fiscal year 2013-14, Governmental activities increased the City's net position by \$2,791,173 and business-type activities decreased the City's net position by \$236,798 as compared to the prior fiscal year.

Governmental activities revenues increased by \$1,897,800, or 33.77%, due primarily to the grants received for the park improvement projects, which equaled \$1,757,212. Expenses in the governmental activities decreased by \$375,694, or 7.37%; most of this decrease is in the city administration and transportation categories.

Business-type activities revenues increased by \$188,578 or 5.49%. The increase was due, in part to additional customer charges. Business-type expenses increased by \$6,934 due to increased costs of providing services.

TABLE 2 - CHANGES IN NET POSITION						
For the periods ending June 30						
	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 137,112	\$ 167,232	\$ 3,548,008	\$ 3,360,853	\$ 3,685,120	\$ 3,528,085
Operating grants and contributions	193,340	180,213	-	-	193,340	180,213
Capital grants and contributions	2,186,604	187,135	-	-	2,186,604	187,135
General revenues:						
Property taxes	519,858	475,929	-	-	519,858	475,929
Sales and use taxes	3,017,562	2,984,524	-	-	3,017,562	2,984,524
Occupancy taxes	299,987	294,083	-	-	299,987	294,083
Other taxes	144,778	134,812	-	-	144,778	134,812
Vehicle License Fee	516,779	503,262	-	-	516,779	503,292
Franchise tax	113,130	110,385	-	-	113,130	110,385
Investment earnings	2,141	3,479	3,088	4,747	5,229	8,226
Intergovernmental	21,818	419,467	-	-	21,818	419,467
Other revenues	<u>361,966</u>	<u>158,754</u>	<u>70,042</u>	<u>66,960</u>	<u>431,908</u>	<u>225,714</u>
Total Revenues	<u>7,517,075</u>	<u>5,619,275</u>	<u>3,621,138</u>	<u>3,432,560</u>	<u>11,382,213</u>	<u>9,051,835</u>

Expenses:						
General government	640,120	908,123	-	-	640,120	908,123
Public safety	3,464,031	3,279,740	-	-	3,464,031	3,279,740
Transportation	164,917	611,080	-	-	164,917	611,080
Cultural Parks and Recreation	383,614	271,074	-	-	383,614	271,074
Community Development	68,615	27,568	-	-	68,615	27,568
Sewer	-	-	1,959,545	1,869,261	1,959,545	1,869,261
Water	-	-	1,362,006	1,466,095	1,362,006	1,466,095
Solid Waste	-	-	461,455	445,750	461,455	455,750
Airport	-	-	49,670	48,608	48,181	48,608
Transportation Center	-	-	25,260	19,799	25,260	19,799
Total Expenses	4,721,891	5,097,585	3,857,936	3,849,513	8,579,827	8,947,098
Increase(Decrease) in Net Position before transfers, prior period adjustments and extraordinary items						
	2,795,184	521,690	(236,798)	(416,953)	2,558,386	(104,737)
Transfers	-	(114,150)	-	114,150	-	-
Prior period adjustments	(4,011)	(2,333,077)	-	(245,926)	(4,011)	(2,579,003)
Increase(Decrease) in Net Position	\$ 2,791,173	\$ (1,925,537)	\$(236,798)	\$(548,729)	\$ 2,554,375	\$ (2,474,266)

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Corning uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Under the Government Accounting Standards Board Statement 54 (GASB54), fund balances are now classified as Nonspendable, Restricted, and Unassigned. Nonspendable fund balances are amounts that are inherently Nonspendable, i.e. cannot be spent because of their form or because they must be maintained intact. Restricted fund balances are amounts with externally enforceable limitations on use, such as limitations imposed by creditors or grantors, and limitations imposed by other governments. Unassigned fund balances (residual net resources) are the amount in excess of Nonspendable and Restricted amounts.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financial requirements.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,035,696 an increase of \$1,161,237 in comparison with the prior year. Of this amount, \$2,195,980 is due to the City's funding of capital projects undertaken during the period.

The following discussion focuses on the City's three primary operating fund types.

General Fund. The General Fund is the chief operating fund of the City of Corning. The General Fund experienced an excess of revenues over expenditures in the amount of \$329,469; transfers in and out (primarily for capital projects) netted to a negative \$49,500, leaving an operating surplus of \$279,969.

The following table, Revenue by Source (Table 3) and Expenditure by Function (Table 4), provide a two-year comparison. Accompanying the tables are brief explanations of significant changes.

Fiscal year 2013-14 General Fund revenue increased 2.08% in comparison with the prior year. Significant changes were an increase in taxes and assessments of 2.09%, an increase in intergovernmental revenues of 37.48% and a decrease in charges for services of 41.40%. The increase in taxes and assessments is primarily due to an increase in sales tax. The increase in intergovernmental revenues is primarily due to the additional operating grants.

Total General Fund expenditures decreased by \$299,645 or 6.35% from the prior fiscal year indicating an increase in debt service and a decrease in capital spending.

TABLE 3 - GENERAL FUND REVENUES BY SOURCE						
For the periods ending June 30						
	2014		2013		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Taxes and assessments	4,366,669	91.90%	4,277,201	91.89%	89,468	2.09%
Use of money and property:						
Interest	411	0.01%	736	0.02%	(325)	-44.15%
Licenses and permits	61,706	1.29%	55,199	1.19%	6,507	11.78%
Intergovernmental revenues	207,782	4.37%	151,134	3.25%	56,648	37.48%
Charges for services	97,999	2.06%	167,232	3.59%	(69,233)	-41.40%
Other revenue	16,876	0.37%	3,049	0.06%	13,827	100.00%
Total	4,751,443	100.00%	4,654,551	100.00%	96,892	2.08%

TABLE 4 - EXPENDITURES BY TYPE						
GENERAL FUND						
For the periods ending June 30						
	2014		2013		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
General Government	580,282	13.13%	630,382	13.35%	(50,100)	(7.95)%
Public Safety	3,127,111	70.72%	3,232,019	68.45%	(104,908)	(3.25)%
Transportation	157,209	3.56%	212,581	4.50%	(55,372)	(26.05)%
Cultural, Parks and Recreation	274,777	6.21%	249,818	5.29%	24,959	10.00%
Community/Economic Development	23,500	0.53%	23,500	0.50%	-	0.00%
Debt service	233,113	5.27%	-	-	233,113	100.00%
Capital outlay	25,982	0.58%	373,239	7.91%	(347,257)	(93.04)%
Total	4,421,974	100.00%	4,721,619	100.0%	(299,645)	(6.35)%

Proprietary funds. Proprietary funds operate in a business-type environment. The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The City's proprietary funds include the Sewer, Water and Solid Waste utilities and the Airport and Transportation Center.

Water Fund -- In the fiscal year ended June 30, 2014, the Water Fund had an increase in net position of \$98,689 and the Sewer Fund had a negative change in net position of \$300,804. The Solid Waste Fund had a negative change in net position of \$1,037, and the Airport and the Transportation Center have decreases in net position of \$23,281 and \$8,876 respectively. A two-year comparison of change in net assets for these funds is in the following tables.

TABLE 5 - WATER FUND				
For the periods ending June 30				
	2014	2013	Variance	
	Amount	Amount	Amount	Percent
Water Fund				
Operating				
Revenues	1,456,731	1,350,822	105,909	7.84%
Expenses	(1,160,959)	(1,268,540)	(107,581)	(8.48)%
Non-operating revenue(expense)	(199,883)	(195,777)	4,106	2.09%
Change in net assets	95,889	(113,495)	(209,384)	

The Water Fund reported a reversal of the decrease in net position in fiscal year 2012-13 compared to fiscal year 2013-14. Revenues increased by 7.84% while expenses declined by 8.48%. The net effect was a positive change in net position in fiscal year 2013-14 compared to the loss in fiscal year 2012-13.

Sewer Fund -- The Sewer Fund reported an increase in the negative change in net position in fiscal year 2013-14 compared to fiscal year 2012-13. Although both revenues and expenses increased, the net effect was still a 6.71% increase in the amount of loss in fiscal year 2013-14 compared to fiscal year 2012-13.

TABLE 6 - SEWER FUND				
For the periods ending June 30				
	2014	2013	Variance	
	Amount	Amount	Amount	Percent
Sewer Fund				
Operating				
Revenues	1,656,899	1,584,492	72,407	4.57%
Expenses	(1,699,401)	(1,610,386)	89,105	4.87%
Non-operating revenue(expense)	(258,302)	(256,004)	2,298	2.46%
Change in net assets	(300,804)	(281,898)	(18,906)	

General Fund Budgetary Highlights. In preparing its budgets, the City attempts to estimate its revenues using realistic, but conservative, methods and budgets its expenditure activities in a prudent manner. As a result the City Council adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of additional revenues.

The General Fund budget for fiscal year 2013-14 anticipated a shortfall of \$171,315. The results of the General Fund were more favorable than anticipated, with an actual surplus of \$279,949. The negative experience of fiscal year 2012-13 has been reversed in fiscal year 2013-14. Revenues in fiscal year 2013-14 were \$304,533, or 15.85%, more than the budget estimate. Expenditures in fiscal year 2013-14 were \$146,731, or 3.16%, less than the budget estimate, primarily due to cost savings from budgeted but unfilled vacancies and the deferral of capital expenditures.

Table 7 shows a two-year comparison of General Fund budgets and actual results.

TABLE 7 - GENERAL FUND BUDGET-TO-ACTUAL						
For the periods ending June 30						
	2014			2013		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues	4,466,910	4,771,443	304,533	4,597,188	4,654,551	57,363
Expenditures	(4,638,225)	(4,491,494)	146,731	(4,833,616)	(4,721,619)	(111,997)
Operating						
Result	(171,315)	279,949	451,264	(236,428)	(67,068)	169,360
Transfers In	-	-	-	5,000	2,954	(2,046)
Transfers Out	-	-	-	(276,582)	(272,311)	4,271
Net Result	(171,315)	279,949	451,264	(508,010)	(336,425)	171,585

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City's practice has been to capitalize buildings, machinery and equipment. As a "small" City under the definition of Governmental Accounting Standards Board Statement No. 34 (GASB34), the City is not required to report, and has not reported, infrastructure (i.e. streets, streetlights, sidewalks, etc.) assets acquired prior to June 30, 2003 in accounting for capital assets. GASB34 requires small cities to report infrastructure acquired after June 30, 2003. The City has recorded parkland improvements and acquisitions as additions to the infrastructure.

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2014, was \$8,727,208 and \$14,707,486 respectively. This represented an

increase in the net investment of 20.50 % for governmental and a decrease in net investment of 4.25 % for business-type activities. The overall increase was 3.67% for the City as a whole.

TABLE 8 - NET INVESTMENT IN CAPITAL ASSETS			
Governmental Funds			
2014	2013	Variance \$	Variance %
8,727,208	7,242,551	1,484,657	20.50%
Business-type Funds			
2014	2013	Variance \$	Variance %
14,707,486	15,361,722	(654,236)	(4.25)%

Long-term debt. As of June 30, 2014, the City had total debt outstanding of \$12,809,004; this is a decrease from the total debt outstanding at June 30, 2013, of \$383,143. This decrease is due to loan principal pay downs by the City during the current fiscal year.

Table 9 provides a two-year comparison of the City's long-term debt.

	TABLE 9 - TOTAL DEBT					
	For the periods ending June 30					
	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2014	2013	2014	2013	2014	2013
Capital Leases	\$ -	\$ 46,718	\$ -	\$ -	\$ -	\$ 46,718
Compensated Absences	416,705	383,570	104,176	95,892	520,881	479,462
Pension Obligation Bonds	2,197,369	2,333,074	231,616	245,926	2,428,985	2,579,000
1999 Certificates of Participation	-	-	3,540,900	3,613,000	3,540,000	3,613,000
2005 Certificates of Participation	-	-	1,840,000	1,930,000	1,840,000	1,930,000
2005 Revenue Refunding Bonds	-	-	3,886,000	3,943,000	3,886,000	3,943,000
Clark Well Loan	-	-	592,238	600,467	592,238	600,467
Total	\$ 2,614,074	\$ 2,763,362	\$ 10,194,930	\$ 10,428,785	\$ 12,809,004	\$ 13,192,147

ECONOMIC FACTORS AND MAJOR INITIATIVES

The City has been fortunate in past years to have maintained strong retail sales in the traveler services market which made up for the decline in auto sales. The three large travel centers, Love's, Petro and Travel Centers of America along with three freeway sited service stations and four local fuel and food marts are the largest retail sales group in City with excellent income from fuel and fuel related sales.

Sales Tax from Fuel, Automobile and Truck sales are increasing again while other retailers in Corning have remained stable. There was a total of \$2,911,809 in sales and use tax in 2013-2014. That's up \$33,619 (1.18%) from the 2012-2013 total sales tax of \$2,878,190.

The State "triple flip", mentioned later in this analysis, is the name applied to the State Legislative taking of local tax income to "balance" the state budget. The reader cannot easily determine the actual total retail sales in Corning from this information due to the complicated formulas put in place by the State in order to take a portion of local sales tax.

Other City operations remain in good financial shape. The City's Water System has an ISO Class II rating. The City Council enacted a five year series of annual rate increases intended to maintain a stable cash flow and to assure investors of the stability of the City. The fifth or final annual water rate increase pursuant to that Resolution (No. 12-08-09-02) implemented in April of 2014. The City should consider implementing additional annual increases to account for inflation.

In May of 2014 the City Council implemented Resolution No. 05-27-2014-01. That Resolution implements five annual 3.5% sewer rate increases to account for inflation and set aside net revenues to fund future repairs and facility replacement.

The continued downturn in development leaves the Sewer Capital Fund short of Development Impact Fee funds for debt service on the plant expansion bonds, but the Sewer Operating Fund is pledged to make up any shortage of revenue from new development.

The greatest impact of the recession hits Street Maintenance which is funded by Federal funds, State gas taxes, local transportation taxes and the City General Fund. Few people realize that State gas taxes and local transportation taxes are a small portion of a City's investment in Roads. The City received only \$245,465 in State Gas Taxes and local transportation taxes during the year; that is only \$32.03 per year per resident. The balance of the funds spent on roads comes from the City General Fund and available Federal funding.

The City completed Phase 1 of Corning Community Park and embarked on construction of Phase 2 during the fiscal year. The park, upon completion, will add about 17 acres of new parkland in the City. Funding for the acquisition and development of the new park is largely made possible by a \$4.28 million Proposition 84 Grant the City received in 2010.

For Fiscal Year 2013-2014 there were 43 full time City Employees. The City has a huge investment in those employees and they are the greatest asset of the City, a Service Company, and well worth retaining by maintaining stable employment. A Police Officer, for example costs the City between \$150,000 and \$200,000 in training and on-the-job experience. Most people do not realize the City of Corning operates with very little overhead.

The Police Departments leads through the Chief and Three Sergeants; there are no Captains or Lieutenants employed at this time.

The Fire Department, an ISO Class 4 rated agency, is a one hundred year old Volunteer Department with no full time firefighters, saving the City over \$1 million per year.

The entire Public Works Department has seven Maintenance Workers and a field supervisor. Only the Director and the Public Works Secretary are in the office. All City Employees have direct service contact with the public.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Corning's financial condition for all those with an interest in the City's finances. Should the reader have further questions, please contact John Brewer, City Manager, City of Corning, 794 Third Street, Corning, California 96021.

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

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CITY OF CORNING
STATEMENT OF NET POSITION
June 30, 2014

Statement 1

	Primary Government		
	Governmental Activities	Business Activities	Total
<u>ASSETS</u>			
Cash and Investments (Note 3)			
Available for operations	\$ 2,959,800	\$ 1,977,921	\$ 4,937,721
Restricted	-	1,114,586	1,114,586
Receivables (net of allowance for uncollectable)			
Accounts Receivable	-	184,753	184,753
Intergovernmental Receivable	100,263	-	100,263
Receivable from Other Governments	65,055	-	65,055
Other Receivable	4,729	-	4,729
Loans Receivable (CDBG.)	4,193,552	-	4,193,552
Internal balances	-	-	-
Inventory	-	73,304	73,304
Due From Other Funds	2,243	-	2,243
Capital Assets (Note 2):			
Unamortized loan acquisition costs	-	81,021	81,021
Land and construction in progress	72,115	838,088	910,203
Depreciable assets, net	8,655,093	13,869,398	22,524,491
Total Assets	<u>16,052,850</u>	<u>18,139,071</u>	<u>34,191,921</u>
<u>LIABILITIES</u>			
Accounts Payable	38,777	137,943	176,720
Accrued Wages/Payroll Taxes	37,121	8,133	45,254
Accrued Interest Payable	8,136	124,513	132,649
Deposits	-	73,929	73,929
Other Accrued Liabilities	-	2,243	2,243
Accrued compensated absences:			
Due within one year	45,000	63,197	108,197
Due in more than one year	371,705	40,977	412,682
Long-term debt			
Due within one year	192,701	247,124	439,825
Due in more than one year	2,004,668	9,843,631	11,848,299
Interfund Loan Payable	-	-	-
Loans	-	-	-
Capital Leases	-	-	-
Total Liabilities	<u>2,698,108</u>	<u>10,541,690</u>	<u>13,239,798</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unearned Revenue	4,205,990	-	4,205,990
<u>NET POSITION</u>			
Net investment in capital assets	6,529,839	4,616,731	11,146,570
Restricted for debt service	-	2,195,120	2,195,120
Unrestricted	2,618,913	785,530	3,404,443
Total Net Position	<u>\$ 9,148,752</u>	<u>\$ 7,597,381</u>	<u>\$ 16,746,133</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
Year Ended June 30, 2014

Statement 2

FUNCTIONS/PROGRAMS	Net (Expense) Revenue and Changes In Net Position				
	Program Revenues			Governmental Activities	Business-Type Activities
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
	Expenses				
Governmental Activities:					
General Government:					
City Council	\$ 26,202	\$ -	\$ -	\$ (26,202)	\$ -
City Administration	150,729	-	-	(150,729)	-
City Clerk	9,335	-	-	(9,335)	-
City Treasurer	629	-	-	(629)	-
City Finance	56,779	-	-	(56,779)	-
General Government	397,040	97,999	-	(299,041)	-
Total General Government	640,714	97,999	-	(542,715)	-
Public Safety and Judiciary:					
Legal Services	75,118	-	-	(75,118)	-
Police	2,132,571	-	195,340	(1,937,231)	-
Police Dispatch	452,958	-	-	(452,958)	-
Animal Control	80,988	-	-	(80,988)	-
Fire	722,396	-	-	(722,396)	-
Total Public Safety and Judiciary	3,464,031	-	195,340	(3,268,691)	-
Transportation:					
Airport	-	-	-	-	-
Streets	164,917	-	-	1,654	-
Total Transportation	164,917	-	-	1,654	-
Cultural, Parks and Recreation					
Library	18,275	-	-	(18,275)	-
Theater	1,819	-	-	(1,819)	-
Parks and Recreation	363,520	39,113	-	1,432,805	-
Total Cultural, Parks and Recreation	383,614	39,113	-	1,412,711	-
Community/Economic Development:					
Economic Development	68,615	-	-	194,206	-
Total Community/Economic Development	68,615	-	-	194,206	-
Business-Type Activities					
Sewer	1,959,545	1,633,669	-	-	(325,876)
Water	1,362,006	1,454,551	-	-	92,545
Solid Waste	461,455	459,788	-	-	(1,667)
Airport	49,670	-	-	-	(49,670)
Transportation	25,260	-	-	-	(25,260)
Total Business-Type Activities	3,857,936	3,548,008	-	-	(309,928)
Total	\$ 8,579,827	\$ 3,685,120	195,340	2,186,604	(309,928)

See accompanying notes to
the basic financial statements.

