

CITY OF CORNING,

CALIFORNIA

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED
JUNE 30, 2020**

THIS PAGE INTENTIONALLY LEFT BLANK

INTRODUCTORY SECTION

City Officials

THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF CORNING, CALIFORNIA
CITY OFFICIAL
FOR THE YEAR ENDED JUNE 30, 2020**

**CITY COUNCIL
(Terms as of June 30, 2020)**

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Robert Snow	Mayor	2024
Dave Demo	Vice-Mayor	2022
Chuy Valerio	Member	2024
Karen Burnett	Member	2022
Shelly Hargens	Member	2024

CITY CLERK

Lisa Linnet

CITY TREASURER

Laura Calkins

CITY MANAGER AND FINANCE DIRECTOR

Kristina Miller

**CITY OF CORNING
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020**

CONTENTS

INTRODUCTORY SECTION

City Organization and Principal Officials

FINANCIAL SECTION

Report of Independent Auditor 1-3
Management's Discussion and Analysis 4-13

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements:

Statement of Net Position 14 Statement 1
Statement of Activities and Changes in Net Position 15-16 Statement 2

FUND FINANCIAL STATEMENTS

Balance Sheet - Governmental Funds 17 Statement 3
Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds 18-19 Statement 4
Statement of Net Assets - Proprietary Funds 20 Statement 5
Statement of Revenues, Expenses and Changes in Fund
Net Assets - Proprietary Fund Types 21 Statement 6
Statement of Cash Flows - Proprietary Fund Types 22 Statement 7
Statement of Fiduciary Net Assets - Fiduciary Funds 23 Statement 8
Statement of Change In Fiduciary Net Assets - Fiduciary Funds 24 Statement 9
Notes to the Basic Financial Statements 25-52
Other required disclosures 53-54

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information - Pension and OPEB 55

SUPPLEMENTARY INFORMATION

Balance Sheet - General Fund 56 Exhibit A-1
Statement of Revenues, Expenditures, and Changes in Fund
Balance - General Fund 57-58 Exhibit A-2
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual - General Fund 59-61 Exhibit A-3

**CITY OF CORNING
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020**

SUPPLEMENTARY INFORMATION (Continued)

Combining Balance Sheet - Special Revenue Funds	62-67	Exhibit B-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Special Revenue Funds	68-73	Exhibit B-2
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Special Revenue Funds	74-86	Exhibit B-3
Combining Balance Sheet - Capital Projects Funds	87	Exhibit C-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Capital Projects Funds	88	Exhibit C-2
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Projects Funds	89-92	Exhibit C-3
Combining Statement of Net Position	93	Exhibit D-1
Combining Statement of Revenues , Expenses and Changes in Net Position	94	Exhibit D-2
Combining Statement of Cash Flows	95	Exhibit D-3
Combining Balance Sheet - Expendable Trust Funds	96	Exhibit E-1
Combining Statement of Revenues, Expenses and Changes in Net Assets - Expendable Trust Funds	97	Exhibit E-2
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Expendable Trust Funds	98	Exhibit E-3

SPECIAL REPORTS SECTION

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	99-100
Other Supporting Schedules to Sewer Enterprise Funds	101-102
Other Supporting Schedules to Water Enterprise Funds	103-104

THIS PAGE INTENTIONALLY LEFT BLANK

FINANCIAL SECTION

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

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2020, 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

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

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

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, 2020, 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 -13 and 64 - 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 16, 2021, 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

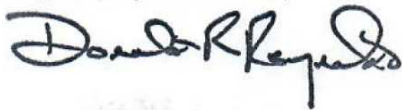
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund financial statements and budgetary schedules are presented for purposes of additional analysis and 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 style with a large, prominent "D" at the beginning.

Donald R. Reynolds, CPA
Redding, California
February 16, 2021

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF CORNING
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

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, 2020. 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 \$39,406,264, deferred revenues, deferred inflows and outflows of resources were \$6,273,506 and \$1,582,458 respectively, and total liabilities were \$17,426,200 at June 30, 2020. The City's assets exceeded its liabilities by \$18,780,764 (net position) for the fiscal year reported. This is an increase of \$1,242,051 from the previous year when assets exceeded liabilities by \$17,538,713. The increase was primarily due to the increases in sales and use taxes. A surplus in the amount of \$1,037,389 was generated in the governmental funds and an increase of \$204,662 in the business-type funds.

At June 30, 2020, the General Fund had a fund balance of \$3,724,625.

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 \$7,320,812 this year. This compares to the prior year ending fund balance of \$5,962,057 and is an increase of \$1,358,755 during the current year.

For the fiscal year ending June 30, 2020, the fund balance of the General Fund was \$3,724,365. 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 \$3,724,365 at June 30, 2020 equates to 8.09 months of operating expenditures, based on reported fiscal year 2019-2020 expenditures (\$5,525,436).

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 \$5,504,106 as of June 30, 2020. This compares to the prior year ending net position of \$5,299,444 showing an increase of \$204,662 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 40 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 39 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 14-16 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, 2020.

