

CITY OF CORNING
CALIFORNIA

FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDING
JUNE 30, 2019

**CITY OF CORNING
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019**

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INTRODUCTORY SECTION

City Officials

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**CITY OF CORNING, CALIFORNIA
CITY OFFICIAL
FOR THE YEAR ENDED JUNE 30, 2019**

**CITY COUNCIL
(Terms as of June 30, 2019)**

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Doug Hatley	Mayor	2021
Chuy Valerio	Member	2021
Karen Burnett	Member	2022
Robert Snow	Member	2021
Dave Demo	Member	2022

CITY CLERK

Lisa Linnet

CITY TREASURER

Laura Calkins

CITY MANAGER AND FINANCE DIRECTOR

Kristina Miller

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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, 2019, 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

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

my audit opinion.

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, 2019, 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 64 - 66 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 January 18, 2019, 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

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

records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In 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.

A handwritten signature in black ink that reads "Donald R. Reynolds". The signature is written in a cursive, flowing style.

Donald R. Reynolds, CPA
Redding, California
December 18, 2019

CITY OF CORNING
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2019

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, 2019. 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 \$38,283,212, deferred inflows and outflows of resources were \$4,608,360 and \$1,455,774 respectively, and total liabilities were \$17,591,912 at June 30, 2019. The City's assets exceeded its liabilities by \$17,538,713 (net position) for the fiscal year reported. This is an increase of \$1,052,466 from the previous year when assets exceeded liabilities by \$16,475,289. The increase was primarily due to the increases in transactions and use taxes, otherwise known as Measure A, sales tax, and transient occupancy taxes (TOT), as a result of the CAMP Fire. A surplus in the amount of \$1,371,916 was generated in the governmental funds and a deficit of (\$319,450) in the business-type funds.

At June 30, 2019, the General Fund had a fund balance of \$3,082,288.

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 \$5,962,057 this year. This compares to the prior year ending fund balance of \$4,389,278 and is an increase of \$1,572,779 during the current year;

For the fiscal year ending June 30, 2019, the fund balance of the General Fund (including Measure A) was \$3,082,288. Management has a General Fund balance goal of six (6) months of operating expenditures in order to maintain stability of City services during times of economic uncertainty. The fund balance of \$3,082,288 at June 30, 2019 equates to 6.61 months of operating expenditures, based on reported fiscal year 2018/2019 expenditures (\$5,599,045).

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 \$5,299,444 as of June 30, 2019. This compares to the prior year ending net position of \$5,611,513 showing a decrease of \$312,069 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, transactions and use 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 16-18 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, 2019.

TABLE 1 - NET POSITION

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2019	2018	2019	2018	2019	2018
Assets:						
Cash and other assets	\$ 10,633,477	\$ 8,753,100	\$ 3,474,702	\$ 3,293,268	\$ 14,108,179	\$ 12,046,368
Capital asset	<u>12,560,797</u>	<u>12,175,102</u>	<u>11,614,236</u>	<u>12,170,732</u>	<u>24,175,033</u>	<u>24,345,834</u>
Total Assets	<u>\$ 23,194,274</u>	<u>\$ 20,928,202</u>	<u>\$ 15,088,938</u>	<u>\$ 15,464,000</u>	<u>\$ 38,283,212</u>	<u>\$ 36,392,202</u>
Deferred Outflows	<u>\$ 1,164,934</u>	<u>\$ 1,743,434</u>	<u>\$ 290,840</u>	<u>\$ 459,454</u>	<u>\$ 1,455,774</u>	<u>\$ 2,202,888</u>
Liabilities						
Other liabilities	\$ 1,229,365	\$ 173,059	\$ 601,070	\$ 297,384	\$ 1,830,435	\$ 470,443
Long-term liabilities	<u>6,368,969</u>	<u>6,833,474</u>	<u>9,392,508</u>	<u>9,960,761</u>	<u>15,761,477</u>	<u>16,794,235</u>
Total Liabilities	<u>\$ 7,598,334</u>	<u>\$ 7,006,533</u>	<u>\$ 9,993,578</u>	<u>\$ 10,258,145</u>	<u>\$ 17,591,912</u>	<u>\$ 17,264,678</u>
Deferred Inflows	<u>\$ 4,521,605</u>	<u>\$ 4,394,890</u>	<u>\$ 86,755</u>	<u>\$ 53,796</u>	<u>\$ 4,608,360</u>	<u>\$ 4,448,686</u>
Net Position						
Invested in capital assets net of related debt	\$ 11,092,461	\$ 10,800,000	\$ 3,350,096	\$ 3,660,833	\$ 14,442,557	\$ 14,460,833
Restricted	-	-	2,083,083	2,031,826	2,083,083	2,031,826
Unrestricted	<u>1,146,808</u>	<u>470,213</u>	<u>(133,735)</u>	<u>(81,146)</u>	<u>1,013,073</u>	<u>389,066</u>
Total Net Position	<u>\$ 12,239,269</u>	<u>\$ 11,270,213</u>	<u>\$ 5,299,444</u>	<u>\$ 5,611,513</u>	<u>\$ 17,538,713</u>	<u>\$ 16,881,726</u>

In fiscal year 2018-19, Governmental Activities increased the City's net position by \$1,371,916 and business-type activities decreased the City's net position by \$319,450 as compared to the prior fiscal year. The net position of business type activities can be attributed to decreases in depreciable assets.

As Table 2 depicts, Governmental Activities revenues increased by \$840,438, or 11.16%, due primarily to the increase in sales tax, and TOT, received for the year, which equaled \$410,013, and \$194,819, respectively. Expenses in the governmental activities increased by \$1,957,911 or 38.82%; much of this increase is due to the City's public safety combined with an increase in general government. General government primarily increased due to GASB 68 requiring pension being reported on an accrual basis and energy improvement costs in the amount of \$214,046.15 (that will be reimbursed by Pacific Gas and Electric (PG&E)). The City will then pay a 0% interest loan through PG&E to pay off the improvements.

Business-type activities revenues increased by \$66,583 or 1.8%. The increase was due, in part to increases customer charges for services. Business-type expenses decreased by \$220,667 due to decreased costs of providing sewer and water services and interest on debt.

TABLE 2 - CHANGES IN NET POSITION

For the periods ending June 30

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 84,203	\$ 192,365	\$ 3,755,639	\$ 3,689,056	\$ 3,839,842	\$ 3,881,421
Operating grants and contributions	465,014	409,223	-	-	465,014	409,223
Capital grants and contributions	744,697	442,899	-	-	744,697	442,899
General revenues:						
Property taxes	607,864	545,871	-	-	607,864	545,871
Sales and use taxes	4,320,296	3,910,283	-	-	4,320,296	3,910,283
Occupancy taxes	618,181	423,362	-	-	618,181	423,362
Other taxes	195,388	286,943	-	-	195,388	286,943
Vehicle License Fee	629,699	592,977	-	-	629,699	592,977
Franchise tax	128,947	130,276	-	-	128,947	130,276
Investment earnings	45,230	22,978	24,182	88,219	69,412	111,197

Intergovernmental	156,942	163,640	-	-	156,942	163,640
Other revenue	376,601	411,807	166,424	192,497	543,025	604,304
Total Revenue	<u>8,373,062</u>	<u>7,532,624</u>	<u>3,946,245</u>	<u>3,969,772</u>	<u>12,319,307</u>	<u>11,502,396</u>

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Government-Wide Totals</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Expenses:						
General government	1,964,261	1,350,587	-	-	1,964,261	1,350,587
Public safety	3,994,315	2,996,095	-	-	3,994,315	2,996,095
Transportation	500,141	367,908	-	-	500,141	367,908
Cultural Parks and Recreation	499,185	313,928	-	-	499,185	313,928
Community Development	43,244	14,717	-	-	43,244	14,717
Sewer	-	-	2,178,286	2,280,182	2,178,286	2,280,182
Water	-	-	1,517,525	1,622,863	1,517,525	1,622,863
Solid Waste	-	-	500,707	484,628	500,707	484,628
Airport	-	-	51,884	79,820	51,884	79,820
Transportation Center	-	-	17,293	18,869	17,293	18,869
Total Expenses	<u>7,001,146</u>	<u>5,043,235</u>	<u>4,265,695</u>	<u>4,486,362</u>	<u>11,266,841</u>	<u>9,529,597</u>
Increase(Decrease) in Net Position before transfers, prior period adjustments and extraordinary items	1,371,916	2,489,389	(319,450)	(516,590)	1,052,466	1,972,799
Transfers	-	-	-	-	-	-
Prior period adjustments	<u>(404,893)</u>	<u>(825,551)</u>	<u>7,381</u>	<u>194,258</u>	<u>10,958</u>	<u>(631,293)</u>
Increase(Decrease) in Net Position	\$ <u>967,023</u>	\$ <u>1,663,838</u>	\$ <u>(312,069)</u>	\$ <u>(322,332)</u>	\$ <u>1,063,424</u>	\$ <u>1,341,506</u>

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 \$5,962,057 an increase of \$1,572,779 in comparison with the prior year. The primary reason for the increase is overall increases in tax revenue largely due to Measure A.

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 a surplus of revenues over expenditures in the amount of \$847,868.

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 2018-19 General Fund revenue increased by 10.33% in comparison with the prior year. Significant changes were an increase of taxes and assessments of 12.53%, due primarily due to an increase in sales tax

and transactions and use tax. The schedule below reflects the changes during the year. Total General Fund expenditures increased by \$323,380 or 6.13% from the prior fiscal year indicating an increase in capital outlay and public safety.

TABLE 3 - GENERAL FUND REVENUES BY SOURCE
For the periods ending June 30

	2019		2018		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	% change
Taxes and assessments	\$ 6,305,138	90.76%	\$ 5,602,951	88.98%	\$ 702,187	12.53%
Use of money and property:						
Interest	18,738	0.27%	8,567	0.13%	10,171	118.72%
Licenses and permits	36,882	0.73%	46,054	0.73%	9,172	19.92%
Intergovernmental revenues	256,045	3.69%	180,511	2.87%	75,534	41.84%
Charges for services	84,203	1.21%	175,585	2.79%	(91,382)	(52.04)%
Other revenue	246,011	3.34%	283,129	4.50%	(37,118)	(13.11)%
Total	\$ <u>6,947,017</u>	<u>100.00%</u>	\$ <u>6,296,797</u>	<u>100.00%</u>	\$ <u>650,220</u>	<u>10.33%</u>

TABLE 4 - GENERAL FUND EXPENDITURES BY TYPE
For the periods ending June 30

	2019		2018		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	% Change
General Government	\$ 1,058,083	18.90%	\$ 1,164,307	22.07%	\$ (106,224)	(9.12)
Public Safety	3,228,502	57.70%	3,154,975	59.80%	73,527	2.33%
Transportation	125,886	2.20%	176,902	3.35%	(51,016)	(28.84)%
Cultural, Parks and Recreation	338,243	6.00%	346,527	6.57%	(8,284)	(2.39)
Community/Economic Development	31,000	0.60%	16,000	0.30%	15,000	93.75%
Debt service	299,807	5.35%	306,248	5.80%	(6,441)	(2.10)%
Capital outlay	517,524	9.25%	110,706	2.11%	406,818	367.47%
Total	\$ <u>5,599,045</u>	<u>100.00%</u>	\$ <u>5,275,665</u>	<u>100.00%</u>	\$ <u>323,380</u>	<u>6.13%</u>

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.

In the fiscal year ended June 30, 2019, the Water Fund had a decrease in net position of \$146,057 and the Sewer Fund had a decrease in net position of \$153,458. The Solid Waste Fund had a decrease in net position of \$1,633, and the Airport and the Transportation Center have a decrease in net position of \$17,074 and a decrease in net position of \$1,228 respectively. A two-year comparison of change in net position for these funds is provided in the following tables.

Water Fund - The net position of the Water Fund decreased in fiscal year 2018-19 and fiscal year 2017-18. Operating revenues increased by 2.46% due to increases in water rates while operating expenses decreased by 6.66%. The net effect was a smaller deficit change in net position in fiscal year 2018-19 compared to the deficit in fiscal year 2017-18.

TABLE 5 - WATER FUND
For the periods ending June 30

	2019		2018		Variance	
	Amount		Amount		Amount	Percent
Water Fund						
Operating Revenues	\$ 1,361,369		\$ 1,328,677		\$ 32,692	2.46%
Expenses	(1,390,845)		(1,490,120)		99,275	(6.66)%
Non-operating revenue(expense)	(116,581)		(125,441)		8,860	(7.06)%
Net operating transfers	-		-		-	00.00%
Change in net position	\$ <u>(146,057)</u>		\$ <u>(286,884)</u>		\$ <u>140,827</u>	

Sewer Fund - The Sewer Fund reported a smaller decrease in net position in fiscal year 2018-19 compared to fiscal year 2017-18. In 2018-19 operating revenues increased and operating expenses decreased, the net effect was a 33.7% decrease in the amount of change in net position in the current fiscal year compared to the prior year.

TABLE 6 - SEWER FUND
For the periods ending June 30

	<u>2019</u>	<u>2018</u>	<u>Variance</u>	<u>Percent</u>
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	
Sewer Fund				
Operating Revenues	\$ 2,011,874	\$ 2,022,666	\$ (10,792)	0.05%
Expenses	(1,940,633)	(2,019,748)	79,115	3.93%
Non-operating revenue(expense)	(224,699)	(180,207)	(44,492)	24.69%
Net operating transfers	-	-	-	<u>00.00%</u>
Change in net position	<u>\$ (153,458)</u>	<u>\$ (177,289)</u>	<u>\$ 23,831</u>	

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 2018-19, after Council approved changes, anticipated a shortfall of \$202,726. The results of the General Fund were more favorable than anticipated, with an actual surplus of \$847,868. Revenues in fiscal year 2018-19 were \$730,117, or 11.74%, more than the budget estimate. This was largely due to temporary increases in sales tax and transient occupancy taxes as a result of the Camp Fire. Expenditures in fiscal year 2018-19 were \$111,126, or 2.18%, less than the budget estimate, primarily due to personnel costs savings in the Police Department and numerous miscellaneous costs savings.

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

	<u>2019</u>			<u>2018</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues	\$ 6,216,900	\$ 6,947,017	\$ 730,117	\$ 6,021,710	\$ 6,296,797	\$ 275,087
Expenditures	(5,192,647)	(5,081,521)	111,126	(5,438,066)	(5,164,959)	273,107
Operating Result	<u>1,024,253</u>	<u>1,865,496</u>	<u>841,243</u>	<u>583,644</u>	<u>1,131,838</u>	<u>548,194</u>
Capital Outlay	(726,875)	(517,524)	209,351	-	(110,706)	(110,706)
Transfers Out	(500,104)	(500,104)	-	(640,000)	(640,000)	-
Net Result	<u>\$ (202,726)</u>	<u>\$ 847,868</u>	<u>\$ 1,050,594</u>	<u>\$ (56,356)</u>	<u>\$ 381,132</u>	<u>\$ 437,488</u>

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 and corresponding debt, for governmental and business-type activities as of June 30, 2019, was \$11,092,461 and \$3,350,096 respectively. This represented an increase in the net investment (net of corresponding debt) of 2.71% for governmental and a decrease in net investment of 8.49% for business-type activities. The overall decrease was 0.13% for the City as a whole.

TABLE 8 - INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease) \$</u>	<u>Increase (Decrease) %</u>
Governmental Funds	\$ 11,092,461	\$ 10,800,000	\$ 292,461	2.71%
Business-type Funds	\$ 3,350,096	\$ 3,660,833	\$ (310,737)	(8.49)%

Long-term debt (including Compensated Absences), as shown on page 38 of the financial statements.

As of June 30, 2019, the City had total debt outstanding of \$10,320,738; this is a decrease of \$41,494 from the total debt outstanding at June 30, 2018 of \$10,362,232. 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, as also shown on page 38 of the Financial Statements.

TABLE 9 - TOTAL DEBT
For the periods ending June 30

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Government-Wide Totals</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Capital Leases	\$ 337,503	\$ -	\$ -	\$ -	\$ 337,503	\$ -
Compensated Absences	470,611	367,886	117,651	109,345	588,262	477,231
Pension Obligation Bonds	1,130,833	1,375,102	119,140	144,898	1,249,973	1,520,000
2018 Revenue Refunding Bonds	<u>-</u>	<u>-</u>	<u>8,145,000</u>	<u>8,365,000</u>	<u>8,145,000</u>	<u>8,365,000</u>
Total	<u>\$ 1,938,947</u>	<u>\$ 1,742,988</u>	<u>\$ 8,381,791</u>	<u>\$ 8,619,243</u>	<u>\$ 10,320,738</u>	<u>\$ 10,362,231</u>

ECONOMIC FACTORS AND MAJOR INITIATIVES

Fuel, auto and transportation sales are the greatest contributors to sales tax revenue for the City. Sales tax from fuel has been experiencing an overall decline since early 2012, while other retailers in Corning have remained stable overall. Specifically, sales tax from auto sales and transportation has been increasing each year to the point where the City receives more sales tax from auto and transportation sales than from fuel. There was a total of \$3,132,010 in sales tax and \$1,159,465 in transactions and use tax received in fiscal year 2018-2019. This was the second full year of Transaction and Use tax received by the City. Overall sales and use taxes are up \$411,476 from fiscal year 2017-2018 largely due to the Camp Fire.

In FY 2017 2018 the City refinanced the City's water and sewer debt along with the Clark Park well loan. In FY 2018 2019 the refinancing saved the Sewer Fund \$69,999. In FY 2018 2019 the refinancing saved the Water Fund \$150,163. Water fund savings in years beyond FY 2018 2019 will be less due to the nature of the refinancing.

Assuming water consumption levels remain, the refinancing allows the City to minimize future water rate increases, while providing positive cash flow savings.

The City's Water System has an ISO Class II rating. As part of Resolution 06 12 2018 01, the City Council enacted a five year series of 3.5% annual rate increases intended to maintain a stable cash flow and to assure investors of the stability of the City. Due to decreases in water consumption, and to satisfy the rate covenant requirement as part of the 2016/2017 refunding of the City's water debt, the City approved an additional 3.5% increase for a total of 7.0% through July 1, 2022 as part of resolution No. 07-23-2019-08.

In 2019 the City Council implemented Resolution No. 07-23-2019-09. The Resolution implements five annual 3.0% sewer rate increases to account for inflation and to satisfy the rate covenant requirement as part of the 2016/2017 refunding of the City's sewer debt.

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 Stonefox development of seventy-seven (77) homes is a positive sign development may be increasing, hopefully this trend continues.

Street Maintenance is funded by Federal funds, State gas taxes, local transportation taxes and the City General Fund. Few people realize State gas taxes and local transportation taxes are a small portion of a City's investment in Roads. The City received only \$406,067 in State Gas Taxes, Senate Bill 1 funds, and local transportation taxes during the year; that is only \$53.49 per year per resident. The balance of the funds spent on roads comes from the City General Fund and available Federal funding.

For Fiscal Year 2018 2019 there were 42 full time City Employees. The City has a huge investment in those employees and they are the greatest asset of the City well worth retaining by maintaining stable employment.

The Police Departments leads through the Chief and three Sergeants; there are no Captains or Lieutenants employed at this time. In 2019 the City filled a previously unfilled Dispatch Records Supervisor position.

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. There are four full time fire dispatchers and a Fire Chief.