CITY OF CORNING
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
Year Ended June 30, 2014

Statement 2
(Continued)

CHANGES IN NET ASSETS:

	Governmental	Business	
	Activities	Activities	Total
Net (Expense)/Revenue	\$ (2,202,835)	\$ (309,928)	\$ (2,512,763)
General Revenues:			
Taxes			
Sales and Use Taxes	3,017,562	-	3,017,562
Property Taxes	519,858	-	519,858
Franchise Taxes	113,130	-	113,130
Vehicle License Fees	516,779	-	516,779
Transit Occupancy Tax	299,987	-	299,987
Other Taxes	144,778	-	144,778
Intergovernmental	21,818	-	21,818
Investment Income	2,141	3,088	5,229
Donations	-	-	-
Other	361,966	67,242	429,208
Transfers - Internal Activity	-	2,800	2,800
Total General Revenues and Transfers	<u>4,998,019</u>	<u>73,130</u>	<u>5,071,149</u>
Change in Net Assets	2,795,184	(236,798)	2,558,386
Net Position - Beginning of Year	<u>6,357,579</u>	<u>7,834,179</u>	<u>14,191,758</u>
Prior Period Adjustment	(4,011)	-	(4,011)
Residual Equity Transfers In (Out)	-	-	-
Net Position - Ending of Year	<u>\$ 9,148,752</u>	<u>\$ 7,597,381</u>	<u>\$ 16,746,133</u>

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BASIC FINANCIAL STATEMENTS

Fund Financial Statements

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CITY OF CORNING
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

Statement 3

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 1,160,347	\$ 1,799,453	\$ 2,959,800
Intergovernmental Receivable	-	100,263	100,263
Notes Receivable (C.D.B.G.)	-	4,193,552	4,193,552
Receivable from Other Governments	65,055	-	65,055
Other Receivable	4,729	-	4,729
Inventory	-	-	-
Due From Other Funds	136,400	-	136,400
Total Assets	<u>1,366,531</u>	<u>\$ 6,093,268</u>	<u>\$ 7,459,799</u>
LIABILITIES			
Accounts Payable	\$ 23,681	\$ 15,096	\$ 38,777
Accrued Wages/Payroll Taxes	37,121	-	37,121
Due to Other Funds	-	134,157	134,157
Accrued Interest Payable	8,058	-	8,058
Total Liabilities	<u>68,860</u>	<u>149,253</u>	<u>218,113</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - Grants	12,438	-	12,438
Deferred Revenue - Loans Receivable	-	4,193,552	4,193,552
Total Liabilities	<u>81,298</u>	<u>4,342,805</u>	<u>4,424,103</u>
FUND BALANCES			
Restricted for contingences	830,000	-	830,000
Assigned for future projects	455,233	-	455,233
Unassigned - Special Revenues Funds	-	1,360,625	1,360,625
Unassigned - Capital Projects Funds	-	389,838	389,838
Total Fund Balances	<u>1,285,233</u>	<u>1,750,463</u>	<u>3,035,696</u>
Total Liabilities and Fund Balances	<u>\$ 1,366,531</u>	<u>\$ 6,093,268</u>	<u>\$ 7,459,799</u>

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE
STATEMENT OF NET ASSETS**

Total Fund Balance - Total Governmental Funds	\$ 3,035,696
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets unused in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$ 3,599,224.	8,727,208
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Pension obligation Bonds	\$ (2,197,369)
Accrued Compensated Absences	(416,783)
Capital Lease	-
Net Assets of Governmental Activities	<u>\$ 9,148,752</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

Statement 4

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:			
Taxes	\$ 4,366,669	\$ 245,425	\$ 4,612,094
Intergovernmental Revenues	207,782	2,195,980	2,403,762
Interest	411	1,730	2,141
Licenses and Permits	61,706	-	61,706
Miscellaneous	114,875	322,494	437,369
Total Revenues	<u>4,751,443</u>	<u>2,765,629</u>	<u>7,517,072</u>
EXPENDITURES:			
Current:			
General Government:			
City Council	24,680	-	24,680
City Administration	141,972	-	141,972
City Clerk	8,793	-	8,793
City Treasurer	592	-	592
City Finance	53,480	-	53,480
General Government	<u>350,765</u>	<u>28,334</u>	<u>379,099</u>
Total General Government	<u>580,282</u>	<u>28,334</u>	<u>608,616</u>
Public Safety and Judiciary:			
Legal Services	70,754	-	70,754
Police	2,008,675	-	2,008,675
Police Dispatch	426,642	-	426,642
Animal Control	76,283	-	76,283
Fire	<u>544,757</u>	<u>-</u>	<u>544,757</u>
Total Public Safety and Judiciary	<u>3,127,111</u>	<u>-</u>	<u>3,127,111</u>
Transportation:			
Streets	<u>157,209</u>	<u>328,076</u>	<u>485,285</u>
Total Transportation	<u>157,209</u>	<u>328,076</u>	<u>485,285</u>
Cultural, Parks and Recreation			
Library	17,213	-	17,213
Theater	1,713	-	1,713
Parks and Recreation	<u>255,851</u>	<u>86,550</u>	<u>342,401</u>
Total Cultural, Parks and Recreation	<u>274,777</u>	<u>86,550</u>	<u>361,327</u>
Community/Economic Development:			
Economic Development	<u>23,500</u>	<u>41,129</u>	<u>64,629</u>
Total Community/Economic Development	<u>23,500</u>	<u>41,129</u>	<u>64,629</u>
Debt Service:			
Principal	97,443	-	97,443
Interest and Other Charges	135,670	-	135,670
Capital Outlay	<u>25,982</u>	<u>1,449,772</u>	<u>1,475,754</u>
Total Expenditures	<u>4,421,974</u>	<u>1,933,861</u>	<u>6,355,835</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>329,469</u>	<u>831,768</u>	<u>1,161,237</u>
OTHER FINANCING SOURCES (USES)			
Debt Proceeds	-	-	-
Transfers In / Out	<u>(49,500)</u>	<u>49,500</u>	<u>-</u>
Total Other Financing Sources and (Uses)	<u>(49,500)</u>	<u>49,500</u>	<u>-</u>
Net Change in Fund Balances	279,969	881,268	1,161,237
Fund Balances-Beginning of Year	1,005,264	873,206	1,878,470
Prior period adjustment	-	(4,011)	(4,011)
Fund Balances-End of Year	\$ <u>1,285,233</u>	\$ <u>1,750,463</u>	\$ <u>3,035,696</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

Statement 4
(Continued)

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the
to the Government-Wide statement of Activities and Changes in Net Assets:

Net change in fund balances - Total Governmental Funds \$ 1,161,237

Amounts reported for governmental activities in the Statement of
Activities and changes in net assets are different because:

Governmental funds report capital outlays as expenditures while
governmental activities report depreciation expense to allocate those
expenditures over the estimated useful life of the assets:

Capital assets purchases capitalized	1,758,985	
Construction in progress - Park	-	
Infrastructure not included in depreciable assets	-	
Depreciation expense	(274,328)	1,484,657

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal of long-term
debt consumes the current financial resources of governmental funds.
Neither transaction, however, has any effect on net assets. This amount
is the net effect of these differences in the treatment of long-term debt
and related items:

Bond proceeds	27,171	
Bond Principal Retirement	135,702	162,873

Repayment of debt principal is an expenditure in the governmental
funds, but the repayment reduces long-term liabilities in the
Statement of Net Assets:

Capital lease obligation principal payments	(46,718)
---	----------

Some expenses reported in the Statement of Activities do not require
the use of current financial resources and therefore are not reported
as expenditures on governmental funds:

Accrued compensated absences	33,135
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Change in Net Assets of Governmental Activities	\$ 2,795,184
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CITY OF CORNING
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014

Statement 5

	<u>Enterprise Funds</u>
<u>ASSETS</u>	
<u>Current Assets:</u>	
Cash and Investments	\$ 1,977,921
Accounts Receivable	184,753
Inventory	<u>73,304</u>
Total Current Assets	<u>2,235,978</u>
<u>Noncurrent Assets:</u>	
Capital Assets:	
Property, Plant, and Equipment	26,217,387
Accumulated Depreciation	<u>(11,509,901)</u>
Net Capital Assets	<u>14,707,486</u>
Loan Acquisition Costs	
Accumulated Amortization	<u>(55,786)</u>
Net Loan Acquisition Costs	<u>81,021</u>
Restricted Assets	<u>1,114,586</u>
Total Noncurrent Assets	<u>15,903,093</u>
Total Assets	<u>\$ 18,139,071</u>
<u>LIABILITIES</u>	
<u>Current Liabilities:</u>	
Accounts Payable	\$ 137,943
Accrued Wages/Payroll Taxes	8,133
Other Accrued Liabilities	2,243
Accrued Interest Payable	124,513
Deposits	73,929
Current Portion of Non-Current Liabilities	<u>310,321</u>
Total Current Liabilities	<u>657,082</u>
<u>Noncurrent Liabilities:</u>	
Notes, Bonds and Certificates Payable	9,780,434
Accrued Compensated Absences	<u>104,174</u>
Total Noncurrent Liabilities	<u>9,884,608</u>
Total Liabilities	<u>10,541,690</u>
<u>NET POSITION:</u>	
Investment in Capital Assets, net of related debt	4,616,731
Restricted for debt service	2,195,120
Unrestricted	<u>785,530</u>
Total Net Position	<u>\$ 7,597,381</u>

CITY OF CORNING
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

Statement 6

	<u>Enterprise Funds</u>
OPERATING REVENUES:	
Charges for Services	
Sewer Charges	\$ 1,633,669
Water Charges	1,452,821
Solid Waste	459,788
Connection Fees	1,730
Lease and Rents	32,969
Other revenue	34,273
Total Operating Revenues	<u>3,615,250</u>
OPERATING EXPENSES:	
Salaries and Benefits	917,431
Utilities	328,911
Depreciation	671,375
Amortization	6,219
Other Expenses	1,472,809
Total Operating Expenses	<u>3,396,745</u>
Operating Income	<u>218,505</u>
NONOPERATING REVENUES (EXPENSES):	
Interest Income	3,088
Interest expense	(461,191)
Total Nonoperating Revenue (Expenses)	<u>(458,103)</u>
Income Before Contributions and Transfers	(239,598)
Operating transfers in (out)	<u>2,800</u>
Net income (Loss)	(236,798)
Net Position - Beginning of Year	7,834,179
Residual Equity Transfers In	-
Residual Equity Transfers Out	-
Net Position - End of Year	<u>\$ 7,597,381</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2014

Statement 7

	<u>Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 3,578,755
Other Operating Cash Receipts	67,242
Payments to Suppliers	(1,891,913)
Payments to Employees	<u>(876,688)</u>
Net Cash Provided (Used) by Operating Activities	<u>877,396</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Operating transfers from (to) other funds	<u>2,800</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Interest Paid	(461,191)
Repayment of Certificates of Participation	(273,737)
Loss on disposition of assets	-
Payments for capital acquisitions	<u>(17,141)</u>
Net cash (used by) capital and related financing activities	<u>(752,069)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Receipts of interest	<u>3,088</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>131,215</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,846,706</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,977,921</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Net Operating Income (Loss)	\$ 218,505
Adjustments to Reconcile Net Income to Net Cash Provided by (Used by) Operating Activities:	
Depreciation	677,594
Decrease (Increase) in Accounts Receivable	27,972
Decrease (Increase) in Inventory	(726)
Decrease (Increase) in Other Assets	(53,297)
Increase (Decrease) in Accounts Payable	(36,438)
Increase (Decrease) in Wages Payable	861
Increase (Decrease) in Accrued Compensation	39,882
Increase (Decrease) in Due to Other Funds	(882)
Increase (Decrease) in Interest Payable	1,150
Increase (Decrease) in Deposits	<u>2,775</u>
Net cash from (used for) operating activities	<u>\$ 877,396</u>

See accompanying notes to the basic financial statements.

CITY OF CORNING
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

Statement 8

	<u>Private Purpose Trust Funds</u>
<u>ASSETS</u>	
Cash and Investments	\$ 291,812
Total Assets	<u>\$ 291,812</u>
<u>Net Position</u>	
Held in trust for:	
Scholarships	\$ 26,998
Library Systems	264,299
Theater	<u>515</u>
Total Net Position	<u>\$ 291,812</u>

CITY OF CORNING
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

Private Purpose
Trust Funds

Additions:

Interest Income	\$ 302
Total Revenues	<u>302</u>

Deductions:

Scholarships	-
Capital Outlay	-
Other Deductions	<u>-</u>
Total Deductions	<u>-</u>
Excess (Deficiency) of Revenues	
Over Expenditures	<u>302</u>

Change in Net Position	<u>302</u>
------------------------	------------

Net Position - Beginning of the Year	<u>291,510</u>
Net Position - End of the Year	<u>\$ 291,812</u>

BASIC FINANCIAL STATEMENTS

Notes to Basic Financial Statements

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CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of the City of Corning (City), all of which conform to generally accepted accounting principles as applicable to governmental units.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the City as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The government provides a full range of services including police and fire protection; sanitation, electric, water, and wastewater services; the construction and maintenance of streets and infrastructure; recreational activities and cultural events.

As required by GAAP, the accompanying basic financial statements present the City and its component units. Component units are entities for which the City is considered to be financially accountable. GASB defines component units as legally separate entities that meet any one of the following tests:

The City appoints the voting majority of the board of the entity and:

is able to impose its will on the entity and/or
is in a relationship of financial benefit or burden with the entity.

The entity is fiscally dependent upon the City.

The financial statements of the City would be misleading if data from the entity were omitted.

Management determined that there are no potential component units, based on the criteria above:

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or
(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Government-Wide and Fund Financial Statements (Continued)

segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues as available if they are collected within sixty days of the end of the current fiscal period, except for sales tax which has a ninety day availability period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Property taxes, sales taxes, transient occupancy tax, grants, licenses, fees, charges and interest associated (Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Fiduciary fund financial statements include a statement of net assets. The City's fiduciary funds represent agency funds and a Private-purpose Trust Fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. These funds are accounted for on the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Basis of Presentation

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for in a separate self-balancing set of accounts for its assets, other debits, liabilities, other credits, equity, revenue and expenditures or expenses, as appropriate.

Governmental Funds - Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Enterprise Funds - account for operations (1) that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City has elected to follow GASB pronouncements, and not Financial Accounting Standards Board (FASB) pronouncements after 1989, as presented by GASB Statement Number 20.

(Continued on the following page)

**CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

**NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Continued)**

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Basis of Presentation (Continued)

Fiduciary Funds

Agency Funds - used to account for assets held by a governmental unit as an agent for individuals, governmental entities (other than the City) and non-public organizations. This fund is used to account for deposits and collects monies for various community events which are remitted to the organizers.

Private-purpose Trust Fund - is a fiduciary fund type used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and interest benefit individuals, private organizations, or other governments.

Major Funds

The City reports the following major governmental funds:

General Fund - is the government'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 City reports the following major proprietary funds:

The Water Enterprise Fund accounts for the operations of the City's water utility, a self-supporting activity which renders a service on a user-charge basis to residents and businesses.

The Sewer Utility Fund accounts for the operations of the City's wastewater utility, a self-supporting activity which renders a service on a user-charge basis to residents and businesses.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's business type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Major Funds (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 City's enterprise funds and of the government's internal service 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow resources (expense/expenditure) until then. The City does not have any items that qualify for reporting in this category this fiscal year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. The separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item unavailable revenue, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from miscellaneous receivables, grants and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Assets, Liabilities, and Net Assets or Equity Cash and Investments

Cash and Investments

The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. State statutes authorize the City to invest its cash surplus in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds, medium term notes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund. Investment income from pooled investments is allocated to all funds in the pool. Interest is allocated on the basis of average daily cash

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Assets or Equity Cash and Investments (Continued)

Cash and Investments (Continued)

balance at quarter end in relation to the total pool investments. The interest income is recorded in the fund that earned the interest, except for those funds which have a negative cash balance and are excluded from the interest apportionment.

Investments are reported in the accompanying balance sheet at fair value which is determined using selected bases annually. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

General Receivables and Property Taxes Receivable

The City records an allowance for doubtful accounts on general accounts receivable based on the experience method.

Tehama County assesses properties, bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on July 1. Secured property taxes become a lien on real property on January 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and March 1. Property taxes become delinquent after December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31. The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed.

Inventories

Inventories are valued at estimated cost at year-end. All inventories consist of expendable supplies held for consumption. The cost is recorded as inventory when items are purchased and as expenditures when the items are used (the consumption method of accounting for inventories). The weighted average method is used for establishing the cost of inventory consumed.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Assets or Equity (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such depreciation has been provided over the estimated useful lives using the straight-line method.

The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Buildings	10-40 years
Improvements	10-40 years
Machinery and Equipment	3-20 years
Utility System	5-50 years
Infrastructure	15-50 years

Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Pension Plan

All full-time and certain part-time City employees are members of the State of California Public Employees' Retirement System (PERS), an agent multiple-employer defined benefit pension plan. The City's policy is to fund all pension costs accrued; such costs to be funded are determined annually as of June 30 by the PERS's actuary.

Vacation and Sick Pay

Vacation pay is vested to the employees as it accrues and is payable upon retirement or termination. Sick

Continued on following page.

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Assets or Equity (Continued)

Vacation and Sick Pay (Continued)

leave, however, does not vest to the employees and is payable only when sick leave is taken.

Unused vacation and sickleave have been accrued in the accompanying government-wide financial statements and the accompanying proprietary fund financial statements.

Unearned Revenue

In the government-wide financial statements, unearned revenue is recorded for transactions for which revenues have not been earned.

In the fund financial statements, deferred revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records deferred revenues when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which does not materially differ from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Assets or Equity (Continued)

Fund Equity

In the fund financial statements, governmental funds aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications; restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed ordinances of the City Council, the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for the use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the City Council 's "intent" to be used for specific purposes, but are neither restricted nor committed. The City Council and City Manager have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, the unrestricted resources-committed, assigned, and unassigned-in order as needed.

Net Position

For government-wide reporting as well as in proprietary funds, fund equity is called net position. Net (Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1: FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Assets or Equity (Continued)

Net Position (Continued)

position is comprised of three components: net investment in capital assets; restricted; and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes and other debt that are attributed to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows

of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position is the net amount of the assets, deferred outflows or resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Tap and similar fees have been reported as non-operating revenues in the City's statement of revenue expense and changes in net position for proprietary funds and as capital grants and contributions in the statement of activities and changes in net position.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

New Pronouncements

Governmental Accounting Standards Board Statement No. 65

The City adopted the provisions of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. This statement modifies financial reporting of certain assets and liabilities to be reclassified as deferred outflows of resources or deferred inflows of resources. This statement mandates that debt issuance costs, which had previously been capitalized and amortized over the life of the related debt, be expensed as incurred.

Governmental Accounting Standards Board Statement No. 66

The City adopted the provisions of GASB Statement No. 66 Technical Corrections. This statement improves accounting and financial reporting by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54 Fund Balance Reporting and Governmental Type Definitions, and No. 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This pronouncement did not impact the preparation of these financial statements.

Governmental Accounting Standards Board Statement No. 70

The City adopted the provisions of GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. This statement establishes accounting and financial reporting for financial guarantees that are nonexchange transactions extended or received by the City. This pronouncement did not impact the preparation of these financial statements.

Governmental Accounting Standards Board Statement No. 67

Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25. Statement No. 67 establishes financial reporting standards, but not funding or budgetary standards, for state and local government defined benefit pension plans and defined contribution pension plans that are administered through trusts or equivalent arrangements (Pension Trusts) in which:

- a. Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- b. Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

New Pronouncements (Continued)

Governmental Accounting Standards Board Statement No. 67 (Continued)

- c. Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

Governmental Accounting Standards Board Statement No. 68

Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements criteria detailed above in the description of Statement No. 67. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans within the scope of the Statement.

Governmental Accounting Standards Board Statement No. 69 and 70.

Statement No. 69, Government Combinations and Disposals of Government Operations, and Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees have no impact on the City

Governmental Accounting Standards Board Statement No. 71

Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68. The City adopted the provisions of GASB Statement No. 70, This statement establishes accounting and financial reporting for financial guarantees that are nonexchange transactions extended or received by the City. This pronouncement did not impact the preparation of these financial statements.

Deficit Fund Balance/Net Assets

See supplemental information on page 120.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 3: DETAILED NOTES

Cash and Investments

As of June 30, 2014, the City's cash and investments are reported in the financial statements as follows:

Primary government	\$ 5,762,738
Agency funds	<u>291,812</u>
Total Cash and Investments	\$ <u>6,054,550</u>

As of June 30, 2014, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 500
Deposits (less outstanding checks)	<u>4,274,292</u>
Total Cash	<u>4,274,792</u>

As of June 30, 2014, the City's investments consisted of the following:

Investments:	
In California Local Agency Investment Fund (at market):	<u>1,779,758</u>
Total Investments	<u>1,779,758</u>
Total Cash and Investments	\$ <u>6,054,550</u>

At year end, the carrying amount of the City's cash deposits (including amount in checking accounts and money market accounts) was \$3,520,148 and the bank balance was \$4,125,224. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

Custodial Credit Risk For Deposits - Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The City's investment policy requires that deposits in banks must meet the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the City's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits of more than the \$250,000 insured amount are collateralized. The City's investment policy does not further limit its deposits. Of the bank balance \$860,287 was covered by Federal depository insurance.

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of

(Continued on the following page).

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 3: DETAILED NOTES (Continued)

Cash and Investments (Continued)

its fair value to changes in market interest rates. All investments of the City are pooled with the State of California Local Agency Investment Fund. The City's investment policy generally limits investment maturities as needed to maintain adequate liquidity to meet the City's cash flow requirements and to limit its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law and City investment policy limits investments in commercial paper to the rating of A or better by Standards & Poor's or P-1 or better by Moody's Investors Service; corporate bonds to the rating of A or better by both Standards & Poor's and Moody's Investors Service. No limits are placed on U.S. government agency securities and U.S. Treasuries. The City's investment policy does not further limit its investment choices.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law restricts the City's investments in commercial paper to 40% of its investment pool and to 10% per issuer and corporate bonds and medium term notes to 30% of its investment pool and to 10% per issuer, and banker's acceptances to 15% of its investment pool and to 10% per issuer. The City has invested all cash, other than deposits and imprest cash, in the California Local Agency Investment Fund (LAIF). At June 30, 2014, the City's investments were in compliance with concentration of credit risk State law.

Investment in Local Agency Investment Fund - The City of Corning is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. At June 30, 2014, the City's investment position in the State of California Local Agency Investment Fund (LAIF) was \$1,779,758. The total amount invested by all public agencies in LAIF on that day was \$58,803,312,428. Of that amount, 96.08% is invested in non-derivative financial products and 3.92% in structured notes and asset-backed securities. The value of the pool shares in LAIF is determined on an amortized cost basis, which approximates fair value. The Local Investment Advisory Board, which consists of five members designated by the State statutes, has oversight responsibility for LAIF.