TABLE 1 – NET POSITION						
	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2020	2019	2020	2019	2020	2019
Assets:						
Cash and other assets	\$ 13,316,870	\$ 10,633,477	\$ 4,090,401	\$ 3,474,702	\$ 17,407,271	\$ 14,108,179
Capital asset	<u>12,589,693</u>	<u>12,560,797</u>	<u>10,901,048</u>	<u>11,614,236</u>	<u>23,490,741</u>	<u>24,175,033</u>
Total Assets	<u>\$ 25,906,563</u>	<u>\$ 23,194,274</u>	<u>\$ 14,991,449</u>	<u>\$ 15,088,938</u>	<u>\$ 40,898,012</u>	<u>\$ 38,283,212</u>
Deferred						
Outflows	<u>\$ 1,294,455</u>	<u>\$ 1,164,934</u>	<u>\$ 288,003</u>	<u>\$ 290,840</u>	<u>\$ 1,582,458</u>	<u>\$ 1,455,774</u>
Liabilities:						
Other liabilities	\$ 994,756	\$ 1,229,365	\$ 588,609	\$ 601,070	\$ 1,583,365	\$ 1,830,435
Long-term liabilities	<u>6,766,800</u>	<u>6,368,969</u>	<u>9,076,035</u>	<u>9,392,508</u>	<u>15,842,835</u>	<u>15,761,477</u>
Total Liabilities	<u>\$ 7,761,556</u>	<u>\$ 7,598,334</u>	<u>\$ 9,664,644</u>	<u>\$ 9,993,578</u>	<u>\$ 17,426,200</u>	<u>\$ 17,591,912</u>
Deferred						
Inflows/Revenues	<u>\$ 6,162,804</u>	<u>\$ 4,521,605</u>	<u>\$ 110,702</u>	<u>\$ 86,756</u>	<u>\$ 6,273,506</u>	<u>\$ 4,608,361</u>
Net Position:						
Invested in capital assets net of related debt	\$ 11,441,750	\$ 1,092,461	\$ 2,959,957	\$ 3,350,096	\$ 14,401,707	\$ 14,442,557
Restricted	-	-	1,650,046	2,083,083	1,650,046	2,083,083
Unrestricted	<u>1,834,908</u>	<u>1,146,808</u>	<u>894,103</u>	<u>(133,735)</u>	<u>2,729,011</u>	<u>1,013,073</u>
Total Net Position	<u>\$ 13,276,658</u>	<u>\$ 12,239,269</u>	<u>\$ 5,504,106</u>	<u>\$ 5,299,444</u>	<u>\$ 18,780,764</u>	<u>\$ 17,538,713</u>

In fiscal year 2019-20, Governmental Activities increased the City’s net position by \$1,242,051 and business-type activities increased the City’s net position by \$204,662 as compared to the prior fiscal year.

As Table 2 depicts, Governmental Activities revenues decreased by <\$31,099>, or 00.37%, due primarily to a decrease in sales tax and transient occupancy taxes received as a result of the COVID-19 pandemic. Expenses in the governmental activities increased by \$164,348, or 2.42%; much of this increase is in the City’s public safety combined with an increase in general government.

Business-type activities revenues increased by \$546,192 or 13.84%. The increase was due, in part to changes in customer charges, new development and increased investment earnings. Business-type expenses increased by \$22,080.

TABLE 2 - CHANGES IN NET POSITION
For the periods ending June 30

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Government-Wide Totals</u>	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ 84,203	\$ 4,037,507	\$ 3,755,639	\$ 4,037,507	\$ 3,839,842
Operating grants and contributions	366,860	465,014	-	-	366,860	465,014
Capital grants and Contributions	5,142	744,697	-	-	5,142	744,697
General revenues:						
Property taxes	625,019	607,864	-	-	625,019	607,864
Sales and use taxes	4,210,280	4,320,296	-	-	4,210,280	4,320,296
Occupancy taxes	553,456	618,181	-	-	553,456	618,181
Other taxes	279,564	195,388	-	-	279,564	195,388
Vehicle License In Lieu	672,747	629,699	-	-	672,747	629,699
Franchise tax	137,164	128,947	-	-	137,164	128,947
Investment earnings	86,643	45,230	36,472	24,182	123,115	69,412
Intergovernmental	732,701	156,942	-	-	732,701	156,942
Other revenue	672,387	376,601	418,458	166,424	1,090,845	543,025
Total Revenue	<u>8,341,963</u>	<u>8,373,062</u>	<u>4,492,437</u>	<u>3,946,245</u>	<u>12,834,400</u>	<u>12,319,307</u>
Expenses :						
General government	2,194,351	1,964,261	-	-	2,194,351	1,964,261
Public safety	4,163,807	3,994,315	-	-	4,163,807	3,994,315
Transportation	361,489	500,141	-	-	361,489	500,141
Cultural Parks and Recreation	482,099	499,185	-	-	482,099	499,185
Community Development	87,828	43,244	-	-	87,828	43,244
Sewer	-	-	2,208,788	2,178,286	2,208,788	2,278,286
Water	-	-	1,473,962	1,517,525	1,473,962	1,517,525
Solid Waste	-	-	524,429	500,707	524,429	500,707
Airport	-	-	64,809	51,884	64,809	51,884
Transportation Center	-	-	15,787	17,293	15,787	17,293
Total Expenses	<u>7,289,574</u>	<u>7,001,146</u>	<u>4,287,775</u>	<u>4,265,695</u>	<u>11,577,349</u>	<u>11,069,555</u>
Increase (Decrease) in Net Position before transfers, prior period adjustments and extraordinary items	1,052,389	1,371,916	204,662	(319,450)	1,257,051	1,052,466
Transfers	(15,000)	-	-	-	(15,000)	-
Prior period adjustments	-	(404,893)	-	7,381	-	(393,512)
Increase (Decrease) in Net Position	<u>\$ 1,037,389</u>	<u>\$ 967,023</u>	<u>\$ 204,662</u>	<u>\$ (312,069)</u>	<u>\$ 1,242,051</u>	<u>\$ 654,954</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 (GASB 54), 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 \$7,320,812 an increase of \$1,358,755 with the prior year. The primary reason for the increase is overall increases in tax revenue.

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 \$642,077.

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.