The entire Public Works Department has eight Maintenance Workers and a field supervisor. Only the Director and the Public Works Secretary are in the office. Beginning in October of 2018 the City initiated a contract with a consulting firm for Public Works Director services. 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 Kristina Miller, 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, 2019

Statement 1

	Primary Government		
	Governmental Activities	Business Activities	Total
<u>ASSETS</u>			
Cash and Investments (Note 3)			
Available for operations	\$ 6,212,986	\$ 2,739,068	\$ 8,952,054
Restricted	-	231,510	231,510
Receivables (net of allowance for uncollectable)			
Accounts Receivable	-	178,041	178,041
Intergovernmental Receivable	176,094	-	176,094
Receivable from Other Governments	77,251	-	77,251
Other Receivable	10,755	-	10,755
Loans Receivable (CDBG.)	4,156,391	-	4,156,391
Internal balances	-	-	-
Inventory	-	77,042	77,042
Due From Other Funds	-	-	-
Capital Assets (Note 2):			
Unamortized loan acquisition costs	-	249,041	249,041
Land and construction in progress	-	838,088	838,088
Depreciable assets, net	12,560,797	10,776,148	23,336,945
Total Assets	<u>23,194,274</u>	<u>15,088,938</u>	<u>38,283,212</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension	1,164,934	290,840	1,455,774
<u>LIABILITIES</u>			
Accounts Payable	383,169	167,601	550,770
Accrued Wages/Payroll Taxes	96,873	19,802	116,675
Accrued Interest Payable	4,143	104,781	108,924
Deposits	-	30,966	30,966
Other Accrued Liabilities	-	-	-
Contract retentions	13,156	-	13,156
Accrued compensated absences:			
Due within one year	410,000	99,000	509,000
Due in more than one year	60,611	18,651	79,262
Long-term debt			
Due within one year	322,024	178,920	500,944
Due in more than one year	1,146,312	8,085,220	9,231,532
Net Pension Liability	5,162,046	1,288,637	6,450,683
Total Liabilities	<u>7,598,334</u>	<u>9,993,578</u>	<u>17,591,912</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
GASB 68 Actuarial Adjustments	347,526	86,755	434,281
Unearned Revenue	4,174,079	-	4,174,079
Total Deferred Inflows of Resources	<u>4,521,605</u>	<u>86,755</u>	<u>4,608,360</u>
<u>NET POSITION</u>			
Net investment in capital assets	11,092,461	3,350,096	14,442,557
Reserved for debt service	-	230,172	230,172
Reserved for capital improvement	-	1,419,874	1,419,874
Unrestricted	1,146,808	299,302	1,446,110
Total Net Position	<u>\$ 12,239,269</u>	<u>\$ 5,299,444</u>	<u>\$ 17,538,713</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
Year Ended June 30, 2019

Statement 2

	Net (Expense) Revenue and Changes In Net Position					
	Expenses	Program Revenues			Governmental Activities	Business-Type Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
FUNCTIONS/PROGRAMS						
Governmental Activities:						
General Government:						
City Council	\$ 31,742	\$ -	\$ -	\$ -	\$ (31,742)	\$ -
City Administration	215,159	-	-	-	(215,159)	-
City Clerk	22,589	-	-	-	(22,589)	-
City Treasurer	796	-	-	-	(796)	-
City Finance	85,695	-	-	-	(85,695)	-
General Government	<u>1,608,280</u>	<u>24,548</u>	<u>145,374</u>	<u>-</u>	<u>(1,438,358)</u>	<u>-</u>
Total General Government	<u>1,964,261</u>	<u>24,548</u>	<u>145,374</u>	<u>-</u>	<u>(1,794,339)</u>	<u>-</u>
Public Safety and Judiciary:						
Legal Services	81,705	-	-	-	(81,705)	-
Police	2,484,391	7,562	81,503	585,529	(1,809,797)	-
Police Dispatch	585,533	-	-	-	(585,533)	-
Animal Control	126,643	-	-	-	(126,643)	-
Fire	<u>716,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(716,043)</u>	<u>-</u>
Total Public Safety and Judiciary	<u>3,994,315</u>	<u>7,562</u>	<u>81,503</u>	<u>585,529</u>	<u>(3,319,721)</u>	<u>-</u>
Transportation:						
Airport	-	-	-	-	-	-
Streets	<u>500,141</u>	<u>9,539</u>	<u>238,137</u>	<u>149,168</u>	<u>(103,297)</u>	<u>-</u>
Total Transportation	<u>500,141</u>	<u>9,539</u>	<u>238,137</u>	<u>149,168</u>	<u>(103,297)</u>	<u>-</u>
Cultural, Parks and Recreation						
Library	27,915	-	-	-	(27,915)	-
Theater	10,297	-	-	-	(10,297)	-
Parks and Recreation	<u>460,973</u>	<u>42,554</u>	<u>-</u>	<u>10,000</u>	<u>(408,419)</u>	<u>-</u>
Total Cultural, Parks and Recreation	<u>499,185</u>	<u>42,554</u>	<u>-</u>	<u>10,000</u>	<u>(446,631)</u>	<u>-</u>
Community/Economic Development:						
Economic Development	<u>43,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,244)</u>	<u>-</u>
Total Community/Economic Development	<u>43,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,244)</u>	<u>-</u>
Business-Type Activities						
Sewer	2,178,286	1,919,877	-	-	-	(258,409)
Water	1,517,525	1,337,127	-	-	-	(180,398)
Solid Waste	500,707	498,635	-	-	-	(2,072)
Airport	51,884	-	-	-	-	(51,884)
Transportation	<u>17,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,293)</u>
Total Business-Type Activities	<u>4,265,695</u>	<u>3,755,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(510,056)</u>
Total	<u>\$ 11,266,841</u>	<u>\$ 3,839,842</u>	<u>\$ 465,014</u>	<u>\$ 744,697</u>	<u>\$ (5,707,232)</u>	<u>\$ (510,056)</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
Year Ended June 30, 2019

Statement 2
(Continued)

CHANGES IN NET POSITION:

	<u>Governmental</u> <u>Activities</u>	<u>Business</u> <u>Activities</u>	<u>Total</u>
Net (Expense)/Revenue	\$ (5,707,232)	\$ (510,056)	\$ (6,217,288)
General Revenues:			
Taxes			
Sales and Use Taxes	4,320,296	-	4,320,296
Property Taxes	607,864	-	607,864
Franchise Taxes	128,947	-	128,947
Vehicle License Fees	629,699	-	629,699
Transit Occupancy Tax	618,181	-	618,181
Other Taxes	195,388	-	195,388
Intergovernmental	156,942	-	156,942
Investment Income	45,230	24,182	69,412
Other	376,601	166,424	543,025
Transfers - Internal Activity	-	-	-
Total General Revenues and Transfers	<u>7,079,148</u>	<u>190,606</u>	<u>7,269,754</u>
Change in Net Position	1,371,916	(319,450)	1,052,466
Net Position - Beginning of Year	<u>11,268,246</u>	<u>5,611,513</u>	<u>16,879,759</u>
Prior Period Adjustment	(400,893)	7,381	(393,512)
Residual Equity Transfers In (Out)	-	-	-
Net Position - Ending of Year	<u>\$ 12,239,269</u>	<u>\$ 5,299,444</u>	<u>\$ 17,538,713</u>

BASIC FINANCIAL STATEMENTS

Fund Financial Statements

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CITY OF CORNING
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

Statement 3

ASSETS	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash and Investments	\$ 3,069,076	\$ 3,143,910	\$ 6,212,986
Intergovernmental Receivable	18,511	157,583	176,094
Notes Receivable (C.D.B.G.)	-	4,156,391	4,156,391
Receivable from Other Governments	77,251	-	77,251
Other Receivable	10,755	-	10,755
Due From Other Funds	<u>213,877</u>	<u>-</u>	<u>213,877</u>
Total Assets	<u>3,389,470</u>	<u>\$ 7,457,884</u>	<u>\$ 10,847,354</u>
LIABILITIES			
Accounts Payable	\$ 186,606	\$ 196,563	\$ 383,169
Accrued Wages/Payroll Taxes	85,589	11,284	96,873
Due to Other Funds	-	213,877	213,877
Contract retentions	13,156	-	13,156
Other liabilities	<u>4,143</u>	<u>-</u>	<u>4,143</u>
Total Liabilities	<u>289,494</u>	<u>421,724</u>	<u>711,218</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Building Permits	17,688	-	17,688
Deferred Revenue - Loans Receivable	<u>-</u>	<u>4,156,391</u>	<u>4,156,391</u>
Total Liabilities	<u>307,182</u>	<u>4,578,115</u>	<u>4,885,297</u>
FUND BALANCES			
Restricted for contingences	625,000	-	625,000
Unassigned	2,457,288	-	2,457,288
Unassigned - Special Revenues Funds	-	1,828,643	1,828,643
Unassigned - Capital Projects Funds	<u>-</u>	<u>1,051,126</u>	<u>1,051,126</u>
Total Fund Balances	<u>3,082,288</u>	<u>2,879,769</u>	<u>5,962,057</u>
Total Liabilities and Fund Balances	<u>\$ 3,389,470</u>	<u>\$ 7,457,884</u>	<u>\$ 10,847,354</u>

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET OT THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION**

Total Fund Balance - Total Governmental Funds	\$ 5,962,057
Amounts reported for governmental activities in the Statement of Net Position 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.	12,560,797
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Deferred Outflows of Resources	1,164,934
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Deferred Inflows of Resources	\$ (347,526)
Pension obligation Bonds	(1,468,336)
Accrued Compensated Absences	(470,611)
Net leases	-
Net Pension Liability	<u>(5,162,046)</u>
Net Position of Governmental Activities	<u>\$ 12,239,269</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, 2019

Statement 4

	<u>General fund</u>	<u>Non-Major Governmental funds</u>	<u>Total Governmental funds</u>
REVENUES:			
Taxes	\$ 6,305,138	\$ 195,237	\$ 6,500,375
Intergovernmental Revenues	256,045	1,110,608	1,366,653
Interest	18,738	26,492	45,230
Licenses and Permits	36,882	-	36,882
Miscellaneous	330,214	93,708	423,922
Total Revenues	<u>6,947,017</u>	<u>1,426,045</u>	<u>8,373,062</u>
EXPENDITURES:			
Current:			
General Government:			
City Council	25,772	-	25,772
City Administration	174,689	-	174,689
City Clerk	18,340	-	18,340
City Treasurer	646	-	646
City Finance	69,576	-	69,576
General Government	769,060	536,710	1,305,770
Total General Government	<u>1,058,083</u>	<u>536,710</u>	<u>1,594,793</u>
Public Safety and Judiciary:			
Legal Services	66,336	-	66,336
Police	2,002,589	14,500	2,017,089
Police Dispatch	475,397	-	475,397
Animal Control	102,822	-	102,822
Fire	581,358	-	581,358
Total Public Safety and Judiciary	<u>3,228,502</u>	<u>14,500</u>	<u>3,243,002</u>
Transportation:			
Streets	125,886	280,181	406,067
Total Transportation	<u>125,886</u>	<u>280,181</u>	<u>406,067</u>
Cultural, Parks and Recreation			
Library	22,664	-	22,664
Theater	8,360	-	8,360
Parks and Recreation	307,219	67,115	374,334
Total Cultural, Parks and Recreation	<u>338,243</u>	<u>67,115</u>	<u>405,358</u>
Community/Economic Development:			
Economic Development	31,000	4,110	35,110
Total Community/Economic Development	<u>31,000</u>	<u>4,110</u>	<u>35,110</u>
Debt Service:			
Principal	97,443	-	97,443
Interest and Other Charges	202,364	-	202,364
Capital Outlay	517,524	302,199	819,723
Total Expenditures	<u>5,599,045</u>	<u>1,204,815</u>	<u>6,803,860</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,347,972</u>	<u>221,230</u>	<u>1,569,202</u>
OTHER FINANCING SOURCES (USES)			
Debt Proceeds	-	-	-
Transfers In / Out	(500,104)	500,104	-
Total Other Financing Sources and (Uses)	<u>(500,104)</u>	<u>500,104</u>	<u>-</u>
Net Change in Fund Balances	847,868	721,334	1,569,202
Fund Balances-Beginning of Year	2,373,527	2,015,751	4,389,278
Residual Equity Transfers	(126,443)	126,443	-
Prior period adjustment	(12,664)	16,241	3,577
Fund Balances-End of Year	<u>\$ 3,082,288</u>	<u>\$ 2,879,769</u>	<u>\$ 5,962,057</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, 2019

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 Position:

Net change in fund balances - Total Governmental Funds \$ 1,569,202

Amounts reported for governmental activities in the Statement of
Activities and changes in Net Position 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	819,723	
Donated Infrastructure not included in capital outlay	-	
Depreciation expense	<u>(384,810)</u>	434,913

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 Position. This amount
is the net effect of these differences in the treatment of long-term debt
and related items:

Bond proceeds	-	
Bond Principal Retirement	<u>97,443</u>	97,443

Revenues in the Statement of Activities that do not provide current
funds, but the repayment reduces long-term liabilities in the
Statement of Net Position:

Capital lease obligation principal payments		-
---	--	---

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:

Net Pension Liability		(793,459)
Accrued compensated absences		<u>63,817</u>

Change in Net Position of Governmental Activities	\$	<u><u>1,371,916</u></u>
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CITY OF CORNING
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019

Statement 5

	<u>Enterprise Funds</u>
<u>ASSETS</u>	
<u>Current Assets:</u>	
Cash and Investments	\$ 2,739,068
Accounts Receivable	178,041
Inventory	77,042
Total Current Assets	<u>2,994,151</u>
<u>Noncurrent Assets:</u>	
Capital Assets:	
Land and Construction in Progress	838,088
Property, Plant, and Equipment	25,655,795
Accumulated Depreciation	(14,879,647)
Net Capital Assets	<u>11,614,236</u>
Loan Acquisition Costs	284,413
Accumulated Amortization	(35,372)
Net Loan Acquisition Costs	<u>249,041</u>
Restricted Assets	<u>231,510</u>
Total Noncurrent Assets	<u>12,094,787</u>
Deferred Outflows of Resources	
Pension Contribution	290,840
Total Assets	<u>\$ 15,379,778</u>
<u>LIABILITIES</u>	
<u>Current Liabilities:</u>	
Accounts Payable	\$ 167,601
Accrued Wages/Payroll Taxes	19,802
Other Accrued Liabilities	-
Accrued Interest Payable	104,781
Deposits	30,966
Current Portion of Non-Current Liabilities	277,920
Total Current Liabilities	<u>601,070</u>
<u>Noncurrent Liabilities:</u>	
Notes, Bonds and Certificates Payable	7,986,220
Accrued Compensated Absences	117,652
Net Pension Liability	1,288,637
Loans	-
Total Noncurrent Liabilities	<u>9,392,509</u>
Total Liabilities	<u>9,993,579</u>
<u>Deferred Inflows of Resources</u>	
GASB 68 Actuarial Adjustments	<u>86,755</u>
<u>NET POSITION:</u>	
Investment in Capital Assets, net of related debt	3,350,096
Reserved for capital improvement	1,419,874
Reserved for debt service	230,172
Unrestricted	299,302
Total Net Position	<u>\$ 5,299,444</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	<u>Enterprise Funds</u>
OPERATING REVENUES:	
Charges for Services	
Sewer Charges	\$ 1,919,877
Water Charges	1,330,731
Solid Waste	498,635
Connection Fees	6,396
Lease and Rents	43,242
Other revenue	123,182
Total Operating Revenues	<u>3,922,063</u>
OPERATING EXPENSES:	
Salaries and Benefits	1,137,840
Utilities	322,323
Depreciation	671,042
Amortization	12,517
Other Expenses	1,757,640
Total Operating Expenses	<u>3,901,362</u>
Operating Income	<u>20,701</u>
NONOPERATING REVENUES (EXPENSES):	
Interest Income	24,182
Interest expense	(364,333)
Total Nonoperating Revenue (Expenses)	<u>(340,151)</u>
Income Before Contributions and Transfers	-
Operating transfers in (out)	<u>-</u>
Net income (Loss)	(319,450)
Net Position-Beginning of Year - As previously stated	5,611,513
Prior period adjustment	7,381
Net Position - Beginning of Year	<u>5,618,894</u>
Residual Equity Transfers In	104,280
Residual Equity Transfers Out	(104,280)
Net Position - End of Year	<u>\$ 5,299,444</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2019

Statement 7

	<u>Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 3,807,201
Other Operating Cash Receipts	171,224
Payments to Suppliers	(2,012,190)
Payments to Employees	<u>(1,134,122)</u>
Net Cash Provided (Used) by Operating Activities	<u>832,113</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Operating transfers from (to) other funds	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Interest Paid	(365,099)
Repayment of Certificates of Participation	(245,759)
Repayment of Loan Payable: Mid Valley Bank	3,869
Changes in GASB 68 amounts	84,137
Payments for capital acquisitions	<u>(110,446)</u>
Net cash (used by) capital and related financing activities	<u>(633,298)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Receipts of interest	<u>24,182</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>222,997</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,752,095</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,975,092</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Net Operating Income (Loss)	\$ 20,701
Adjustments to Reconcile Net Income to Net Cash Provided by (Used by) Operating Activities:	
Depreciation/Amortization	683,559
Prior period adjustments	572
Decrease (Increase) in Accounts Receivable	55,567
Decrease (Increase) in Inventory	(762)
Decrease (Increase) in Prepaid Assets	76,280
Increase (Decrease) in Accounts Payable	22,591
Increase (Decrease) in Wages Payable	3,146
Increase (Decrease) in Accrued Compensation	-
Increase (Decrease) in Due to Other Funds	(29,570)
Increase (Decrease) in Interest Payable	(766)
Increase (Decrease) in Deposits	795
Net cash from (used for) operating activities	<u>\$ 832,113</u>

See accompanying notes to the basic financial statements.

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**CITY OF CORNING
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019**

Statement 8

	<u>Private Purpose Trust Funds</u>
<u>ASSETS</u>	
Cash and Investments	\$ 290,844
Total Assets	<u>\$ 290,844</u>
 <u>Net Position</u>	
Held in trust for:	
Scholarships	\$ 25,054
Library Systems	<u>265,790</u>
Total Net Position	<u>\$ 290,844</u>

CITY OF CORNING
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

Statement 9

	<u>Private Purpose Trust Funds</u>
<u>Additions:</u>	
Interest Income	\$ 2,672
Total Revenues	<u>2,672</u>
<u>Deductions:</u>	
Scholarships	500
Capital Outlay	-
Other Deductions	-
Total Deductions	<u>500</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,172</u>
Change in Net Position	<u>2,172</u>
Net Position - Beginning of the Year	288,672
Residual Equity Transfers	-
Net Position - End of the Year	<u>\$ 290,844</u>

BASIC FINANCIAL STATEMENTS

Notes to Basic Financial Statements

**CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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, 2019**

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, 2019**

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.

(Continued on the following page)

**CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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)

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.

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,

(Continued on the following page)

**CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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

Basis of Presentation (Continued)

Major Funds (Continued)

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.

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

(Continued on the following page)

**CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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)

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 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

(Continued on the following page)

**CITY OF CORNING, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019**

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

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

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.

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

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Corning's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions

Continued on following page.

**CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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

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

to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Vacation and Sick Pay

Vacation pay is vested to the employees as it accrues and is payable upon retirement or termination. Sick leave, however, does not vest to the employees and is payable only when sick leave is taken.

Unused vacation and sick leave 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.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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

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

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.

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.

(Continued on the following page)

**CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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

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

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 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.

Connection 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, 2019**

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

Deficit Fund Balance/Net Assets

See supplemental information on page 120.

NOTE 2: DETAILED NOTES

Cash and Investments

As of June 30, 2019, the City's cash and investments are reported in the financial statements as follows:

Primary government, net of deficit funds (\$213,877)	\$ 8,952,054
Restricted Cash	231,510
Agency funds	<u>290,844</u>
Total Cash and Investments	<u>\$ 9,474,408</u>

As of June 30, 2019, the City's cash and investments in bank consisted of the following:

Cash:	
Cash on hand	\$ 1,650
Deposits (less outstanding checks)	<u>6,575,894</u>
Total Cash	<u>6,577,544</u>

As of June 30, 2019, the City's investments consisted of the following:

Investments:	
In California Local Agency Investment Fund (at market):	<u>2,896,864</u>
Total Investments	<u>2,896,864</u>
Total Cash and Investments	<u>\$ 9,474,408</u>

At year end, the carrying amount of the City's cash deposits (including amount in checking accounts and money market accounts) was \$6,575,894 and the bank balance was \$6,782,776. 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 (Continued on the following page).

**CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 2: DETAILED NOTES (Continued)

Cash and Investments (Continued)

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 \$6,055,485 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 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, 2019, 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, 2019, the City's investment position in the State of California Local Agency Investment Fund (LAIF) was \$2,896,864. The total amount invested by all public agencies in LAIF on that day was \$162,908,979. 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.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 2: DETAILED NOTES (Continued)

Cash and Investments (Continued)

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.