Investments - The City reports its investments in accordance with GASB Statement Number 31. This standard requires that the City's investments be reported at fair value with realized and unrealized gains or losses reported in the statement of operations.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 3: DETAILED NOTES (Continued)

Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Transfers</u>	<u>Balance June 30, 2014</u>
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in progress	<u>1,024,280</u>	<u>1,413,924</u>	<u>-</u>	<u>(2,366,089)</u>	<u>72,115</u>
Total Capital Assets, Not Being Depreciated	<u>1,024,280</u>	<u>1,413,924</u>	<u>-</u>	<u>(2,366,089)</u>	<u>72,115</u>
Capital Assets, Being Depreciated:					
Buildings	1,637,308	2,578	-	-	1,639,886
Parks	497,107	-	-	2,366,089	2,863,196
Fire Department	1,245,575	24,389	-	-	1,269,964
Police Department	604,941	81,439	-	-	686,380
Machinery and equipment	702,430	26,855	(37,047)	-	692,238
Infrastructure	<u>5,130,067</u>	<u>209,800</u>	<u>-</u>	<u>-</u>	<u>5,339,935</u>
Total Capital Assets, Being Depreciated	9,817,496	345,061	(37,047)	2,366,089	12,491,599
Less Accumulated Depreciation	<u>(3,599,225)</u>	<u>(274,328)</u>	<u>37,047</u>	<u>-</u>	<u>(3,836,506)</u>
Total Capital Assets, Being Depreciated, Net	<u>6,218,271</u>	<u>70,733</u>	<u>-</u>	<u>2,366,089</u>	<u>8,655,093</u>
Total Governmental Activities, Net	\$ <u>7,242,551</u>	\$ <u>1,484,657</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>8,727,208</u>
Business-Type Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 838,088	\$ -	\$ -	\$ -	\$ 838,088
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>838,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>838,088</u>
Capital Assets, Being Depreciated:					
Buildings	2,652,532	-	-	-	2,652,532
Improvements	74,308	-	-	-	74,308
Machinery and equipment	543,193	17,139	-	-	560,332
Utility Property	<u>22,092,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,092,126</u>
Total Capital Assets, Being Depreciated	<u>25,362,159</u>	<u>17,139</u>	<u>-</u>	<u>-</u>	<u>25,379,298</u>
Less Accumulated Depreciation	<u>(10,838,525)</u>	<u>(671,375)</u>	<u>-</u>	<u>-</u>	<u>(11,509,900)</u>
Total Capital Assets, Being Depreciated, Net	<u>14,523,634</u>	<u>(654,236)</u>	<u>-</u>	<u>-</u>	<u>13,869,398</u>
Total Business-type Activities, Net	\$ <u>15,361,722</u>	\$ <u>(654,236)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>14,707,486</u>

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 3: DETAILED NOTES (Continued)

Capital Assets (Continued)

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Adjustments/</u> <u>Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2014</u>
Loan Acquisition Costs:					
Loan Acquisition Costs	\$ 136,807	\$ -	\$ -	\$ -	\$ 136,807
Less Accumulated amortization	<u>(49,568)</u>	<u>(6,043)</u>	<u>-</u>	<u>-</u>	<u>(55,611)</u>
Loan Acquisition costs, net of amortization	\$ <u>87,239</u>	\$ <u>(6,043)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>81,196</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 110,893
Public Safety and Judiciary	93,296
Transportation	24,588
Culture Parks and Recreation	45,551
Community Economic Development	<u>-</u>
Total Depreciation Expense -- Governmental Functions	\$ <u>274,328</u>

Depreciation expense was charged to the business-type functions as follows:

Sewer	\$ 483,386
Solid Waste	-
Airport	33,132
Transportation	-
Water	<u>154,857</u>
Total Depreciation Expense - Business-Type Functions	\$ <u>671,375</u>

Deferred Revenue

At June 30, 2014, the components of deferred revenue consisted of off-sets to notes receivable in the amount of \$4,193,552, in addition there was unearned revenue in the General Fund in the amount of \$12,438.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 3: DETAILED NOTES (Continued)

Long-term Debt

Long-term debt for the year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Additions	Adjustments/ Retirements	Balance June 30, 2014	Amounts Due Within One Year
Governmental Activities					
Capital Leases	\$ 46,718	\$ -	\$ (46,718)	\$ -	\$ -
Pension Obligation Bonds	2,333,074	-	(135,705)	2,197,369	192,701
Compensated Absences (Note 1)	383,570	33,135	-	416,705	45,000
Total Government Activities	\$ 2,763,362	\$ 33,135	\$ (182,423)	\$ 2,614,074	\$ 180,705
Business-Type Activities					
1999 Certificates of Participation	\$ 3,613,500	\$ -	\$ (72,600)	\$ 3,540,900	\$ 70,100
2005 Certificates of Participation	1,930,000	-	(90,000)	1,840,000	95,000
2005 Revenue Refunding Bonds	3,943,000	-	(57,000)	3,886,000	59,000
Clark Well Loan	600,467	-	(8,228)	592,239	8,497
Pension Obligation Bonds	245,926	-	(14,310)	231,616	20,299
Compensated Absences (Note 1)	95,892	-	8,284	104,174	63,197
Total Business-Type Activities	\$ 10,428,785	\$ -	\$ (233,854)	\$ 10,194,929	\$ 310,321

At June 30, 2014, loans consisted of the following:

1999 Certificates of Participation

The \$3,800,000 City of Corning, California 1997 Loan Anticipation Notes (the "Notes") were issued to finance part of the cost of construction of improvements (the "Projects") to the water and sewer enterprise systems (the "enterprises") located within the City of Corning, California (the "City"), pursuant to the provision of section 53859, et. seq., of the Government Code of the State of California (the "Act") and to Resolution No. 11-25-98-4 (the "Note Resolution") adopted by the City Council of the City on November 25, 1997. Pursuant to the agreement, on December 14, 1999, the United States Government (Rural Development), offered to make loans in the amount of \$4,000,000, and \$322,000, the proceeds of which were used to pay off the loan anticipation notes. The 1999 certificates of participation bear an interest rate of 4.375 percent.

The City of Corning Public Financing Corporation, (Corporation) a non profit benefit corporation is the registered payee of the certificates. The City leases the water and sewer project assets from the Corporation. Under the terms of the lease, lease payments are payable from net revenues of the project on an equal and parity basis with the installment payments. Interest is payable semiannually on April 1 and September 1. Principal payments are each September 1 in accordance with the schedule reflected on pages 56 through 59.

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 3: DETAILED NOTES (Continued)

Long-term Debt (Continued)

Installment Purchase Agreement - Clark Well

The City also entered into an installment purchase agreement, with the Corning Public Financing Authority on August 1, 2013 for the financing of the Clark Park Municipal Water Project. The funding was supported by the United States Department of Agriculture, Rural Utility Service Loan Program. The certificate of participation is in the original amount of \$613,000 and is payable in annual installments on March 1st of each year including interest at 3.25 percent.

2005 Certificates of Participation

In February of 2005, the City of Corning entered into an agreement with the City of Corning Public Financing Corporation to sell Revenue Certificates of Participation (RCOPs) totaling \$7,120,000. Series A of the RCOPs in the amount of \$2,500,000 was used to defease and refinance the 1997 Certificates of Participation. The 2005 Series A Certificates bear an interest rate ranging from 2.75 to 5.75 percent. The payment of principal and interest is derived solely from sewer and water revenue. The Series B Certificates in the amount of \$4,530,000 will be used to finance the construction of improvements to the City's wastewater treatment plant. These certificates bear interest at 4.65 percent. Interest is payable semiannually on April 1 and September 1.

The City has agreed to acquire the assets constructed with the proceeds of the Series B Certificates from the City of Corning Public Financing Corporation on the installment basis with the payments for the installment obligation having parity with the 2005 Series B Revenue Certificates of Participation described above.

By agreement between the City of Corning and the Union Bank of California, N.A., on December 1, 2005 the 2005 Series B Certificates were paid off by the proceeds of the 2005 Revenue Refunding Bond proceeds, Series A and Series B. See reference to the 2005 Revenue Refunding Bond.

2005 Revenue Refunding Bond

In December of 2005, the City of Corning entered into an agreement with Union Bank of California, N.A., to sell Revenue Refunding Bond in the amount of \$4,268,000. Series A of the Bond in the amount of \$3,820,000 and Series B of the Bond in the amount of \$448,000, along with other available money, was used to refinance the 2005 Series B of the Certificates of Participation. The 2005 Series A Bonds bear an interest rate of 4.25 percent. The payment of principal and interest is derived solely from sewer revenue. The Series B Bonds bear an interest rate of 4.25 percent. The payment of principal and interest is derived solely from sewer revenue.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 3: DETAILED NOTES (Continued)

Long-term Debt (Continued)

2005 Revenue Refunding Bond (Continued)

Interest is payable semiannually on April 1 and September 1. Principal payments are required each September 1.

Pension Obligation Bonds

On or about May 15, 2014, the City of Corning issued \$2,579,000 in 2013 Taxable Pension Obligation Bonds. The proceeds are being used for the payment of costs of issuance of the bonds and the refinancing of the Town's outstanding "side fund" obligations to the California's Public Retirement System.

The bonds will mature on May 28, 2023 and bear interest at the rate of 4.04% per annum. The balance will be subject to mandatory fund redemption from 2014 through 2023. Principal and interest is due semi-annually each December 31 and June 30.

Optimal redemption can occur on any date or after June 30, 2017 at no premium.

The annual aggregate maturities for the years subsequent to June 30, 2014, are disclosed in the other disclosures section on pages 54 through 59.

Capital Leases

During the fiscal year ended June 30, 2006 the City acquired a fire truck at a total cost of \$400,000. The City entered into a ten-year capital lease to finance the equipment at an interest rate of 4.204% per year. This lease has been, for accounting purposes, capitalized and included in the Long-Term Liabilities section of the balance sheet. The book value of the capitalized asset was \$240,000 at June 30, 2014.

Operating Leases

Rental expenses incurred under operating leases are not considered material.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 3: DETAILED NOTES (Continued)

Interfund Transactions

Due To/From Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following amounts were reflected as due from and due to other funds as of June 30, 2014:

<u>Due To:</u>		<u>Due From:</u>	
General Fund	\$ 136,400	Equipment Replacement Fund	\$ 1,240
		Pedestrian Transportation Grant	30
		Rogers Theater Restoration Fund	45,072
		General Plan Update Fund	18,663
		Proposition 84 Park Bond Fund	23,536
		Program Income Fund	1,528
		Cal Recycle - Bark	44,088
		Sewer Capital Improvement Fund	2,243
Total	\$ <u>136,400</u>		\$ <u>136,400</u>

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations and re-allocations of special revenues. The following are the interfund transfers for fiscal year ended June 30, 2014:

<u>Transfer From:</u>		<u>Transfer To:</u>	
General Fund	\$ 69,500	Police Equipment Replacement	\$ 30,000
		Fire Equipment Replacement	39,500
Sewer Enterprise Fund	320,600	WWTP Debt Service Fund	240,000
		WWTP Capital Replacement Fund	60,000
		Sewer Capital Reserve Fund	20,600
Water Enterprise Fund	112,200	Water Capital Replacement Fund	109,400
		Water Well Loan Fund	2,800
Equipment Replacement Fund	20,000	General Fund	20,000
Water Capital Replacement fund	<u>27,000</u>	Short Lived Water Reserve Fund	<u>27,000</u>
Total	\$ <u>549,300</u>		\$ <u>549,300</u>

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 4: EMPLOYEES' RETIREMENT PLAN - MISCELLANEOUS EMPLOYEES

Plan Description

The City contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by statute. Copies of PERS' annual financial report may be obtained from their executive office 400 P Street, Sacramento, CA 95814.

Funding Policy

Miscellaneous plan members are required to contribute 7 percent of their annual covered salary. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The required employer contribution rate for fiscal year 2013/2014 was 14.198 percent for miscellaneous employees. The contribution requirements of the plan are established by State statute and the employer contribution rate is established and may be amended by PERS.

Annual Pension Cost

For fiscal year 2013/2014, the City's annual pension cost of \$139,886 for the miscellaneous plan was equal to the City's actual contributions. The required contribution for fiscal year 2013/2014 was determined as part of the June 30, 2013, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases of 3.25 percent to 14.45 percent, depending on age, service, and type of employment, and (c) 3.25 percent per year cost of living adjustment. Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of PERS assets was determined using techniques that smooth the effect of short term volatility in the market value of investments over a two to five year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into PERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20 year period. The table below presents three-year trend information.

Miscellaneous employees:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2012	\$ 142,938	100%	\$ -
June 30, 2013	141,098	100%	-
June 30, 2014	139,886	100%	-

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 4: EMPLOYEES' RETIREMENT PLAN - MISCELLANEOUS EMPLOYEES
(Continued)

Funded Status and Funding Progress

Since the City Miscellaneous plan has less than 100 active members in at least one valuation since June 30, 2003, it is required to participate in a risk pool and does not present individual plan funded status.

NOTE 5: EMPLOYEES' RETIREMENT PLAN - SAFETY EMPLOYEES

Plan Description

The City contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by statute. Copies of PERS' annual financial report may be obtained from their executive office 400 P Street, Sacramento, CA 95814.

Funding Policy

Safety plan members are required to contribute 9 percent of their annual covered salary. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The required employer contribution rate for fiscal year 2013/2014 was 42.226 percent for Safety employees. The contribution requirements of the plan are established by State statute and the employer contribution rate is established and may be amended by PERS.

Annual Pension Cost

For fiscal year 2013/2014, the City's annual pension cost of \$452,079 for the public safety plans was equal to the City's actual contributions. The required contribution for fiscal year 2013/2014 was determined as part of the June 30, 2013, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases of 3.25 percent to 14.45 percent, depending on age, service, and type of employment, and (c) 3.25 percent per year cost of living adjustment. Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of PERS assets was determined using techniques that smooth the effect of short term volatility in the market value of investments over a two to five year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into PERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20 year period. The table below presents three-year trend information.

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 5: EMPLOYEES' RETIREMENT PLAN - SAFETY EMPLOYEES (Continued)

Safety Employees

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2012	\$ 589,210	100%	\$ -
June 30, 2013	644,235	100%	-
June 30, 2014	452,079	100%	-

Funded Status and Funding Progress

Since the City Miscellaneous plan has less than 100 active members in at least one valuation since June 30, 2003, it is required to participate in a risk pool and does not present individual plan funded status.

NOTE 6: RISK MANAGEMENT

Description of Joint Powers Authority

The City is a member of the Northern California Cities Self Insurance Fund a joint powers authority (Authority) for liability insurance and workers' compensation purposes. The following joint venture disclosures made in compliance with GASB Code Section J50.103:

The Authority is comprised of 20 Northern California Cities and is organized under joint powers agreement pursuant to the California Government Code. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess liability coverage. Each member City has a representative on the Board of Directors. Officers are elected annually.

General Liability Insurance: Annual deposits are paid by member cities and are adjusted retrospectively to cover costs. Each member city, including Corning, self-insure for the first \$25,000 of each loss. Participating cities shared in loss occurrences in excess of \$25,000 up to \$500,000 for fiscal year 2014. Coverage in excess of \$500,000 is provided through the California Joint Powers Insurance Risk Management Authority, a joint power authority organized to provide excess coverage for its members. Specific coverage includes: comprehensive and general liability, personal injury, contractual liability, errors and omissions, and auto liability.

Worker's Compensation Insurance: Annual deposits are paid by member cities and are adjusted retrospectively to cover costs. The City self insured for the first \$100,000 of each loss. Participating cities shared in loss occurrences in excess of \$100,000 up to \$500,000. For coverage above the \$500,000 the city has purchased excess coverage with limits of \$5,000,000 per occurrence.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 6: RISK MANAGEMENT Continued)

Condensed Financial Information of the Authority

Noted below is a condensed balance sheet of the Authorities Combined Worker's Compensation Insurance and Liability Insurance Fund as of June 30, 2014:

Assets	\$ <u>46,940,001</u>
Liabilities	36,876,069
Fund Equity-Reserved for Insurance	
Claims and Losses:	<u>10,063,932</u>
Total Fund Equity	<u>10,063,932</u>
Total Liabilities and Fund Equity	\$ <u>46,940,001</u>

Claims and Judgments

The City accounts for material liability claims and judgment in accordance with GASB Code Section C50.110. When it is probable that a claim liability has been incurred at year end, the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage under its self-insurance program. At June 30, 2014, the City, in the opinion of the City Attorney, had no material claims which would require loss provision in the financial statements. Small dollar claims and judgments are recorded as expenditures when paid.

NOTE 7: OTHER INFORMATION

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the appreciable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Subsequent Event

Management has evaluated events subsequent to June 30, 2014 through January 20, 2015, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 7: OTHER INFORMATION (Continued)

Proposition 1A Borrowing by the State of California

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2014. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City was \$25,744.

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds in two equal installments, on January 15, 2014 and May 3, 2014. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The City participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

Pledged Revenue

Revenue Pledged	Borrowing Fund/Entity - Bond/Loan	Use of Funds	Year of Loan or Year Repayments and/or Interest Payments Began	Original Issue/Loan Amount	Payments Amortized Through
Net Revenues	Sewer and Water Utility / Bond	System Expansion and Improvements	1999	\$4,322,000	2039
Net Revenues	Water Utility / Loan	Clark Well	2014	\$ 613,000	2051
Net Revenues	Sewer and Water Utility / Bond	Refunding Original Bonds	2005	\$ 4,268,000	2046
Net Revenues	Sewer Utility / Certificates of Participation	System Expansion and defeasance	2005	\$ 7,120,000	2028

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 8: NOTES RECEIVABLE

The City engages in programs designed to encourage business enterprises, construction or improvement in low-to-moderate income housing, or other projects. Under these programs, grants or loans are provided with favorable terms to businesses, homeowners or developers who agree to spend these funds in accordance with the City's terms.

Many of the loans are deferred, both principal and interest. It's the City's practice to not accrue interest on the deferred loans until they either mature or are amortized and payments made. Some of the loans have, or may, become uncollectible As those events occur, the City's practice is to review enforcement action on a case by case basis.

NOTE 9: CONTINGENCIES

The City participates in a number of Federal and State assisted grant programs. These programs are subject to program compliance audits by the grantors. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. While the contingency for un-reimbursed expenditures could potentially be material, the amount, if any, of which may be disallowed by the granting agencies can not be determined at this time.

NOTE 10: RESERVES AND DESIGNATIONS OF FUND EQUITY

Under provisions of GASB Code Section 1800.121-123, a City may set up "Reserves" of Fund Equity to segregate fund balances which are not appropriable for expenditures in future periods, or which are legally set aside for future use. Fund "designations" may also be established to indicate tentative plans for financial resource utilization in future periods. The City reserves at June 30, 2014, are outlined below followed by explanations as to the nature and purpose of each reserve:

Reserve for Contingencies

Amounts reserved for contingencies represent funds set aside to meet unusual and/or unexpected needs of the City.

Reserve for Scholarships

The reserve for scholarships represents the funds balance of the JT Levy Trust Fund. Monies in this fund are invested and the earnings are used to fund scholarships to qualifying students residing in the City of Corning.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 10: RESERVES AND DESIGNATIONS OF FUND EQUITY (Continued)

Reserve for Library System

The reserve for Library System represents the fund balance of the Ridell Library Trust Fund, which was given to the City specifically for improvement and expansion of the Corning Library branch of the Tehama County Library System.

Reserve for Theater

The reserve for Theater represents the fund balance of the "Frank, Mary, Wealthy and Daniel Rogers Theater" trust fund, the net income thereof to be used for the care and maintenance of the Rogers Theater Building.

Reserve	General Fund	Fiduciary Funds
Reserve for Contingencies	\$ 800,000	\$ -
Reserve for Scholarships		26,970
Reserve for Library Systems		264,026
Reserve for Theater		514
Reserve for Water funds debt		699,123
Reserve for Sewer funds debt		1,337,291

NOTE 11 DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Beneficiary. Participants' rights under the plan are equal to the fair market value of the deferred account for each participant.

NOTE 12 BUDGETARY PRINCIPLES

The operating budget of the City is adopted by the City Council prior to July 1 each year primarily on a cash basis. The City Manager is authorized to transfer budget amounts between divisions of a department within any fund; however, any revisions that alter the total expenditures of any fund require City Council resolution.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 12 BUDGETARY PRINCIPLES (Continued)

Budget information is adopted and presented for the general, special revenue and capital project funds. The presentations represent original appropriations adjusted for supplemental appropriations, if any, made during the year.

The City does not formally adopt a budget for debt service funds. The bond documents are the controlling factor.

Portions of fund equity are recorded as reserves when segregation for future use is necessary and the funds are, therefore, not available for future apportionment or expenditures.

Summary of Differences between Budgetary Basis and Generally Accepted Accounting Principles (GAAP)

The following are the differences between the City's budgetary basis and GAAP:

- A The City does not budget for GASB 31 interest income.
- B The City does not budget for accounts payable or intergovernmental payables.
- C The City does not budget for benefit accruals.
- D The City does not budget for transfers from the debt service funds when revenue is in excess of debt service requirements.
- E The City budgets for certain receivables and payables on a cash basis.
- F The City budgets for land to be held for resale as expenditure.
- G Encumbrances are not included in the Statement of Revenue, Expenditures and Changes in Fund Balance.

Budgetary Basis Reconciliation

Budgets are not adopted for the debt service fund except for the debt service funds of the Agency.

NOTE 11: PRIOR PERIOD ADJUSTMENTS AND RESTATEMENTS

The city recorded certain adjustments to opening fund balances to writeoff old accounts receivable in the amount of \$4,011 that were deemed uncollectable in a prior year.

REQUIRED SUPPLEMENTARY INFORMATION

Unaudited

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CITY OF CORNING, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2014

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The table below shows a one year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30, 2014, for the City other Post-Employment Benefit Plan. As additional years are available, a three-year trend analysis will be presented.

Miscellaneous Plan:

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Liability (UAAL)</u>	<u>Funded Status</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
July 1, 2009	\$ 1,094,063	\$ -	\$ 1,094,063	0%	\$ 2,953,000	37.05%
July 1, 2013	1,138,594	178,863	959,731	15.7%	2,491,787	38.52%

**CITY OF CORNING, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014**

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Schedule of Funding Progress - Other Postemployment Benefits on Page 40, presents a consolidated snapshot of the City's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the OPEB plan. The closer the plan is to a 100% funded status, the better position it will be in to meet all of its future liabilities.