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

	2020		2019		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	% change
Taxes and assessments	\$ 6,199,663	89.50%	\$ 6,305,138	90.76%	\$ (105,475)	(1.67%)
Use of money and property Interest	30,438	0.44%	18,738	0.27%	11,700	62.44%
Licenses and permits	289,114	4.17%	36,882	0.73%	252,232	783.89%
Intergovernmental revenues	198,007	2.86%	256,045	3.69%	(58,038)	(22.67%)
Other revenue	209,488	3.03%	330,214	4.55%	(120,726)	(34.58%)
Total	\$ <u>6,926,710</u>	<u>100.00%</u>	\$ <u>6,947,017</u>	<u>100.00%</u>	\$ <u>(20,307)</u>	<u>(0.29%)</u>

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

	2020		2019		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	% change
General Government	\$ 1,232,107	22.30%	\$ 1,058,083	18.90%	\$ 174,024	16.45%
Public Safety	3,407,678	61.67%	3,228,502	57.70%	179,176	5.55%
Transportation	87,590	1.59%	125,886	2.20%	(38,296)	(30.42%)
Cultural Parks and Recreation	320,947	5.81%	338,243	6.00%	(17,296)	(5.11%)
Community/Economic Development	24,610	0.45%	31,000	0.60%	(6,390)	(20.61%)
Debt service	310,302	5.62%	299,807	5.35%	10,495	3.58%
Capital outlay	142,202	2.56%	517,524	9.25%	(375,322)	(72.52%)
Total	\$ <u>5,525,436</u>	<u>100.00%</u>	\$ <u>5,599,045</u>	<u>100.00%</u>	\$ <u>(73,609)</u>	<u>(1.31%)</u>

Fiscal year 2019-20 General Fund revenue decreased by \$20,307 (0.3%) in comparison with the prior year. Significant changes were a decrease of taxes and assessments, due primarily due to a decrease in sales tax

and transient occupancy taxes. The schedule below reflects the changes during the year. Total General Fund expenditures and transfers out increased by \$185,484 or 3.04% from the prior fiscal year indicating an increase in general government and public safety.

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, 2020, the Water Fund had an increase in net position of \$85,822 and the Sewer Fund had an increase in net position of \$148,910. The Solid Waste Fund had a decrease in net position of \$(1,848), and the Airport and the Transportation Center have a change in net position of \$(36,182) and \$7,960, respectively. A two-year comparison of change in net position for the major funds is provided in the following tables.

Water Fund - The net position of the Water Fund increased in fiscal year 2019-20 and decreased in fiscal year 2018-19. Operating revenues increased by 13.53% while operating expenses decreased by 2.72%. The net effect was a surplus change in net position in fiscal year 2019-20 compared to the deficit in fiscal year 2018-19.

**TABLE 5 - WATER FUND
For the periods ending June 30**

	2020 Amount	2019 Amount	Variance	
			Amount	Percent
Operating Revenues	\$ 1,545,582	\$ 1,361,369	\$ 184,213	13.53%
Expenses	(1,353,044)	(1,390,845)	(37,801)	(2.72)%
Non-operating revenue (expense)	(106,716)	(116,581)	(9,865)	(8.46)%
Net operating transfers	-	-	-	00.00 %
Change in net position	\$ <u>85,822</u>	\$ <u>(146,057)</u>	\$ <u>231,879</u>	

Sewer Fund - The Sewer Fund reported a positive increase in net position in fiscal year 2019-20 compared to fiscal year 2018-19. In 2019-20 operating revenues increased offsetting smaller increases in operating expenses, the net effect being a \$302,368 increase 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**

	2020 Amount	2019 Amount	Variance	
			Amount	Percent
Operating Revenues	\$ 2,337,114	\$ 2,011,874	\$ 325,240	16.02%
Expenses	(2,022,212)	(1,940,633)	81,579	4.20%
Non-operating revenue (expense)	(1,65,992)	(224,699)	(58,707)	(26.13)%
Net operating transfers	-	-	-	00.00%
Change in net position	\$ <u>148,910</u>	\$ <u>(153,458)</u>	\$ <u>302,368</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 2019-20, after Council approved changes, anticipated a shortfall of \$(100,849). Revenues in fiscal year 2019-20 were \$87,410, or 1.28%, more than the budget estimate. The results of the General Fund were more favorable than anticipated, with an actual net surplus of \$642,077 due to increases in revenue and decreases in expenditures and capital outlay.

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**

	2020			2019		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues	\$ 6,839,300	\$ 6,926,710	\$ 87,410	\$ 6,216,900	\$ 6,947,017	\$ 730,117
Expenditures	(5,468,189)	(5,383,234)	84,955	(5,192,647)	(5,081,521)	111,126
Operating Result	1,371,111	1,543,476	172,365	1,024,253	1,865,496	841,243
Capital Outlay	(521,960)	(142,202)	(379,758)	(726,875)	(517,524)	209,351
Transfers Out	(950,000)	(759,197)	(190,803)	(500,104)	(500,104)	-
Net Result	\$ (100,849)	\$ 642,077	\$ 742,926	\$ (202,726)	\$ 847,868	\$ 1,050,594

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 (GASB 34), 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, 2020, was \$11,441,750 and \$2,959,957 respectively. This represented an increase in the net investment (net of corresponding debt) of 3.15% for governmental and a decrease in net investment of 11.65% for business-type activities.

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

	2020	2019	Increase (Decrease) \$	Increase (Decrease) %
Governmental Funds	\$ 11,441,750	\$ 11,092,491	\$ 349,259	3.15%
Business-type Funds	\$ 2,959,957	\$ 3,350,096	\$ (390,139)	(11.65)%

Long-term debt (including Compensated Absences). As of June 30, 2020, the City had total debt outstanding of \$9,774,431; this is a decrease from the total debt outstanding at June 30, 2019 of \$546,307. This decrease is due to loan principal pay downs by the City during the current fiscal year.