Capital Assets

Capital assets activity for the year ended June 30, 2019, was as follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2019</u>
<i>Governmental Activities:</i>					
Capital Assets, Being Depreciated:					
Buildings	1,674,886	236,549	-	-	1,911,435
Parks	4,145,157	-	-	-	4,145,157
Fire Department	1,599,139	417,900	(115,639)	-	1,901,400
Police Department	610,688	65,296	-	-	676,984
Machinery and equipment	711,234	-	-	-	711,234
Infrastructure	<u>7,844,315</u>	<u>454,117</u>	<u>-</u>	<u>-</u>	<u>8,273,432</u>
Total Capital Assets, Being Depreciated	16,585,419	1,173,862	(115,639)	-	17,643,642
Less Accumulated Depreciation	<u>(4,813,676)</u>	<u>(384,808)</u>	<u>115,639</u>	<u>-</u>	<u>(5,082,845)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,771,943</u>	<u>789,054</u>	<u>-</u>	<u>-</u>	<u>12,560,797</u>
Total Governmental Activities, Net	<u>\$ 11,771,943</u>	<u>\$ 789,054</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,560,797</u>
<i>Business-Type Activities:</i>					
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	620,934	100,402	-	-	721,336
Utility Property	<u>22,182,619</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>22,207,619</u>
Total Capital Assets, Being Depreciated	<u>25,530,393</u>	<u>125,402</u>	<u>-</u>	<u>-</u>	<u>25,655,795</u>
Less Accumulated Depreciation	<u>(14,197,749)</u>	<u>(681,898)</u>	<u>-</u>	<u>-</u>	<u>(14,879,647)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,332,644</u>	<u>(556,496)</u>	<u>-</u>	<u>-</u>	<u>10,776,148</u>
Total Business-type Activities, Net	<u>\$ 12,170,732</u>	<u>\$ (556,496)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,614,236</u>

(Continued on the following page)

**CITY OF CORNING, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 2: DETAILED NOTES (Continued)

Capital Assets (Continued)

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2019</u>
Loan Acquisition Costs:					
Loan Acquisition Costs	\$ 279,610	\$ -	\$ -	\$ 4,803	\$ 284,413
Less Accumulated amortization	<u>(9,410)</u>	<u>-</u>	<u>(12,517)</u>	<u>(13,445)</u>	<u>(35,372)</u>
Loan Acquisition costs, net of amortization	<u>\$ 270,200</u>	<u>\$ -</u>	<u>\$ (12,517)</u>	<u>\$ 8,642</u>	<u>\$ 249,041</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 107,963
Public Safety and Judiciary	219,540
Transportation	27,489
Culture Parks and Recreation	27,441
Community Economic Development	<u>2,375</u>
Total Depreciation Expense -- Governmental Functions	<u>\$ 384,808</u>

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

Sewer	\$ 498,266
Solid Waste	-
Airport	33,132
Transportation	-
Water	<u>150,500</u>
Total Depreciation Expense - Business-Type Functions	<u>\$ 681,898</u>

Unearned Revenue - Deferred Outflows/Inflows of Resources

The City implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities as of June 30, 2019.

GASB No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 2: DETAILED NOTES (Continued)

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has no items to report in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow or 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 only in the governmental funds balance sheet. Deferred inflows of resources reported in the governmental funds are unavailable revenues of \$4,126,606 related to long-term notes and loans receivable.

At June 30, 2019, the components of unearned revenue consisted of off-sets to notes receivable in the amount of \$4,156,391, in addition there was unearned revenue in the General Fund in the amount of \$17,688.

Long-term Debt

Long-term debt for the year ended June 30, 2019, was as follows:

	Balance		Adjustments/	Balance	Amounts
	July 1, 2018	Additions	Retirements	June 30, 2019	Due Within
					One Year
Governmental Activities					
Pension Obligation Bonds	\$ 1,375,102	\$ -	\$ (244,269)	\$ 1,130,833	\$ 265,982
U.S. Bancorp Leasing	-	390,232	(52,729)	337,503	56,042
Compensated Absences (Note 1)	<u>367,886</u>	<u>517,469</u>	<u>(414,744)</u>	<u>470,611</u>	<u>410,000</u>
Total Government Activities	<u>\$ 1,742,988</u>	<u>\$ 907,701</u>	<u>\$ (711,742)</u>	<u>\$ 1,938,947</u>	<u>\$ 732,024</u>
Business-Type Activities					
2019 Water and Sewer Revenue Refunding Bonds	\$ 8,365,000	-	(220,000)	8,145,000	295,000
Pension Obligation Bonds	144,898	-	(25,758)	119,140	28,048
Compensated Absences (Note 1)	<u>109,346</u>	<u>91,552</u>	<u>(83,247)</u>	<u>117,651</u>	<u>99,000</u>
Total Business-Type Activities	<u>\$ 8,619,244</u>	<u>\$ 91,552</u>	<u>\$ (329,005)</u>	<u>\$ 8,381,791</u>	<u>\$ 422,048</u>

(Continued on the following page)

**CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 2: DETAILED NOTES (Continued)

Long-term Debt (Continued)

At June 30, 2019, loans consisted of the following:

2017 Revenue Refunding Bond

In March of 2019, the City of Corning entered into an agreement with Union Bank of California, N.A., to sell Revenue Refunding Bonds in the amount of \$8,620,000. The Water Revenue Refunding Bonds in the amount of \$3,460,000 and Sewer Revenue Refunding Bonds in the amount of \$5,160,000, along with other available money, were used to refinance the 2005 Series B of the Certificates of Participation, the Installment Purchase Agreement for the Clark Well and the 1999 Certificates of Participation. The 2017 Bonds bear an interest rate of 3.25 percent. The payment of principal and interest is derived solely from water and sewer revenue. Interest is payable semiannually on March 1 and September 1. Principal payments are required each September 1.

Pension Obligation Bonds

On or about May 15, 2013, the City of Corning issued \$2,579,000 in 2012 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 2013 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, 2019 at no premium.

Fire Truck Lease

The City entered into a financing type lease for a Fire Truck in the original amount of \$403,159. The lease is payable in quarterly installments of \$16,101 with interest at 3.06%.

The annual aggregate maturities for the years subsequent to June 30, 2019, are disclosed in the other disclosures section on pages 51 through 52.

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, 2019**

NOTE 2: 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, 2019:

<u>Due To:</u>		<u>Due From:</u>	
General Fund	\$ 213,876	Proposition 47 Grant Fund	\$ 107,416
		Rural Planning Grant Fund	9,970
		Street Scape Fund	72,856
		DWR SGMA Grant Fund	163
		L and L District 1 Zone 1	224
		Promotion Neighborhood Grant Fund	<u>23,248</u>
Total	<u>\$ 213,877</u>		<u>\$ 213,877</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, 2019:

<u>Transfer From:</u>		<u>Transfer To:</u>	
General Fund	\$ 500,104	Equipment Replacement Fund - Pub Wks	\$ 168,852
		Equipment Replacement Fund - Fire	206,200
		Equipment Replacement Fund - Police	125,052
Sewer Enterprise Fund	285,000	WWTP Capital Replacement Fund	85,000
		WWTP Debt Service Fund	200,000
Water Enterprise Fund	<u>78,500</u>	Short Lived Water Reserve Fund	<u>78,500</u>
Total	<u>\$ 863,604</u>		<u>\$ 863,604</u>

Continued on the following page

**CITY OF CORNING, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 3: Retirement Plans

A. General Information about the Pension Plans

Plan Description

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

Benefit Provided

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

Employees Covered by Benefit Terms

At June 30, 2018, the valuation date, the following employees were covered by the benefit terms:

	<u>Safety Plan</u>	<u>Miscellaneous Plan</u>
Hire date	On or after 01/01/2013	On or after 01/01/2013
Benefit formula	3%@55	2%@60
Vesting schedule	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	55	60
Monthly benefits as a % of eligible compensation	3%	2%
Required employee contribution rate	9%	7%
Required employer contribution rate	20.057%	7.846%

The City’s Third Tier plans are currently considered unfunded so no additional disclosures are provided.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 3: Retirement Plans (Continued)

A. General Information about the Pension Plans (Continued)

Contributions

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

For the year ended June 30, 2019, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Safety Plan</u>	<u>Miscellaneous Plan</u>
Contributions - Employer	\$ 238,831	\$ 79,169
Contributions - Employee (Paid by employer)	\$ 10,639	\$ 9,512

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

As of June 30, 2019, the Local Government reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Safety Plan</u>	<u>Miscellaneous Plan</u>
Proportionate shares of the net pension liability	\$ <u>3,698,401</u>	\$ <u>2,752,283</u>

The Local Government’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2018 and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The Local Government’s proportion of the net pension liability was based on a projection of the Local Government’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Local Government’s proportionate share of the net pension liability for each Plan as of June 30, 2017 and 2018 was as follows:

	<u>Safety Plan</u>	<u>Miscellaneous Plan</u>
Proportion - June 30, 2017	<u>0.06101%</u>	<u>0.07068%</u>
Proportion - June 30, 2018	<u>0.06303%</u>	<u>0.07303%</u>
Change, Increase (Decrease)	<u>0.00202%</u>	<u>0.00235%</u>

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 3: Retirement Plans (Continued)

For the year ended June 30, 2019, the Local Government recognized pension expense of \$1,932,670. At June 30, 2019, the Local Government reported deferred outflows of resources related to pensions from the following sources:

Pension contributions subsequent to measurement date	\$ 338,181
Differences between actual and expected experience	185,066
Differences between Projected and Actual Investment Earnings	38,646
Changes in assumptions	676,646
Change in employer's proportion	161,669
Differences between the employer's contributions and the employer's proportionate share of contributions	<u>55,566</u>
Total	<u>\$ 1,455,774</u>

At June 30, 2019, the Local Government reported deferred inflows of resources related to pensions from the following sources:

Differences between actual and expected Investment experience	\$ 36,237
Changes in assumptions	125,857
Change in employer's proportion	11,205
Differences between the employer's contributions and the employer's proportionate share of contributions	<u>260,983</u>
Total	<u>\$ 434,282</u>

\$636,119 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	<u>Safety Plan</u>	<u>Miscellaneous Plan</u>
2019	\$ 367,719	\$ 211,997
2020	219,599	114,749
2021	(94,807)	(85,574)
2022	(25,617)	(24,755)
2023	-	-
Thereafter	-	-

(Continued on the following page)

**CITY OF CORNING, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 3: Retirement Plans (Continued)

Actuarial Methods and Assumption Used to Determine Total Pension Liability

The June 30, 2019 total pension liabilities were based on the following actuarial methods and assumptions:

	<u>Safety Plan</u>	<u>Miscellaneous Plan</u>
Valuation Date	-----June 30, 2018-----	-----June 30, 2018-----
Measurement Date	-----June 30, 2018-----	-----June 30, 2018-----
Actuarial Cost Method	Entry-age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	-----7.65%-----	-----7.65%-----
Inflation	-----2.75%-----	-----2.75%-----
Payroll Growth Rate	-----3.00%-----	-----3.00%-----
Projected Salary Increases	Varies by Entry Age and Service	
Interment Rate of Return	-----7.50%-----	-----7.50%----- ⁽²⁾
Mortality	Derived using CalPERS Membership Data for all funds ⁽¹⁾	

⁽¹⁾ Mortality table was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
⁽²⁾ Net of pension plan investment expenses, including inflation.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of a January 2018 actuarial experience study for the period 1997 to 2018. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.15 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 3: Retirement Plans (Continued)

Discount Rate (Continued)

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2019. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2019-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

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

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

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

¹ An expected inflation of 2.5% and 3.0% used for Years 1-10 and Years 11+, respectively.

(Continued on the following page)

**CITY OF CORNING, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 3: Retirement Plans (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Local Government’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the Local Government’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Safety Plan</u>	<u>Miscellaneous Plan</u>
1% Decrease Net Pension Liability	6.15% \$ 5,674,256	6.15% \$ 4,331,825
Current Discount Rate Net Pension Liability	7.15% \$ 3,698,401	7.15% \$ 2,752,283
1% Increase Net Pension Liability	8.15% \$ 2,079,542	8.15% \$ 1,448,397

Pension Plan Fiduciary Net Position

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

NOTE 4: OTHER POST EMPLOYMENT BENEFITS

Plan Description

The City participates in the CalPERS medical program as permitted under the Public Employees' Medical and Hospital and Care Act (PEMHCA). As such, the City is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued. Based on CalPERS' requirements and the terms of the PEMHCA resolutions. GASB 75 requires additional disclosure which management has determined to be immaterial.

NOTE 5: 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

(Continued on the following page)

**CITY OF CORNING, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 5: RISK MANAGEMENT (Continued)

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 2019. 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.

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, 2016, the most recent available:

Assets	\$ <u>46,940,001</u>
Liabilities	<u>36,876,069</u>
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, 2019, 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.

(Continued on the following page)

**CITY OF CORNING, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6: 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.

Pledged Revenue

<u>Revenue</u> <u>Pledged</u>	<u>Borrowing</u> <u>Fund/Entity - Bond/Loan</u>	<u>Use of Funds</u>	Year of Loan or Year Repayments and/or Interest <u>Payments Began</u>	Original Issue/Loan <u>Amount</u>	Payments Amortized <u>Through</u>
Net Revenues	Sewer and Water Utility / Bond	Refunding Original Bonds	2017	\$ 8,620,000	2048

Subsequent Event

Management has evaluated events subsequent to June 30, 2019 through December 18, 2019, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

NOTE 7: 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.

(Continued on the following page)

**CITY OF CORNING, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 8: 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 9: 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, 2019, are outlined below followed by explanations as to the nature and purpose of each reserve:

<u>Reserve</u>	<u>General Fund</u>	<u>Enterprise Funds</u>	<u>Fiduciary Funds</u>
Reserve for Contingencies	\$ 625,000	\$ -	\$ -
Reserve for Scholarships	-	-	263,348
Reserve for Library Systems	-	-	25,324
Reserve for Water funds debt service	-	230,172	-
Reserve for Water funds capital improvement/replacement	-	685,227	-
Reserve for Sewer funds capital improvement/replacement	-	734,647	-

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.

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.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 10: 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 11: 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.

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 accounts payable or intergovernmental payables.
- B The City does not budget for benefit accruals.
- C The City does not budget for transfers from the debt service funds when revenue is in excess of debt service requirements.
- D The City budgets for certain receivables and payables on a cash basis.

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

ADDITIONAL DISCLOSURES
DEBT SERVICE REQUIREMENTS

2017 Refunding Bonds
Installment Payment Schedule for Bonded Debt

<u>Water Refunding</u>		<u>Sewer Refunding</u>	
<u>Principal Amount</u>	<u>Maturity Date (September 1)</u>	<u>Principal Amount</u>	<u>Maturity Date (September 1)</u>
\$ 160,000	2020	\$ 135,000	2020
170,000	2021	140,000	2021
175,000	2022	145,000	2022
180,000	2023	155,000	2023
185,000	2024	160,000	2024
190,000	2025	165,000	2025
200,000	2026	175,000	2026
205,000	2027	180,000	2027
215,000	2028	190,000	2028
85,000	2029	165,000	2029
90,000	2030	170,000	2030
90,000	2031	175,000	2031
95,000	2032	180,000	2032
100,000	2033	185,000	2033
100,000	2034	195,000	2034
105,000	2035	200,000	2035
110,000	2036	205,000	2036
115,000	2037	215,000	2037
120,000	2038	220,000	2038
125,000	2039	230,000	2039
130,000	2040	240,000	2040
155,000	2041	160,000	2041
160,000	2042	165,000	2042
		175,000	2043
		180,000	2044
		185,000	2045
		195,000	2046
\$ <u>3,260,000</u>		\$ <u>4,885,000</u>	

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

ADDITIONAL DISCLOSURES, Continued

DEBT SERVICE REQUIREMENTS, Continued

Pension Obligation Bonds					
General Fund Principal Amount	Water Fund Principal Amount	Sewer Fund Principal Amount	Total Principal Amount	Maturity Date (Quarterly)	
\$ 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	
<u>264,131</u>	<u>18,012</u>	<u>9,857</u>	<u>292,000</u>	2023	
<u>\$ 1,130,833</u>	<u>\$ 77,216</u>	<u>\$ 41,951</u>	<u>\$ 1,250,000</u>		
 Fire Truck Lease					
\$ 56,042	\$ -	\$ -	\$ 56,042	2020	
57,828	-	-	57,828	2021	
59,672	-	-	59,672	2022	
61,573	-	-	61,573	2023	
63,536	-	-	63,536	2024	
<u>38,853</u>	<u>-</u>	<u>-</u>	<u>38,853</u>	2025	
<u>\$ 337,504</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 337,504</u>		
<u>\$ 1,468,337</u>	<u>\$ 77,216</u>	<u>\$ 41,951</u>	<u>\$ 1,587,504</u>		

OTHER DISCLOSURES

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 1.
- B. Summary disclosure of debt service requirements to maturity of all types of outstanding debt. This requirement is met by Note 2.
- C. Summary disclosure of changes in General Fixed Assets by major asset class. This requirement is met by Note 2.
- D. Summary disclosure of changes in General Long-Term Debt. This requirement is met by Note 2.
- E. Excess of expenditures over appropriations in individual funds for the year ended June 30, 2019 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, 2019 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.

REQUIRED SUPPLEMENTARY INFORMATION

Unaudited

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CITY OF CORNING
REQUIRED SUPPLEMENTARY INFORMATION - PENSION AND OPEB
As of June 30, 2019
Last 10 Years*

CalPERS Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios

	<u>Miscellaneous Plan</u>				<u>Safety Plan</u>			
	2015	2016	2017	2019	2015	2016	2017	2019
City's proportion of the net pension liability	<u>0.67300%</u>	<u>0.72900%</u>	<u>0.71170%</u>	<u>0.07068%</u>	<u>0.56370%</u>	<u>0.64300%</u>	<u>0.66500%</u>	<u>0.06101%</u>
City's proportionate share of the net pension liability	<u>\$ 1,664,056</u>	<u>\$ 1,659,380</u>	<u>\$ 2,374,865</u>	<u>\$ 2,785,236</u>	<u>\$ 2,114,718</u>	<u>\$ 2,342,743</u>	<u>\$3,145,751</u>	<u>\$3,645,767</u>
City's covered-employee payroll	<u>\$ 997,095</u>	<u>\$ 1,098,749</u>	<u>\$ 1,065,971</u>	<u>\$ 1,189,563</u>	<u>\$ 1,920,580</u>	<u>\$ 1,859,893</u>	<u>\$1,812,955</u>	<u>\$1,935,497</u>
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	<u>166.89%</u>	<u>151.02%</u>	<u>222.79%</u>	<u>234.14%</u>	<u>110.11%</u>	<u>125.96%</u>	<u>173.52%</u>	<u>188.36%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>83.03%</u>	<u>83.37%</u>	<u>74.45%</u>	<u>74.45%</u>	<u>81.41%</u>	<u>79.81%</u>	<u>72.41%</u>	<u>72.41%</u>

Notes to Schedule:

Change of benefit terms — In 2019, there were no changes to the benefit terms.

Changes in assumptions — In 2019, there were certain changes in assumptions. See Note 3 for current changes.

Schedule of Plan Contributions

	2015	2016	2017	2019	2015	2016	2017	2019
Contractually required contribution (actuarially determined)	\$ 139,815	\$ 157,234	\$ 140,429	\$ 233,661	\$ 451,833	\$ 601,159	\$ 435,601	\$ 273,815
Contributions in relation to the contractually required contributions	<u>(139,815)</u>	<u>(157,234)</u>	<u>(140,429)</u>	<u>(233,661)</u>	<u>(451,833)</u>	<u>(601,159)</u>	<u>(435,601)</u>	<u>(273,815)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	<u>\$ 997,095</u>	<u>\$ 1,098,749</u>	<u>\$ 1,065,971</u>	<u>\$ 1,189,563</u>	<u>\$ 1,920,580</u>	<u>\$ 1,859,893</u>	<u>\$1,812,955</u>	<u>\$1,935,497</u>
Contributions as a percentage of covered-employee payroll	<u>14.02%</u>	<u>14.31%</u>	<u>13.17%</u>	<u>19.64%</u>	<u>23.53%</u>	<u>32.32%</u>	<u>24.03%</u>	<u>14.15%</u>

* - Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The City's management has determined that there is no material on-going obligation for Post-Employment Benefits, therefore no historical or prospective data in accordance with GASB 75 is presented.