BUDGETARY BASIS OF ACCOUNTING

The approved City procedures for establishing the budgetary data reflected in the financial statements is as follows:

In May of each year, the Finance Department is to submit to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and estimated revenues.

Public hearings are to be conducted at City Hall to obtain taxpayer comments.

Generally by the first of July, after adjustment as appropriate by the City Council, the budget is to be legally enacted through council motion.

Council approval is required for transfers between funds, or for an increase in total appropriations. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, etc.).

Formal budgetary integration is employed as a management control device during the year for the General fund, and Special Revenue funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant adjustments. The HOME Grant major special revenue fund did not have a legally adopted budget.

All unused appropriations for budgeted amounts lapse at the end of the year.

Individual fund budgetary comparisons are not presented at the detail budget unit level due to their excessive length. A separate document presenting this information is available.

The City does not use encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

CITY OF CORNING

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2014

ADDITIONAL DISCLOSURES - DEBT SERVICE REQUIREMENTS

1999 Certificates of Participation Installment Payment Schedule for Certificates

Maturity Date (September 1)		Series A Certificates		Series B Certificates
		Principal Amount		Principal Amount
2015	\$	70,100	\$	5,600
2016		73,200		5,900
2017		76,400		6,100
2018		79,700		6,400
2019		83,200		6,700
2020		86,900		7,000
2021		90,700		7,300
2022		94,600		7,600
2023		98,800		8,000
2024		103,100		8,300
2025		107,600		8,700
2026		117,200		9,400
2027		122,400		9,800
2028		127,700		10,300
2029		133,300		10,700
2030		139,100		11,200
2031		145,200		11,700
2032		151,600		12,200
2033		158,200		12,700
2034		165,100		13,300
2035		172,400		13,900
2036		179,900		14,500
2037		187,800		15,100
2038		196,000		15,800
2039		204,700		16,500
	\$	<u>3,164,900</u>	\$	<u>254,700</u>

Clark Well Installment Purchase Agreement

Maturity Date (March 1)		Clark Park Municipal Water Project
		Principal Amount
2015	\$	8,497
2016		8,773
2017		9,058
2018		9,352
2019		9,656
2020		9,970
2021		10,294
2022		10,629
2023		10,974
2024		11,331
2025		11,699
2026		12,079
2027		12,472
2028		12,877
2029		13,295
2030		13,728
2031		14,174
2032		14,634
2033		15,110
2034		15,601
2035		16,108
2036		16,632
2037		17,172
2038		17,730
2039		18,306
2040		18,901
2041		19,516
2042		20,150
2043		20,805
2044		21,481
2045		22,179
2046		22,900
2047		23,644
2048		24,412
2049		25,205
2050		26,024
2051		26,870
	\$	<u>592,238</u>

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2014

ADDITIONAL DISCLOSURES - DEBT SERVICE REQUIREMENTS, Continued

2005 Revenue Refunding Bond Installment Payment Schedule for Bonded Debt				
Series A Bonds			Series B Bonds	
Principal Amount	Maturity Date (September 1)		Principal Amount	Maturity Date (September 1)
\$ 53,000	2015		\$ 6,000	2015
55,000	2016		7,000	2016
58,000	2017		6,000	2017
60,000	2018		7,000	2018
63,000	2019		7,000	2019
65,000	2020		8,000	2020
68,000	2021		8,000	2021
71,000	2022		8,000	2022
74,000	2023		9,000	2023
77,000	2024		9,000	2024
80,000	2025		10,000	2025
84,000	2026		10,000	2026
87,000	2027		11,000	2027
91,000	2028		11,000	2028
95,000	2029		11,000	2029
99,000	2030		12,000	2030
103,000	2031		12,000	2031
108,000	2032		12,000	2032
112,000	2033		13,000	2033
117,000	2034		14,000	2034
122,000	2035		14,000	2035
127,000	2036		15,000	2036
132,000	2037		16,000	2037
138,000	2038		16,000	2038
144,000	2039		17,000	2039
150,000	2040		18,000	2040
156,000	2041		19,000	2041
163,000	2042		19,000	2042
170,000	2043		20,000	2043
177,000	2044		21,000	2044
185,000	2045		21,000	2045
193,000	2046		22,000	2046
\$ <u>3,477,000</u>			\$ <u>409,000</u>	

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

ADDITIONAL DISCLOSURES - DEBT SERVICE REQUIREMENTS, Continued

2005 Certificates of Participation
Installment Payment Schedule for Certificates
Series A Certificates

	<u>Principal Amount</u>	<u>Maturity Date (August 15)</u>
\$	95,000	2015
	100,000	2016
	100,000	2017
	105,000	2018
	115,000	2019
	120,000	2020
	125,000	2021
	130,000	2022
	135,000	2023
	145,000	2024
	150,000	2025
	160,000	2026
	175,000	2027
	185,000	2028
\$	<u>1,840,000</u>	

Pension Obligation Bonds

	<u>General Fund Principal Amount</u>	<u>Water Fund Principal Amount</u>	<u>Sewer Fund Principal Amount</u>	<u>Total Principal Amount</u>	<u>Maturity Date (Quarterly)</u>
\$	192,701	\$ 13,163	\$ 7,136	\$ 213,000	2015
	198,129	13,534	7,337	219,000	2016
	208,081	14,214	7,705	230,000	2017
	224,366	15,326	8,308	248,000	2018
	244,269	16,686	9,045	270,000	2019
	265,982	18,169	9,849	294,000	2020
	288,599	19,714	10,687	319,000	2021
	312,121	21,321	11,558	345,000	2022
	263,121	18,012	9,867	291,000	2023
\$	<u>2,197,369</u>	\$ <u>150,139</u>	\$ <u>81,492</u>	\$ <u>2,429,000</u>	

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

ADDITIONAL DISCLOSURES - DEBT SERVICE REQUIREMENTS, Continued

Generally accepted accounting principles require disclosure, as part of the Combined Statements - Overview, of certain information concerning individual funds including:

- A. Segment information for certain individual Enterprise Funds. This requirement is met by Note 11.
- B. Summary disclosure of debt service requirements to maturity of all types of outstanding debt. This requirement is met by Note 4.
- C. Summary disclosure of changes in General Fixed Assets by major asset class. This requirement is met by Note 3.
- D. Summary disclosure of changes in General Long-Term Debt. This requirement is met by Note 4.
- E. Excess of expenditures over appropriations in individual funds for the year ended June 30, 2014 are reflected in a schedule following the individual fund and account group statements beginning at page 91.
- F. Deficit fund balances or retained earnings balances of individual funds at June 30, 2014 are reflected in a schedule following the individual fund and account group statements beginning at page 91.
- G. The City uses interfund transfers to supplant the budgets of various funds using general and enterprise surpluses to offset funding shortfalls with Council approval.
- H. Deficit fund balances of \$6,477, \$5,757 and \$24,198 exist in the CDBG Program Income Special Revenue Fund, the Housing Element Special Revenue Fund and the 08/09 CDBG Special Revenue Funds respectively. These deficits represent expenditures on housing project maintenance in excess of corresponding revenues. The Deficits will be liquidated with future CDBG funding.

SUPPLEMENTARY INFORMATION

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CITY OF CORNING
GENERAL FUND
Balance Sheet
June 30, 2014

Exhibit A-1

	<u>General Fund</u>
ASSETS	
Cash and Investments	\$ 1,160,347
Interest Receivable	-
Accounts Receivable	-
Receivable from Other Governments	65,055
Other Receivable	4,729
Due From Other Funds	<u>136,400</u>
 Total Assets	 \$ <u><u>1,366,531</u></u>
LIABILITIES	
Accounts Payable	\$ 23,681
Accrued Wages/Payroll Taxes	37,121
Accrued Interest Payable	<u>8,058</u>
Total Liabilities	<u>68,860</u>
 DEFERRED INFLOWS OF RESOURCES:	
Deferred Revenue - Grants	<u>12,438</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>81,298</u>
 FUND EQUITY	
Reserved for contingencies	830,000
Assigned for future projects	<u>455,233</u>
 Total Fund Balances	 <u>1,285,233</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ <u><u>1,366,531</u></u>

CITY OF CORNING

Exhibit A-2

GENERAL FUND**Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2014**

	General Fund
REVENUES:	
Taxes	\$ 4,366,669
Intergovernmental Revenues	207,782
Interest	411
Licenses and Permits	61,706
Miscellaneous	114,875
Total Revenues	<u>4,751,443</u>
EXPENDITURES:	
Current:	
General Government:	
City Council	24,680
City Administration	141,972
City Clerk	8,793
City Treasurer	592
City Finance Department	53,480
General Government	<u>350,765</u>
Total General Government	<u>580,282</u>
Public Safety and Judiciary:	
Legal Services	70,754
Police	2,008,675
Police Dispatch	426,642
Animal Control	76,283
Fire	<u>544,757</u>
Total Public Safety and Judiciary	<u>3,127,111</u>
Transportation:	
Airport	
Streets	<u>157,209</u>
Total Transportation	<u>157,209</u>
Cultural, Parks and Recreation	
Library	17,213
Theater	1,713
Parks and Recreation	<u>255,851</u>
Total Cultural, Parks and Recreation	<u>274,777</u>

Continued on the following page

See accompanying notes to
the basic financial statements.

CITY OF CORNING
GENERAL FUND

Exhibit A-2

Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2014

**General
Fund**

EXPENDITURES (Continued):

Community/Economic Development:

Economic Development

23,500

Total Community/Economic Development

23,500

Debt Service:

Excess (Deficiency) of Revenues Over
Expenditures

329,469

OTHER FINANCING SOURCES (USES)

Transfers In

20,000

Transfers Out

(69,500)

Total Other Financing Sources and Uses

(49,500)

Net Change in Fund Balances

279,969

Fund Balance-Beginning as previously stated

1,005,264

As previously stated

Prior period adjustments

-

Prior period Adjustment

-

Fund Balance-Beginning

1,005,264

Fund Balance-Ending

\$ 1,285,233

CITY OF CORNING

Exhibit A-3

GENERAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
For the Fiscal Years ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Resources (Inflows):				
Taxes				
Sales and Use Taxes	\$ 2,650,000	2,650,000	\$ 2,911,809	\$ 261,809
Property Taxes	476,500	476,500	519,858	43,358
Franchise Taxes	105,000	105,000	113,130	8,130
Vehicle License Fees	500,000	500,000	516,779	16,779
Transient Occupancy Tax	295,000	295,000	299,987	4,987
Other Taxes	40,100	40,100	5,106	(34,994)
Total Taxes	4,066,600	4,066,600	4,366,669	300,069
Intergovernmental Revenues	213,600	213,600	207,782	(5,818)
Interest	1,000	1,000	411	(589)
Licenses and Permits	54,000	54,000	61,706	7,706
Miscellaneous	107,710	107,710	114,875	7,165
Other Financing Sources:				
Operating Transfers In	24,000	24,000	20,000	(4,000)
Amount Available for Appropriation	4,466,910	4,466,910	4,771,443	304,533
Charges to Appropriations (Outflows):				
City Council				
Personnel Services	18,000	18,000	19,377	(1,377)
Material and Supplies	900	900	1,161	(261)
Other Services and Charges	6,200	6,200	4,142	2,058
Total City Council	25,100	25,100	24,680	420
City Administration				
Personnel Services	116,434	116,434	139,778	(23,344)
Material and Supplies	1,000	1,000	607	393
Other Services and Charges	2,850	2,850	1,587	1,263
Total City Administration	120,284	120,284	141,972	(21,688)
City Clerk				
Personnel Services	4,200	4,200	4,521	(321)
Material and Supplies	11,500	11,500	928	10,572
Other Services and Charges	250	250	3,344	(3,094)
Total City Clerk	15,950	15,950	8,793	7,157
City Treasurer				
Personnel Services	600	600	592	8
Material and Supplies	-	-	-	-
Other Services and Charges	-	-	-	-
Total City Treasurer	600	600	592	8
City Finance Department				
Personnel Services	21,154	21,154	22,402	(1,248)
Material and Supplies	2,000	2,000	2,706	(706)
Other Services and Charges	21,340	21,340	28,372	(7,032)
Total City Finance Department	44,494	44,494	53,480	(8,986)

(Continued)

See accompanying footnotes to
the basic financial statements.

CITY OF CORNING

Exhibit A-3

and Changes in Fund Balances - Budget and Actual
For the Fiscal Years ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government				
Personnel Services	102,520	102,520	116,154	(13,634)
Material and Supplies	196,554	196,901	189,546	7,355
Other Services and Charges	44,583	44,583	45,065	(482)
Total General Government	343,657	344,004	350,765	(6,761)
Legal Services				
Other Services and Charges	70,760	70,760	70,754	6
Total Legal Services	70,760	70,760	70,754	6
Police				
Personnel Services	1,860,353	1,860,353	1,899,510	(39,157)
Material and Supplies	8,000	8,000	7,225	775
Other Services and Charges	69,370	69,370	101,940	(32,570)
Total Police	1,937,723	1,937,723	2,008,675	(70,952)
Police Dispatch				
Personnel Services	440,691	440,691	368,074	72,617
Material and Supplies	6,000	6,000	6,042	(42)
Other Services and Charges	77,181	77,181	52,526	24,655
Total Police Dispatch	523,872	523,872	426,642	97,230
Animal Control				
Personnel Services	89,235	89,235	60,348	28,887
Material and Supplies	6,350	6,350	2,595	3,755
Other Services and Charges	11,200	11,200	13,340	(2,140)
Total Animal Control	106,785	106,785	76,283	30,502
Fire				
Personnel Services	461,172	461,172	471,309	(10,137)
Material and Supplies	13,900	13,900	16,956	(3,056)
Other Services and Charges	60,700	60,700	56,492	4,208
Total Fire	535,772	535,772	544,757	(8,985)
Streets				
Personnel Services	227,069	227,069	79,997	147,072
Material and Supplies	87,000	87,000	77,212	9,788
Other Services and Charges	-	-	-	-
Total Streets	314,069	314,069	157,209	156,860
Library				
Other Services and Charges	2,200	2,200	1,713	487
Total Theater	2,200	2,200	1,713	487
Parks and Recreation				
Personnel Services	120,302	120,302	171,038	(50,736)
Other Services and Charges	35,630	71,013	37,637	33,376
Parks and Recreation	202,932	238,315	255,851	(17,536)
Economic Development				
Personnel Services	-	-	-	-
Total Economic Development	23,500	23,500	23,500	-

(Continued)

See accompanying footnotes to
the basic financial statements.

CITY OF CORNING

Exhibit A-3

**and Changes in Fund Balances - Budget and Actual
For the Fiscal Years ended June 30, 2014**

Debt Service	232,406	232,406	233,133	(727)
Capital Outlay	14,600	14,600	25,982	(11,382)
Operating Transfer Out	<u>69,500</u>	<u>69,500</u>	<u>69,500</u>	<u>-</u>
 Total Charges to Appropriations	 <u>4,602,104</u>	 <u>4,638,225</u>	 <u>4,491,494</u>	 <u>146,731</u>
 Excess (Deficiency) of Resources Over Appropriations	 \$ <u>(135,194)</u>	 <u>(171,315)</u>	 \$ <u>279,949</u>	 \$ <u>451,264</u>

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CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2014

	Business License ADA (Fund 080)	Rural Planning Fund (Fund 105)	Federal TEA Fund (Fund 108)
ASSETS			
Cash and Cash Equivalents	\$ 610	\$ 4,130	\$ 101,926
Intergovernmental Receivable	-	-	-
Due from other funds	-	-	-
Loans Receivable (CDBG)	-	-	-
Total Assets	\$ <u>610</u>	\$ <u>4,130</u>	\$ <u>101,926</u>
LIABILITIES			
Accounts Payable	\$ 79	\$ 867	\$ 290
Due to Other Funds	-	-	-
Total Liabilities	<u>79</u>	<u>867</u>	<u>290</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Loans Receivable	-	-	-
Total Liabilities and Deferred Inflows of Resources	<u>79</u>	<u>867</u>	<u>290</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	<u>531</u>	<u>3,263</u>	<u>101,636</u>
Total Fund Balance (Deficit)	<u>531</u>	<u>3,263</u>	<u>101,636</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>610</u>	\$ <u>4,130</u>	\$ <u>101,926</u>

(Continued)

Exhibit B-1

Special Gas Tax Improvement #2105 Fund (Fund 109)	Special Gas Tax Improvement #2106 Fund (Fund 110)	Special Gas Tax Improvement #2107 Fund (Fund 111)	Special Gas Tax Improvement #2107.5 Fund (Fund 112)	Subtotal (Carried forward to next page)
\$ 95,693	\$ 67,345	\$ 56,154	\$ 2,587	\$ 328,445
3,936	2,834	5,399	-	12,169
-	-	-	-	-
-	-	-	-	-
<u>99,629</u>	<u>70,179</u>	<u>61,553</u>	<u>2,587</u>	<u>340,614</u>
\$ -	\$ 46	\$ 108	\$ -	\$ 1,390
-	-	-	-	-
-	46	108	-	1,390
-	-	-	-	-
-	46	108	-	1,390
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>99,629</u>	<u>70,133</u>	<u>61,445</u>	<u>2,587</u>	<u>339,224</u>
<u>99,629</u>	<u>70,133</u>	<u>61,445</u>	<u>2,587</u>	<u>339,224</u>
\$ <u>99,629</u>	\$ <u>70,179</u>	\$ <u>61,553</u>	\$ <u>2,587</u>	\$ <u>340,614</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2014

	Subtotal (Brought forward)	Local Transportation Fund (Fund 114)	Traffic Congestion Fund (Fund 115)
ASSETS			
Cash and Cash Equivalents	\$ 328,445	\$ 150,779	\$ 78,596
Intergovernmental Receivable	12,169	-	10,194
Due from other funds	-	-	-
Loans Receivable (CDBG)	-	-	-
Total Assets	\$ 340,614	\$ 150,779	\$ 88,790
LIABILITIES			
Accounts Payable	\$ 1,390	\$ -	\$ 1,191
Due to Other Funds	-	-	-
Total Liabilities	1,390	-	1,191
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Loans Receivable	-	-	-
Total Liabilities and Deferred Inflows of Resources	1,390	-	1,191
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	339,224	150,779	87,599
Total Fund Balance (Deficit)	339,224	150,779	87,599
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 340,614	\$ 150,779	\$ 88,790

(Continued)

Exhibit B-1
(Continued)

<u>Traffic Mitigation Fund (Fund 116)</u>	<u>Safe Route To School (Fund 118)</u>	<u>Rogers Theater Restoration (Fund 130)</u>	<u>Pedestrian Transportation Grant (Fund 145)</u>	<u>Subtotal (Carried forward to next page)</u>
\$ 113,612	\$ 1,963	\$ -	\$ -	\$ 673,395
-	-	-	-	22,363
-	-	-	-	-
-	-	-	-	-
<u>113,612</u>	<u>1,963</u>	<u>-</u>	<u>-</u>	<u>695,758</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,581
-	-	45,072	30	45,102
-	-	45,072	30	47,683
-	-	-	-	-
-	-	45,072	30	47,683
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>113,612</u>	<u>1,963</u>	<u>(45,072)</u>	<u>(30)</u>	<u>648,075</u>
<u>113,612</u>	<u>1,963</u>	<u>(45,072)</u>	<u>(30)</u>	<u>648,075</u>
\$ <u>113,612</u>	\$ <u>1,963</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>695,758</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2014

	Subtotal (Brought forward)	Flood Mitigation FEMA (Fund 152)	BCJI Program (Fund 166)
ASSETS			
Cash and Cash Equivalents	\$ 673,395	\$ 707	\$ 19,385
Intergovernmental Receivable	22,363	-	9,000
Due from other funds	-	-	-
Loans Receivable (CDBG)	-	-	-
Total Assets	\$ 695,758	\$ 707	\$ 28,385
LIABILITIES			
Accounts Payable	\$ 2,581	\$ -	\$ -
Due to Other Funds	45,102	-	-
Total Liabilities	47,683	-	-
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Loans Receivable	-	-	-
Total Liabilities and Deferred Inflows of Resources	47,683	-	-
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	648,075	707	28,385
Total Fund Balance (Deficit)	648,075	707	28,385
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 695,758	\$ 707	\$ 28,385

(Continued)

Exhibit B-1

(Continued)

<u>General Plan Update (Fund 302)</u>	<u>SALDO Home Loan Fund (Fund 321, 825)</u>	<u>08/09 CDBG Fund (Fund 322)</u>	<u>CDBG Program Inc. Unrestricted (Fund 323, 820)</u>	<u>Subtotal (Carried forward to next page)</u>
\$ -	\$ -	\$ -	\$ 7,513	\$ 701,000
12,998	-	-	-	44,361
-	-	-	-	-
-	3,900,000	-	80,019	3,980,019
<u>\$ 12,998</u>	<u>\$ 3,900,000</u>	<u>\$ -</u>	<u>\$ 87,532</u>	<u>\$ 4,725,380</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,581
18,663	-	-	1,528	65,293
18,663	-	-	1,528	67,874
-	3,900,000	-	80,019	3,980,019
18,663	3,900,000	-	81,547	4,047,893
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(5,665)	-	-	5,985	677,487
(5,665)	-	-	5,985	677,487
<u>\$ 12,998</u>	<u>\$ 3,900,000</u>	<u>\$ -</u>	<u>\$ 87,532</u>	<u>\$ 4,725,380</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2014