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

TABLE 9 - TOTAL DEBT
For the periods ending June 30

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Government-Wide Totals</u>	
	2020	2019	2020	2019	2020	2019
Capital Leases	\$ 283,094	\$ 337,503	\$ -	\$ -	\$ 283,094	\$ 337,503
Compensated Absences	548,260	470,611	137,077	117,651	685,337	588,262
Pension Obligation Bonds	864,908	1,130,833	91,092	119,140	956,000	1,249,973
2019 Revenue						
Refunding Bonds	-	-	7,850,000	8,145,000	7,850,000	8,145,000
Total	<u>\$ 1,696,262</u>	<u>\$ 1,938,947</u>	<u>\$ 8,078,169</u>	<u>\$ 8,381,791</u>	<u>\$ 9,774,431</u>	<u>\$ 10,320,738</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 \$3,110,546 in sales tax and \$1,099,734 in transactions and use tax in fiscal year 2019-2020. Overall sales and use taxes are down \$110,016 from fiscal year 2018-2019 as a result of the COVID-19 pandemic. Transient Occupancy Taxes received in fiscal year 2019-2020 totaled \$553,446, which was down \$64,735 from fiscal year 2018-2019 also as a result of the COVID-19 pandemic. These losses were partially offset by an increase in motor vehicle in lieu taxes (private used auto sales taxes), which increased by \$43,048 from fiscal year 2018-2019 to fiscal year 2019-2020.

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 May of 2014, the City Council implemented Resolution No. 05-27-2014-01. The Resolution implements five annual 3.5% sewer rate increases to account for inflation and set aside net revenues to fund future repairs and facility replacement. The last rate increase as part of Resolution No. 05-27-2014-01 occurred on July 1, 2014.

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.

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 \$544,422 in State Gas Taxes, Senate Bill 1 funds, and local transportation taxes during the year; that is only \$71.72 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 2019-2020 there were 43 full time City Employees. The City has a huge investment in those employees and they are the greatest asset of the City 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. There currently is also an 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 2019 the City initiated a contract with a consulting firm for Public Works Director and City Engineer 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

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF CORNING
STATEMENT OF NET POSITION
June 30, 2020

Statement 1

	Primary Government		
	Governmental Activities	Business Activities	Total
<u>ASSETS</u>			
Cash and Investments (Note 3)			
Available for operations	\$ 7,485,172	\$ 3,303,114	\$ 10,788,286
Restricted	-	230,370	230,370
Receivables (net of allowance for uncollectable)			
Accounts Receivable	-	266,306	266,306
Intergovernmental Receivable	128,136	-	128,136
Interest Receivable	1,491,750	-	1,491,750
Receivable from Other Governments	40,018	-	40,018
Other Receivable	15,405	-	15,405
Loans Receivable (CDBG.)	4,156,391	-	4,156,391
Internal balances	-	-	-
Inventory	-	51,361	51,361
Due From Other Funds	-	-	-
Capital Assets (Note 2):			
Unamortized loan acquisition costs	-	239,250	239,250
Land and construction in progress	-	838,088	838,088
Depreciable assets, net	12,589,693	10,062,960	22,652,653
Total Assets	<u>\$ 25,906,565</u>	<u>\$ 14,991,449</u>	<u>\$ 40,898,014</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension	<u>\$ 1,294,455</u>	<u>\$ 288,003</u>	<u>\$ 1,582,458</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 312,117	\$ 178,212	\$ 490,329
Accrued Wages/Payroll Taxes	15,871	3,460	19,331
Accrued Interest Payable	3,168	101,729	104,897
Deposits	-	27,288	27,288
Other Accrued Liabilities	-	-	-
Contract retentions	-	-	-
Accrued compensated absences:			
Due within one year	375,000	99,000	474,000
Due in more than one year	173,319	38,078	211,397
Long-term debt			
Due within one year	288,599	178,920	467,519
Due in more than one year	859,344	7,762,171	8,621,515
Net Pension Liability	<u>5,734,137</u>	<u>1,275,786</u>	<u>7,009,923</u>
Total Liabilities	<u>\$ 7,761,555</u>	<u>\$ 9,664,644</u>	<u>\$ 17,426,199</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
GASB 68 Actuarial Adjustments	\$ 497,903	\$ 110,702	\$ 608,605
Unearned Revenue	<u>5,664,904</u>	<u>-</u>	<u>5,664,904</u>
Total Deferred Inflows of Resources	<u>\$ 6,162,807</u>	<u>\$ 110,702</u>	<u>\$ 6,273,509</u>
<u>NET POSITION</u>			
Net investment in capital assets	\$ 11,441,750	\$ 2,959,957	\$ 14,401,707
Reserved for debt service	-	230,172	230,172
Reserved for capital improvement	-	1,419,874	1,419,874
Unrestricted	<u>1,834,908</u>	<u>894,103</u>	<u>2,729,011</u>
Total Net Position	<u>\$ 13,276,658</u>	<u>\$ 5,504,106</u>	<u>\$ 18,780,764</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
Year Ended June 30, 2020