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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

COMBINING BALANCE SHEET - SEWER ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS - SEWER ENTERPRISE FUNDS

COMBINED BALANCE SHEET - WATER ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS - WATER ENTERPRISE FUNDS

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SUPPLEMENTARY INFORMATION

CITY OF CORNING
GENERAL FUND
Balance Sheet
June 30, 2019

Exhibit A-1

	<u>General Fund</u>
ASSETS	
Cash and Investments	\$ 3,069,076
Interest Receivable	18,511
Accounts Receivable	-
Receivable from Other Governments	77,251
Other Receivable	10,755
Due From Other Funds	<u>213,877</u>
 Total Assets	 \$ <u><u>3,389,470</u></u>
LIABILITIES	
Accounts Payable	\$ 186,606
Accrued Wages/Payroll Taxes	85,589
Contract Retentions	13,156
Accrued Interest Payable	<u>4,143</u>
Total Liabilities	<u>289,494</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred Revenue - Business Licenses	<u>17,688</u>
Total Deferred Inflows of Resources	<u>17,688</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>307,182</u>
FUND EQUITY	
Reserved for contingencies	
Insurance	625,000
Unassigned	<u>2,457,288</u>
 Total Fund Balances	 <u>3,082,288</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ <u><u>3,389,470</u></u>

**CITY OF CORNING
GENERAL FUND**

Exhibit A-2

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2019**

	General Fund
	<u> </u>
REVENUES:	
Taxes	\$ 6,305,138
Intergovernmental Revenues	256,045
Interest	18,738
Licenses and Permits	36,882
Miscellaneous	330,214
Total Revenues	<u>6,947,017</u>
 EXPENDITURES:	
Current:	
General Government:	
City Council	25,772
City Administration	174,689
City Clerk	18,340
City Treasurer	646
City Finance Department	69,576
General Government	769,060
Total General Government	<u>1,058,083</u>
Public Safety and Judiciary:	
Legal Services	66,336
Police	2,002,589
Police Dispatch	475,397
Animal Control	102,822
Fire	581,358
Total Public Safety and Judiciary	<u>3,228,502</u>
Transportation:	
Airport	
Streets	125,886
Total Transportation	<u>125,886</u>
Cultural, Parks and Recreation	
Library	22,664
Theater	8,360
Parks and Recreation	307,219
Total Cultural, Parks and Recreation	<u>338,243</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, 2019**

**General
Fund**

EXPENDITURES (Continued):

Community/Economic Development:	
Economic Development	31,000
Total Community/Economic Development	<u>31,000</u>
Debt Service:	
Principal	97,443
Interest and Other Charges	202,364
Capital Outlay	<u>517,524</u>
Total Expenditures	<u>5,599,045</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,347,972</u>
OTHER FINANCING SOURCES (USES)	
Transfers In	-
Transfers Out	<u>(500,104)</u>
Total Other Financing Sources and Uses	<u>(500,104)</u>
Net Change in Fund Balances	<u>847,868</u>
Fund Balance-Beginning as previously stated	2,373,527
As previously stated	
Prior period Adjustment	<u>(12,664)</u>
Fund Balance-Beginning	2,360,863
Residual Equity Transfers - In	-
Residual Equity Transfers - Out	<u>126,443</u>
Fund Balance-Ending	<u>\$ 3,082,288</u>

**CITY OF CORNING
GENERAL FUND**

Exhibit A-3

**Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
For the Fiscal Years ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Resources (Inflows):				
Taxes				
Sales and Use Taxes	\$ 3,868,000	3,868,000	\$ 4,320,296	\$ 452,296
Property Taxes	582,100	582,100	607,864	25,764
Franchise Taxes	123,000	123,000	128,947	5,947
Vehicle License Fees	580,000	580,000	629,699	49,699
Transient Occupancy Tax	425,000	425,000	618,181	193,181
Other Taxes	10,000	10,000	151	(9,849)
Total Taxes	5,588,100	5,588,100	6,305,138	717,038
Intergovernmental Revenues	145,200	145,200	256,045	110,845
Interest	1,000	1,000	18,738	17,738
Licenses and Permits	109,200	109,200	36,882	(72,318)
Miscellaneous	372,400	372,400	330,214	(42,186)
Other Financing Sources:				
Operating Transfers In	1,000	1,000	-	(1,000)
Amount Available for Appropriation	6,216,900	6,216,900	6,947,017	730,117
Charges to Appropriations (Outflows):				
City Council				
Personnel Services	19,500	19,500	19,377	123
Material and Supplies	2,500	2,500	1,190	1,310
Other Services and Charges	6,000	6,000	5,205	795
Total City Council	28,000	28,000	25,772	2,228
City Administration				
Personnel Services	143,339	143,339	157,061	(13,722)
Material and Supplies	12,175	12,175	646	11,529
Other Services and Charges	14,450	14,450	16,982	(2,532)
Total City Administration	169,964	169,964	174,689	(4,725)
City Clerk				
Personnel Services	4,550	4,550	4,554	(4)
Material and Supplies	13,600	13,600	1,601	11,999
Other Services and Charges	650	650	12,185	(11,535)
Total City Clerk	18,800	18,800	18,340	460
City Treasurer				
Personnel Services	650	650	646	4
Material and Supplies	-	-	-	-
Other Services and Charges	-	-	-	-
Total City Treasurer	650	650	646	4
City Finance Department				
Personnel Services	28,624	28,624	25,155	3,469
Material and Supplies	2,600	2,600	4,199	(1,599)
Other Services and Charges	36,800	36,800	40,222	(3,422)
Total City Finance Department	68,024	68,024	69,576	(1,552)

(Continued)

See accompanying footnotes to
the basic financial statements.

CITY OF CORNING
and Changes in Fund Balances - Budget and Actual
For the Fiscal Years ended June 30, 2019

Exhibit A-3

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government				
Personnel Services	457,767	457,767	416,143	41,624
Material and Supplies	14,500	14,500	15,137	(637)
Other Services and Charges	353,450	353,450	337,780	15,670
Total General Government	825,717	825,717	769,060	56,657
Legal Services				
Other Services and Charges	78,900	78,900	66,336	12,564
Total Legal Services	78,900	78,900	66,336	12,564
Police				
Personnel Services	1,902,574	1,902,574	1,909,129	(6,555)
Material and Supplies	5,000	5,000	9,132	(4,132)
Other Services and Charges	85,320	85,320	84,328	992
Total Police	1,992,894	1,992,894	2,002,589	(9,695)
Police Dispatch				
Personnel Services	427,386	427,386	385,889	41,497
Material and Supplies	6,000	6,000	6,333	(333)
Other Services and Charges	53,600	53,600	83,175	(29,575)
Total Police Dispatch	486,986	486,986	475,397	11,589
Animal Control				
Personnel Services	84,844	84,844	73,776	11,068
Material and Supplies	5,000	5,000	2,817	2,183
Other Services and Charges	35,500	35,500	26,229	9,271
Total Animal Control	125,344	125,344	102,822	22,522
Fire				
Personnel Services	501,561	501,561	507,847	(6,286)
Material and Supplies	4,000	4,000	4,237	(237)
Other Services and Charges	82,950	82,950	69,274	13,676
Total Fire	588,511	588,511	581,358	7,153
Streets				
Personnel Services	21,176	21,176	28,558	(7,382)
Material and Supplies	12,000	12,000	6,569	5,431
Other Services and Charges	76,000	76,000	90,759	(14,759)
Total Streets	109,176	109,176	125,886	(16,710)
Library				
Personnel Services	-	-	1,796	(1,796)
Material and Supplies	250	250	49	201
Other Services and Charges	26,950	26,950	20,819	6,131
Total Library	27,200	27,200	22,664	4,536
Theater				
Personnel Services	-	-	-	-
Material and Supplies	-	-	-	-
Other Services and Charges	12,200	12,200	8,360	3,840
Total Theater	12,200	12,200	8,360	3,840

(Continued)

See accompanying footnotes to
the basic financial statements.

**CITY OF CORNING
GENERAL FUND**

**Exhibit A-3
(Continued)**

**Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
For the Fiscal Years ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Parks and Recreation				
Personnel Services	210,427	210,427	204,935	5,492
Material and Supplies	54,000	54,000	40,422	13,578
Other Services and Charges	86,154	86,154	61,862	24,292
Total Parks and recreation	<u>350,581</u>	<u>350,581</u>	<u>307,219</u>	<u>43,362</u>
Economic Development				
Personnel Services	-	-	-	-
Material and Supplies	-	-	-	-
Other Services and Charges	23,500	23,500	31,000	(7,500)
Total Economic Development	<u>23,500</u>	<u>23,500</u>	<u>31,000</u>	<u>(7,500)</u>
Debt Service	286,200	286,200	299,807	(13,607)
Capital Outlay	726,875	726,875	517,524	209,351
Operating Transfer Out	500,104	500,104	500,104	-
Total Charges to Appropriations	<u>6,419,626</u>	<u>6,419,626</u>	<u>6,099,149</u>	<u>320,477</u>
Excess (Deficiency) of Resources Over Appropriations	\$ <u>(202,726)</u>	\$ <u>(202,726)</u>	\$ <u>847,868</u>	\$ <u>1,050,594</u>

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2019

	Animal Control Officer Replacement Fund (Fund 072)	Business License ADA (Fund 080)	Rural Planning Fund (Fund 105)
ASSETS			
Cash and Cash Equivalents	\$ 812	\$ 5,843	\$ -
Intergovernmental Receivable	-	-	-
Due from other funds	-	-	-
Loans Receivable (CDBG)	-	-	-
Total Assets	\$ <u>812</u>	\$ <u>5,843</u>	\$ <u>-</u>
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 302
Contract Retentions	-	-	-
Due to Other Funds	-	-	9,970
Total Liabilities	<u>-</u>	<u>-</u>	<u>10,272</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Loans Receivable	-	-	-
Total Liabilities and Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>10,272</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	812	5,843	(10,272)
Total Fund Balance (Deficit)	<u>812</u>	<u>5,843</u>	<u>(10,272)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>812</u>	\$ <u>5,843</u>	\$ <u>-</u>

(Continued)

Exhibit B-1

SB-1 Road Fund (Fund 106)	RSTP Streets Fund (Fund 108)	Special Gas Tax Improvement #2105 Fund (Fund 109)	Special Gas Tax Improvement #2106 Fund (Fund 110)	Subtotal (Carried forward to next page)
\$ 109,903	\$ 359,197	\$ 92,909	\$ 62,407	\$ 631,071
25,080	-	3,934	2,968	31,982
-	-	-	-	-
-	-	-	-	-
<u>134,983</u>	<u>359,197</u>	<u>96,843</u>	<u>65,375</u>	<u>663,053</u>
\$ 83,277	\$ 20,317	\$ 17,303	\$ 38	\$ 121,237
6,545	1,580	1,354	-	9,479
-	-	-	-	9,970
<u>89,822</u>	<u>21,897</u>	<u>18,657</u>	<u>38</u>	<u>140,686</u>
-	-	-	-	-
<u>89,822</u>	<u>21,897</u>	<u>18,657</u>	<u>38</u>	<u>140,686</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>45,161</u>	<u>337,300</u>	<u>78,186</u>	<u>65,337</u>	<u>522,367</u>
<u>45,161</u>	<u>337,300</u>	<u>78,186</u>	<u>65,337</u>	<u>522,367</u>
\$ <u>134,983</u>	\$ <u>359,197</u>	\$ <u>96,843</u>	\$ <u>65,375</u>	\$ <u>663,053</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2019

	<u>Subtotal (Brought forward)</u>	<u>Special Gas Tax Improvement #2107 Fund (Fund 111)</u>	<u>Special Gas Tax Improvement #2107.5 Fund (Fund 112)</u>
ASSETS			
Cash and Cash Equivalents	\$ 631,071	\$ 63,208	\$ 6,075
Intergovernmental Receivable	31,982	5,293	-
Due from other funds	-	-	-
Loans Receivable (CDBG)	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	\$ <u>663,053</u>	\$ <u>68,501</u>	\$ <u>6,075</u>
LIABILITIES			
Accounts Payable	\$ 121,237	\$ -	\$ -
Contract Retentions	9,479	-	-
Due to Other Funds	9,970	-	-
Total Liabilities	<u>140,686</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Loans Receivable	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>140,686</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	<u>522,367</u>	<u>68,501</u>	<u>6,075</u>
Total Fund Balance (Deficit)	<u>522,367</u>	<u>68,501</u>	<u>6,075</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>663,053</u>	\$ <u>68,501</u>	\$ <u>6,075</u>

(Continued)

Exhibit B-1
(Continued)

<u>Local Transportation Fund (Fund 114)</u>	<u>Special Gas Tax Improvement # 2103 Fund (Fund 115)</u>	<u>Traffic Mitigation Fund (Fund 116)</u>	<u>Special Gas Traffic Construction (Fund 121)</u>	<u>Subtotal (Carried forward to next page)</u>
\$ 329,352	\$ 130,335	\$ 296,024	\$ 17,353	\$ 1,473,418
-	2,310	-	-	39,585
-	-	-	-	-
-	-	-	-	-
<u>\$ 329,352</u>	<u>\$ 132,645</u>	<u>\$ 296,024</u>	<u>\$ 17,353</u>	<u>\$ 1,513,003</u>
\$ 18,126	\$ 5,961	\$ -	\$ -	\$ 145,324
1,354	451	-	-	11,284
-	-	-	-	9,970
<u>19,480</u>	<u>6,412</u>	<u>-</u>	<u>-</u>	<u>166,578</u>
-	-	-	-	-
<u>19,480</u>	<u>6,412</u>	<u>-</u>	<u>-</u>	<u>166,578</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>309,872</u>	<u>126,233</u>	<u>296,024</u>	<u>17,353</u>	<u>1,346,425</u>
<u>309,872</u>	<u>126,233</u>	<u>296,024</u>	<u>17,353</u>	<u>1,346,425</u>
<u>\$ 329,352</u>	<u>\$ 132,645</u>	<u>\$ 296,024</u>	<u>\$ 17,353</u>	<u>\$ 1,513,003</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2019

	<u>Subtotal (Brought forward)</u>	<u>2019 CHIP Maintenance Fund (Fund 125)</u>	<u>DWR SGMA Grant (Fund 153)</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,473,418	\$ 54,588	\$ -
Intergovernmental Receivable	39,585	-	-
Due from other funds	-	-	-
Loans Receivable (CDBG)	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	\$ <u>1,513,003</u>	\$ <u>54,588</u>	\$ <u>-</u>
LIABILITIES			
Accounts Payable	\$ 145,324	\$ -	\$ -
Contract Retentions	11,284	-	-
Due to Other Funds	<u>9,970</u>	<u>-</u>	<u>163</u>
Total Liabilities	<u>166,578</u>	<u>-</u>	<u>163</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Loans Receivable	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>166,578</u>	<u>-</u>	<u>163</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	<u>1,346,425</u>	<u>54,588</u>	<u>(163)</u>
Total Fund Balance (Deficit)	<u>1,346,425</u>	<u>54,588</u>	<u>(163)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>1,513,003</u>	\$ <u>54,588</u>	\$ <u>-</u>

(Continued)

Exhibit B-1
(Continued)

<u>Promise Grant (Fund 160)</u>	<u>Abandoned Vehicle Grant (Fund 170)</u>	<u>BCJI Program (Fund 166)</u>	<u>Homeland Security (Fund 189)</u>	<u>Subtotal (Carried forward to next page)</u>
\$ 29,503	\$ 27,441	\$ -	\$ 14,733	\$ 1,599,683
20,333	-	-	-	59,918
-	-	-	-	-
-	-	-	-	-
<u>49,836</u>	<u>27,441</u>	<u>-</u>	<u>14,733</u>	<u>1,659,601</u>
\$ 5,688	\$ -	\$ -	\$ -	\$ 151,012
-	-	-	-	11,284
-	-	-	-	10,133
<u>5,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,429</u>
-	-	-	-	-
<u>5,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,429</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>44,148</u>	<u>27,441</u>	<u>-</u>	<u>14,733</u>	<u>1,487,172</u>
<u>44,148</u>	<u>27,441</u>	<u>-</u>	<u>14,733</u>	<u>1,487,172</u>
<u>49,836</u>	<u>27,441</u>	<u>-</u>	<u>14,733</u>	<u>1,659,601</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2019

	<u>Subtotal (Brought forward)</u>	<u>BSCC Grant (Fund 190,191)</u>	<u>Prop 47 Grant (Fund 192)</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,599,683	\$ -	\$ -
Intergovernmental Receivable	59,918	-	85,028
Due from other funds	-	-	-
Loans Receivable (CDBG)	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	\$ <u>1,659,601</u>	\$ <u>-</u>	\$ <u>85,028</u>
LIABILITIES			
Accounts Payable	\$ 151,012	\$ -	\$ 19,771
Contract Retentions	11,284	-	-
Due to Other Funds	<u>10,133</u>	<u>-</u>	<u>107,416</u>
Total Liabilities	<u>172,429</u>	<u>-</u>	<u>127,187</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Loans Receivable	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>172,429</u>	<u>-</u>	<u>127,187</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	<u>1,487,172</u>	<u>-</u>	<u>(42,159)</u>
Total Fund Balance (Deficit)	<u>1,487,172</u>	<u>-</u>	<u>(42,159)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>1,659,601</u>	\$ <u>-</u>	\$ <u>85,028</u>

(Continued)

Exhibit B-1
(Continued)

<u>Promotion Neighborhood Grant (Fund 193)</u>	<u>2013 Home Loan Fund (Fund 320, 828)</u>	<u>SALDO Home Loan Fund (Fund 321, 825)</u>	<u>CDBG Program Inc. Unrestricted (Fund 323, 820)</u>	<u>Subtotal (Carried forward to next page)</u>
\$ -	\$ -	\$ -	\$ 55,722	\$ 1,655,405
12,637	-	-	-	157,583
-	-	-	-	-
<u>-</u>	<u>110,612</u>	<u>3,900,000</u>	<u>37,402</u>	<u>4,048,014</u>
<u>\$ 12,637</u>	<u>\$ 110,612</u>	<u>\$ 3,900,000</u>	<u>\$ 93,124</u>	<u>\$ 5,861,002</u>
\$ 12,000	\$ -	\$ -	\$ -	\$ 182,783
-	-	-	-	11,284
23,248	-	-	-	140,797
<u>35,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,864</u>
<u>-</u>	<u>110,612</u>	<u>3,900,000</u>	<u>37,402</u>	<u>4,048,014</u>
<u>35,248</u>	<u>110,612</u>	<u>3,900,000</u>	<u>37,402</u>	<u>4,382,878</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(22,611)</u>	<u>-</u>	<u>-</u>	<u>55,722</u>	<u>1,478,124</u>
<u>(22,611)</u>	<u>-</u>	<u>-</u>	<u>55,722</u>	<u>1,478,124</u>
<u>\$ 12,637</u>	<u>\$ 110,612</u>	<u>\$ 3,900,000</u>	<u>\$ 93,124</u>	<u>\$ 5,861,002</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2019

	<u>Subtotal (Brought forward)</u>	<u>CDBG Economic Reuse (Fund 325,826)</u>	<u>CDBG Housing Reuse (Fund 326, 821, 822, 824)</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,655,405	\$ 5,979	\$ 44,610
Intergovernmental Receivable	157,583	-	-
Due from other funds	-	-	-
Loans Receivable (CDBG)	<u>4,048,014</u>	<u>41,055</u>	<u>67,322</u>
 Total Assets	 <u>\$ 5,861,002</u>	 <u>\$ 47,034</u>	 <u>\$ 111,932</u>
LIABILITIES			
Accounts Payable	\$ 182,783	\$ -	\$ -
Contract Retentions	11,284	-	-
Due to Other Funds	<u>140,797</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>334,864</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Loans Receivable	<u>4,048,014</u>	<u>41,055</u>	<u>67,322</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,382,878</u>	<u>41,055</u>	<u>67,322</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	<u>1,478,124</u>	<u>5,979</u>	<u>44,610</u>
 Total Fund Balance (Deficit)	 <u>1,478,124</u>	 <u>5,979</u>	 <u>44,610</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 5,861,002</u>	 <u>\$ 47,034</u>	 <u>\$ 111,932</u>