	Subtotal (Brought forward)	90/STBG/491 Grant Fund (Fund 324)	CDBG Economic Reuse (Fund 325, 823)
ASSETS			
Cash and Cash Equivalents	\$ 701,000	\$ 27,281	\$ 281,023
Intergovernmental Receivable	44,361	-	-
Due from other funds	-	-	-
Loans Receivable (CDBG)	<u>3,980,019</u>	<u>-</u>	<u>15,261</u>
Total Assets	\$ <u>4,725,380</u>	\$ <u>27,281</u>	\$ <u>296,284</u>
LIABILITIES			
Accounts Payable	\$ 2,581	\$ -	\$ 52
Due to Other Funds	<u>65,293</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>67,874</u>	<u>-</u>	<u>52</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Loans Receivable	<u>3,980,019</u>	<u>-</u>	<u>15,261</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,047,893</u>	<u>-</u>	<u>15,313</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	<u>677,487</u>	<u>27,281</u>	<u>280,971</u>
Total Fund Balance (Deficit)	<u>677,487</u>	<u>27,281</u>	<u>280,971</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>4,725,380</u>	\$ <u>27,281</u>	\$ <u>296,284</u>

(Continued)

Exhibit B-1
(Continued)

CDBG Housing Reuse (Fund 326, 821, 822, 824)	Housing Acquisition RLF Fund (Fund 327)	Housing Rehabilitation RLF Fund (Fund 328)	New Construction Grant RLF (Fund 329)	Subtotal (Carried forward to next page)
\$ 89,348	\$ 48,411	\$ 18,808	\$ 10,041	\$ 1,175,912
-	-	-	-	44,361
-	-	-	-	-
<u>198,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,193,552</u>
\$ <u>287,620</u>	\$ <u>48,411</u>	\$ <u>18,808</u>	\$ <u>10,041</u>	\$ <u>5,413,825</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,633
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,293</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,926</u>
<u>198,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,193,552</u>
<u>198,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,261,478</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>89,348</u>	<u>48,411</u>	<u>18,808</u>	<u>10,041</u>	<u>1,152,347</u>
<u>89,348</u>	<u>48,411</u>	<u>18,808</u>	<u>10,041</u>	<u>1,152,347</u>
\$ <u>287,620</u>	\$ <u>48,411</u>	\$ <u>18,808</u>	\$ <u>10,041</u>	\$ <u>5,413,825</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2014

	<u>Subtotal (Brought forward)</u>	<u>SALADO Wall Fund (Fund 344)</u>	<u>Drainage Fund (Fund 345)</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,175,912	\$ 92,123	\$ 121,565
Intergovernmental Receivable	44,361	-	-
Due from other funds	-	-	-
Loans Receivable (CDBG)	<u>4,193,552</u>	<u>-</u>	<u>-</u>
Total Assets	\$ <u>5,413,825</u>	\$ <u>92,123</u>	\$ <u>121,565</u>
LIABILITIES			
Accounts Payable	\$ 2,633	\$ -	\$ -
Due to Other Funds	<u>65,293</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>67,926</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Loans Receivable	<u>4,193,552</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,261,478</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	<u>1,152,347</u>	<u>92,123</u>	<u>121,565</u>
Total Fund Balance (Deficit)	<u>1,152,347</u>	<u>92,123</u>	<u>121,565</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>5,413,825</u>	\$ <u>92,123</u>	\$ <u>121,565</u>

(Continued)

Exhibit B-1
(Continued)

<u>Yost Field Fund (Fund 352)</u>	<u>Prop 84 Park Bond Fund (Fund 354)</u>	<u>Houghton Trail Fund (Fund 356)</u>	<u>CalRecycle Bark Fund (Fund 358)</u>	<u>Subtotal (Carried forward to next page)</u>
\$ 4,051	\$ -	\$ 5,865	\$ -	\$ 1,399,516
-	29,594	-	-	73,955
-	-	-	-	-
-	-	-	-	4,193,552
<u>\$ 4,051</u>	<u>\$ 29,594</u>	<u>\$ 5,865</u>	<u>\$ -</u>	<u>\$ 5,667,023</u>
\$ 281	\$ 7,760	\$ -	\$ -	\$ 10,674
-	23,536	-	44,088	132,917
281	31,296	-	44,088	143,591
-	-	-	-	4,193,552
281	31,296	-	44,088	-
-	-	-	-	4,337,143
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,770	(1,702)	5,865	(44,088)	1,329,880
3,770	(1,702)	5,865	(44,088)	1,329,880
<u>\$ 4,051</u>	<u>\$ 29,594</u>	<u>\$ 5,865</u>	<u>\$ -</u>	<u>\$ 5,667,023</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2014

	<u>Subtotal (Brought forward)</u>	<u>Curbs and Gutter Fund (Fund 365)</u>	<u>Wayfinding Maintenance Fund (Fund 370)</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,399,516	\$ 480	\$ 1,205
Intergovernmental Receivable	73,955	-	-
Due from other funds	-	-	-
Loans Receivable (CDBG)	<u>4,193,552</u>	<u>-</u>	<u>-</u>
Total Assets	\$ <u>5,667,023</u>	\$ <u>480</u>	\$ <u>1,205</u>
LIABILITIES			
Accounts Payable	\$ 10,674	\$ -	\$ -
Due to Other Funds	<u>132,917</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>143,591</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Loans Receivable	<u>4,193,552</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,337,143</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	<u>1,329,880</u>	<u>480</u>	<u>1,205</u>
Total Fund Balance (Deficit)	<u>1,329,880</u>	<u>480</u>	<u>1,205</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>5,667,023</u>	\$ <u>480</u>	\$ <u>1,205</u>

Exhibit B-1
(Continued)

Lighting & Landscape Fund (Fund 701)	Lighting & Landscape Fund (Fund 703)	Lighting & Landscape Fund (Fund 704)	Total
\$ 799	\$ 19,965	\$ 8,725	\$ 1,430,690
-	-	-	73,955
-	-	-	-
-	-	-	<u>4,193,552</u>
<u>\$ 799</u>	<u>\$ 19,965</u>	<u>\$ 8,725</u>	<u>\$ 5,698,197</u>
 \$ 120	 \$ 78	 \$ 231	 \$ 11,103
-	-	-	132,917
<u>120</u>	<u>78</u>	<u>231</u>	<u>144,020</u>
-	-	-	<u>4,193,552</u>
<u>120</u>	<u>78</u>	<u>231</u>	<u>4,337,572</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>679</u>	<u>19,887</u>	<u>8,494</u>	<u>1,360,625</u>
<u>679</u>	<u>19,887</u>	<u>8,494</u>	<u>1,360,625</u>
 <u>\$ 799</u>	 <u>\$ 19,965</u>	 <u>\$ 8,725</u>	 <u>\$ 5,698,197</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Year Ended June 30, 2014

	Business License ADA (Fund 080)	Rural Planning Fund (Fund 105)	Federal TEA Fund (Fund 108)
REVENUES:			
Intergovernmental Revenues	\$ -	\$ -	\$ 60,158
Interest	-	8	109
Other Revenues	456	-	-
Total revenues	456	8	60,267
EXPENDITURES:			
Current:			
General Government:			
General Government	228	15,219	-
Total General Government	228	15,219	-
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	-	-	-
Transportation:			
Streets	-	-	33,269
Total Transportation	-	-	33,269
Cultural, Parks and Recreation			
Parks and Recreation	-	-	-
Total Cultural, Parks and Recreation	-	-	-
Community/Economic Development:			
Economic Development	-	-	-
Total Community/Economic Development	-	-	-
Capital Outlay	-	-	-
Total Expenditures	228	15,219	33,269
Excess (Deficiency) of Revenues Over Expenditures	228	(15,211)	26,998
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Uses	-	-	-
Net Change in Fund Balances	228	(15,211)	26,998
Fund Balances-Beginning of Year	303	18,474	74,638
Residual Equity Transfers In / Out	-	-	-
Fund Balances-Ending of Year	\$ 531	\$ 3,263	\$ 101,636

(Continued)

Exhibit B-2

Special Gas Tax Improvement #2105 Fund (Fund 109)	Special Gas Tax Improvement #2106 Fund (Fund 110)	Special Gas Tax Improvement #2106 Fund (Fund 111)	Special Gas Tax Improvement #2107.5 Fund (Fund 112)	Subtotal (Carried forward to next page)
\$ 51,896	\$ 30,261	\$ 55,515	\$ 2,000	\$ 199,830
79	60	57	1	314
-	-	-	-	456
<u>51,975</u>	<u>30,321</u>	<u>55,572</u>	<u>2,001</u>	<u>200,600</u>
144	-	-	-	15,591
<u>144</u>	-	-	-	<u>15,591</u>
-	-	-	-	-
-	-	-	-	-
20,166	15,185	35,179	1,388	105,187
<u>20,166</u>	<u>15,185</u>	<u>35,179</u>	<u>1,388</u>	<u>105,187</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
20,310	15,185	35,179	1,388	120,778
<u>31,665</u>	<u>15,136</u>	<u>20,393</u>	<u>613</u>	<u>79,822</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
31,665	15,136	20,393	613	79,822
<u>67,964</u>	<u>54,997</u>	<u>41,052</u>	<u>1,974</u>	<u>259,402</u>
-	-	-	-	-
\$ <u>99,629</u>	\$ <u>70,133</u>	\$ <u>61,445</u>	\$ <u>2,587</u>	\$ <u>339,224</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Year Ended June 30, 2014

	Subtotal (Brought forward)	Local Transportation Fund (Fund 114)	Traffic Congestion Fund (Fund 115)
REVENUES:			
Intergovernmental Revenues	\$ 199,830	\$ 105,753	\$ 106,305
Interest	314	100	52
Other Revenues	456	-	-
Total revenues	<u>200,600</u>	<u>105,853</u>	<u>106,357</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	15,591	2,140	-
Total General Government	<u>15,591</u>	<u>2,140</u>	<u>-</u>
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:			
Streets	105,187	6,709	95,007
Total Transportation	<u>105,187</u>	<u>6,709</u>	<u>95,007</u>
Cultural, Parks and Recreation			
Parks and Recreation	-	-	-
Total Cultural, Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>
Community/Economic Development:			
Economic Development	-	-	-
Total Community/Economic Development	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay	-	-	-
Total Expenditures	<u>120,778</u>	<u>8,849</u>	<u>95,007</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>79,822</u>	<u>97,004</u>	<u>11,350</u>
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	79,822	97,004	11,350
Fund Balances-Beginning of Year	<u>259,402</u>	<u>53,775</u>	<u>76,249</u>
Residual Equity Transfers In / Out	-	-	-
Fund Balances-Ending of Year	<u>\$ 339,224</u>	<u>\$ 150,779</u>	<u>\$ 87,599</u>

(Continued)

Exhibit B-2
(Continued)

<u>Traffic Mitigation Fund (Fund 116)</u>	<u>Safe Route To School (Fund 118)</u>	<u>Rogers Theater Restoration (Fund 130)</u>	<u>Pedestrian Transportation Grant (Fund 145)</u>	<u>Subtotal (Carried forward to next page)</u>
\$ 12,409	\$ 150,584	\$ -	\$ -	\$ 574,881
117	-	-	-	583
-	-	-	-	456
<u>12,526</u>	<u>150,584</u>	<u>-</u>	<u>-</u>	<u>575,920</u>
-	-	-	-	17,731
-	-	-	-	17,731
-	-	-	-	-
-	-	-	-	-
316	66,615	-	30	273,864
<u>316</u>	<u>66,615</u>	<u>-</u>	<u>30</u>	<u>273,864</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
316	66,615	-	30	291,595
<u>12,210</u>	<u>83,969</u>	<u>-</u>	<u>(30)</u>	<u>284,325</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
12,210	83,969	-	(30)	284,325
<u>101,402</u>	<u>(82,006)</u>	<u>(45,072)</u>	<u>-</u>	<u>363,750</u>
-	-	-	-	-
\$ <u>113,612</u>	\$ <u>1,963</u>	\$ <u>(45,072)</u>	\$ <u>(30)</u>	\$ <u>648,075</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Year Ended June 30, 2014

	Subtotal (Brought forward)	Flood Mitigation FEMA (Fund 152)	BCJI Program (Fund 166)
REVENUES:			
Intergovernmental Revenues	\$ 574,881	\$ 18,812	\$ 75,438
Interest	583	-	5
Other Revenues	456	-	-
Total revenues	<u>575,920</u>	<u>18,812</u>	<u>75,443</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	17,731	-	-
Total General Government	<u>17,731</u>	<u>-</u>	<u>-</u>
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:			
Streets	273,864	37	43,419
Total Transportation	<u>273,864</u>	<u>37</u>	<u>43,419</u>
Cultural, Parks and Recreation			
Parks and Recreation	-	-	-
Total Cultural, Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>
Community/Economic Development:			
Economic Development	-	-	-
Total Community/Economic Development	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay	-	-	3,639
Total Expenditures	<u>291,595</u>	<u>37</u>	<u>47,058</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>284,325</u>	<u>18,775</u>	<u>28,385</u>
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	284,325	18,775	28,385
Fund Balances-Beginning of Year	<u>363,750</u>	<u>(18,068)</u>	<u>-</u>
Residual Equity Transfers In / Out	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances-Ending of Year	\$ <u>648,075</u>	\$ <u>707</u>	\$ <u>28,385</u>

(Continued)

Exhibit B-2
(Continued)

General Plan Update (Fund 302)	08/09 CDBG Fund (Fund 322)	CDBG Program Inc. Unrestricted (Fund 323, 820)	90/STBG/491 Grant Fund (Fund 324)	Subtotal (Carried forward to next page)
\$ 12,999	\$ -	\$ -	\$ -	\$ 682,130
-	-	12	28	628
-	-	28,225	-	28,681
12,999	-	28,237	28	711,439
3,735	-	-	-	21,466
3,735	-	-	-	21,466
-	-	-	-	-
-	-	-	-	-
-	-	-	-	317,320
-	-	-	-	317,320
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	3,639
3,735	-	-	-	342,425
9,264	-	28,237	28	369,014
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
9,264	-	28,237	28	369,014
(14,929)	37,425	7,323	27,253	402,754
-	(37,425)	(29,575)	-	(67,000)
\$ (5,665)	\$ -	\$ 5,985	\$ 27,281	\$ 704,768

See accompanying notes to
the basic financial statements

CITY OF CORNING

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Year Ended June 30, 2014

	Subtotal (Brought forward)	CDBG Economic Reuse (Fund 325, 823)	CDBG Housing Reuse (Fund 326, 821, 822, 824)
REVENUES:			
Intergovernmental Revenues	\$ 682,130	\$ -	\$ -
Interest	628	218	40
Other Revenues	28,681	218,031	16,565
Total revenues	711,439	218,249	16,605
EXPENDITURES:			
Current:			
General Government:			
General Government	21,466	-	-
Total General Government	21,466	-	-
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	-	-	-
Transportation:			
Streets	317,320	-	-
Total Transportation	317,320	-	-
Cultural, Parks and Recreation			
Parks and Recreation	-	-	-
Total Cultural, Parks and Recreation	-	-	-
Community/Economic Development:			
Economic Development	-	2,933	-
Total Community/Economic Development	-	2,933	-
Capital Outlay	3,639	-	-
Total Expenditures	342,425	2,933	-
Excess (Deficiency) of Revenues Over Expenditures	369,014	215,316	16,605
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Uses	-	-	-
Net Change in Fund Balances	369,014	215,316	16,605
Fund Balances-Beginning of Year	402,754	65,655	5,743
Residual Equity Transfers In / Out	(67,000)	-	67,000
Fund Balances-Ending of Year	\$ 704,768	\$ 280,971	\$ 89,348

(Continued)

Exhibit B-2
(Continued)

<u>Housing Acquisition RLF Fund (Fund 327)</u>	<u>Housing Rehabilitation RLF Fund (Fund 328)</u>	<u>New Construction Grant RLF (Fund 329)</u>	<u>SALADO Wall Fund (Fund 344)</u>	<u>Subtotal (Carried forward to next page)</u>
\$ -	\$ -	\$ -	\$ -	\$ 682,130
50	43	10	96	1,085
-	-	-	-	263,277
<u>50</u>	<u>43</u>	<u>10</u>	<u>96</u>	<u>946,492</u>
-	-	-	-	21,466
-	-	-	-	21,466
-	-	-	-	-
-	-	-	-	-
-	-	-	-	317,320
-	-	-	-	317,320
-	-	-	-	-
-	-	-	-	-
-	33,196	-	-	36,129
-	33,196	-	-	36,129
-	-	-	-	3,639
-	33,196	-	-	378,554
50	(33,153)	10	96	567,938
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
50	(33,153)	10	96	567,938
48,361	51,961	10,031	92,027	676,532
-	-	-	-	-
\$ <u>48,411</u>	\$ <u>18,808</u>	\$ <u>10,041</u>	\$ <u>92,123</u>	\$ <u>1,244,470</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Year Ended June 30, 2014

	Subtotal (Brought forward)	Drainage Fund (Fund 345)	Yost Field Fund (Fund 352)
REVENUES:			
Intergovernmental Revenues	\$ 682,130	\$ 2,063	\$ -
Interest	1,085	124	5
Other Revenues	263,277	-	600
Total revenues	946,492	2,187	605
EXPENDITURES:			
Current:			
General Government:			
General Government	21,466	-	-
Total General Government	21,466	-	-
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	-	-	-
Transportation:			
Streets	317,320	-	-
Total Transportation	317,320	-	-
Cultural, Parks and Recreation			
Parks and Recreation	-	-	2,078
Total Cultural, Parks and Recreation	-	-	2,078
Community/Economic Development:			
Economic Development	36,129	-	-
Total Community/Economic Development	36,129	-	-
Capital Outlay	3,639	-	-
Total Expenditures	378,554	-	2,078
Excess (Deficiency) of Revenues Over Expenditures	567,938	2,187	(1,473)
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Uses	-	-	-
Net Change in Fund Balances	567,938	2,187	(1,473)
Fund Balances-Beginning of Year	676,532	119,378	5,243
Residual Equity Transfers In / Out	-	-	-
Fund Balances-Ending of Year	\$ 1,244,470	\$ 121,565	\$ 3,770

(Continued)

Exhibit B-2
(Continued)

<u>Prop 84 Park Bond Fund (Fund 354)</u>	<u>Houghton Trail Fund (Fund 356)</u>	<u>CalRecycle Bark Fund (Fund 358)</u>	<u>Curbs and Gutter Fund (Fund 365)</u>	<u>Subtotal (Carried forward to next page)</u>
\$ 1,757,212	\$ -	\$ -	\$ -	\$ 2,441,405
-	7	-	-	1,221
-	-	-	-	263,877
<u>1,757,212</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>2,706,503</u>
-	-	-	-	21,466
-	-	-	-	21,466
-	-	-	-	-
-	-	-	-	-
-	-	-	-	317,320
-	-	-	-	317,320
-	-	44,088	-	46,166
-	-	44,088	-	46,166
-	-	-	-	36,129
-	-	-	-	36,129
1,275,586	-	-	-	1,279,225
1,275,586	-	44,088	-	1,700,306
481,626	7	(44,088)	-	1,006,197
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
481,626	7	(44,088)	-	1,006,197
(483,328)	5,858	-	480	324,163
-	-	-	-	-
\$ <u>(1,702)</u>	\$ <u>5,865</u>	\$ <u>(44,088)</u>	\$ <u>480</u>	\$ <u>1,330,360</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Year Ended June 30, 2014

	Subtotal (Brought forward)	Wayfinding Maintenance Fund (Fund 370)	Lighting & Landscape Fund (Fund 701)
REVENUES:			
Intergovernmental Revenues	\$ 2,441,405	\$ -	\$ -
Interest	1,221	1	1
Other Revenues	263,877	-	852
Total revenues	<u>2,706,503</u>	<u>1</u>	<u>853</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	21,466	-	-
Total General Government	<u>21,466</u>	<u>-</u>	<u>-</u>
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:			
Streets	317,320	-	901
Total Transportation	<u>317,320</u>	<u>-</u>	<u>901</u>
Cultural, Parks and Recreation			
Parks and Recreation	46,166	-	-
Total Cultural, Parks and Recreation	<u>46,166</u>	<u>-</u>	<u>-</u>
Community/Economic Development:			
Economic Development	36,129	-	-
Total Community/Economic Development	<u>36,129</u>	<u>-</u>	<u>-</u>
Capital Outlay	1,279,225	-	-
Total Expenditures	<u>1,700,306</u>	<u>-</u>	<u>901</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,006,197</u>	<u>1</u>	<u>(48)</u>
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,006,197	1	(48)
Fund Balances-Beginning of Year	<u>324,163</u>	<u>1,204</u>	<u>727</u>
Residual Equity Transfers In / Out	-	-	-
Fund Balances-Ending of Year	<u>\$ 1,330,360</u>	<u>\$ 1,205</u>	<u>\$ 679</u>

(Continued)

Exhibit B-2

(Continued)

Lighting & Landscape Fund (Fund 703)	Lighting & Landscape Fund (Fund 704)	Subtotal (Carried forward to next page)
\$ -	\$ -	\$ 2,441,405
19	8	1,250
4,263	4,773	273,765
4,282	4,781	2,716,420
-	-	21,466
-	-	21,466
-	-	-
-	-	-
1,603	4,364	324,188
1,603	4,364	324,188
-	-	46,166
-	-	46,166
-	-	36,129
-	-	36,129
-	-	1,279,225
1,603	4,364	1,707,174
2,679	417	1,009,246
-	-	-
-	-	-
-	-	-
2,679	417	1,009,246
17,208	8,077	351,379
-	-	-
\$ 19,887	\$ 8,494	\$ 1,360,625