Statement 2

	Net (Expense)				
	Revenue and Changes				
	In Net Position				
	Program Revenues			Governmental Activities	Business-Type Activities
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
FUNCTIONS/PROGRAMS					
Governmental Activities:					
General Government:					
City Council	\$ 30,708	\$ -	\$ -	\$ -	\$ (30,708)
City Administration	192,332	-	-	-	(192,332)
City Clerk	14,185	-	-	-	(14,185)
City Treasurer	789	-	-	-	(789)
City Finance	81,305	-	-	-	(81,305)
General Government	1,875,032	132,432	13,816	-	(1,728,784)
Total General Government	<u>2,194,351</u>	<u>132,432</u>	<u>13,816</u>	<u>-</u>	<u>(2,048,103)</u>
Public Safety and Judiciary:					
Legal Services	103,053	-	-	-	(103,053)
Police	2,555,764	18,732	184,191	-	(2,352,841)
Police Dispatch	582,354	-	-	-	(582,354)
Animal Control	176,477	-	-	-	(176,477)
Fire	746,159	-	-	-	(746,159)
Total Public Safety and Judiciary	<u>4,163,807</u>	<u>18,732</u>	<u>184,191</u>	<u>-</u>	<u>(3,960,884)</u>
Transportation:					
Airport	-	-	-	-	-
Streets	361,489	17,108	184,865	150,276	(9,240)
Total Transportation	<u>361,489</u>	<u>17,108</u>	<u>184,865</u>	<u>150,276</u>	<u>(9,240)</u>
Cultural, Parks and Recreation					
Library	27,242	-	-	-	(27,242)
Theater	9,298	-	-	-	(9,298)
Parks and Recreation	445,559	27,235	-	153,009	(265,315)
Total Cultural, Parks and Recreation	<u>482,099</u>	<u>27,235</u>	<u>-</u>	<u>153,009</u>	<u>(301,855)</u>
Community/Economic Development:					
Economic Development	87,828	-	-	-	(87,828)
Total Community/Economic Development	<u>87,828</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(87,828)</u>
Business-Type Activities					
Sewer	2,208,788	2,025,835	-	-	(182,953)
Water	1,473,962	1,519,548	-	-	45,586
Solid Waste	524,429	522,024	-	-	(2,405)
Airport	64,809	-	-	-	(64,809)
Transportation	15,787	-	-	-	(15,787)
Total Business-Type Activities	<u>4,287,775</u>	<u>4,067,407</u>	<u>-</u>	<u>-</u>	<u>(220,368)</u>
Total	<u>\$ 11,577,349</u>	<u>\$ 4,262,914</u>	<u>\$ 382,872</u>	<u>\$ 303,285</u>	<u>\$ (6,407,910)</u>
					<u>\$ (220,368)</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
Year Ended June 30, 2020

Statement 2
(Continued)

CHANGES IN NET POSITION:

	Governmental	Business	Total
	Activities	Activities	Total
Net (Expense)/Revenue	\$ (6,407,910)	\$ (220,368)	\$ (6,628,278)
General Revenues:			
Taxes			
Sales and Use Taxes	4,210,280	-	4,210,280
Property Taxes	625,019	-	625,019
Franchise Taxes	137,997	-	137,997
Vehicle License Fees	672,747	-	672,747
Transit Occupancy Tax	553,456	-	553,456
Other Taxes	331,570	-	331,570
Intergovernmental	365,707	-	365,707
Investment Income	86,643	36,472	123,115
Other	476,880	388,558	865,438
Transfers - Internal Activity	-	-	-
Total General Revenues and Transfers	<u>7,460,299</u>	<u>425,030</u>	<u>7,885,329</u>
Change in Net Position	1,052,389	204,662	1,257,051
Net Position - Beginning of Year	<u>12,239,269</u>	<u>5,299,444</u>	<u>17,538,713</u>
Prior Period Adjustment	-	-	-
Residual Equity Transfers In (Out)	<u>(15,000)</u>	<u>-</u>	<u>(15,000)</u>
Net Position - Ending of Year	<u>\$ 13,276,658</u>	<u>\$ 5,504,106</u>	<u>\$ 18,780,764</u>

THIS PAGE INTENTIONALLY LEFT BLANK

BASIC FINANCIAL STATEMENTS

Fund Financial Statements

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF CORNING
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

Statement 3

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Investments	\$ 3,514,890	\$ 3,970,282	\$ 7,485,172
Intergovernmental Receivable	29,199	98,937	128,136
Notes Receivable (C.D.B.G.)	-	4,156,391	4,156,391
Interest receivable	-	1,491,750	1,491,750
Receivable from Other Governments	40,018	-	40,018
Other Receivable	15,405	-	15,405
Due From Other Funds	<u>213,139</u>	<u>-</u>	<u>213,139</u>
Total Assets	<u>\$ 3,812,651</u>	<u>\$ 9,717,360</u>	<u>\$ 13,530,011</u>
LIABILITIES			
Accounts Payable	\$ 52,484	\$ 259,633	\$ 312,117
Accrued Wages/Payroll Taxes	15,871	-	15,871
Due to Other Funds	-	213,139	213,139
Contract retentions	-	-	-
Other liabilities	<u>3,168</u>	<u>-</u>	<u>3,168</u>
Total Liabilities	<u>71,523</u>	<u>472,772</u>	<u>544,295</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Building Permits	16,763	-	16,763
Deferred Revenue - Loans Receivable	<u>-</u>	<u>5,648,141</u>	<u>5,648,141</u>
Total Liabilities	<u>88,286</u>	<u>6,120,913</u>	<u>6,209,199</u>
FUND BALANCES			
Restricted for contingences	625,000	-	625,000
Unassigned	3,099,365	-	3,099,365
Unassigned - Special Revenues Funds	-	2,141,446	2,141,446
Unassigned - Capital Projects Funds	<u>-</u>	<u>1,455,001</u>	<u>1,455,001</u>
Total Fund Balances	<u>3,724,365</u>	<u>3,596,447</u>	<u>7,320,812</u>
Total Liabilities and Fund Balances	<u>\$ 3,812,651</u>	<u>\$ 9,717,360</u>	<u>\$ 13,530,011</u>