(Continued)

Exhibit B-1
(Continued)

<u>Housing Rehabilitation RLF Fund (Fund 328)</u>	<u>SALADO Wall Fund (Fund 344)</u>	<u>Drainage Fund (Fund 345)</u>	<u>Parks/Rec Revolving Fund (Fund 352)</u>	<u>Subtotal (Carried forward to next page)</u>
\$ -	\$ 94,164	\$ 127,599	\$ -	\$ 1,927,757
-	-	-	-	157,583
-	-	-	-	-
-	-	-	-	4,156,391
<u>\$ -</u>	<u>\$ 94,164</u>	<u>\$ 127,599</u>	<u>\$ -</u>	<u>\$ 6,241,731</u>
\$ -	\$ -	\$ -	\$ -	\$ 182,783
-	-	-	-	11,284
-	-	-	-	140,797
-	-	-	-	334,864
-	-	-	-	4,156,391
-	-	-	-	-
-	-	-	-	4,491,255
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	94,164	127,599	-	1,750,476
-	94,164	127,599	-	1,750,476
<u>\$ -</u>	<u>\$ 94,164</u>	<u>\$ 127,599</u>	<u>\$ -</u>	<u>\$ 6,241,731</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2019

	Subtotal (Brought forward)	Park Recycling Grant Fund (Fund 353)	Trail Development Fund (Fund 356)
ASSETS			
Cash and Cash Equivalents	\$ 1,927,757	\$ 20,264	\$ 5,995
Intergovernmental Receivable	157,583	-	-
Due from other funds	-	-	-
Loans Receivable (CDBG)	<u>4,156,391</u>	<u>-</u>	<u>-</u>
 Total Assets	 <u>\$ 6,241,731</u>	 <u>\$ 20,264</u>	 <u>\$ 5,995</u>
LIABILITIES			
Accounts Payable	\$ 182,783	\$ -	\$ -
Contract Retentions	11,284	-	-
Due to Other Funds	<u>140,797</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>334,864</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Loans Receivable	<u>4,156,391</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>4,491,255</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	<u>1,750,476</u>	<u>20,264</u>	<u>5,995</u>
 Total Fund Balance (Deficit)	 <u>1,750,476</u>	 <u>20,264</u>	 <u>5,995</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 6,241,731</u>	 <u>\$ 20,264</u>	 <u>\$ 5,995</u>

Exhibit B-1
(Continued)

Wayfinding Maintenance Fund (Fund 370)	Lighting & Landscape Fund (Fund 701)	Lighting & Landscape Fund (Fund 702)	Lighting & Landscape Fund (Fund 703)	Lighting & Landscape Fund (Fund 704)	Total
\$ 1,231	\$ -	\$ 19,296	\$ 31,575	\$ 182	\$ 2,006,300
-	-	-	-	-	157,583
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,156,391</u>
<u>\$ 1,231</u>	<u>\$ -</u>	<u>\$ 19,296</u>	<u>\$ 31,575</u>	<u>\$ 182</u>	<u>\$ 6,320,274</u>
\$ -	\$ 40	\$ -	\$ -	\$ 112	\$ 182,935
-	-	-	-	-	11,284
-	224	-	-	-	141,021
<u>-</u>	<u>264</u>	<u>-</u>	<u>-</u>	<u>112</u>	<u>335,240</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,156,391</u>
<u>-</u>	<u>264</u>	<u>-</u>	<u>-</u>	<u>112</u>	<u>4,491,631</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,231</u>	<u>(264)</u>	<u>19,296</u>	<u>31,575</u>	<u>70</u>	<u>1,828,643</u>
<u>1,231</u>	<u>(264)</u>	<u>19,296</u>	<u>31,575</u>	<u>70</u>	<u>1,828,643</u>
<u>\$ 1,231</u>	<u>\$ -</u>	<u>\$ 19,296</u>	<u>\$ 31,575</u>	<u>\$ 182</u>	<u>\$ 6,320,274</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, 2019

	Animal Control Officer Replacement Fund (Fund 072)	Business License ADA (Fund 080)	Rural Planning Fund (Fund 105)
REVENUES:			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Interest	10	40	-
Other Revenues	<u>275</u>	<u>2,612</u>	<u>-</u>
Total revenues	<u>285</u>	<u>2,652</u>	<u>-</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	<u>770</u>	<u>246</u>	<u>7,578</u>
Total General Government	<u>770</u>	<u>246</u>	<u>7,578</u>
Public Safety and Judiciary:			
Police	<u>-</u>	<u>-</u>	<u>-</u>
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:			
Streets	<u>-</u>	<u>-</u>	<u>-</u>
Total Transportation	<u>-</u>	<u>-</u>	<u>-</u>
Cultural, Parks and Recreation			
Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>
Total Cultural, Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>
Community/Economic Development:			
Economic Development	<u>-</u>	<u>-</u>	<u>-</u>
Total Community/Economic Development	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>770</u>	<u>246</u>	<u>7,578</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(485)</u>	<u>2,406</u>	<u>(7,578)</u>
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(485)	2,406	(7,578)
Fund Balances-Beginning of Year - As Previously Stated	1,297	3,437	(2,694)
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances-Beginning of Year - As Restated	<u>1,297</u>	<u>3,437</u>	<u>(2,694)</u>
Residual Equity Transfers In / Out	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances-Ending of Year	\$ <u>812</u>	\$ <u>5,843</u>	\$ <u>(10,272)</u>

(Continued)

Exhibit B-2

SB-1 Road Fund (Fund 106)	RSTP Streets Fund (Fund 108)	Special Gas Tax Improvement #2105 Fund (Fund 109)	Special Gas Tax Improvement #2106 Fund (Fund 110)	Subtotal (Carried forward to next page)
\$ 140,526	\$ 183,059	\$ 42,044	\$ 31,294	\$ 396,923
541	2,087	832	589	4,099
-	-	-	-	2,887
<u>141,067</u>	<u>185,146</u>	<u>42,876</u>	<u>31,883</u>	<u>403,909</u>
-	-	-	-	8,594
-	-	-	-	8,594
-	-	-	-	-
-	-	-	-	-
<u>119,787</u>	<u>10,728</u>	<u>31,234</u>	<u>30,795</u>	<u>192,544</u>
<u>119,787</u>	<u>10,728</u>	<u>31,234</u>	<u>30,795</u>	<u>192,544</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	32,109	24,784	-	56,893
<u>119,787</u>	<u>42,837</u>	<u>56,018</u>	<u>30,795</u>	<u>258,031</u>
<u>21,280</u>	<u>142,309</u>	<u>(13,142)</u>	<u>1,088</u>	<u>145,878</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
21,280	142,309	(13,142)	1,088	145,878
7,640	194,991	91,328	64,249	360,248
<u>16,241</u>	-	-	-	<u>16,241</u>
<u>23,881</u>	<u>194,991</u>	<u>91,328</u>	<u>64,249</u>	<u>376,489</u>
-	-	-	-	-
\$ <u>45,161</u>	\$ <u>337,300</u>	\$ <u>78,186</u>	\$ <u>65,337</u>	\$ <u>522,367</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, 2019

	<u>Subtotal (Brought forward)</u>	<u>Special Gas Tax Improvement #2106 Fund (Fund 111)</u>	<u>Special Gas Tax Improvement #2107.5 Fund (Fund 112)</u>
REVENUES:			
Intergovernmental Revenues	\$ 396,923	\$ 52,875	\$ 2,000
Interest	4,099	592	56
Other Revenues	2,887	-	-
Total revenues	<u>403,909</u>	<u>53,467</u>	<u>2,056</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	8,594	-	-
Total General Government	<u>8,594</u>	<u>-</u>	<u>-</u>
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:			
Streets	192,544	68,908	1,667
Total Transportation	<u>192,544</u>	<u>68,908</u>	<u>1,667</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>56,893</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>258,031</u>	<u>68,908</u>	<u>1,667</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>145,878</u>	<u>(15,441)</u>	<u>389</u>
Transfers In			
Transfers In	-	-	-
Transfers Out			
Transfers Out	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	145,878	(15,441)	389
Fund Balances-Beginning of Year	360,248	83,942	5,686
Prior Period Adjustment	16,241	-	-
Fund Balances-Beginning of Year	<u>376,489</u>	<u>83,942</u>	<u>5,686</u>
Residual Equity Transfers In / Out	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances-Ending of Year	<u>\$ 522,367</u>	<u>\$ 68,501</u>	<u>\$ 6,075</u>

(Continued)

Exhibit B-2
(Continued)

Local Transportation Fund (Fund 114)	Special Gas Tax Improvement # 2103 Fund (Fund 115)	Traffic Mitigation Fund (Fund 116)	Special Gas Traffic Construction (Fund 121)	Subtotal (Carried forward to next page)
\$ 67,024	\$ 25,600	\$ 70,134	\$ 8,642	\$ 623,198
2,636	1,395	2,670	-	11,448
-	-	-	-	2,887
<u>69,660</u>	<u>26,995</u>	<u>72,804</u>	<u>8,642</u>	<u>637,533</u>
22,655	28,905	-	-	60,154
<u>22,655</u>	<u>28,905</u>	-	-	<u>60,154</u>
-	-	-	-	-
-	-	-	-	-
-	5,524	25	-	268,668
-	<u>5,524</u>	<u>25</u>	-	<u>268,668</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
33,151	11,912	-	-	101,956
<u>55,806</u>	<u>46,341</u>	<u>25</u>	-	<u>430,778</u>
13,854	(19,346)	72,779	8,642	206,755
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
13,854	(19,346)	72,779	8,642	206,755
296,018	154,290	223,245	-	1,123,429
-	-	-	-	16,241
<u>296,018</u>	<u>154,290</u>	<u>223,245</u>	-	<u>1,139,670</u>
-	(8,711)	-	8,711	-
\$ <u>309,872</u>	\$ <u>126,233</u>	\$ <u>296,024</u>	\$ <u>17,353</u>	\$ <u>1,346,425</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, 2019

	Subtotal (Brought forward)	2019 CHIP Maintenance Fund (Fund 125)	DWR SGMA Grant (Fund 153)
REVENUES:			
Intergovernmental Revenues	\$ 623,198	\$ 54,462	\$ -
Interest	11,448	126	-
Other Revenues	2,887	-	-
Total revenues	<u>637,533</u>	<u>54,588</u>	<u>-</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	60,154	-	-
Total General Government	<u>60,154</u>	<u>-</u>	<u>-</u>
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:			
Streets	268,668	-	-
Total Transportation	<u>268,668</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	101,956	-	-
Total Expenditures	<u>430,778</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>206,755</u>	<u>54,588</u>	<u>-</u>
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	206,755	54,588	-
Fund Balances-Beginning of Year	1,123,429	-	(163)
Prior Period Adjustment	16,241	-	-
Fund Balances-Beginning of Year	<u>1,139,670</u>	<u>-</u>	<u>(163)</u>
Residual Equity Transfers In / Out	-	-	-
Fund Balances-Ending of Year	\$ <u>1,346,425</u>	\$ <u>54,588</u>	\$ <u>(163)</u>

(Continued)

Exhibit B-2
(Continued)

Promise Grant (Fund 160)	BCJI Program (Fund 166)	Abandoned Vehicle Grant (Fund 170)	Homeland Security (Fund 189)	Subtotal (Carried forward to next page)
\$ 150,081	\$ -	\$ -	\$ 14,500	\$ 842,241
189	-	199	103	12,065
<u>11,927</u>	<u>-</u>	<u>14,887</u>	<u>-</u>	<u>29,701</u>
<u>162,197</u>	<u>-</u>	<u>15,086</u>	<u>14,603</u>	<u>884,007</u>
<u>25,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,711</u>
<u>25,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,711</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>14,500</u>	<u>14,500</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>14,500</u>	<u>14,500</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>268,668</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>268,668</u>
<u>64,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,321</u>
<u>64,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,321</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>25,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,576</u>
<u>115,498</u>	<u>-</u>	<u>-</u>	<u>14,500</u>	<u>560,776</u>
<u>46,699</u>	<u>-</u>	<u>15,086</u>	<u>103</u>	<u>323,231</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>46,699</u>	<u>-</u>	<u>15,086</u>	<u>103</u>	<u>323,231</u>
<u>(2,551)</u>	<u>(153,937)</u>	<u>12,355</u>	<u>14,630</u>	<u>993,763</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,241</u>
<u>(2,551)</u>	<u>(153,937)</u>	<u>12,355</u>	<u>14,630</u>	<u>1,010,004</u>
<u>-</u>	<u>153,937</u>	<u>-</u>	<u>-</u>	<u>153,937</u>
\$ <u>44,148</u>	\$ <u>-</u>	\$ <u>27,441</u>	\$ <u>14,733</u>	\$ <u>1,487,172</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, 2019

	Subtotal (Brought forward)	BSCC Grant (Fund 190,191)	Prop 47 Grant (Fund 192)
REVENUES:			
Intergovernmental Revenues	\$ 842,241	\$ -	\$ 303,825
Interest	12,065	-	-
Other Revenues	29,701	-	-
Total revenues	<u>884,007</u>	<u>-</u>	<u>303,825</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	85,711	-	287,102
Total General Government	<u>85,711</u>	<u>-</u>	<u>287,102</u>
Public Safety and Judiciary:			
Police	14,500	-	-
Total Public Safety and Judiciary	<u>14,500</u>	<u>-</u>	<u>-</u>
Transportation:			
Streets	268,668	-	-
Total Transportation	<u>268,668</u>	<u>-</u>	<u>-</u>
Cultural, Parks and Recreation			
Parks and Recreation	64,321	-	-
Total Cultural, Parks and Recreation	<u>64,321</u>	<u>-</u>	<u>-</u>
Community/Economic Development:			
Economic Development	-	-	-
Total Community/Economic Development	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay	127,576	-	-
Total Expenditures	<u>560,776</u>	<u>-</u>	<u>287,102</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>323,231</u>	<u>-</u>	<u>16,723</u>
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	323,231	-	16,723
Fund Balances-Beginning of Year	993,763	32,452	(58,882)
Prior Period Adjustment	16,241	-	-
Fund Balances-Beginning of Year	<u>1,010,004</u>	<u>32,452</u>	<u>(58,882)</u>
Residual Equity Transfers In / Out	153,937	(32,452)	-
Fund Balances-Ending of Year	<u>\$ 1,487,172</u>	<u>\$ -</u>	<u>\$ (42,159)</u>

(Continued)

Exhibit B-2
(Continued)

Promotion Neighborhood Grant (Fund 193)	2013 Home Loan Fund (Fund 320,828)	CDBG Program Inc. Unrestricted (Fund 323, 820)	CDBG Economic Reuse (Fund 325, 826)	Subtotal (Carried forward to next page)
\$ 129,868	\$ -	\$ -	\$ -	\$ 1,275,934
-	-	355	82	12,502
-	-	14,710	100	44,511
<u>129,868</u>	<u>-</u>	<u>15,065</u>	<u>182</u>	<u>1,332,947</u>
<u>163,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>536,490</u>
<u>163,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>536,490</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,500</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,500</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>268,668</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>268,668</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,321</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,321</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,110</u>	<u>4,110</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,110</u>	<u>4,110</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,576</u>
<u>163,677</u>	<u>-</u>	<u>-</u>	<u>4,110</u>	<u>1,015,665</u>
<u>(33,809)</u>	<u>-</u>	<u>15,065</u>	<u>(3,928)</u>	<u>317,282</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(33,809)</u>	<u>-</u>	<u>15,065</u>	<u>(3,928)</u>	<u>317,282</u>
<u>11,198</u>	<u>-</u>	<u>42,477</u>	<u>9,907</u>	<u>1,030,915</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,241</u>
<u>11,198</u>	<u>-</u>	<u>42,477</u>	<u>9,907</u>	<u>1,047,156</u>
<u>-</u>	<u>-</u>	<u>(1,820)</u>	<u>-</u>	<u>119,665</u>
\$ <u>(22,611)</u>	\$ <u>-</u>	\$ <u>55,722</u>	\$ <u>5,979</u>	\$ <u>1,484,103</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, 2019

	Subtotal (Brought forward)	CDBG Housing Reuse (Fund 326, 821, 822, 824)	Housing Rehabilitation RLF Fund (Fund 328)
REVENUES:			
Intergovernmental Revenues	\$ 1,275,934	\$ -	\$ -
Interest	12,502	410	-
Other Revenues	44,511	-	-
Total revenues	<u>1,332,947</u>	<u>410</u>	<u>-</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	536,490	-	-
Total General Government	<u>536,490</u>	<u>-</u>	<u>-</u>
Public Safety and Judiciary:			
Police	14,500	-	-
Total Public Safety and Judiciary	<u>14,500</u>	<u>-</u>	<u>-</u>
Transportation:			
Streets	268,668	-	-
Total Transportation	<u>268,668</u>	<u>-</u>	<u>-</u>
Cultural, Parks and Recreation			
Parks and Recreation	64,321	-	-
Total Cultural, Parks and Recreation	<u>64,321</u>	<u>-</u>	<u>-</u>
Community/Economic Development:			
Economic Development	4,110	-	-
Total Community/Economic Development	<u>4,110</u>	<u>-</u>	<u>-</u>
Capital Outlay			
Total Expenditures	<u>1,015,665</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>317,282</u>	<u>410</u>	<u>-</u>
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	317,282	410	-
Fund Balances-Beginning of Year	1,030,915	44,200	(1,820)
Prior Period Adjustment	16,241	-	-
Fund Balances-Beginning of Year	<u>1,047,156</u>	<u>44,200</u>	<u>(1,820)</u>
Residual Equity Transfers In / Out	<u>119,665</u>	<u>-</u>	<u>1,820</u>
Fund Balances-Ending of Year	\$ <u>1,484,103</u>	\$ <u>44,610</u>	\$ <u>-</u>

(Continued)

Exhibit B-2
(Continued)

SALADO Wall Fund (Fund 344)	Drainage Fund (Fund 345)	Parks/Rec Revolving Fund (Fund 352)	Park Recycling Grant Fund (Fund 353)	Subtotal (Carried forward to next page)
\$ -	\$ 15,938	\$ -	\$ 10,000	\$ 1,301,872
865	1,162	180	152	15,271
-	-	-	-	44,511
<u>865</u>	<u>17,100</u>	<u>180</u>	<u>10,152</u>	<u>1,361,654</u>
-	-	-	-	536,490
-	-	-	-	536,490
-	-	-	-	14,500
-	-	-	-	14,500
-	-	-	-	268,668
-	-	-	-	268,668
-	-	2,391	-	66,712
-	-	2,391	-	66,712
-	-	-	-	4,110
-	-	-	-	4,110
-	-	-	-	127,576
-	-	2,391	-	1,018,056
<u>865</u>	<u>17,100</u>	<u>(2,211)</u>	<u>10,152</u>	<u>343,598</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
865	17,100	(2,211)	10,152	343,598
93,299	110,499	(2,747)	10,112	1,284,458
-	-	-	-	16,241
<u>93,299</u>	<u>110,499</u>	<u>(2,747)</u>	<u>10,112</u>	<u>1,300,699</u>
-	-	4,958	-	126,443
\$ <u>94,164</u>	\$ <u>127,599</u>	\$ <u>-</u>	\$ <u>20,264</u>	\$ <u>1,770,740</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, 2019