See accompanying notes to
the basic financial statements

CITY OF CORNING

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes In Fund Balance (Deficit) - Budget And Actual
Year Ended June 30, 2014

REVENUES:

Intergovernmental Revenues

Interest

Other Revenues

Total revenues

EXPENDITURES:

Current:

General Government

Total General Government

Public Safety and Judiciary:

Police

Fire

Total Public Safety and Judiciary

Transportation:

Streets

Total Transportation

Cultural, Parks and Recreation

Parks and Recreation

Total Cultural, Parks and Recreation

Community/Economic Development:

Economic Development

Total Community/Economic Development

Capital Outlay

Total Expenditures

Excess of Revenues Over

(Under) Expenditures

OTHER FINANCING SOURCES (USES):

Operating Transfers In

Total Other Financing

Sources (Over)

Excess of Revenues and Other

Sources Over (Under)

Expenditures and Other Uses

FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR

Prior Period Adjustment

As Restated

Residual Equity Transfers In / Out

FUND BALANCE (DEFICIT), AT END OF YEAR

Business License ADA (Fund 80)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
100	-	(100)
-	456	456
100	456	356
100	228	(128)
100	228	(128)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
100	228	(128)
-	228	228
-	-	-
-	-	-
\$ -	228	\$ 228
	303	
	-	
	303	
	-	
	\$ 531	

(Continued)

Rural Planning Fund (Fund 105)			Federal TEA Fund (Fund 108)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 29,000	\$ -	\$ (29,000)	\$ 40,000	\$ 60,158	\$ 20,158
-	8	8	-	109	109
-	-	-	-	-	-
29,000	8	(28,992)	40,000	60,267	20,267
16,800	15,219	1,581	-	-	-
16,800	15,219	1,581	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	53,000	33,269	19,731
-	-	-	53,000	33,269	19,731
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,800	15,219	1,581	58,415	-	58,415
12,200	(15,211)	(27,411)	111,415	33,269	78,146
-	-	-	(71,415)	26,998	98,413
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 12,200	(15,211)	\$ (27,411)	\$ (71,415)	26,998	\$ 98,413
	18,474			74,638	
	-			-	
	18,474			74,638	
	-			-	
\$ 3,263			\$ 101,636		

See accompanying notes to
the basic financial statements

CITY OF CORNING

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes In Fund Balance (Deficit) - Budget And Actual
Year Ended June 30, 2014

REVENUES:

Intergovernmental Revenues
Interest
Other Revenues
Total revenues

EXPENDITURES:

Current:

General Government
Total General Government
Public Safety and Judiciary:
Police
Fire
Total Public Safety and Judiciary
Transportation:
Streets
Total Transportation
Cultural, Parks and Recreation
Parks and Recreation
Total Cultural, Parks and Recreation
Community/Economic Development:
Economic Development
Total Community/Economic Development
Capital Outlay
Total Expenditures
Excess of Revenues Over
(Under) Expenditures

OTHER FINANCING SOURCES (USES):

Operating Transfers In
Total Other Financing
Sources (Over)
Excess of Revenues and Other
Sources Over (Under)
Expenditures and Other Uses

FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR

Prior Period Adjustment
As Restated
Residual Equity Transfers In / Out

FUND BALANCE (DEFICIT), AT END OF YEAR

Special Gas Tax Improvement #2105 (Fund 109)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 35,971	\$ 51,896	\$ 15,925
100	79	(21)
-	-	-
36,071	51,975	15,904
-	144	(144)
-	144	(144)
-	-	-
-	-	-
-	-	-
65,089	20,166	44,923
65,089	20,166	44,923
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
65,089	20,310	44,779
(29,018)	31,665	60,683
-	-	-
-	-	-
(29,018)	31,665	\$ 60,683
	67,964	
	-	
	67,964	
	-	
	\$ 99,629	

(Continued)

Exhibit B-3
(Continued)

Special Gas Tax 2106 (Fund 110)			Special Gas Tax 2107 (Fund 111)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 28,646	\$ 30,261	\$ 1,615	\$ 53,555	\$ 55,515	\$ 1,960
100	60	(40)	100	57	(43)
-	-	-	-	-	-
28,746	30,321	1,575	53,655	55,572	1,917
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
46,874	15,185	31,689	70,082	35,179	34,903
46,874	15,185	31,689	70,082	35,179	34,903
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
46,874	15,185	31,689	70,082	35,179	34,903
(18,128)	15,136	33,264	(16,427)	20,393	36,820
-	-	-	-	-	-
-	-	-	-	-	-
\$ (18,128)	15,136	\$ 33,264	\$ (16,427)	20,393	\$ 36,820
	54,997			41,052	
	-			-	
	54,997			41,052	
	-			-	
\$ 70,133			\$ 61,445		

See accompanying notes to
the basic financial statements

CITY OF CORNING

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes In Fund Balance (Deficit) - Budget And Actual
Year Ended June 30, 2014

REVENUES:

Intergovernmental Revenues

Interest

Other Revenues

Total revenues

EXPENDITURES:

Current:

General Government

Total General Government

Public Safety and Judiciary:

Police

Fire

Total Public Safety and Judiciary

Transportation:

Streets

Total Transportation

Cultural, Parks and Recreation

Parks and Recreation

Total Cultural, Parks and Recreation

Community/Economic Development:

Economic Development

Total Community/Economic Development

Capital Outlay

Total Expenditures

Excess of Revenues Over

(Under) Expenditures

OTHER FINANCING SOURCES (USES):

Operating Transfers In

Total Other Financing

Sources (Over)

Excess of Revenues and Other

Sources Over (Under)

Expenditures and Other Uses

FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR

Prior Period Adjustment

As Restated

Residual Equity Transfers In / Out

FUND BALANCE (DEFICIT), AT END OF YEAR

Special Gas Tax 2107.5 (Fund 112)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 2,000	\$ 2,000	\$ -
-	1	1
-	-	-
2,000	2,001	1
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
2,000	1,388	612
2,000	1,388	612
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
2,000	1,388	612
-	613	613
-	-	-
-	-	-
-	-	-
\$ -	613	\$ 613
	1,974	
	-	
	1,974	
	-	
\$	2,587	

(Continued)

Exhibit B-3
(Continued)

Local Transportation Fund (Fund 114)			Traffic Congestion Fund (Fund 115)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 62,500	\$ 105,753	\$ 43,253	\$ 108,986	\$ 106,305	\$ (2,681)
-	100	100	100	52	(48)
-	-	-	-	-	-
62,500	105,853	43,353	109,086	106,357	(2,729)
-	2,140	(2,140)	-	-	-
-	2,140	(2,140)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19,800	6,709	13,091	120,200	95,007	25,193
19,800	6,709	13,091	120,200	95,007	25,193
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
53,000	-	53,000	36,400	-	36,400
72,800	8,849	63,951	156,600	95,007	61,593
(10,300)	97,004	107,304	(47,514)	11,350	58,864
-	-	-	-	-	-
-	-	-	-	-	-
\$ (10,300)	97,004	\$ 107,304	\$ (47,514)	11,350	\$ 58,864
	53,775			76,249	
	-			-	
	53,775			76,249	
	-			-	
\$ 150,779			\$ 87,599		

See accompanying notes to
the basic financial statements

CITY OF CORNING

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes In Fund Balance (Deficit) - Budget And Actual
Year Ended June 30, 2014

REVENUES:

Intergovernmental Revenues
Interest
Other Revenues
Total revenues

EXPENDITURES:

Current:

General Government
Total General Government
Public Safety and Judiciary:
Police
Fire
Total Public Safety and Judiciary
Transportation:
Streets
Total Transportation
Cultural, Parks and Recreation
Parks and Recreation
Total Cultural, Parks and Recreation
Community/Economic Development:
Economic Development
Total Community/Economic Development
Capital Outlay
Total Expenditures
Excess of Revenues Over
(Under) Expenditures

OTHER FINANCING SOURCES (USES):

Operating Transfers In
Total Other Financing
Sources (Over)
Excess of Revenues and Other
Sources Over (Under)
Expenditures and Other Uses

FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR

Prior Period Adjustment
As Restated
Residual Equity Transfers In / Out

FUND BALANCE (DEFICIT), AT END OF YEAR

Traffic Mitigation Fund (Fund 116)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 5,000	\$ 12,409	\$ 7,409
-	117	117
-	-	-
5,000	12,526	7,526
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
3,000	316	2,684
3,000	316	2,684
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
3,000	316	2,684
2,000	12,210	10,210
-	-	-
-	-	-
2,000	12,210	10,210
	101,402	
	-	
	101,402	
	-	
	\$ 113,612	

(Continued)

Exhibit B-3
(Continued)

Safe Route to School Fund (Fund 118)			Rogers Theater Restoration Fund (Fund 130)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 169,200	\$ 150,584	\$ (18,616)	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
169,200	150,584	(18,616)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
169,200	66,615	102,585	-	-	-
169,200	66,615	102,585	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
169,200	66,615	102,585	-	-	-
-	83,969	83,969	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ 83,969	\$ 83,969	\$ -	\$ -	\$ -
	(82,006)			(45,072)	
	-			-	
	(82,006)			(45,072)	
	-			-	
\$ 1,963			\$ (45,072)		

See accompanying notes to
the basic financial statements

**Combining Statement of Revenues, Expenditures,
and Changes In Fund Balance (Deficit) - Budget And Actual
Year Ended June 30, 2014**

(Continued)

Exhibit B-3
(Continued)

Flood Mitigation FEMA (Fund 152)			BCJI Program Fund (Fund 166)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ 18,812	\$ 18,812	\$ -	\$ 75,438	\$ 75,438
-	-	-	-	5	5
-	-	-	-	-	-
-	18,812	18,812	-	75,443	75,443
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	37	(37)	-	43,419	(43,419)
-	37	(37)	-	43,419	(43,419)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,639	(3,639)
-	37	(37)	-	47,058	(47,058)
-	18,775	18,775	-	28,385	28,385
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	18,775	\$ 18,775	\$ -	28,385	\$ 28,385
	(18,068)			-	
	-			-	
	(18,068)			-	
	-			-	
\$	707		\$	28,385	

See accompanying notes to
the basic financial statements

CITY OF CORNING

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes In Fund Balance (Deficit) - Budget And Actual
Year Ended June 30, 2014

REVENUES:

Intergovernmental Revenues
Interest
Other Revenues
Total revenues

EXPENDITURES:

Current:

General Government
 Total General Government
Public Safety and Judiciary:
 Police
 Fire
 Total Public Safety and Judiciary
Transportation:
 Streets
 Total Transportation
Cultural, Parks and Recreation
 Parks and Recreation
 Total Cultural, Parks and Recreation
Community/Economic Development:
 Economic Development
 Total Community/Economic Development
Capital Outlay
Total Expenditures
Excess of Revenues Over
(Under) Expenditures

OTHER FINANCING SOURCES (USES):
Operating Transfers In
 Total Other Financing
 Sources (Over)
Excess of Revenues and Other
 Sources Over (Under)
Expenditures and Other Uses

FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR

Prior Period Adjustment
As Restated
Residual Equity Transfers In / Out

FUND BALANCE (DEFICIT), AT END OF YEAR

General Plan Update Fund (Fund 302)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 100,000	\$ 12,999	\$ (87,001)
-	-	-
-	-	-
100,000	12,999	(87,001)
100,000	3,735	96,265
100,000	3,735	96,265
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
100,000	3,735	96,265
-	9,264	9,264
-	-	-
-	-	-
-	-	-
\$ -	9,264	\$ 9,264
	(14,929)	
	-	
	(14,929)	
	-	
	(5,665)	

(Continued)

Exhibit B-3
(Continued)

08/09 CDBG Fund (Fund 322)			CDBG Program Unrestricted (Fund 323, 820)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	12	12
-	-	-	-	28,225	28,225
-	-	-	-	28,237	28,237
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	28,237	28,237
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	28,237	\$ 28,237
	37,425			7,323	
	-			-	
	37,425			7,323	
	(37,425)			(29,575)	
\$ -	-		\$ -	5,985	

See accompanying notes to
the basic financial statements

CITY OF CORNING

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes In Fund Balance (Deficit) - Budget And Actual
Year Ended June 30, 2014

REVENUES:

Intergovernmental Revenues
Interest
Other Revenues
Total revenues

EXPENDITURES:

Current:

General Government
Total General Government
Public Safety and Judiciary:
Police
Fire
Total Public Safety and Judiciary
Transportation:
Streets
Total Transportation
Cultural, Parks and Recreation
Parks and Recreation
Total Cultural, Parks and Recreation
Community/Economic Development:
Economic Development
Total Community/Economic Development
Capital Outlay
Total Expenditures
Excess of Revenues Over
(Under) Expenditures

OTHER FINANCING SOURCES (USES):

Operating Transfers In
Total Other Financing
Sources (Over)
Excess of Revenues and Other
Sources Over (Under)
Expenditures and Other Uses

FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR

Prior Period Adjustment
As Restated
Residual Equity Transfers In / Out

FUND BALANCE (DEFICIT), AT END OF YEAR

90/STBG/491 Grant Fund (Fund 324)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	28	28
-	-	-
-	28	28
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	28	28
-	-	-
-	-	-
-	-	-
\$ -	28	\$ 28
	27,253	
	-	
	27,253	
	-	
\$	27,281	

(Continued)

Exhibit B-3
(Continued)

CDBG Economic Reuse (Fund 325, 823)			CDBG Housing Reuse (Fund 326, 821, 822)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
500	218	(282)	500	40	(460)
1,000	218,031	217,031	-	16,565	16,565
1,500	218,249	216,749	500	16,605	16,105
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,000	2,933	1,067	-	-	-
4,000	2,933	1,067	-	-	-
-	-	-	-	-	-
4,000	2,933	1,067	-	-	-
(2,500)	215,316	217,816	500	16,605	16,105
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ (2,500)	215,316	\$ 217,816	\$ 500	16,605	\$ 16,105
	65,655			5,743	
	-			-	
	65,655			5,743	
	-			67,000	
\$ 280,971			\$ 89,348		

See accompanying notes to
the basic financial statements

CITY OF CORNING

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes In Fund Balance (Deficit) - Budget And Actual
Year Ended June 30, 2014

REVENUES:

Intergovernmental Revenues

Interest

Other Revenues

Total revenues

EXPENDITURES:

Current:

General Government

Total General Government

Public Safety and Judiciary:

Police

Fire

Total Public Safety and Judiciary

Transportation:

Streets

Total Transportation

Cultural, Parks and Recreation

Parks and Recreation

Total Cultural, Parks and Recreation

Community/Economic Development:

Economic Development

Total Community/Economic Development

Capital Outlay

Total Expenditures

Excess of Revenues Over

(Under) Expenditures

OTHER FINANCING SOURCES (USES):

Operating Transfers In

Total Other Financing

Sources (Over)

Excess of Revenues and Other

Sources Over (Under)

Expenditures and Other Uses

FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR

Prior Period Adjustment

As Restated

Residual Equity Transfers In / Out

FUND BALANCE (DEFICIT), AT END OF YEAR

Housing Acquisition RLF Fund (Fund 327)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	50	50
-	-	-
-	50	50
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
4,000	-	4,000
4,000	-	4,000
-	-	-
4,000	-	4,000
(4,000)	50	4,050
-	-	-
-	-	-
-	-	-
\$ (4,000)	50	\$ 4,050
	48,361	
	-	
	48,361	
	-	
	\$ 48,411	

(Continued)

Exhibit B-3
(Continued)

Housing Rehabilitation RLF Fund (Fund 328)			New Construction RLF Fund (Fund 329)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	43	43	-	10	10
-	-	-	-	-	-
-	43	43	-	10	10
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,000	33,196	(29,196)	4,000	-	4,000
4,000	33,196	(29,196)	4,000	-	4,000
-	-	-	-	-	-
4,000	33,196	(29,196)	4,000	-	4,000
(4,000)	(33,153)	(29,153)	(4,000)	10	4,010
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ (4,000)	(33,153)	\$ (29,153)	\$ (4,000)	10	\$ 4,010
	51,961			10,031	
	-			-	
	51,961			10,031	
	-			-	
\$ 18,808			\$ 10,041		

See accompanying notes to
the basic financial statements

CITY OF CORNING

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes In Fund Balance (Deficit) - Budget And Actual
Year Ended June 30, 2014

REVENUES:

Intergovernmental Revenues
Interest
Other Revenues
Total revenues

EXPENDITURES:

Current:

General Government
Total General Government
Public Safety and Judiciary:
Police
Fire
Total Public Safety and Judiciary
Transportation:
Streets
Total Transportation
Cultural, Parks and Recreation
Parks and Recreation
Total Cultural, Parks and Recreation
Community/Economic Development:
Economic Development
Total Community/Economic Development
Capital Outlay
Total Expenditures
Excess of Revenues Over
(Under) Expenditures

OTHER FINANCING SOURCES (USES):

Operating Transfers In
Total Other Financing
Sources (Over)
Excess of Revenues and Other
Sources Over (Under)
Expenditures and Other Uses

FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR

Prior Period Adjustment
As Restated
Residual Equity Transfers In / Out

FUND BALANCE (DEFICIT), AT END OF YEAR

SALADO Wall Fund (Fund 344)		
Budget	Actual	Variance Favorable (Unfavorable)
\$	\$	\$
200	96	(104)
-	-	-
200	96	(104)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
92,000	-	92,000
92,000	-	92,000
(91,800)	96	91,896
-	-	-
-	-	-
-	-	-
\$ (91,800)	96	\$ 91,896
	92,027	
	-	
	92,027	
	-	
\$	92,123	

(Continued)

Exhibit B-3
(Continued)

Drainage Fund (Fund 345)			Yost Field Fund (Fund 352)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 10,000	\$ 2,063	\$ (7,937)	\$ -	\$ -	\$ -
1,000	124	(876)	-	5	5
-	-	-	500	600	100
11,000	2,187	(8,813)	500	605	105
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,000	2,078	(78)
-	-	-	2,000	2,078	(78)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,000	2,078	(78)
11,000	2,187	(8,813)	(1,500)	(1,473)	27
-	-	-	-	-	-
-	-	-	-	-	-
\$ 11,000	2,187	\$ (8,813)	\$ (1,500)	(1,473)	\$ 27
	119,378			5,243	
	-			-	
	119,378			5,243	
	-			-	
\$ 121,565			\$ 3,770		

See accompanying notes to
the basic financial statements

CITY OF CORNING

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes In Fund Balance (Deficit) - Budget And Actual
Year Ended June 30, 2014

REVENUES:

Intergovernmental Revenues
Interest
Other Revenues
Total revenues

EXPENDITURES:

Current:

General Government
Total General Government
Public Safety and Judiciary:
Police
Fire
Total Public Safety and Judiciary
Transportation:
Streets
Total Transportation
Cultural, Parks and Recreation
Parks and Recreation
Total Cultural, Parks and Recreation
Community/Economic Development:
Economic Development
Total Community/Economic Development
Capital Outlay
Total Expenditures
Excess of Revenues Over
(Under) Expenditures

OTHER FINANCING SOURCES (USES):

Operating Transfers In
Total Other Financing
Sources (Over)
Excess of Revenues and Other
Sources Over (Under)
Expenditures and Other Uses

FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR

Prior Period Adjustment
As Restated
Residual Equity Transfers In / Out

FUND BALANCE (DEFICIT), AT END OF YEAR

(Continued)

Prop 84 Park Bond Fund (Fund 354)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ 1,757,212	\$ 1,757,212
-	-	-
4,276,800	-	(4,276,800)
4,276,800	1,757,212	(2,519,588)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
3,755,800	1,275,586	2,480,214
3,755,800	1,275,586	2,480,214
521,000	481,626	(39,374)
-	-	-
-	-	-
-	-	-
\$ 521,000	481,626	\$ (39,374)
	(483,328)	
	-	
	(483,328)	
	-	
	(1,702)	

Exhibit B-3
(Continued)

Houghton Trail Fund (Fund 356)			CalRecycle Bark Fund (Fund 358)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	7	7	-	-	-
-	-	-	-	-	-
-	7	7	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	44,088	(44,088)
-	-	-	-	44,088	(44,088)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	44,088	(44,088)
-	7	7	-	(44,088)	(44,088)
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	7	\$ 7	\$ -	(44,088)	\$ (44,088)
	5,858			-	
	-			-	
	5,858			-	
	-			-	
\$	5,865		\$	(44,088)	

See accompanying notes to
the basic financial statements

SPECIAL REVENUE FUNDS

REVENUES:

Interest

Other Revenues

Total revenues

EXPENDITURES:

Current:

Total General Government

Police

Five

Total Public Safety and Judiciary

Transportation:

Streets

Total Transportation

Cultural, Parks and Recreation

Parks and Recreation

Total Cultural, Parks and Recreation

Community/Economic Development:

Economic Development

Total Community/Economic Development

Capital Outlay

Total Expenditures

Excess of Revenues Over

(Under) Expenditures

OTHER FINANCING SOURCES (USES):

Total Other Financing

Sources (Over)

Excess of Revenues and Other

Sources Over (Under)

Expenditures and Other Uses

FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR

Prior Period Adjustment

As Restated

Residual Equity Transfers In / Out

FUND BALANCE (DEFICIT), AT END OF YEAR

(Continued)

Curbs and Gutter Fund (Fund 365)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
\$ -	\$ -	\$ -
	480	
	-	
	480	
	-	
	\$ 480	

Exhibit B-3
(Continued)