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

Total Fund Balance - Total Governmental Funds	\$ 7,320,812
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.	12,589,693
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Deferred Outflows of Resources	1,294,455
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Deferred Inflows of Resources	\$ (497,903)
Pension obligation Bonds	(1,147,943)
Accrued Compensated Absences	(548,319)
Net leases	-
Net Pension Liability	<u>(5,734,137)</u>
Net Position of Governmental Activities	<u>\$ 13,276,658</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, 2020

Statement 4

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:			
Taxes	\$ 6,199,663	\$ 331,406	\$ 6,531,069
Intergovernmental Revenues	198,007	853,857	1,051,864
Interest	30,438	56,205	86,643
Licenses and Permits	289,114	-	289,114
Miscellaneous	209,488	173,785	383,273
Total Revenues	<u>6,926,710</u>	<u>1,415,253</u>	<u>8,341,963</u>
EXPENDITURES:			
Current:			
General Government:			
City Council	25,131	-	25,131
City Administration	157,406	-	157,406
City Clerk	11,608	-	11,608
City Treasurer	646	-	646
City Finance	66,541	-	66,541
General Government	970,775	563,760	1,534,535
Total General Government	<u>1,232,107</u>	<u>563,760</u>	<u>1,795,867</u>
Public Safety and Judiciary:			
Legal Services	84,339	-	84,339
Police	2,091,648	-	2,091,648
Police Dispatch	476,601	-	476,601
Animal Control	144,429	-	144,429
Fire	610,661	-	610,661
Total Public Safety and Judiciary	<u>3,407,678</u>	<u>-</u>	<u>3,407,678</u>
Transportation:			
Streets	87,590	208,255	295,845
Total Transportation	<u>87,590</u>	<u>208,255</u>	<u>295,845</u>
Cultural, Parks and Recreation			
Library	22,295	-	22,295
Theater	7,610	-	7,610
Parks and Recreation	291,042	73,673	364,715
Total Cultural, Parks and Recreation	<u>320,947</u>	<u>73,673</u>	<u>394,620</u>
Community/Economic Development:			
Economic Development	24,610	47,270	71,880
Total Community/Economic Development	<u>24,610</u>	<u>47,270</u>	<u>71,880</u>
Debt Service:			
Principal	265,983	54,410	320,393
Interest and Other Charges	44,319	9,992	54,311
Capital Outlay	142,202	485,412	627,614
Total Expenditures	<u>5,525,436</u>	<u>1,442,772</u>	<u>6,968,208</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,401,274</u>	<u>(27,519)</u>	<u>1,373,755</u>
OTHER FINANCING SOURCES (USES)			
Debt Proceeds	-	-	-
Transfers In / Out	(759,197)	759,197	-
Total Other Financing Sources and (Uses)	<u>(759,197)</u>	<u>759,197</u>	<u>-</u>
Net Change in Fund Balances	642,077	731,678	1,373,755
Fund Balances-Beginning of Year	3,082,288	2,879,769	5,962,057
Residual Equity Transfers	-	(15,000)	(15,000)
Prior period adjustment	-	-	-
Fund Balances-End of Year	<u>\$ 3,724,365</u>	<u>\$ 3,596,447</u>	<u>\$ 7,320,812</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, 2020

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 \$ 1,373,755

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	\$ 627,614	
Donated Infrastructure not included in capital outlay	(194,498)	
Depreciation expense	<u>(404,220)</u>	28,896

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>320,393</u>	320,393

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		(592,945)
Accrued compensated absences		<u>(77,707)</u>

Change in Net Position of Governmental Activities	\$	<u><u>1,052,392</u></u>
---	----	-------------------------

CITY OF CORNING
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

Statement 5

	<u>Enterprise Funds</u>
<u>ASSETS</u>	
<u>Current Assets:</u>	
Cash and Investments	\$ 3,303,114
Accounts Receivable	266,306
Inventory	51,361
Total Current Assets	<u>3,620,781</u>
<u>Noncurrent Assets:</u>	
Capital Assets:	
Land and Construction in Progress	838,088
Property, Plant, and Equipment	25,627,059
Accumulated Depreciation	<u>(15,564,099)</u>
Net Capital Assets	<u>10,901,048</u>
Loan Acquisition Costs	284,413
Accumulated Amortization	<u>(45,163)</u>
Net Loan Acquisition Costs	<u>239,250</u>
Restricted Assets	<u>230,370</u>
Total Noncurrent Assets	<u>11,370,668</u>
Deferred Outflows of Resources	
Pension Contribution	<u>288,003</u>
Total Assets	<u>\$ 15,279,452</u>
<u>LIABILITIES</u>	
<u>Current Liabilities:</u>	
Accounts Payable	\$ 178,212
Accrued Wages/Payroll Taxes	3,460
Other Accrued Liabilities	-
Accrued Interest Payable	101,729
Deposits	27,288
Current Portion of Non-Current Liabilities	<u>277,920</u>
Total Current Liabilities	<u>588,609</u>
<u>Noncurrent Liabilities:</u>	
Notes, Bonds and Certificates Payable	7,663,171
Accrued Compensated Absences	137,078
Net Pension Liability	1,275,786
Loans	-
Total Noncurrent Liabilities	<u>9,076,035</u>
Total Liabilities	<u>9,664,644</u>
<u>Deferred Inflows of Resources</u>	
GASB 68 Actuarial Adjustments	<u>110,702</u>
<u>NET POSITION:</u>	
Investment in Capital Assets, net of related debt	2,959,957
Reserved for capital improvement	1,419,874
Reserved for debt service	230,172
Unrestricted	894,103
Total Net Position	<u>\$ 5,504,106</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, 2020