	<u>Subtotal (Brought forward)</u>	<u>Trail Development Fund (Fund 356)</u>	<u>Wayfinding Maintenance Fund (Fund 370)</u>
REVENUES:			
Intergovernmental Revenues	\$ 1,301,872	\$ -	\$ -
Interest	15,271	55	11
Other Revenues	44,511	-	-
Total revenues	<u>1,361,654</u>	<u>55</u>	<u>11</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	536,490	-	-
Total General Government	<u>536,490</u>	<u>-</u>	<u>-</u>
Public Safety and Judiciary:			
Police	14,500	-	-
Total Public Safety and Judiciary	<u>14,500</u>	<u>-</u>	<u>-</u>
Transportation:			
Streets	268,668	-	-
Total Transportation	<u>268,668</u>	<u>-</u>	<u>-</u>
Cultural, Parks and Recreation			
Parks and Recreation	66,712	-	-
Total Cultural, Parks and Recreation	<u>66,712</u>	<u>-</u>	<u>-</u>
Community/Economic Development:			
Economic Development	4,110	-	-
Total Community/Economic Development	<u>4,110</u>	<u>-</u>	<u>-</u>
Capital Outlay			
Total Expenditures	<u>1,018,056</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>343,598</u>	<u>55</u>	<u>11</u>
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	343,598	55	11
Fund Balances-Beginning of Year	1,284,458	5,940	1,220
Prior Period Adjustment	16,241	-	-
Fund Balances-Beginning of Year	<u>1,300,699</u>	<u>5,940</u>	<u>1,220</u>
Residual Equity Transfers In / Out	<u>126,443</u>	<u>-</u>	<u>-</u>
Fund Balances-Ending of Year	<u>\$ 1,770,740</u>	<u>\$ 5,995</u>	<u>\$ 1,231</u>

(Continued)

Lighting & Landscape Fund (Fund 701)	Lighting & Landscape Fund (Fund 702)	Lighting & Landscape Fund (Fund 703)	Lighting & Landscape Fund (Fund 704)	Totals
\$ -	\$ -	\$ -	\$ -	\$ 1,301,872
-	139	275	-	15,751
<u>883</u>	<u>7,280</u>	<u>4,263</u>	<u>4,773</u>	<u>61,710</u>
<u>883</u>	<u>7,419</u>	<u>4,538</u>	<u>4,773</u>	<u>1,379,333</u>
-	-	-	220	536,710
-	-	-	220	536,710
-	-	-	-	14,500
-	-	-	-	14,500
<u>1,139</u>	<u>1,120</u>	<u>2,551</u>	<u>6,703</u>	<u>280,181</u>
<u>1,139</u>	<u>1,120</u>	<u>2,551</u>	<u>6,703</u>	<u>280,181</u>
-	-	-	-	66,712
-	-	-	-	66,712
-	-	-	-	4,110
-	-	-	-	4,110
-	-	-	-	127,576
<u>1,139</u>	<u>1,120</u>	<u>2,551</u>	<u>6,923</u>	<u>1,029,789</u>
<u>(256)</u>	<u>6,299</u>	<u>1,987</u>	<u>(2,150)</u>	<u>349,544</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(256)</u>	<u>6,299</u>	<u>1,987</u>	<u>(2,150)</u>	<u>349,544</u>
<u>(8)</u>	<u>12,997</u>	<u>29,588</u>	<u>2,220</u>	<u>1,336,415</u>
-	-	-	-	16,241
<u>(8)</u>	<u>12,997</u>	<u>29,588</u>	<u>2,220</u>	<u>1,352,656</u>
-	-	-	-	126,443
\$ <u>(264)</u>	\$ <u>19,296</u>	\$ <u>31,575</u>	\$ <u>70</u>	\$ <u>1,828,643</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 (Deficit) - Budget And Actual
Year Ended June 30, 2019**

ACO Replacement Fund (Fund 72)		
Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:		
Intergovernmental Revenues	\$ -	\$ -
Interest	-	10
Other Revenues	3,000	275
Total revenues	3,000	285
EXPENDITURES:		
Current:		
General Government:		
General Government	3,000	770
Total General Government	3,000	770
Public Safety and Judiciary:		
Police	-	-
Total Public Safety and Judiciary	-	-
Transportation:		
Airport	-	-
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	3,000	770
Excess of Revenues Over (Under) Expenditures	-	(485)
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	\$ -	\$ (485)
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		1,297
Prior Period Adjustment		-
As Restated		1,297
Residual Equity Transfers In / Out		-
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 812

(Continued)

Exhibit B-3

Business License ADA (Fund 80)			Rural Planning Fund (Fund 105)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 21,000	\$ -	\$ (21,000)
-	40	40	-	-	-
200	2,612	2,412	-	-	-
200	2,652	2,452	21,000	-	(21,000)
200	246	(46)	18,050	7,578	10,472
200	246	(46)	18,050	7,578	10,472
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
200	246	(46)	18,050	7,578	10,472
-	2,406	2,406	2,950	(7,578)	(10,528)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ 2,406	\$ 2,406	\$ 2,950	\$ (7,578)	\$ (10,528)
	3,437			(2,694)	
	-			-	
	3,437			(2,694)	
	-			-	
\$	\$ 5,843		\$	\$ (10,272)	

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, 2019

SB-1 Road Fund (Fund 106)		
Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:		
Intergovernmental Revenues	\$ 136,929	\$ 140,526 \$ 3,597
Interest	-	541 541
Other Revenues	-	- -
Total revenues	136,929	141,067 4,138
EXPENDITURES:		
Current:		
General Government:		
General Government	-	- -
Total General Government	-	- -
Public Safety and Judiciary:		
Police	-	- -
Total Public Safety and Judiciary	-	- -
Transportation:		
Airport	-	- -
Streets	155,000	119,787 35,213
Total Transportation	155,000	119,787 35,213
Cultural, Parks and Recreation		
Parks and Recreation	-	- -
Total Cultural, Parks and Recreation	-	- -
Community/Economic Development:		
Economic Development	-	- -
Total Community/Economic Development	-	- -
Capital Outlay	40,000	- 40,000
Total Expenditures	195,000	119,787 75,213
Excess of Revenues Over (Under) Expenditures	(58,071)	21,280 79,351
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	\$ (58,071)	21,280 \$ 79,351
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		
Prior Period Adjustment		7,640
As Restated		16,241
Residual Equity Transfers In / Out		23,881
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 45,161

(Continued)

Exhibit B-3
(Continued)

RSTP Streets Fund (Fund 108)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 53,100	\$ 183,059	\$ 129,959
-	2,087	2,087
-	-	-
53,100	185,146	132,046
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
36,650	10,728	25,922
36,650	10,728	25,922
-	-	-
-	-	-
-	-	-
-	-	-
43,400	32,109	11,291
80,050	42,837	37,213
(26,950)	142,309	169,259
-	-	-
-	-	-
-	-	-
-	-	-
\$ (26,950)	142,309	\$ 169,259
	194,991	
	-	
	194,991	
	-	
\$ 337,300		

Special Gas Tax Improvement #2105 (Fund 109)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 44,939	\$ 42,044	\$ (2,895)
100	832	732
-	-	-
45,039	42,876	(2,163)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
81,584	31,234	50,350
81,584	31,234	50,350
-	-	-
-	-	-
-	-	-
-	-	-
30,000	24,784	5,216
111,584	56,018	55,566
(66,545)	(13,142)	53,403
-	-	-
-	-	-
-	-	-
-	-	-
\$ (66,545)	(13,142)	\$ 53,403
	91,328	
	-	
	91,328	
	-	
\$ 78,186		

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, 2019**

Special Gas Tax 2106 (Fund 110)			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental Revenues	\$ 31,187	\$ 31,294	\$ 107
Interest	100	589	489
Other Revenues	-	-	-
Total revenues	31,287	31,883	596
EXPENDITURES:			
Current:			
General Government:			
General Government	-	-	-
Total General Government	-	-	-
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	-	-	-
Transportation:			
Airport	-	-	-
Streets	76,984	30,795	46,189
Total Transportation	76,984	30,795	46,189
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	76,984	30,795	46,189
Excess of Revenues Over (Under) Expenditures	(45,697)	1,088	46,785
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	\$ (45,697)	1,088	\$ 46,785
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		64,249	
Prior Period Adjustment		-	
As Restated		64,249	
Residual Equity Transfers In / Out		-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 65,337	

(Continued)

**Exhibit B-3
(Continued)**

Special Gas Tax 2107 (Fund 111)			Special Gas Tax 2107.5 (Fund 112)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 55,662	\$ 52,875	\$ (2,787)	\$ 2,000	\$ 2,000	\$ -
100	592	492	-	56	56
-	-	-	-	-	-
55,762	53,467	(2,295)	2,000	2,056	56
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
110,984	68,908	42,076	2,000	1,667	333
110,984	68,908	42,076	2,000	1,667	333
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
110,984	68,908	42,076	2,000	1,667	333
(55,222)	(15,441)	39,781	-	389	389
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ (55,222)	\$ (15,441)	\$ 39,781	\$ -	\$ 389	\$ 389
	83,942			5,686	
	-			-	
	83,942			5,686	
	-			-	
	\$ 68,501			\$ 6,075	

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, 2019

Local Transportation Fund (Fund 114)		
Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:		
Intergovernmental Revenues	\$ 104,900	\$ 67,024
Interest	-	2,636
Other Revenues	-	-
Total revenues	104,900	69,660
		(35,240)
EXPENDITURES:		
Current:		
General Government:		
General Government	79,500	22,655
Total General Government	79,500	22,655
Public Safety and Judiciary:		
Police	-	-
Total Public Safety and Judiciary	-	-
Transportation:		
Airport	-	-
Streets	30,800	-
Total Transportation	30,800	-
Cultural, Parks and Recreation		
Parks and Recreation	-	-
Total Cultural, Parks and Recreation	-	-
Community/Economic Development:		
Economic Development	-	-
Total Community/Economic Development	-	-
Capital Outlay	52,400	33,151
Total Expenditures	162,700	55,806
Excess of Revenues Over (Under) Expenditures	(57,800)	13,854
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	\$ (57,800)	\$ 13,854
		\$ 71,654
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		296,018
Prior Period Adjustment		-
As Restated		296,018
Residual Equity Transfers In / Out		-
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 309,872

(Continued)

Exhibit B-3
(Continued)

Special Gas Tax Improvement #2103 (Fund 115)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 29,327	\$ 25,600	\$ (3,727)
100	1,395	1,295
-	-	-
29,427	26,995	(2,432)
70,984	28,905	42,079
70,984	28,905	42,079
-	-	-
-	-	-
-	-	-
52,700	5,524	47,176
52,700	5,524	47,176
-	-	-
-	-	-
-	-	-
24,000	11,912	12,088
147,684	46,341	101,343
(118,257)	(19,346)	98,911
-	-	-
-	-	-
-	-	-
\$ (118,257)	\$ (19,346)	\$ 98,911
	154,290	
	-	
	154,290	
	(8,711)	
	\$ 126,233	

Traffic Mitigation Fund (Fund 116)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 5,000	\$ 70,134	\$ 65,134
-	2,670	2,670
-	-	-
5,000	72,804	67,804
-	-	-
-	-	-
-	-	-
-	-	-
1,000	25	975
1,000	25	975
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
1,000	25	975
4,000	72,779	68,779
-	-	-
-	-	-
-	-	-
\$ 4,000	\$ 72,779	\$ 68,779
	223,245	
	-	
	223,245	
	-	
	\$ 296,024	

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, 2019**

Special Gas Traffic Construction (Fund 121)			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental Revenues	\$ -	\$ 8,642	\$ 8,642
Interest	-	-	-
Other Revenues	-	-	-
Total revenues	-	8,642	8,642
EXPENDITURES:			
Current:			
General Government:			
General Government	-	-	-
Total General Government	-	-	-
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	-	-	-
Transportation:			
Airport	-	-	-
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	-	8,642	8,642
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	\$ -	8,642	\$ 8,642
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		-	
Prior Period Adjustment		-	
As Restated		-	
Residual Equity Transfers In / Out		8,711	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 17,353	

(Continued)

Exhibit B-3
(Continued)

2019 CHIP Maintenance Fund (Fund 125)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ 54,462	\$ 54,462
-	126	126
-	-	-
-	54,588	54,588
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	54,588	54,588
-	-	-
-	-	-
-	-	-
\$ -	\$ 54,588	\$ 54,588
-	-	-
-	-	-
-	-	-
-	-	-
\$	54,588	

DWR SGMA Grant (Fund 153)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
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-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
\$ -	\$ -	\$ -
-	(163)	
-	-	
-	(163)	
-	-	
\$	(163)	

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, 2019**

Promise Grant Fund (Fund 160)			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental Revenues	\$ 200,000	\$ 150,081	\$ (49,919)
Interest	-	189	189
Other Revenues	-	11,927	11,927
Total revenues	200,000	162,197	(37,803)
EXPENDITURES:			
Current:			
General Government:			
General Government	32,556	25,557	6,999
Total General Government	32,556	25,557	6,999
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	-	-	-
Transportation:			
Airport	-	-	-
Streets	-	-	-
Total Transportation	-	-	-
Cultural, Parks and Recreation			
Parks and Recreation	100,000	64,321	35,679
Total Cultural, Parks and Recreation	100,000	64,321	35,679
Community/Economic Development:			
Economic Development	-	-	-
Total Community/Economic Development	-	-	-
Capital Outlay	-	25,620	(25,620)
Total Expenditures	132,556	115,498	17,058
Excess of Revenues Over (Under) Expenditures	67,444	46,699	(20,745)
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	\$ 67,444	46,699	\$ (20,745)
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		(2,551)	
Prior Period Adjustment		-	
As Restated		(2,551)	
Residual Equity Transfers In / Out		-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 44,148	

(Continued)

Exhibit B-3
(Continued)

BCJI Program Fund (Fund 166)		
		Variance Favorable (Unfavorable)
Budget	Actual	(Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
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-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
\$ -	\$ -	\$ -
	(153,937)	
	-	
	(153,937)	
	153,937	
\$ -	-	

Abandoned Vehicle Grant Fund (Fund 170)		
		Variance Favorable (Unfavorable)
Budget	Actual	(Unfavorable)
\$ -	\$ -	\$ -
-	199	199
-	14,887	14,887
-	15,086	15,086
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
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-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
\$ -	\$ -	\$ -
	12,355	
	-	
	12,355	
	-	
\$ -	27,441	

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, 2019**

Homeland Security Grant (Fund 189)		
Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:		
Intergovernmental Revenues	\$ -	\$ 14,500
Interest	-	103
Other Revenues	-	-
Total revenues	-	14,603
EXPENDITURES:		
Current:		
General Government:		
General Government	-	-
Total General Government	-	-
Public Safety and Judiciary:		
Police	-	14,500
Total Public Safety and Judiciary	-	(14,500)
Transportation:		
Airport	-	-
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	-	14,500
Excess of Revenues Over (Under) Expenditures	-	103
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	\$ -	\$ 103
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR	14,630	
Prior Period Adjustment	-	
As Restated	14,630	
Residual Equity Transfers In / Out	-	
FUND BALANCE (DEFICIT), AT END OF YEAR	\$ 14,733	

Exhibit B-3
(Continued)

BSCC Grant (Funds 190,191)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 52,717	\$ -	\$ (52,717)
-	-	-
-	-	-
52,717	-	(52,717)
-	-	-
-	-	-
52,717	-	52,717
52,717	-	52,717
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
52,717	-	52,717
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
\$ -	\$ -	\$ -
	32,452	
	-	
	32,452	
	(32,452)	
\$ -	\$ -	

Proposition 47 Grant Fund (Fund 192)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 301,000	\$ 303,825	\$ 2,825
-	-	-
-	-	-
301,000	303,825	2,825
-	-	-
301,000	287,102	13,898
301,000	287,102	13,898
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
301,000	287,102	13,898
-	16,723	16,723
-	-	-
-	-	-
-	-	-
-	-	-
\$ -	\$ 16,723	\$ 16,723
	(58,882)	
	-	
	(58,882)	
	-	
\$ -	\$ (42,159)	

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, 2019

Prevention Neighborhood Grant (fund 193)		
Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:		
Intergovernmental Revenues	\$ 200,000	\$ 129,868
Interest	-	-
Other Revenues	-	-
Total revenues	200,000	129,868
EXPENDITURES:		
Current:		
General Government:		
General Government	100,000	163,677
Total General Government	100,000	163,677
Public Safety and Judiciary:		
Police	-	-
Total Public Safety and Judiciary	-	-
Transportation:		
Airport	-	-
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	100,000	163,677
Excess of Revenues Over (Under) Expenditures	100,000	(33,809)
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	\$ 100,000	\$ (33,809)
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		11,198
Prior Period Adjustment		-
As Restated		11,198
Residual Equity Transfers In / Out		-
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ (22,611)

(Continued)

Exhibit B-3
(Continued)

CDBG Program Unrestricted (Fund 323, 820)			CDBG Economic Reuse (Fund 325, 823)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 2,500	\$ -	\$ (2,500)
-	355	355	500	82	(418)
10,000	14,710	4,710	3,500	100	(3,400)
10,000	15,065	5,065	6,500	182	(6,318)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,000	4,110	(110)
-	-	-	4,000	4,110	(110)
-	-	-	-	-	-
-	-	-	4,000	4,110	(110)
10,000	15,065	5,065	2,500	(3,928)	(6,428)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 10,000	\$ 15,065	\$ 5,065	\$ 2,500	\$ (3,928)	\$ (6,428)
	42,477			9,907	
	-			-	
	42,477			9,907	
	(1,820)			-	
\$	\$ 55,722		\$	\$ 5,979	

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, 2019**

CDBG Housing Reuse (Fund 326, 821, 822)			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Interest	500	410	(90)
Other Revenues	-	-	-
Total revenues	500	410	(90)
EXPENDITURES:			
Current:			
General Government:			
General Government	-	-	-
Total General Government	-	-	-
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	-	-	-
Transportation:			
Airport	-	-	-
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	500	410	(90)
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	\$ 500	\$ 410	\$ (90)
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		44,200	
Prior Period Adjustment		-	
As Restated		44,200	
Residual Equity Transfers In / Out		-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 44,610	

(Continued)

Exhibit B-3
(Continued)

Housing Rehabilitation RLF Fund (Fund 328)			SALADO Wall Fund (Fund 344)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	200	865	665
-	-	-	-	-	-
-	-	-	200	865	665
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ 200	\$ 865	\$ 665
	(1,820)			93,299	
	-			-	
	(1,820)			93,299	
	1,820			-	
\$ -	\$ -	\$ -	\$ -	\$ 94,164	\$ -

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, 2019**

Drainage Fund (Fund 345)			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental Revenues	\$ 10,000	\$ 15,938	\$ 5,938
Interest	1,000	1,162	162
Other Revenues	-	-	-
Total revenues	11,000	17,100	6,100
EXPENDITURES:			
Current:			
General Government:			
General Government	-	-	-
Total General Government	-	-	-
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	-	-	-
Transportation:			
Airport	-	-	-
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	11,000	17,100	6,100
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	\$ 11,000	17,100	\$ 6,100
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		110,499	
Prior Period Adjustment		-	
As Restated		110,499	
Residual Equity Transfers In / Out		-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 127,599	

(Continued)

**Exhibit B-3
(Continued)**

Parks/Rec Revolving Fund (Fund 352)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
500	180	(320)
-	-	-
500	180	(320)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
2,000	2,391	(391)
2,000	2,391	(391)
-	-	-
-	-	-
-	-	-
2,000	2,391	(391)
(1,500)	(2,211)	(711)
-	-	-
-	-	-
-	-	-
\$ (1,500)	(2,211)	\$ (711)
	(2,747)	
	-	
	(2,747)	
	4,958	
\$ -	-	

Park Recycling Grant (Fund 353)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 5,000	\$ 10,000	\$ 5,000
-	152	152
-	-	-
5,000	10,152	5,152
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
5,000	-	5,000
5,000	-	5,000
-	-	-
-	-	-
-	-	-
5,000	-	5,000
-	10,152	10,152
-	-	-
-	-	-
-	-	-
\$ -	10,152	\$ 10,152
	10,112	
	-	
	10,112	
	-	
\$ -	20,264	

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, 2019

Trail Development Fund (Fund 356)		
Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:		
Intergovernmental Revenues	\$ -	\$ -
Interest	-	55
Other Revenues	-	-
Total revenues	-	55
EXPENDITURES:		
Current:		
General Government:		
General Government	-	-
Total General Government	-	-
Public Safety and Judiciary:		
Police	-	-
Total Public Safety and Judiciary	-	-
Transportation:		
Airport	-	-
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	-	55
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	\$ -	\$ 55
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR	5,940	
Prior Period Adjustment	-	
As Restated	5,940	
Residual Equity Transfers In / Out	-	
FUND BALANCE (DEFICIT), AT END OF YEAR	\$ 5,995	

(Continued)

Exhibit B-3
(Continued)