Way Finding Fund (Fund 370)			Lighting & Landscape Fund (Fund 701)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1	1	-	1	1
-	-	-	1,090	852	(238)
-	1	1	1,090	853	(237)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	900	901	(1)
-	-	-	900	901	(1)
-	-	-	-	-	-
-	-	-	-	-	-
1,200	-	1,200	-	-	-
1,200	-	1,200	-	-	-
-	-	-	-	-	-
1,200	-	1,200	900	901	(1)
(1,200)	1	1,201	190	(48)	(238)
-	-	-	-	-	-
-	-	-	-	-	-
\$ (1,200)	1	\$ 1,201	\$ 190	(48)	\$ (238)
	1,204			727	
	-			-	
	1,204			727	
	-			-	
\$	1,205		\$	679	

See accompanying notes to
the basic financial statements

CITY OF CORNING

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes In Fund Balance (Deficit) - Budget And Actual
Year Ended June 30, 2014

REVENUES:

Intergovernmental Revenues
Interest
Other Revenues
Total revenues

EXPENDITURES:

Current:

General Government
 Total General Government
Public Safety and Judiciary:
 Police
 Fire
 Total Public Safety and Judiciary
Transportation:
 Streets
 Total Transportation
Cultural, Parks and Recreation
 Parks and Recreation
 Total Cultural, Parks and Recreation
Community/Economic Development:
 Economic Development
 Total Community/Economic Development
Capital Outlay
Total Expenditures
Excess of Revenues Over
(Under) Expenditures

OTHER FINANCING SOURCES (USES):

Operating Transfers In
 Total Other Financing
 Sources (Over)
Excess of Revenues and Other
 Sources Over (Under)
Expenditures and Other Uses

FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR

Prior Period Adjustment
As Restated
Residual Equity Transfers In / Out

FUND BALANCE (DEFICIT), AT END OF YEAR

Lighting & Landscape Fund (Fund 703)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
100	19	(81)
2,900	4,263	1,363
3,000	4,282	1,282
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
11,800	1,603	10,197
11,800	1,603	10,197
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
11,800	1,603	10,197
(8,800)	2,679	11,479
-	-	-
-	-	-
-	-	-
\$ (8,800)	2,679	\$ 11,479
	17,208	
	-	
	17,208	
	-	
	\$ 19,887	

(Continued)

Exhibit B-3
(Continued)

Lighting & Landscape Fund (Fund 704)			Total		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 644,858	\$ 2,441,405	\$ 1,796,547
50	8	(42)	2,850	1,250	(1,600)
4,775	4,773	(2)	4,287,065	273,765	(4,013,300)
4,825	4,781	(44)	4,934,773	2,716,420	(2,218,353)
-	-	-	-	-	-
-	-	-	116,900	21,466	95,434
-	-	-	116,900	21,466	95,434
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,300	4,364	(64)	566,245	324,188	242,057
4,300	4,364	(64)	566,245	324,188	242,057
-	-	-	2,000	46,166	(44,166)
-	-	-	2,000	46,166	(44,166)
-	-	-	17,200	36,129	(18,929)
-	-	-	17,200	36,129	(18,929)
-	-	-	3,995,615	1,279,225	2,716,390
4,300	4,364	(64)	4,697,960	1,707,174	2,990,786
525	417	(108)	-	-	-
-	-	-	236,813	1,009,246	772,433
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 525	417	\$ (108)	\$ 236,813	1,009,246	\$ 772,433
	8,077			351,379	
	-			-	
	8,077			351,379	
	-			-	
\$ 8,494			\$ 1,360,625		

See accompanying notes to
the basic financial statements

CITY OF CORNING
CAPITAL PROJECTS FUNDS

Combining Balance Sheet
June 30, 2014

	Police Equipment Replacement Fund (Fund 071)	Animal Control Officer Replacement Fund (Fund 072)	Police Equipment Replacement Fund (Fund 073)	Fire Equipment Replacement Fund (Fund 076)	
ASSETS					
Cash and Cash Equivalents	\$ 41	\$ 461	\$ 12,509	\$ -	\$
Intergovernmental Receivable	-	-	-	26,308	
Due from Other Funds	-	-	-	-	
Other Assets:					
Restricted Cash: Loan Repayment	-	-	-	-	
Total assets	\$ 41	\$ 461	\$ 12,509	\$ 26,308	\$
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ -	\$ 70	\$ -	\$ 2,932	\$
Due to Other Funds	-	-	-	1,240	
Other Current Liabilities	-	-	-	-	
Total liabilities	-	70	-	4,172	
Fund Balances					
Unassigned	41	391	12,509	22,136	
Total Fund Balances	41	391	12,509	22,136	
Total Liabilities and Fund Balances	\$ 41	\$ 461	\$ 12,509	\$ 26,308	\$

(Continued)

Public Works Equipment Replacement Fund (Fund 078)		Park Acquisition Fund (Fund 341)		Park Improvement Fund (Fund 353)		Parkland Acquisition Fund (Fund 355)		Totals
23,319	\$	210,131	\$	5,014	\$	117,288	\$	368,763
-		-		-		-		26,308
-		-		-		-		-
-		-		-		-		-
23,319	\$	210,131	\$	5,014	\$	117,288	\$	395,071
-	\$	-	\$	-	\$	991	\$	3,993
-		-		-		-		1,240
-		-		-		-		-
-		-		-		991		5,233
23,319		210,131		5,014		116,297		389,838
23,319		210,131		5,014		116,297		389,838
23,319	\$	210,131	\$	5,014	\$	117,288	\$	395,071

CITY OF CORNING

CAPITAL PROJECTS FUNDS

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance

Year Ended June 30, 2014

	Police Equipment Replacement Fund (Fund 071)	Animal Control Officer Replacement Fund (Fund 072)	Police Equipment Replacement Fund (Fund 073)
REVENUES:			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Acquisition Charges and Fees	-	-	-
Interest	31	-	21
Other	-	1,145	-
Total Revenues	<u>31</u>	<u>1,145</u>	<u>21</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	-	980	-
Total General Government	<u>-</u>	<u>980</u>	<u>-</u>
Transportation:			
Streets	-	-	-
Total Transportation	<u>-</u>	<u>-</u>	<u>-</u>
Cultural, Parks and Recreation			
Parks and Recreation	-	-	-
Total Cultural, Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>
Community/Economic Development:			
Economic Development	-	-	-
Total Community/Economic Development	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay	46,891	-	33,288
Total Expenditures	<u>46,891</u>	<u>980</u>	<u>33,288</u>
Excess of Revenues Over (Under) Expenditures	<u>(46,860)</u>	<u>165</u>	<u>(33,267)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	30,000	-	-
Operating Transfers Out	-	-	-
Total Other Financing Sources (Over)	<u>30,000</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(16,860)</u>	<u>165</u>	<u>(33,267)</u>
FUND BALANCE, AT BEGINNING OF YEAR	<u>16,901</u>	<u>226</u>	<u>45,776</u>
Residual Equity Transfers In	-	-	-
Residual Equity Transfers Out	-	-	-
FUND BALANCE, AT END OF YEAR	<u>\$ 41</u>	<u>\$ 391</u>	<u>\$ 12,509</u>

(Continued)

Fire Equipment Replacement Fund (Fund 076)	Public Works Equipment Replacement Fund (Fund 078)	Park Acquisition Fund (Fund 341)	Park Improvement Fund (Fund 353)	Parkland Acquisition Fund (Fund 355)	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
44	29	219	5	131	480
<u>26,308</u>	<u>17,218</u>	<u>3,858</u>	<u>-</u>	<u>200</u>	<u>48,729</u>
<u>26,352</u>	<u>17,247</u>	<u>4,077</u>	<u>5</u>	<u>331</u>	<u>49,209</u>
-	5,888	-	-	-	6,868
-	<u>5,888</u>	-	-	-	<u>6,868</u>
-	-	3,888	-	-	3,888
-	-	<u>3,888</u>	-	-	<u>3,888</u>
-	-	1,605	-	38,779	40,384
-	-	<u>1,605</u>	-	<u>38,779</u>	<u>40,384</u>
-	-	-	5,000	-	5,000
-	-	-	5,000	-	5,000
<u>59,650</u>	<u>30,718</u>	-	-	-	<u>170,547</u>
<u>59,650</u>	<u>36,606</u>	<u>5,493</u>	<u>5,000</u>	<u>38,779</u>	<u>226,687</u>
<u>(33,298)</u>	<u>(19,359)</u>	<u>(1,416)</u>	<u>(4,995)</u>	<u>(38,448)</u>	<u>(177,478)</u>
39,500	-	-	-	-	69,500
-	(20,000)	-	-	-	(20,000)
<u>39,500</u>	<u>(20,000)</u>	-	-	-	<u>49,500</u>
<u>6,202</u>	<u>(39,359)</u>	<u>(1,416)</u>	<u>(4,995)</u>	<u>(38,448)</u>	<u>(127,978)</u>
<u>19,945</u>	<u>62,678</u>	<u>211,547</u>	<u>10,009</u>	<u>154,745</u>	<u>521,827</u>
-	-	-	-	-	-
<u>(4,011)</u>	-	-	-	-	<u>(4,011)</u>
\$ <u>22,136</u>	\$ <u>23,319</u>	\$ <u>210,131</u>	\$ <u>5,014</u>	\$ <u>116,297</u>	\$ <u>389,838</u>

CITY OF CORNING
CAPITAL PROJECTS FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2014

REVENUES:

Intergovernmental Revenues
Acquisition Charges and Fees
Interest
Other
Total Revenues

EXPENDITURES:

Current:

General Government:
General Government
Total General Government
Public Safety and Judiciary:
Police
Total Public Safety and Judiciary
Transportation:
Streets
Total Transportation
Cultural, Parks and Recreation
Parks and Recreation
Total Cultural, Parks and Recreation
Community/Economic Development:
Economic Development
Total Community/Economic Development
Capital Outlay
Total Expenditures

Excess of Revenues Over

(Under) Expenditures

OTHER FINANCING SOURCES (USES):

Operating Transfers In
Operating Transfers Out
Total Other Financing
Sources (Over)

Excess of Revenues and Other Sources Over

(Under) Expenditures and Other Uses

FUND BALANCE, AT BEGINNING OF YEAR

Residual Equity Transfers In

Residual Equity Transfers Out

FUND BALANCE, AT END OF YEAR

Police Equipment Replacement Fund (Fund 071)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
100	31	(69)
-	-	-
100	31	(69)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
48,000	46,891	1,109
48,000	46,891	1,109
(47,900)	(46,860)	1,040
30,000	30,000	-
-	-	-
30,000	30,000	-
\$ (17,900)	(16,860)	\$ 1,040
	16,901	
	-	
	-	
	41	

(Continued)

Exhibit C-3

Animal Control Officer Replacement Fund (Fund 072)			Police Equipment Replacement Fund (Fund 73)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 45,000	\$ -	\$ (45,000)
-	-	-	-	-	-
-	-	-	-	21	21
3,000	1,145	(1,855)	-	-	-
3,000	1,145	(1,855)	45,000	21	(44,979)
-	980	(980)	-	-	-
-	980	(980)	-	-	-
3,000	-	3,000	45,000	-	45,000
3,000	-	3,000	45,000	-	45,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	8,600	33,288	(24,688)
3,000	980	2,020	53,600	33,288	20,312
-	165	165	(8,600)	(33,267)	(24,667)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ 165	\$ 165	\$ (8,600)	\$ (33,267)	\$ (24,667)
	226			45,776	
	-			-	
	-			-	
\$	391		\$	12,509	

See accompanying notes to
the basic financial statements

CITY OF CORNING

CAPITAL PROJECTS FUNDS

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2014

REVENUES:

Intergovernmental Revenues
Acquisition Charges and Fees
Interest
Other

Total Revenues

EXPENDITURES:

Current:

General Government:

General Government

Total General Government

Public Safety and Judiciary:

Police

Total Public Safety and Judiciary

Transportation:

Streets

Total Transportation

Cultural, Parks and Recreation

Parks and Recreation

Total Cultural, Parks and Recreation

Community/Economic Development:

Economic Development

Total Community/Economic Development

Capital Outlay

Total Expenditures

Excess of Revenues Over

(Under) Expenditures

OTHER FINANCING SOURCES (USES):

Operating Transfers In

Operating Transfers Out

Total Other Financing

Sources (Over)

Excess of Revenues and Other Sources Over

(Under) Expenditures and Other Uses

FUND BALANCE, AT BEGINNING OF YEAR

Residual Equity Transfers In

Residual Equity Transfers Out

FUND BALANCE, AT END OF YEAR

Fire Equipment Replacement Fund (Fund 076)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
100	44	(56)
26,308	26,308	-
26,408	26,352	(56)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
64,575	59,650	4,925
64,575	59,650	4,925
(38,167)	(33,298)	4,869
39,500	39,500	-
-	-	-
39,500	39,500	-
\$ 1,333	6,202	\$ 4,869
	19,945	
	-	
	(4,011)	
	\$ 22,136	

Exhibit C-3

(Continued)

Public Works Equip. Replacement Fund (Fund 078)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
100	29	(71)
10,000	17,218	7,218
10,100	17,247	7,147
-	-	-
6,500	5,888	612
6,500	5,888	612
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
59,500	30,718	28,782
66,000	36,606	29,394
(55,900)	(19,359)	36,541
-	-	-
-	(20,000)	20,000
-	(20,000)	20,000
-	-	-
\$ (55,900)	\$ (39,359)	\$ 56,541
	62,678	
	-	
	-	
	23,319	

Park Acquisition Fund (Fund 341)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
1,000	219	(781)
11,200	3,858	(7,342)
12,200	4,077	(8,123)
-	-	-
-	-	-
-	-	-
-	-	-
-	3,888	(3,888)
-	3,888	(3,888)
-	1,605	(1,605)
-	1,605	(1,605)
-	-	-
-	-	-
-	-	-
-	5,493	(5,493)
12,200	(1,416)	(13,616)
-	-	-
-	-	-
-	-	-
-	-	-
\$ 12,200	\$ (1,416)	\$ (13,616)
	211,547	
	-	
	-	
	210,131	

See accompanying notes to
the basic financial statements

CITY OF CORNING

CAPITAL PROJECTS FUNDS

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2014

REVENUES:

Intergovernmental Revenues
Acquisition Charges and Fees
Interest
Other

Total Revenues

EXPENDITURES:

Current:

General Government:

General Government

Total General Government

Public Safety and Judiciary:

Police

Total Public Safety and Judiciary

Transportation:

Streets

Total Transportation

Cultural, Parks and Recreation

Parks and Recreation

Total Cultural, Parks and Recreation

Community/Economic Development:

Economic Development

Total Community/Economic Development

Capital Outlay

Total Expenditures

Excess of Revenues Over

(Under) Expenditures

OTHER FINANCING SOURCES (USES):

Operating Transfers In

Operating Transfers Out

Total Other Financing

Sources (Over)

Excess of Revenues and Other Sources Over

(Under) Expenditures and Other Uses

FUND BALANCE, AT BEGINNING OF YEAR

Residual Equity Transfers In

Residual Equity Transfers Out

FUND BALANCE, AT END OF YEAR

Park Improvement Fund (Fund 353)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	5	5
-	-	-
-	5	5
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	5,000	(5,000)
-	5,000	(5,000)
-	-	-
-	5,000	(5,000)
-	(4,995)	(4,995)
-	-	-
-	-	-
-	-	-
\$ -	(4,995)	(4,995)
	10,009	
	-	
	-	
	\$ 5,014	

Exhibit C-3
(Continued)

Parkland Acquisition Fund (Fund 355)			Capital Project Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 45,000	\$ -	\$ (45,000)
600	-	(600)	600	-	(600)
-	131	131	1,300	480	(820)
-	200	200	50,508	48,729	(1,779)
600	331	(269)	97,408	49,209	(48,199)
-	-	-	-	-	-
-	-	-	6,500	6,868	(368)
-	-	-	6,500	6,868	(368)
-	-	-	48,000	-	48,000
-	-	-	48,000	-	48,000
-	-	-	-	3,888	(3,888)
-	-	-	-	3,888	(3,888)
-	-	-	-	-	-
46,000	38,779	7,221	46,000	40,384	5,616
46,000	38,779	7,221	46,000	40,384	5,616
-	-	-	-	5,000	(5,000)
-	-	-	-	5,000	(5,000)
-	-	-	180,675	170,547	10,128
46,000	38,779	7,221	281,175	226,687	54,488
(45,400)	(38,448)	6,952	(183,767)	(177,478)	6,289
-	-	-	69,500	69,500	-
-	-	-	-	(20,000)	20,000
-	-	-	69,500	49,500	20,000
\$ (45,400)	(38,448)	\$ 6,952	\$ (114,267)	(127,978)	26,289
	154,745			521,827	
	-			-	
	-			(4,011)	
\$	116,297		\$	389,838	

See accompanying notes to
the basic financial statements

CITY OF CORNING
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2014

Exhibit D-1

	Sewer Enterprise Fund (Fund 610, etc)	Solid Waste Enterprise Fund (Fund 615)	Airport Fund (Fund 620)	Transportation Center Fund (Fund 625)	Water Enterprise Fund (Fund 630, etc)	Total
ASSETS						
Current Assets:						
Cash and Investments	\$ 808,065	\$ 92,259	\$ 15,691	\$ 12,049	\$ 1,049,857	\$ 1,977,921
Accounts Receivable	30,528	21,681	-	500	132,044	184,753
Inventories	15,420	-	-	-	57,884	73,304
Prepaid Assets	-	-	-	-	-	-
Total Current Assets	<u>854,013</u>	<u>113,940</u>	<u>15,691</u>	<u>12,549</u>	<u>1,239,785</u>	<u>2,235,978</u>
Capital Assets:						
Construction in Progress	-	-	-	-	-	-
Property, Plant and Equipment	16,156,111	-	3,390,513	5,167	6,665,596	26,217,387
Accumulated Depreciation	(9,170,014)	-	(134,528)	-	(2,205,359)	(11,509,901)
Net Capital Assets	<u>6,986,097</u>	<u>-</u>	<u>3,255,985</u>	<u>5,167</u>	<u>4,460,237</u>	<u>14,707,486</u>
Loan Acquisition Costs	27,361	-	-	-	109,446	136,807
Accumulated Amortization	(11,193)	-	-	-	(44,593)	(55,786)
Net Loan Acquisition Costs	<u>16,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,853</u>	<u>81,021</u>
Other Assets:						
Restricted Cash:						
Loan Repayment	<u>638,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>475,759</u>	<u>1,114,586</u>
Total Other Assets	<u>638,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>475,759</u>	<u>1,114,586</u>
Total Assets	<u>\$ 8,495,105</u>	<u>\$ 113,940</u>	<u>\$ 3,271,676</u>	<u>\$ 17,716</u>	<u>\$ 6,240,634</u>	<u>\$ 18,139,071</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 7,249	\$ 118,377	\$ 1,489	\$ 513	\$ 10,315	\$ 137,943
Accrued Wages	2,815	-	-	-	5,318	8,133
Due to other funds	2,243	-	-	-	-	2,243
Interest Payable	68,678	-	-	-	55,835	124,513
Deposits	-	-	-	-	73,929	73,929
Current Portion of Long Term Debt	<u>147,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,476</u>	<u>310,321</u>
Total Current Liabilities	<u>228,830</u>	<u>118,377</u>	<u>1,489</u>	<u>513</u>	<u>307,873</u>	<u>657,082</u>
Long-Term Liabilities						
Interfund Loan Payable	-	-	-	-	-	-
Accrued Compensation for Future Abse	52,087	-	-	-	52,087	104,174
Certificates of Participation Payable	5,858,080	-	-	-	4,232,675	10,090,755
Less: Current Portion	<u>(147,845)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(162,476)</u>	<u>(310,321)</u>
Total Long-Term Liabilities	<u>5,762,322</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,122,286</u>	<u>9,884,608</u>
Total Liabilities	<u>5,991,152</u>	<u>118,377</u>	<u>1,489</u>	<u>513</u>	<u>4,430,159</u>	<u>10,541,690</u>
NET POSITION						
Investment in capital assets, net	1,128,017	-	3,255,985	5,167	227,562	4,616,731
Restricted for debt service	1,422,559	-	-	-	772,561	2,195,120
Unrestricted	<u>(46,623)</u>	<u>(4,437)</u>	<u>14,202</u>	<u>12,036</u>	<u>810,352</u>	<u>785,530</u>
Total Net Position	<u>\$ 2,503,953</u>	<u>\$ (4,437)</u>	<u>\$ 3,270,187</u>	<u>\$ 17,203</u>	<u>\$ 1,810,475</u>	<u>\$ 7,597,381</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
ENTERPRISE FUNDS