Statement 6

	<u>Enterprise Funds</u>
OPERATING REVENUES:	
Charges for Services	
Sewer Charges	\$ 2,025,835
Water Charges	1,489,648
Solid Waste	522,024
Connection Fees	29,900
Lease and Rents	44,639
Other revenue	343,919
Total Operating Revenues	<u>4,455,965</u>
OPERATING EXPENSES:	
Salaries and Benefits	984,588
Utilities	330,279
Depreciation	641,031
Amortization	12,517
Other Expenses	2,011,866
Total Operating Expenses	<u>3,980,281</u>
Operating Income	<u>475,684</u>
NONOPERATING REVENUES (EXPENSES):	
Interest Income	36,472
Interest expense	(307,494)
Total Nonoperating Revenue (Expenses)	<u>(271,022)</u>
Income Before Contributions and Transfers	-
Operating transfers in (out)	<u>-</u>
Net income (Loss)	204,662
Net Position-Beginning of Year - As previously stated	5,299,444
Prior period adjustment	<u>-</u>
Net Position - Beginning of Year	5,299,444
Residual Equity Transfers In	-
Residual Equity Transfers Out	<u>-</u>
Net Position - End of Year	\$ <u><u>5,504,106</u></u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2020

Statement 7

	<u>Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 4,029,569
Other Operating Cash Receipts	390,815
Payments to Suppliers	(2,241,132)
Payments to Employees	<u>(1,004,593)</u>
Net Cash Provided (Used) by Operating Activities	<u>1,174,659</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	(311,312)
Repayment of Certificates of Participation	(568,808)
Repayment of Loan Payable: Mid Valley Bank	3,869
Changes in GASB 68 amounts	98,070
Payments for capital acquisitions	<u>642,544</u>
Net cash (used by) capital and related financing activities	<u>(135,637)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Receipts of interest	<u>36,472</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>1,075,494</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,752,095</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,827,589</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Net Operating Income (Loss)	\$ 475,684
Adjustments to Reconcile Net Income to Net Cash Provided by (Used by) Operating Activities:	
Depreciation/Amortization	653,548
Prior period adjustments	(6,809)
Decrease (Increase) in Accounts Receivable	(32,698)
Decrease (Increase) in Inventory	24,919
Decrease (Increase) in Prepaid Assets	76,280
Increase (Decrease) in Accounts Payable	33,202
Increase (Decrease) in Wages Payable	(13,196)
Increase (Decrease) in Accrued Compensation	-
Increase (Decrease) in Due to Other Funds	(29,570)
Increase (Decrease) in Interest Payable	(3,818)
Increase (Decrease) in Deposits	<u>(2,883)</u>
Net cash from (used for) operating activities	<u>\$ 1,174,659</u>

See accompanying notes to the
basic financial statements.

CITY OF CORNING
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Private Purpose Trust Funds</u>
<u>ASSETS</u>	
Cash and Investments	\$ 294,405
Total Assets	<u>\$ 294,405</u>
 <u>Net Position</u>	
Held in trust for:	
Scholarships	\$ 25,361
Library Systems	<u>269,044</u>
Total Net Position	<u>\$ 294,405</u>

CITY OF CORNING
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

Statement 9

	<u>Private Purpose Trust Funds</u>
<u>Additions:</u>	
Interest Income	\$ 3,561
Total Revenues	<u>3,561</u>
<u>Deductions:</u>	
Scholarships	-
Capital Outlay	-
Other Deductions	<u>-</u>
Total Deductions	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,561</u>
Change in Net Position	<u>3,561</u>
Net Position - Beginning of the Year	290,844
Residual Equity Transfers	<u>-</u>
Net Position - End of the Year	<u>\$ 294,405</u>

BASIC FINANCIAL STATEMENTS

Notes to Basic Financial Statements

THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020

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

Deficit Fund Balance/Net Assets

See supplemental information at the end of this statement.

NOTE 2: DETAILED NOTES

Cash and Investments

As of June 30, 2020, the City's cash and investments are reported in the financial statements as follows:

Primary government, net of deficit funds (\$213,139)	\$ 10,788,286
Restricted Cash	230,370
Agency funds	<u>294,405</u>
Total Cash and Investments	<u>\$ 11,313,061</u>

As of June 30, 2020, the City's cash and investments in bank consisted of the following:

Cash:	
Cash on hand	\$ 1,650
Deposits (less outstanding checks)	<u>3,309,771</u>
Total Cash	<u>3,311,421</u>

As of June 30, 2020, the City's investments consisted of the following:

Investments:	
In California Local Agency Investment Fund (at market):	<u>8,001,640</u>
Total Investments	<u>8,001,640</u>
Total Cash and Investments	<u>\$ 11,313,061</u>

At year end, the carrying amount of the City's cash deposits (including amount in checking accounts and money market accounts) was \$3,309,771 and the bank balance was \$3,739,515. 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, 2020

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, 2020, 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, 2020, the City's investment position in the State of California Local Agency Investment Fund (LAIF) was \$8,001,640. The total amount invested by all public agencies in LAIF on that day was \$727,665,198. 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, 2020