Wayfinding Maintenance Fund (Fund 370)		
		Variance Favorable (Unfavorable)
Budget	Actual	
\$ -	\$ -	\$ -
-	11	11
-	-	-
-	11	11
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
1,200	-	1,200
1,200	-	1,200
-	-	-
1,200	-	1,200
(1,200)	11	1,211
-	-	-
-	-	-
-	-	-
\$ (1,200)	11	\$ 1,211

1,220
-
1,220
-
\$ 1,231

Lighting & Landscape Fund (Fund 701)		
		Variance Favorable (Unfavorable)
Budget	Actual	
\$ -	\$ -	\$ -
-	-	-
900	883	(17)
900	883	(17)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
950	1,139	(189)
950	1,139	(189)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
950	1,139	(189)
(50)	(256)	(206)
-	-	-
-	-	-
-	-	-
-	-	-
\$ (50)	(256)	\$ (206)

(8)
-
(8)
-
\$ (264)

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, 2019**

Lighting & Landscape Fund (Fund 702)			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Interest	-	139	139
Other Revenues	7,280	7,280	-
Total revenues	7,280	7,419	139
EXPENDITURES:			
Current:			
General Government:			
General Government	-	-	-
Total General Government	-	-	-
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	-	-	-
Transportation:			
Airport	-	-	-
Streets	11,950	1,120	10,830
Total Transportation	11,950	1,120	10,830
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	11,950	1,120	10,830
Excess of Revenues Over (Under) Expenditures	(4,670)	6,299	10,969
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	\$ (4,670)	6,299	\$ 10,969
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		12,997	
Prior Period Adjustment		-	
As Restated		12,997	
Residual Equity Transfers In / Out		-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 19,296	

(Continued)

Exhibit B-3
(Continued)

Lighting & Landscape Fund (Fund 703)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
100	275	175
2,900	4,263	1,363
3,000	4,538	1,538
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
13,300	2,551	10,749
13,300	2,551	10,749
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
13,300	2,551	10,749
(10,300)	1,987	12,287
-	-	-
-	-	-
-	-	-
\$ (10,300)	1,987	\$ 12,287
	29,588	
	-	
	29,588	
	-	
\$	31,575	

Lighting & Landscape Fund (Fund 704)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
50	-	(50)
4,775	4,773	(2)
4,825	4,773	(52)
-	220	(220)
-	220	(220)
-	-	-
-	-	-
-	-	-
6,400	6,703	(303)
6,400	6,703	(303)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
6,400	6,923	(523)
(1,575)	(2,150)	(575)
-	-	-
-	-	-
-	-	-
\$ (1,575)	(2,150)	\$ (575)
	2,220	
	-	
	2,220	
	-	
\$	70	

See accompanying notes to the basic financial statements

**CITY OF CORNING
SPECIAL REVENUE FUNDS**

**Exhibit B-3
(Continued)**

**Combining Statement of Revenues, Expenditures,
and Changes In Fund Balance (Deficit) - Budget And Actual
Year Ended June 30, 2019**

	Total		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental Revenues	\$ 1,255,261	\$ 1,301,872	\$ (16,493)
Interest	3,250	15,751	12,375
Other Revenues	32,555	61,710	29,155
Total revenues	1,291,066	1,379,333	25,037
EXPENDITURES:			
Current:			
General Government:			
General Government	605,290	536,710	68,580
Total General Government	605,290	536,710	68,580
Public Safety and Judiciary:			
Police	52,717	14,500	38,217
Total Public Safety and Judiciary	52,717	14,500	38,217
Transportation:			
Airport	-	-	-
Streets	580,302	280,181	300,121
Total Transportation	580,302	280,181	300,121
Cultural, Parks and Recreation			
Parks and Recreation	107,000	66,712	40,288
Total Cultural, Parks and Recreation	107,000	66,712	40,288
Community/Economic Development:			
Economic Development	5,200	4,110	1,090
Total Community/Economic Development	5,200	4,110	1,090
Capital Outlay	189,800	127,576	62,224
Total Expenditures	1,540,309	1,029,789	510,520
Excess of Revenues Over (Under) Expenditures	(249,243)	349,544	535,557
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	\$ (249,243)	349,544	\$ 535,557
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		1,336,415	
Prior Period Adjustment		16,241	
As Restated		1,352,656	
Residual Equity Transfers In / Out		126,443	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 1,828,643	

See accompanying notes to
the basic financial statements

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CITY OF CORNING
CAPITAL PROJECTS FUNDS
Combining Balance Sheet
June 30, 2019

	<u>Police Equipment Replacement Fund (Fund 071)</u>	<u>Proposition 30 Police Fund (Fund 073)</u>	<u>Police K-9 Fund (Fund 074)</u>	<u>Fire Equipment Replacement Fund (Fund 076)</u>
ASSETS				
Cash and Cash Equivalents	\$ 200,894	\$ 19,019	\$ 22,535	\$ 301,226
Intergovernmental Receivable	-	-	-	-
Due from Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Assets:				
Restricted Cash: Loan Repayment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 200,894</u>	<u>\$ 19,019</u>	<u>\$ 22,535</u>	<u>\$ 301,226</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts Payable	\$ 7,538	\$ 191	\$ -	\$ -
Due to Other Funds	-	-	-	-
Other Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>7,538</u>	<u>191</u>	<u>-</u>	<u>-</u>
Fund Balances				
Unassigned	<u>193,356</u>	<u>18,828</u>	<u>22,535</u>	<u>301,226</u>
Total Fund Balances	<u>193,356</u>	<u>18,828</u>	<u>22,535</u>	<u>301,226</u>
Total Liabilities and Fund Balances	<u>\$ 200,894</u>	<u>\$ 19,019</u>	<u>\$ 22,535</u>	<u>\$ 301,226</u>

(Continued)

Exhibit C-1

Public Works Equipment Replacement Fund (Fund 078)	Park Acquisition Fund (Fund 341)	Bedroom Tax Fund (Fund 355)	Street Scape Fund (Fund 359)	Totals
\$ 452,194	\$ 120,578	\$ 21,164	\$ -	\$ 1,137,610
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>452,194</u>	<u>120,578</u>	<u>21,164</u>	<u>-</u>	<u>1,137,610</u>
\$ 5,899	\$ -	\$ -	\$ -	\$ 13,628
-	-	-	72,856	72,856
-	-	-	-	-
<u>5,899</u>	<u>-</u>	<u>-</u>	<u>72,856</u>	<u>86,484</u>
<u>446,295</u>	<u>120,578</u>	<u>21,164</u>	<u>(72,856)</u>	<u>1,051,126</u>
<u>446,295</u>	<u>120,578</u>	<u>21,164</u>	<u>(72,856)</u>	<u>1,051,126</u>
<u>\$ 452,194</u>	<u>\$ 120,578</u>	<u>\$ 21,164</u>	<u>\$ -</u>	<u>\$ 1,137,610</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING
CAPITAL PROJECTS FUNDS

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Year Ended June 30, 2019

	Police Equipment Replacement Fund (Fund 071)	Proposition 30 Police Fund (Fund 073)	Police K-9 Fund (Fund 073)	Fire Equipment Replacement Fund (Fund 076)
REVENUES:				
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -
Acquisition Charges and Fees	-	-	-	-
Interest	1,922	182	-	3,057
Other	-	-	-	-
Total Revenues	<u>1,922</u>	<u>182</u>	<u>-</u>	<u>3,057</u>
EXPENDITURES:				
Current:				
General Government:				
General Government	-	-	-	-
Total General Government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:				
Streets	-	-	-	-
Total Transportation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cultural, Parks and Recreation				
Parks and Recreation	-	-	-	-
Total Cultural, Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Community/Economic Development:				
Economic Development	-	-	-	-
Total Community/Economic Development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay	<u>56,828</u>	<u>2,281</u>	<u>-</u>	<u>82,676</u>
Total Expenditures	<u>56,828</u>	<u>2,281</u>	<u>-</u>	<u>82,676</u>
Excess of Revenues Over (Under) Expenditures	<u>(54,906)</u>	<u>(2,099)</u>	<u>-</u>	<u>(79,619)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	125,052	-	-	206,200
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Over)	<u>125,052</u>	<u>-</u>	<u>-</u>	<u>206,200</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>70,146</u>	<u>(2,099)</u>	<u>-</u>	<u>126,581</u>
FUND BALANCE, AT BEGINNING OF YEAR	<u>123,210</u>	<u>20,927</u>	<u>22,535</u>	<u>174,645</u>
Residual Equity Transfers In	-	-	-	-
Residual Equity Transfers Out	-	-	-	-
FUND BALANCE, AT END OF YEAR	<u>\$ 193,356</u>	<u>\$ 18,828</u>	<u>\$ 22,535</u>	<u>\$ 301,226</u>

(Continued)

Public Works Equipment Replacement Fund (Fund 078)	Park Acquisition Fund (Fund 341)	Bedroom Tax Fund (Fund 355)	Street Scape Fund (Fund 359)	Totals
\$ -	\$ -	\$ -	\$ 3,973	\$ 3,973
-	-	-	-	-
4,286	1,104	190	-	10,741
<u>15,925</u>	<u>11,073</u>	<u>5,000</u>	<u>-</u>	<u>31,998</u>
<u>20,211</u>	<u>12,177</u>	<u>5,190</u>	<u>3,973</u>	<u>46,712</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	403	-	-	403
-	<u>403</u>	-	-	<u>403</u>
-	-	-	-	-
-	-	-	-	-
<u>32,838</u>	-	-	-	<u>174,623</u>
<u>32,838</u>	<u>403</u>	-	-	<u>175,026</u>
<u>(12,627)</u>	<u>11,774</u>	<u>5,190</u>	<u>3,973</u>	<u>(128,314)</u>
168,852	-	-	-	500,104
-	-	-	-	-
<u>168,852</u>	-	-	-	<u>500,104</u>
<u>156,225</u>	<u>11,774</u>	<u>5,190</u>	<u>3,973</u>	<u>371,790</u>
<u>290,070</u>	<u>108,804</u>	<u>15,974</u>	<u>(76,829)</u>	<u>679,336</u>
-	-	-	-	-
-	-	-	-	-
\$ <u>446,295</u>	\$ <u>120,578</u>	\$ <u>21,164</u>	\$ <u>(72,856)</u>	\$ <u>1,051,126</u>

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, 2019

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)
\$ -	\$ -	\$ -
-	-	-
200	1,922	1,722
-	-	-
200	1,922	1,722
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
87,250	56,828	30,422
87,250	56,828	30,422
(87,050)	(54,906)	32,144
125,082	125,052	(30)
-	-	-
125,082	125,052	(30)
\$ 38,032	70,146	\$ 32,114
	123,210	
	-	
	-	
	\$ 193,356	

(Continued)

Proposition 30 Police Fund (Fund 73)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	182	182
-	-	-
-	182	182
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
21,400	2,281	19,119
21,400	2,281	19,119
(21,400)	(2,099)	19,301
-	-	-
-	-	-
-	-	-
\$ (21,400)	(2,099)	\$ 19,301
	20,927	
	-	
	-	
	\$ 18,828	

Police K-9 Fund (Fund 74)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
\$ -	-	\$ -
	22,535	
	-	
	-	
	\$ 22,535	

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, 2019

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)
\$ -	\$ -	\$ -
-	-	-
200	3,057	2,857
-	-	-
200	3,057	2,857
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
221,500	82,676	138,824
221,500	82,676	138,824
(221,300)	(79,619)	141,681
206,200	206,200	-
-	-	-
206,200	206,200	-
\$ (15,100)	126,581	\$ 141,681
	174,645	
	-	
	-	
	\$ 301,226	

**Exhibit C-3
(Continued)**

Public Works Equip. Replacement Fund (Fund 078)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
100	4,286	4,186
17,000	15,925	(1,075)
17,100	20,211	3,111
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
32,500	32,838	(338)
32,500	32,838	(338)
(15,400)	(12,627)	2,773
168,852	168,852	-
-	-	-
168,852	168,852	-
\$ 153,452	\$ 156,225	\$ 2,773
	290,070	
	-	
	-	
	\$ 446,295	

Park Acquisition Fund (Fund 341)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
100	1,104	1,004
5,000	11,073	6,073
5,100	12,177	7,077
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	403	(403)
-	403	(403)
-	-	-
-	-	-
29,000	-	29,000
29,000	403	28,597
(23,900)	11,774	35,674
-	-	-
-	-	-
-	-	-
\$ (23,900)	\$ 11,774	\$ 35,674
	108,804	
	-	
	-	
	\$ 120,578	

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, 2019

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

Bedroom Tax (Fund 355)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	190	190
600	5,000	4,400
600	5,190	4,590
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
600	5,190	4,590
-	-	-
-	-	-
-	-	-
\$ 600	\$ 5,190	\$ 4,590
	15,974	
	-	
	-	
	\$ 21,164	

**Exhibit C-3
(Continued)**

Street Scape Fund (Fund 359)			Capital Project Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ 3,973	\$ 3,973	\$ -	\$ 3,973	\$ 3,973
-	-	-	-	-	-
-	-	-	600	10,741	10,141
-	-	-	22,600	31,998	9,398
-	3,973	3,973	23,200	46,712	23,512
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	403	(403)
-	-	-	-	403	(403)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	391,650	174,623	217,027
-	-	-	391,650	175,026	216,624
-	3,973	3,973	(368,450)	(128,314)	240,136
-	-	-	500,134	500,104	(30)
-	-	-	-	-	-
-	-	-	500,134	500,104	(30)
\$ -	\$ 3,973	\$ 3,973	\$ 131,684	\$ 371,790	\$ 240,106
-	-	-	-	756,165	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ 3,973	\$ 3,973	\$ -	\$ 1,127,955	\$ -

See accompanying notes to
the basic financial statements

CITY OF CORNING
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2019

Exhibit D-1

	Sewer Enterprise Fund <u>(Fund 610, etc)</u>	Solid Waste Enterprise Fund <u>(Fund 615)</u>	Airport Fund <u>(Fund 620)</u>	Transportation Center Fund <u>(Fund 625)</u>	Water Enterprise Fund <u>(Fund 630, etc)</u>	<u>Total</u>
ASSETS						
Current Assets:						
Cash and Investments	\$ 1,469,003	\$ 79,241	\$ 74,433	\$ 14,286	\$ 1,102,105	\$ 2,739,068
Accounts Receivable	96,516	33,597	-	500	47,428	178,041
Inventories	16,206	-	-	-	60,836	77,042
Prepaid Assets	-	-	-	-	-	-
Total Current Assets	<u>1,581,725</u>	<u>112,838</u>	<u>74,433</u>	<u>14,786</u>	<u>1,210,369</u>	<u>2,994,151</u>
Capital Assets:						
Land and Construction in Progress	105,274	-	727,814	-	5,000	838,088
Property, Plant and Equipment	16,252,928	-	2,662,699	5,167	6,735,001	25,655,795
Accumulated Depreciation	(11,611,331)	-	(300,188)	-	(2,968,128)	(14,879,647)
Net Capital Assets	<u>4,746,871</u>	<u>-</u>	<u>3,090,325</u>	<u>5,167</u>	<u>3,771,873</u>	<u>11,614,236</u>
Loan Acquisition Costs	141,545	-	-	-	142,868	284,413
Accumulated Amortization	(21,726)	-	-	-	(13,646)	(35,372)
Net Loan Acquisition Costs	<u>119,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,222</u>	<u>249,041</u>
Restricted Cash:						
Loan Repayment	-	-	-	-	231,510	231,510
Total Other Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>231,510</u>	<u>231,510</u>
Deferred Outflows of Resource						
Pension Contribution	105,268	-	873	-	184,699	290,840
Total Assets	<u>\$ 6,553,683</u>	<u>\$ 112,838</u>	<u>\$ 3,165,631</u>	<u>\$ 19,953</u>	<u>\$ 5,527,673</u>	<u>\$ 15,379,778</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 17,390	\$ 125,308	\$ 114	\$ 724	\$ 24,065	\$ 167,601
Accrued Wages	6,604	-	-	-	13,198	19,802
Due to other funds	-	-	-	-	-	-
Interest Payable	62,916	-	-	-	41,865	104,781
Deposits	-	-	-	-	30,966	30,966
Current Portion of Long Term Debt	126,889	-	-	-	151,031	277,920
Total Current Liabilities	<u>213,799</u>	<u>125,308</u>	<u>114</u>	<u>724</u>	<u>261,125</u>	<u>601,070</u>
Deferred Inflows of Resources						
GASB 68 Actuarial Adjustments	31,404	-	260	-	55,091	86,755
Long-Term Liabilities						
Interfund Loan Payable	-	-	-	-	-	-
Accrued Compensation for Future Absen	58,826	-	-	-	58,826	117,652
Net Pension Liability	466,464	-	3,869	-	818,304	1,288,637
Certificates of Participation Payable	4,926,996	-	-	-	3,337,144	8,264,140
Less: Current Portion	(126,889)	-	-	-	(151,031)	(277,920)
Total Long-Term Liabilities	<u>5,325,397</u>	<u>-</u>	<u>3,869</u>	<u>-</u>	<u>4,063,243</u>	<u>9,392,509</u>
Total Liabilities	<u>5,570,600</u>	<u>125,308</u>	<u>4,243</u>	<u>724</u>	<u>4,379,459</u>	<u>10,080,334</u>
NET POSITION						
Investment in capital assets, net	(180,125)	-	3,090,325	5,167	434,729	3,350,096
Reserved for Capital improvement	734,647	-	-	-	685,227	1,419,874
Restricted for debt service	-	-	-	-	230,172	230,172
Unrestricted	428,561	(12,470)	71,063	14,062	(201,914)	299,302
See accompanying notes to the basic financial statements.	<u>\$ 983,083</u>	<u>\$ (12,470)</u>	<u>\$ 3,161,388</u>	<u>\$ 19,229</u>	<u>\$ 1,148,214</u>	<u>\$ 5,299,444</u>

CITY OF CORNING
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Year Ended June 30, 2019

Exhibit D-2

	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	\$ 1,919,877	\$ 498,635	\$ -	\$ -	\$ 1,330,731	\$ 3,749,243
Connection fees	-	-	-	-	6,396	6,396
Lease and Rents	9,057	-	24,265	9,920	-	43,242
Other Revenue	82,940	-	10,000	6,000	24,242	123,182
Total Operating Revenues	<u>2,011,874</u>	<u>498,635</u>	<u>34,265</u>	<u>15,920</u>	<u>1,361,369</u>	<u>3,922,063</u>
OPERATING EXPENSES:						
Salaries and Benefits	408,492	-	618	-	728,730	1,137,840
Utilities	90,193	-	4,070	7,578	220,482	322,323
Depreciation	487,410	-	33,132	-	150,500	671,042
Amortization	7,755	-	-	-	4,762	12,517
Other Expenses	946,783	500,707	14,064	9,715	286,371	1,757,640
Total Operating Expenses	<u>1,940,633</u>	<u>500,707</u>	<u>51,884</u>	<u>17,293</u>	<u>1,390,845</u>	<u>3,901,362</u>
Operating Income (Loss)	<u>71,241</u>	<u>(2,072)</u>	<u>(17,619)</u>	<u>(1,373)</u>	<u>(29,476)</u>	<u>20,701</u>
NON-OPERATING REVENUE (EXPENSE)						
Investment Earnings	12,954	439	545	145	10,099	24,182
Interest Expense	(237,653)	-	-	-	(126,680)	(364,333)
Net Non-Operating Revenues (Expenses)	<u>(224,699)</u>	<u>439</u>	<u>545</u>	<u>145</u>	<u>(116,581)</u>	<u>(340,151)</u>
Income Before Transfers	<u>(153,458)</u>	<u>(1,633)</u>	<u>(17,074)</u>	<u>(1,228)</u>	<u>(146,057)</u>	<u>(319,450)</u>
Operating Transfers In	285,000	-	-	-	78,500	363,500
Operating Transfers Out	<u>(285,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(78,500)</u>	<u>(363,500)</u>
Changes in net position	<u>(153,458)</u>	<u>(1,633)</u>	<u>(17,074)</u>	<u>(1,228)</u>	<u>(146,057)</u>	<u>(319,450)</u>
NET POSITION, BEGINNING OF YEAR						
As Previously Stated	1,136,541	(10,837)	3,178,462	20,457	1,286,890	5,611,513
Prior period adjustment	-	-	-	-	7,381	7,381
As Restated	<u>1,136,541</u>	<u>(10,837)</u>	<u>3,178,462</u>	<u>20,457</u>	<u>1,294,271</u>	<u>5,618,894</u>
Residual Equity Transfers In	79,280	-	-	-	25,000	104,280
Residual Equity Transfers Out	<u>(79,280)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>	<u>(104,280)</u>
NET POSITION, END OF YEAR	<u>\$ 983,083</u>	<u>\$ (12,470)</u>	<u>\$ 3,161,388</u>	<u>\$ 19,229</u>	<u>\$ 1,148,214</u>	<u>\$ 5,299,444</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2019