Exhibit D-2

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**
Year Ended June 30, 2014

	Sewer Enterprise Fund (Fund 610, etc)	Solid Waste Enterprise Fund (Fund 615)	Airport Fund (Fund 620)	Transportation Center Fund (Fund 625)	Water Enterprise Fund (Fund 630, etc)	Total
OPERATING REVENUES:						
Charges for Service	\$ 1,633,669	\$ 459,788	\$ -	\$ -	\$ 1,452,821	\$ 3,546,278
Connection fees	-	-	-	-	1,730	1,730
Lease and Rents	7,715	-	14,892	10,362	-	32,969
Other Revenue	15,515	578	10,000	6,000	2,180	34,273
Total Operating Revenues	<u>1,656,899</u>	<u>460,366</u>	<u>24,892</u>	<u>16,362</u>	<u>1,456,731</u>	<u>3,615,250</u>
OPERATING EXPENSES:						
Salaries and Benefits	349,689	-	2,867	-	564,875	917,431
Utilities	84,801	-	4,049	4,891	235,170	328,911
Depreciation	483,386	-	33,132	-	154,857	671,375
Amortization	1,244	-	-	-	4,975	6,219
Other Expenses	780,281	461,455	9,622	20,369	201,082	1,472,809
Total Operating Expenses	<u>1,699,401</u>	<u>461,455</u>	<u>49,670</u>	<u>25,260</u>	<u>1,160,959</u>	<u>3,396,745</u>
Operating Income (Loss)	<u>(42,502)</u>	<u>(1,089)</u>	<u>(24,778)</u>	<u>(8,898)</u>	<u>295,772</u>	<u>218,505</u>
NON-OPERATING REVENUE (EXPENSE)						
Investment Earnings	1,842	52	8	22	1,164	3,088
Interest Expense	(260,144)	-	-	-	(201,047)	(461,191)
Net Non-Operating Revenues (Expenses)	<u>(258,302)</u>	<u>52</u>	<u>8</u>	<u>22</u>	<u>(199,883)</u>	<u>(458,103)</u>
Income Before Transfers	<u>(300,804)</u>	<u>(1,037)</u>	<u>(24,770)</u>	<u>(8,876)</u>	<u>95,889</u>	<u>(239,598)</u>
Operating Transfers In	342,974	-	-	-	139,200	482,174
Operating Transfers Out	<u>(342,974)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(136,400)</u>	<u>(479,374)</u>
Changes in net position	<u>(300,804)</u>	<u>(1,037)</u>	<u>(24,770)</u>	<u>(8,876)</u>	<u>98,689</u>	<u>(236,798)</u>
NET POSITION, BEGINNING OF YEAR						
As Previously Stated	2,804,757	(3,400)	3,294,957	26,079	1,711,786	7,834,179
Prior period adjustment	-	-	-	-	-	-
As Restated	<u>2,804,757</u>	<u>(3,400)</u>	<u>3,294,957</u>	<u>26,079</u>	<u>1,711,786</u>	<u>7,834,179</u>
Residual Equity Transfers In	-	-	-	-	-	-
Residual Equity Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION, END OF YEAR	<u>\$ 2,503,953</u>	<u>\$ (4,437)</u>	<u>\$ 3,270,187</u>	<u>\$ 17,203</u>	<u>\$ 1,810,475</u>	<u>\$ 7,597,381</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2014

Exhibit D-3

	Sewer Enterprise Fund (Fund 610, etc)	Solid Waste Enterprise Fund (Fund 615)	Airport Fund (Fund 620)	Transportation Center Fund (Fund 625)	Water Enterprise Fund (Fund 630, etc)	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	\$ 1,659,661	\$ 461,972	\$ -	\$ -	\$ 1,457,122	\$ 3,578,755
Other Operating Cash Receipts	23,230	578	24,892	16,362	2,180	67,242
Payments to Suppliers	(936,503)	(456,266)	(12,182)	(25,106)	(461,856)	(1,891,913)
Payments to Employees	(313,698)	-	(2,867)	-	(560,123)	(876,688)
Net Cash Provided (Used) by Operating Activities	<u>432,690</u>	<u>6,284</u>	<u>9,843</u>	<u>(8,744)</u>	<u>437,323</u>	<u>877,396</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers from (to) other funds	-	-	-	-	2,800	2,800
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Interest Paid	(260,144)	-	-	-	(201,047)	(461,191)
Proceeds from long-term debt	-	-	-	-	-	-
Repayment of Certificates of Participation	(142,841)	-	-	-	(130,896)	(273,737)
Payments for capital acquisitions	(14,563)	-	-	-	(2,578)	(17,141)
Net cash (used for) capital and related financing activities	<u>(417,548)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(334,521)</u>	<u>(752,069)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Receipts of interest	<u>1,842</u>	<u>52</u>	<u>8</u>	<u>22</u>	<u>1,164</u>	<u>3,088</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>16,984</u>	<u>6,336</u>	<u>9,851</u>	<u>(8,722)</u>	<u>106,766</u>	<u>131,215</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>791,081</u>	<u>85,923</u>	<u>5,840</u>	<u>20,771</u>	<u>943,091</u>	<u>1,846,706</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 808,065</u>	<u>\$ 92,259</u>	<u>\$ 15,691</u>	<u>\$ 12,049</u>	<u>\$ 1,049,857</u>	<u>\$ 1,977,921</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Net Operating Income (Loss)	\$ (42,502)	\$ (1,089)	\$ (24,778)	\$ (8,898)	\$ 295,772	\$ 218,505
Adjustments to Reconcile Net Income to Net Cash From (Used For) Operating Activities:						
Depreciation and Amortization	484,630	-	33,132	-	159,832	677,594
Decrease (Increase) in Accounts Receivable	25,992	2,184	-	-	(204)	27,972
Decrease (Increase) in Inventory	(153)	-	-	-	(573)	(726)
Decrease (Increase) in Other Assets	(23,388)	-	-	-	(29,909)	(53,297)
Increase (Decrease) in Accounts Payable	(45,778)	5,189	1,489	154	2,508	(36,438)
Increase (Decrease) in Wages Payable	251	-	-	-	610	861
Increase (Decrease) in Accrued Compensation	35,740	-	-	-	4,142	39,882
Increase (Decrease) in Due to Other Funds	(882)	-	-	-	-	(882)
Increase (Decrease) in Interest Payable	(1,220)	-	-	-	2,370	1,150
Increase (Decrease) in Deposits	-	-	-	-	2,775	2,775
Increase (Decrease) in current liabilities payable from restricted assets	-	-	-	-	-	-
Net cash from (used for) operating activities	<u>\$ 432,690</u>	<u>\$ 6,284</u>	<u>\$ 9,843</u>	<u>\$ (8,744)</u>	<u>\$ 437,323</u>	<u>\$ 877,396</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
EXPENDABLE TRUST FUNDS

Exhibit E-1

Combining Balance Sheet
June 30, 2014

	<u>J.T. Levy Trust Fund (Fund 401)</u>	<u>Rodgers Theater Trust (Fund 402)</u>	<u>Ridell Library Fund (Fund 403)</u>	<u>Totals</u>
ASSETS:				
Cash and investments	\$ 26,998	\$ 515	\$ 264,299	\$ 291,812
Receivables:				
Intergovernmental	-	-	-	-
County	-	-	-	-
Deferred compensation plan assets	-	-	-	-
 Total assets	 \$ 26,998	 \$ 515	 \$ 264,299	 \$ 291,812
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
 Fund Balances:				
Held in trust for:				
Scholarships	26,998	-	-	26,998
Library System	-	-	264,299	264,299
Theater	-	515	-	515
 Total fund balances	 26,998	 515	 264,299	 291,812
 Total liabilities and fund balances	 \$ 26,998	 \$ 515	 \$ 264,299	 \$ 291,812

CITY OF CORNING
EXPENDABLE TRUST FUNDS

Exhibit E-2

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Year Ended June 30, 2014

	<u>J.T. Levy</u> <u>Trust</u> <u>Fund</u> <u>(Fund 401)</u>	<u>Rodgers</u> <u>Theater</u> <u>Trust</u> <u>(Fund 402)</u>	<u>Ridell</u> <u>Library</u> <u>Fund</u> <u>(Fund 403)</u>	<u>Totals</u>
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Fines and Forfeitures	-	-	-	-
Interest	<u>28</u>	<u>1</u>	<u>273</u>	<u>302</u>
Total Revenues	<u>28</u>	<u>1</u>	<u>273</u>	<u>302</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>28</u>	<u>1</u>	<u>273</u>	<u>302</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>28</u>	<u>1</u>	<u>273</u>	<u>302</u>
FUND BALANCE, BEGINNING OF YEAR	<u>26,970</u>	\$ <u>514</u>	\$ <u>264,026</u>	<u>291,510</u>
FUND BALANCE, END OF YEAR	\$ <u>26,998</u>	\$ <u>515</u>	\$ <u>264,299</u>	\$ <u>291,812</u>

CITY OF CORNING
EXPENDABLE TRUST FUNDS

Exhibit E-3

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Year Ended June 30, 2014

	Totals		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ -
Fines and Forfeitures	-	-	-
Interest	500	301	(199)
Total Revenues	<u>500</u>	<u>301</u>	<u>(199)</u>
Scholarships	500	-	500
Capital Outlay	11,500	-	11,500
Other	-	-	-
Total Expenditures	<u>12,000</u>	<u>-</u>	<u>12,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(11,500)</u>	<u>301</u>	<u>11,801</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	-	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Source (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>\$ (11,500)</u>	<u>301</u>	<u>\$ 11,801</u>
FUND BALANCE, BEGINNING OF YEAR		291,510	
FUND BALANCE, END OF YEAR		<u>\$ 291,811</u>	

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OTHER REPORTS AND SCHEDULES

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

Donald R. Reynolds

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and Members of the City Council
City of Corning
Corning, California

I have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Corning, as of and for the year ended June 30, 2014, which collectively comprise the Authority's basic financial statements and have issued my report thereon dated February 3, 2015. I conducted my 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.

Internal Control Over Financial Reporting

Management of the City of Corning is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit of the financial statements, I considered the City of Corning's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Corning's internal control. Accordingly, I do not express an opinion on the effectiveness of the City of Corning's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

The Honorable Mayor and Members of the City Council
City of Corning
Corning, California

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Corning's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Donald R. Reynolds
Certified Public Accountant
February 3, 2015

CITY OF CORNING
SEWER ENTERPRISE FUNDS
Combining Balance Sheet
June 30, 2014

ASSETS	Sewer Capital Improvement Fund (Fund 347)	WWTP EXP. (Fund 348)	W.W.T.P. Capital Replacement Fund (Fund 380)	Sewer Capital Replacement Fund (Fund 381)	Fund (Fund 610)	1999 COP (673,611)	2005 COP (Fund 683)	2005 Refunding Bond (Fund 692)	2005 Refunding Bond (Fund 693)	TOTAL Sewer Enterprise Fund
Current Assets:										
Cash and Investments	\$ -	\$ 4,287	\$ 298,094	\$ 141,015	\$ 362,171	\$ 2,498	\$ -	\$ -	\$ -	\$ 808,065
Accounts Receivable	-	-	-	-	30,528	-	-	-	-	30,528
Inventories	-	-	-	-	15,420	-	-	-	-	15,420
Total Current Assets	-	4,287	298,094	141,015	408,119	2,498	-	-	-	854,013
Capital Assets										
Property, Plant and Equipment	-	4,453,848	-	-	11,702,263	-	-	-	-	16,156,111
Accumulated Depreciation	-	(1,069,003)	-	-	(8,101,011)	-	-	-	-	(9,170,014)
Net Capital Assets	-	3,384,845	-	-	3,601,252	-	-	-	-	6,986,097
Loan Acquisition Costs	-	-	-	-	27,361	-	-	-	-	27,361
Accumulated Amortization	-	-	-	-	(11,193)	-	-	-	-	(11,193)
Net Loan Acquisition Costs	-	-	-	-	16,168	-	-	-	-	16,168
Other Assets:										
Restricted Cash:										
Loan Repayment	-	-	-	-	-	409,824	38,824	8	190,171	638,827
Total Other Assets	-	-	-	-	-	409,824	38,824	8	190,171	638,827
Total Assets	\$ -	\$ 3,389,132	\$ 298,094	\$ 141,015	\$ 4,025,539	\$ 412,322	\$ 38,824	\$ 8	\$ 190,171	\$ 8,495,105
LIABILITIES										
Liabilities:										
Current Liabilities:										
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 7,249	\$ -	\$ -	\$ -	\$ -	\$ 7,249
Accrued Wages	-	-	-	-	2,815	-	-	-	-	2,815
Due to Other Funds	2,243	-	-	-	-	-	-	-	-	2,243
Interest Payable	-	41,289	-	-	27,389	-	-	-	-	68,678
Current Portion of Long Term Debt	-	62,000	-	-	85,845	-	-	-	-	147,845
Total Current Liabilities	2,243	103,289	-	-	123,298	-	-	-	-	228,830
Long-Term Liabilities										
Interfund Loan Payable	-	(381,370)	-	-	381,370	-	-	-	-	-
Accrued Compensation for Future Absences	-	-	-	-	52,087	-	-	-	-	52,087
Long-Term Debt	-	3,886,000	-	-	1,972,080	-	-	-	-	5,858,080
Less: Current Portion	-	(62,000)	-	-	(85,845)	-	-	-	-	(147,845)
Total Long-Term Liabilities	-	3,442,630	-	-	2,315,692	-	-	-	-	5,762,322
Total Liabilities	2,243	3,545,919	-	-	2,442,990	-	-	-	-	5,991,152
Fund Equity:										
Contributed Capital	-	-	-	-	-	-	-	-	-	-
Retained Earnings:										
Investment in Capital Assets	-	(501,155)	-	-	1,629,172	-	-	-	-	1,128,017
Restricted	(2,243)	344,368	298,094	141,015	-	412,322	38,824	8	190,171	1,422,559
Unrestricted	-	-	-	-	(46,623)	-	-	-	-	(46,623)
Total Net Assets	(2,243)	(156,787)	298,094	141,015	1,582,549	412,322	38,824	8	190,171	2,503,953
Total Net Assets	(2,243)	(156,787)	298,094	141,015	1,582,549	412,322	38,824	8	190,171	2,503,953

See accompanying notes to
the basic financial statements.

CITY OF CORNING
SEWER ENTERPRISE FUNDS
Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
Year Ended June 30, 2014

	Sewer Capital Improvement Fund (Fund 347)	WWTP EXP. (Fund 348)	W.W.T.P. Capital Replacement Fund (Fund 380)	Sewer Capital Replacement Fund (Fund 381)	Fund (Fund 610)	1999 COP (673,611)	2005 COP (Fund 683)	2005 Refunding Bond (Fund 692)	2005 Refunding Bond (Fund 693)	TOTAL Sewer Enterprise Fund
OPERATING REVENUES:										
Charges for Service	\$ -	\$ -	\$ -	\$ -	\$ 1,633,669	\$ -	\$ -	\$ -	\$ -	\$ 1,633,669
Connection fees	-	-	-	-	-	-	-	-	-	-
Lease and Rents	-	-	-	-	7,715	-	-	-	-	7,715
Other Revenue	1,284	8,000	-	-	6,231	-	-	-	-	15,515
Total Operating Revenues	1,284	8,000	-	-	1,647,615	-	-	-	-	1,656,899
OPERATING EXPENSES:										
Salaries and Benefits	-	-	-	-	349,689	-	-	-	-	349,689
Utilities	-	-	-	-	84,801	-	-	-	-	84,801
Depreciation	-	133,951	-	-	349,435	-	-	-	-	483,386
Amortization	-	-	-	-	1,244	-	-	-	-	1,244
Other Expenses	402	316	19,160	857	759,539	5	2	-	-	780,281
Total Operating Expenses	402	134,267	19,160	857	1,544,708	5	2	-	-	1,699,401
Operating Income (Loss)	882	(126,267)	(19,160)	(857)	102,907	(5)	(2)	-	-	(42,502)
NON-OPERATING REVENUE (EXPENSE)										
Investment Earnings	-	92	321	147	236	1,024	3	19	-	1,842
Interest Expense	-	(168,404)	-	-	(91,664)	-	-	(16)	-	(260,144)
Net Non-Operating Revenues (Expenses)	-	(168,372)	321	147	(91,428)	1,024	3	3	-	(258,302)
Net Income Before Transfers	882	(294,639)	(18,839)	(710)	11,479	1,019	1	3	-	(300,804)
Operating Transfers In	-	240,000	60,000	20,600	-	-	-	-	22,374	342,974
Operating Transfers Out	-	(22,374)	-	-	(320,600)	-	-	-	-	(342,974)
Net Income	882	(77,013)	41,161	19,890	(309,121)	1,019	1	3	22,374	(300,804)
NET ASSETS, AT BEGINNING OF YEAR										
As Previously Stated	(3,125)	(79,774)	256,933	121,125	1,891,670	411,303	38,823	5	167,797	2,804,757
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
As Restated	(3,125)	(79,774)	256,933	121,125	1,891,670	411,303	38,823	5	167,797	2,804,757
Residual Equity Transfers In	-	-	-	-	-	-	-	-	-	-
Residual Equity Transfers Out	-	-	-	-	-	-	-	-	-	-
NET ASSETS, AT END OF YEAR	\$ (2,243)	\$ (156,787)	\$ 298,094	\$ 141,015	\$ 1,582,549	\$ 412,322	\$ 38,824	\$ 8	\$ 190,171	\$ 2,503,953

See accompanying notes to
the basic financial statements.

CITY OF CORNING
WATER ENTERPRISE FUNDS
Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
Year Ended June 30, 2014

	Water Capital Improvement Fund (Fund 346)	Water Capital Replacement Fund (Fund 383)	Short Lived Water Reserve (386)	Water Fund (Fund 630)	Water Well Loan Reserve Fund (632)	1999 COP Fund (674,675)	2005 COP Fund (682,684)	TOTAL Water Enterprise Funds
OPERATING REVENUES:								
Charges for Service	\$ -	\$ -	\$ -	\$ 1,452,821	\$ -	\$ -	\$ -	\$ 1,452,821
Connection fees	-	-	-	1,730	-	-	-	1,730
Lease and Rents	-	-	-	-	-	-	-	-
Other Revenue	2,148	-	-	32	-	-	-	2,180
Total Operating Revenues	<u>2,148</u>	<u>-</u>	<u>-</u>	<u>1,454,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,456,731</u>
OPERATING EXPENSES:								
Salaries and Benefits	-	-	-	564,875	-	-	-	564,875
Utilities	-	-	-	235,170	-	-	-	235,170
Depreciation	-	-	-	154,857	-	-	-	154,857
Amortization	-	-	-	4,975	-	-	-	4,975
Other Expenses	3,315	11,016	-	186,718	-	17	16	201,082
Total Operating Expenses	<u>3,315</u>	<u>11,016</u>	<u>-</u>	<u>1,146,595</u>	<u>-</u>	<u>17</u>	<u>16</u>	<u>1,160,959</u>
Operating Income (Loss)	<u>(1,167)</u>	<u>(11,016)</u>	<u>-</u>	<u>307,988</u>	<u>-</u>	<u>(17)</u>	<u>(16)</u>	<u>295,772</u>
NON-OPERATING REVENUE (EXPENSE)								
Investment Earnings	52	345	85	625	8	33	16	1,164
Interest Expense	-	-	-	(201,047)	-	-	-	(201,047)
Net Non-Operating Revenues (Expenses)	<u>52</u>	<u>345</u>	<u>85</u>	<u>(200,422)</u>	<u>8</u>	<u>33</u>	<u>16</u>	<u>(199,883)</u>
Net Income Before Transfers	<u>(1,115)</u>	<u>(10,671)</u>	<u>85</u>	<u>107,566</u>	<u>8</u>	<u>16</u>	<u>-</u>	<u>95,889</u>
Operating Transfers In	-	109,400	27,000	-	2,800	-	-	139,200
Operating Transfers Out	-	(27,000)	-	(109,400)	-	-	-	(136,400)
Net Income	<u>(1,115)</u>	<u>71,729</u>	<u>27,085</u>	<u>(1,834)</u>	<u>2,808</u>	<u>16</u>	<u>-</u>	<u>98,689</u>
NET ASSETS, AT BEGINNING OF YEAR								
As Previously Stated	49,948	257,487	54,162	958,501	5,618	230,785	155,285	1,711,786
Prior period adjustment	-	-	-	-	-	-	-	-
As Restated	<u>49,948</u>	<u>257,487</u>	<u>54,162</u>	<u>958,501</u>	<u>5,618</u>	<u>230,785</u>	<u>155,285</u>	<u>1,711,786</u>
Residual Equity Transfers In	-	-	-	-	-	-	-	-
Residual Equity Transfers Out	-	-	-	-	-	-	-	-
NET ASSETS, AT END OF YEAR	<u>\$ 48,833</u>	<u>\$ 329,216</u>	<u>\$ 81,247</u>	<u>\$ 956,667</u>	<u>\$ 8,426</u>	<u>\$ 230,801</u>	<u>\$ 155,285</u>	<u>\$ 1,810,475</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
SCHEDULES TO FOOTNOTES
 Budget and Appropriations
 Fiscal Year Ended June 30, 2014

NOTE 5 OTHER DISCLOSURES

SCHEDULE OF EXCESS EXPENDITURES:

Fund	Appropriations	Expenditures	Excess Expenditures	Additional Revenue Received
Business License ADA Fund (Fund 80)	\$ 100	\$ 228	\$ 128	\$ 456
STIP Projects Fund (Fund 107)	-	-	15,219	-
Pedestrian Transportation Grant Fund (Fund 145)	-	30	30	-
Flood Mitigation FEMA (Fund 152)	-	37	37	-
Housing Rehabilitation RLF Fund (Fund 328)	4,000	33,196	29,196	18,812
BCJI Program Fund (Fund 166)	-	47,058	47,058	43
Park Acquisition Fund (Fund 341)	-	5,493	5,493	75,443
Park Improvement Fund (Fund 353)	-	5,000	5,000	-
Yost Field Fund (Fund 352)	-	2,078	2,078	-
CalRecycle Bark Fund (Fund 358)	-	44,088	44,088	605
Lighting and Landscaping Fund (Fund 704)	4,300	4,364	64	-
	\$ 8,400	\$ 141,572	\$ 148,391	\$ 95,359

SCHEDULE OF DEFICIT FUND BALANCES:

Fund	Deficit Fund Balance
Rogers Theater Restoration Fund (Fund 130)	\$ (45,072)
Safe Route to Schools Fund (Fund 118)	(66,615)
Pedestrian Transportation Grant Fund (Fund 145)	(30)
General Plan Update Fund (Fund 302)	(14,929)
Prop 84 Park Bond Fund (Fund 354)	(1,702)
CalRecycle Bark Fund (Fund 358)	(44,088)
Sewer Capital Improvement Fund (Fund 347)	(3,999)
WWTP Expansion Fund (Fund 348)	(3,053)
	\$ (194,417)

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