Exhibit D-3

	Sewer Enterprise Fund <u>(Fund 610, etc)</u>	Solid Waste Enterprise Fund <u>(Fund 615)</u>	Airport Fund <u>(Fund 620)</u>	Transportation Center Fund <u>(Fund 625)</u>	Water Enterprise Fund <u>(Fund 630, etc)</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	\$ 1,924,095	\$ 499,360	\$ 12,662	\$ -	\$ 1,371,084	\$ 3,807,201
Other Operating Cash Receipts	91,997	-	34,265	20,720	24,242	171,224
Payments to Suppliers	(1,041,357)	(497,980)	(18,124)	(17,616)	(437,113)	(2,012,190)
Payments to Employees	(407,156)	-	(7,427)	-	(719,539)	(1,134,122)
Net Cash Provided (Used) by Operating Activities	<u>567,579</u>	<u>1,380</u>	<u>21,376</u>	<u>3,104</u>	<u>238,674</u>	<u>832,113</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers from (to) other funds	-	-	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Interest Paid	(238,587)	-	-	-	(126,512)	(365,099)
Repayment of Certificates of Participation	(144,046)	-	-	-	(101,713)	(245,759)
Repayment of Loan Payable: Mid Valley Bank	-	-	3,869	-	-	3,869
Changes in GASB 68 amounts	45,074	-	(1,494)	-	40,484	84,064
Payments for capital acquisitions	(84,946)	-	-	-	(25,500)	(110,446)
Net cash (used for) capital and related financing activities	<u>(422,505)</u>	<u>-</u>	<u>2,375</u>	<u>-</u>	<u>(220,622)</u>	<u>(640,752)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Receipts of interest	12,954	439	545	145	10,099	24,182
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
	<u>158,028</u>	<u>1,819</u>	<u>24,296</u>	<u>3,249</u>	<u>28,151</u>	<u>215,543</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,310,975</u>	<u>77,422</u>	<u>47,197</u>	<u>11,037</u>	<u>1,305,464</u>	<u>2,752,095</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,469,003</u>	<u>\$ 79,241</u>	<u>\$ 71,493</u>	<u>\$ 14,286</u>	<u>\$ 1,333,615</u>	<u>\$ 2,967,638</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Net Operating Income (Loss)	\$ 71,241	\$ (2,072)	\$ (17,619)	\$ (1,373)	\$ (29,476)	\$ 20,701
Adjustments to Reconcile Net Income to Net Cash From (Used For) Operating Activities:						
Depreciation and Amortization	495,165	-	33,132	-	155,262	683,559
Pension Adjustments	-	-	(6,809)	-	7,381	572
Decrease (Increase) in Accounts Receivable	4,218	725	12,662	4,800	33,162	55,567
Decrease (Increase) in Inventory	(160)	-	-	-	(602)	(762)
Decrease (Increase) in Prepaid Assets	16,046	-	-	-	60,234	76,280
Increase (Decrease) in Accounts Payable	10,237	2,727	10	(323)	9,940	22,591
Increase (Decrease) in Wages Payable	1,336	-	-	-	1,810	3,146
Increase (Decrease) in Due to Other Funds	(29,570)	-	-	-	-	(29,570)
Increase (Decrease) in Interest Payable	(934)	-	-	-	168	(766)
Increase (Decrease) in Deposits	-	-	-	-	795	795
Net cash from (used for) operating activities	<u>\$ 567,579</u>	<u>\$ 1,380</u>	<u>\$ 21,376</u>	<u>\$ 3,104</u>	<u>\$ 238,674</u>	<u>\$ 832,113</u>

See accompanying notes to the basic financial statements.

**CITY OF CORNING
EXPENDABLE TRUST FUNDS**

Exhibit E-1

Combining Balance Sheet
June 30, 2019

	<u>J.T. Levy Trust Fund (Fund 401)</u>	<u>Ridell Library Fund (Fund 403)</u>	<u>Totals</u>
ASSETS:			
Cash and investments	\$ 25,054	\$ 265,790	\$ 290,844
Receivables:			
Intergovernmental			
County	-	-	-
Deferred compensation plan assets	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>25,054</u>	\$ <u>265,790</u>	\$ <u>290,844</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Held in trust for:			
Scholarships	25,054	-	25,054
Library System	-	265,790	265,790
Theater	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>25,054</u>	<u>265,790</u>	<u>290,844</u>
Total liabilities and fund balances	\$ <u>25,054</u>	\$ <u>265,790</u>	\$ <u>290,844</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
EXPENDABLE TRUST FUNDS

Exhibit E-2

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Year Ended June 30, 2019

	J.T. Levy Trust Fund (Fund 401)	Ridell Library Fund (Fund 403)	Totals
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ -
Fines and Forfeitures	-	-	-
Interest	<u>230</u>	<u>2,442</u>	<u>2,672</u>
Total Revenues	<u>230</u>	<u>2,442</u>	<u>2,672</u>
EXPENDITURES:			
Scholarships	500	-	500
Capital Outlay	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>500</u>	<u>-</u>	<u>500</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(270)</u>	<u>2,442</u>	<u>2,172</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>(270)</u>	<u>2,442</u>	<u>2,172</u>
FUND BALANCE, BEGINNING OF YEAR	25,324	263,348	288,672
Residual Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 25,054</u>	<u>\$ 265,790</u>	<u>\$ 290,844</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
EXPENDABLE TRUST FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Year Ended June 30, 2019

Exhibit E-3

	<u>Totals</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ -
Fines and Forfeitures	-	-	-
Interest	500	2,672	2,172
Total Revenues	<u>500</u>	<u>2,672</u>	<u>2,172</u>
Scholarships	500	500	-
Capital Outlay	5,000	-	5,000
Other	5,000	-	5,000
Total Expenditures	<u>10,500</u>	<u>500</u>	<u>10,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(10,000)</u>	<u>2,172</u>	<u>12,172</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	-
Total Other Financing Source (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>\$ (10,000)</u>	<u>2,172</u>	<u>\$ 12,172</u>
FUND BALANCE, BEGINNING OF YEAR		286,974	
FUND BALANCE, END OF YEAR		<u>\$ 289,146</u>	

See accompanying notes to
the basic financial statements.

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, 2019, which collectively comprise the Authority's basic financial statements and have issued my report thereon dated December 18, 2019. 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.

A handwritten signature in black ink that reads "Donald R. Reynolds". The signature is written in a cursive style with a large, prominent "D" and "R".

Donald R. Reynolds, CPA
Redding, California
December 18, 2019

CITY OF CORNING
SEWER ENTERPRISE FUNDS

Combining Balance Sheet

June 30, 2019

	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)
ASSETS				
Current Assets:				
Cash and Investments	\$ 29,928	\$ 648,313	\$ 540,898	\$ 110,287
Accounts Receivable	-	-	-	-
Inventories	-	-	-	-
Total Current Assets	<u>29,928</u>	<u>648,313</u>	<u>540,898</u>	<u>110,287</u>
Capital Assets				
Land and Construction in Progress		-		
Property, Plant and Equipment	-	4,453,848	-	-
Accumulated Depreciation	-	(1,738,758)	-	-
Net Capital Assets	<u>-</u>	<u>2,715,090</u>	<u>-</u>	<u>-</u>
Loan Acquisition Costs	-	57,085	-	-
Accumulated Amortization	-	(10,518)	-	-
Net Loan Acquisition Costs	<u>-</u>	<u>46,567</u>	<u>-</u>	<u>-</u>
Deferred Outflows of Resources				
Pension Contribution	-	-	-	-
Total Assets	<u>\$ 29,928</u>	<u>\$ 3,409,970</u>	<u>\$ 540,898</u>	<u>\$ 110,287</u>
LIABILITIES				
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Wages	-	-	-	-
Interest Payable	-	42,578	-	-
Current Portion of Long Term Debt	-	64,000	-	-
Total Current Liabilities	<u>-</u>	<u>106,578</u>	<u>-</u>	<u>-</u>
Long-Term Liabilities				
Interfund Loan Payable	-	-	-	-
Accrued Compensation for Future Absences	-	-	-	-
Net Pension Liability	-	-	-	-
Long-Term Debt	-	3,313,858	-	-
Less: Current Portion	-	(64,000)	-	-
Total Long-Term Liabilities	<u>-</u>	<u>3,249,858</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>3,356,436</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
GASB 68 Actuarial Adjustments	-	-	-	-
Fund Equity:				
Retained Earnings:				
Investment in Capital Assets	-	(598,768)	-	-
Restricted	29,928	652,302	540,898	110,287
Unrestricted	-	-	-	-
Total Net Assets	<u>29,928</u>	<u>53,534</u>	<u>540,898</u>	<u>110,287</u>
Total Net Assets	<u>\$ 29,928</u>	<u>\$ 53,534</u>	<u>\$ 540,898</u>	<u>\$ 110,287</u>

<u>Fund (Fund 610)</u>	<u>TOTAL Sewer Enterprise Fund</u>
\$ 139,577	\$ 1,469,003
96,516	96,516
16,206	16,206
<u>252,299</u>	<u>1,581,725</u>
105,274	105,274
11,799,080	16,252,928
<u>(9,872,573)</u>	<u>(11,611,331)</u>
<u>2,031,781</u>	<u>4,746,871</u>
84,460	141,545
<u>(11,208)</u>	<u>(21,726)</u>
<u>73,252</u>	<u>119,819</u>
<u>105,268</u>	<u>105,268</u>
\$ <u>2,462,600</u>	\$ <u>6,553,683</u>
\$ 17,390	\$ 17,390
6,604	6,604
20,338	62,916
<u>62,889</u>	<u>126,889</u>
<u>107,221</u>	<u>213,799</u>
-	-
58,826	58,826
466,464	466,464
1,613,138	4,926,996
<u>(62,889)</u>	<u>(126,889)</u>
<u>2,075,539</u>	<u>5,325,397</u>
<u>2,182,760</u>	<u>5,539,196</u>
<u>31,404</u>	<u>31,404</u>
-	-
418,643	(180,125)
-	1,333,415
<u>(170,207)</u>	<u>(170,207)</u>
<u>248,436</u>	<u>983,083</u>
\$ <u>248,436</u>	\$ <u>983,083</u>

CITY OF CORNING
SEWER ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
Year Ended June 30, 2019

	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)
OPERATING REVENUES:				
Charges for Service	\$ -	\$ -	\$ -	\$ -
Connection fees	-	-	-	-
Lease and Rents	-	-	-	-
Other Revenue	13,572	69,368	-	-
Total Operating Revenues	<u>13,572</u>	<u>69,368</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES:				
Salaries and Benefits	-	-	-	-
Utilities	-	-	-	-
Depreciation	-	133,951	-	-
Amortization	-	4,940	-	-
Other Expenses	1,562	174	60,500	-
Total Operating Expenses	<u>1,562</u>	<u>139,065</u>	<u>60,500</u>	<u>-</u>
Operating Income (Loss)	<u>12,010</u>	<u>(69,697)</u>	<u>(60,500)</u>	<u>-</u>
NON-OPERATING REVENUE (EXPENSE)				
Investment Earnings	259	7,062	3,781	1,502
Interest Expense	-	(128,031)	-	-
Net Non-Operating Revenues (Expenses)	<u>259</u>	<u>(120,969)</u>	<u>3,781</u>	<u>1,502</u>
Net Income Before Transfers	<u>12,269</u>	<u>(190,666)</u>	<u>(56,719)</u>	<u>1,502</u>
Operating Transfers In	-	200,000	85,000	-
Operating Transfers Out	-	-	-	-
Net Income	<u>12,269</u>	<u>9,334</u>	<u>28,281</u>	<u>1,502</u>
NET ASSETS, AT BEGINNING OF YEAR				
As Previously Stated	17,659	44,200	512,617	188,065
Prior period adjustment	-	-	-	-
As Restated	<u>17,659</u>	<u>44,200</u>	<u>512,617</u>	<u>188,065</u>
Residual Equity Transfers In	-	-	-	-
Residual Equity Transfers Out	-	-	-	(79,280)
NET ASSETS, AT END OF YEAR	<u>\$ 29,928</u>	<u>\$ 53,534</u>	<u>\$ 540,898</u>	<u>\$ 110,287</u>

<u>Fund (Fund 610)</u>	<u>TOTAL Sewer Enterprise Fund</u>
\$ 1,919,877	\$ 1,919,877
-	-
9,057	9,057
-	82,940
<u>1,928,934</u>	<u>2,011,874</u>
408,492	408,492
90,193	90,193
353,459	487,410
2,815	7,755
<u>884,547</u>	<u>946,783</u>
<u>1,739,506</u>	<u>1,940,633</u>
<u>189,428</u>	<u>71,241</u>
350	12,954
<u>(109,622)</u>	<u>(237,653)</u>
<u>(109,272)</u>	<u>(224,699)</u>
<u>80,156</u>	<u>(153,458)</u>
-	285,000
<u>(285,000)</u>	<u>(285,000)</u>
<u>(204,844)</u>	<u>(153,458)</u>
374,000	1,136,541
-	-
<u>374,000</u>	<u>1,136,541</u>
79,280	79,280
-	(79,280)
<u>-</u>	<u>(79,280)</u>
\$ <u>248,436</u>	\$ <u>983,083</u>

CITY OF CORNING
WATER ENTERPRISE FUNDS

Combining Balance Sheet
 June 30, 2019

	<u>Water Capital Improvement Fund (Fund 346)</u>	<u>Water Capital Replacement Fund (Fund 383)</u>	<u>Short Lived Water Reserve Fund (Fund 386)</u>	<u>Water Fund (Fund 630)</u>
ASSETS				
Current Assets:				
Cash and Investments	\$ 32,455	\$ 491,354	\$ 165,731	\$ 412,565
Accounts Receivable	-	-	-	47,428
Inventories	-	-	-	60,836
Total Current Assets	<u>32,455</u>	<u>491,354</u>	<u>165,731</u>	<u>520,829</u>
Fixed Assets:				
Land and Construction in Progress	-	-	-	5,000
Property, Plant and Equipment	-	-	-	6,735,001
Accumulated Depreciation	-	-	-	(2,968,128)
Net Property, Plant and Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,771,873</u>
Loan Acquisition Costs	-	-	-	142,868
Accumulated Amortization	-	-	-	(13,646)
Net Loan Acquisition Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,222</u>
Restricted Cash:				
Loan Repayment	-	-	-	1,338
Total Other Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,338</u>
Deferred Outflows of Resources				
GASB 68 Actuarial Adjustments	-	-	-	184,699
Total Assets	\$ <u>32,455</u>	\$ <u>491,354</u>	\$ <u>165,731</u>	\$ <u>4,607,961</u>
LIABILITIES				
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ 2,132	\$ 2,181	-	19,752
Accrued Wages	-	-	-	13,198
Interest Payable	-	-	-	41,865
Deposits	-	-	-	30,966
Current Portion of Long Term Debt	-	-	-	151,031
Total Current Liabilities	<u>2,132</u>	<u>2,181</u>	<u>-</u>	<u>256,812</u>
Long-Term Liabilities				
Accrued Compensation for Future Absences	-	-	-	58,826
Net Pension Liability	-	-	-	818,304
Long-Term Debt	-	-	-	3,337,144
Less: Current Portion	-	-	-	(151,031)
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,063,243</u>
Total Liabilities	<u>2,132</u>	<u>2,181</u>	<u>-</u>	<u>4,320,055</u>
Deferred Inflows of Resources				
GASB 68 Actuarial Adjustments	-	-	-	55,091
NET ASSETS				
Investment in Capital Assets	-	-	-	434,729
Restricted	30,323	489,173	-	-
Unrestricted	-	-	165,731	(201,914)
Total Net Assets	\$ <u>30,323</u>	\$ <u>489,173</u>	\$ <u>165,731</u>	\$ <u>232,815</u>

<u>Water Well Loan Reserve Fund (Fund 631)</u>	<u>TOTAL Water Enterprise Funds</u>
\$ -	\$ 1,102,105
-	47,428
-	60,836
-	<u>1,210,369</u>
-	5,000
-	6,735,001
-	(2,968,128)
-	<u>3,771,873</u>
-	142,868
-	(13,646)
-	<u>129,222</u>
230,172	231,510
<u>230,172</u>	<u>231,510</u>
-	184,699
\$ <u>230,172</u>	\$ <u>5,527,673</u>
-	24,065
-	13,198
-	41,865
-	30,966
-	151,031
-	<u>261,125</u>
-	58,826
-	818,304
-	3,337,144
-	(151,031)
-	<u>4,063,243</u>
-	<u>4,324,368</u>
-	55,091
-	434,729
230,172	749,668
-	(36,183)
\$ <u>230,172</u>	\$ <u>1,148,214</u>

CITY OF CORNING
WATER ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
Year Ended June 30, 2019

	Water Capital Improvement Fund (Fund 346)	Water Capital Replacement Fund (Fund 383)	Short Lived Water Reserve (386)	Water Fund (Fund 630)
OPERATING REVENUES:				
Charges for Service	\$ -	\$ -	\$ -	\$ 1,330,731
Connection fees	-	-	-	6,396
Lease and Rents	-	-	-	-
Other Revenue	20,210	-	-	4,032
Total Operating Revenues	<u>20,210</u>	<u>-</u>	<u>-</u>	<u>1,341,159</u>
OPERATING EXPENSES:				
Salaries and Benefits	-	-	-	728,730
Utilities	-	-	-	220,482
Depreciation	-	-	-	150,500
Amortization	-	-	-	4,762
Other Expenses	14,299	27,797	-	244,275
Total Operating Expenses	<u>14,299</u>	<u>27,797</u>	<u>-</u>	<u>1,348,749</u>
Operating Income (Loss)	<u>5,911</u>	<u>(27,797)</u>	<u>-</u>	<u>(7,590)</u>
NON-OPERATING REVENUE (EXPENSE)				
Investment Earnings	306	4,864	1,523	3,406
Interest Expense	-	-	-	(126,680)
Net Non-Operating Revenues (Expenses)	<u>306</u>	<u>4,864</u>	<u>1,523</u>	<u>(123,274)</u>
Net Income Before Transfers	<u>6,217</u>	<u>(22,933)</u>	<u>1,523</u>	<u>(130,864)</u>
Operating Transfers In	-	78,500	-	-
Operating Transfers Out	-	-	-	(78,500)
Net Income	<u>6,217</u>	<u>55,567</u>	<u>1,523</u>	<u>(209,364)</u>
NET ASSETS, AT BEGINNING OF YEAR				
As Previously Stated	24,106	458,606	164,208	409,798
Prior period adjustment	-	-	-	7,381
As Restated	24,106	458,606	164,208	417,179
Residual Equity Transfers In	-	-	-	25,000
Residual Equity Transfers Out	-	(25,000)	-	-
NET ASSETS, AT END OF YEAR	<u>\$ 30,323</u>	<u>\$ 489,173</u>	<u>\$ 165,731</u>	<u>\$ 232,815</u>

<u>Water Stabilization Fund (631)</u>	<u>TOTAL Water Enterprise Funds</u>
\$ -	\$ 1,330,731
-	6,396
-	-
-	24,242
<u>-</u>	<u>1,361,369</u>
-	728,730
-	220,482
-	150,500
-	4,762
-	286,371
<u>-</u>	<u>1,390,845</u>
-	(29,476)
-	10,099
-	(126,680)
<u>-</u>	<u>(116,581)</u>
-	(146,057)
<u>-</u>	<u>(146,057)</u>
-	78,500
-	(78,500)
<u>-</u>	<u>(146,057)</u>
230,172	1,286,890
-	7,381
<u>230,172</u>	<u>1,294,271</u>
-	25,000
-	(25,000)
<u>\$ 230,172</u>	<u>\$ 1,148,214</u>

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