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, 2020, 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, 2020</u>
<i>Governmental Activities:</i>					
Capital Assets, Being Depreciated:					
Buildings	\$ 1,911,435	\$ 123,017	\$ -	\$ -	\$ 2,034,452
Parks	4,145,157	-	-	-	4,145,157
Fire Department	1,901,400	223,059	(170,500)	-	1,953,959
Police Department	675,984	15,116	-	-	691,100
Machinery and equipment	711,234	-	-	-	711,234
Infrastructure	<u>8,298,432</u>	<u>71,924</u>	<u>-</u>	<u>-</u>	<u>8,370,356</u>
Total Capital Assets, Being Depreciated	17,643,642	433,116	(170,500)	-	17,906,258
Less Accumulated Depreciation	<u>(5,082,845)</u>	<u>(404,220)</u>	<u>170,500</u>	<u>-</u>	<u>(5,316,565)</u>
Total Capital Assets, Being Depreciated, Net	<u>12,560,797</u>	<u>28,896</u>	<u>-</u>	<u>-</u>	<u>12,589,693</u>
Total Governmental Activities, Net	<u>\$ 12,560,797</u>	<u>\$ 28,896</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,589,693</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	721,336	25,544	(30,041)	-	716,839
Utility Property	<u>22,207,619</u>	<u>-</u>	<u>(24,239)</u>	<u>-</u>	<u>22,183,380</u>
Total Capital Assets, Being Depreciated	<u>25,655,795</u>	<u>25,544</u>	<u>(54,280)</u>	<u>-</u>	<u>25,627,059</u>
Less Accumulated Depreciation	<u>(14,879,647)</u>	<u>(641,031)</u>	<u>(43,421)</u>	<u>-</u>	<u>(15,564,099)</u>
Total Capital Assets, Being Depreciated, Net	<u>10,776,148</u>	<u>(615,487)</u>	<u>(97,701)</u>	<u>-</u>	<u>10,062,960</u>
Total Business-type Activities, Net	<u>\$ 11,614,236</u>	<u>\$ (615,487)</u>	<u>\$ (97,701)</u>	<u>\$ -</u>	<u>\$ 10,901,048</u>

(Continued on the following page)

**CITY OF CORNING, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 2: DETAILED NOTES (Continued)

Capital Assets (Continued)

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2020</u>
Loan Acquisition Costs:					
Loan Acquisition Costs	\$ 284,413	\$ -	\$ -	\$ -	\$ 284,413
Less Accumulated amortization	<u>(35,372)</u>	<u>-</u>	<u>(12,517)</u>	<u>(2,726)</u>	<u>(45,163)</u>
Loan Acquisition costs, net of amortization	<u>\$ 249,041</u>	<u>\$ -</u>	<u>\$ (12,517)</u>	<u>\$ (2,726)</u>	<u>\$ 239,250</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 121,855
Public Safety and Judiciary	231,222
Transportation	20,074
Culture Parks and Recreation	26,776
Community Economic Development	<u>4,293</u>
Total Depreciation Expense -- Governmental Functions	<u>\$ 404,220</u>

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

Sewer	\$ 457,396
Solid Waste	-
Airport	33,135
Transportation	-
Water	<u>150,500</u>
Total Depreciation Expense - Business-Type Functions	<u>\$ 641,031</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, 2020.

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, 2020**

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 \$4,173,154 related to long-term notes and loans receivable.

At June 30, 2020, the components of unearned revenue in governmental funds 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 \$16,763.

Long-term Debt

Long-term debt for the year ended June 30, 2020, was as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities					
Pension Obligation Bonds	\$ 1,130,833	\$ -	\$ (265,982)	\$ 864,851	\$ 288,599
U.S. Bancorp Leasing	337,503	-	(54,411)	283,092	57,828
Compensated Absences (Note 1)	<u>470,611</u>	<u>362,415</u>	<u>(284,707)</u>	<u>548,319</u>	<u>375,000</u>
Total Government Activities	<u>\$ 1,938,947</u>	<u>\$ 362,415</u>	<u>\$ (605,100)</u>	<u>\$ 1,696,262</u>	<u>\$ 721,427</u>
Business-Type Activities					
2017 Water and Sewer Revenue Refunding Bonds	\$ 8,145,000	-	(295,000)	7,850,000	310,000
Pension Obligation Bonds	119,140	-	(28,049)	91,091	30,401
Compensated Absences (Note 1)	<u>117,651</u>	<u>92,088</u>	<u>(72,661)</u>	<u>137,078</u>	<u>99,000</u>
Total Business-Type Activities	<u>\$ 8,381,791</u>	<u>\$ 92,088</u>	<u>\$ (395,710)</u>	<u>\$ 8,078,169</u>	<u>\$ 439,401</u>

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2: DETAILED NOTES (Continued)

Long-term Debt (Continued)

At June 30, 2020, loans consisted of the following:

2017 Revenue Refunding Bond

In March of 2017, 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, 2020 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, 2020, 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, 2020**

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, 2020:

<u>Due To:</u>		<u>Due From:</u>	
General Fund	\$ 213,139	Proposition 47 Grant Funds	\$ 119,971
		Rural Planning Grant Fund	10,272
		Street Scape Fund	67,714
		SB-2 Planning Grant Fund	9,863
		DWR SGMA Grant Fund	163
		L and L District 1 Zone 1	1,055
		ATP SR-25 Fund	4,101
Total	\$ <u>213,139</u>		\$ <u>213,139</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, 2020:

<u>Transfer From:</u>		<u>Transfer To:</u>	
General Fund	\$ 759,197	Equipment Replacement Fund - Pub Wks	\$ 177,332
		Equipment Replacement Fund - Fire	309,583
		Equipment Replacement Fund - Police	122,282
		Parks Equipment Reservert	75,000
		Economic Development Fund	75,000
Sewer Enterprise Fund	285,000	WWTP Capital Replacement Fund	85,000
		WWTP Debt Service Fund	160,000
		Sewer Capital Improvement Fund	40,000
Water Enterprise Fund	78,500	Short Lived Water Reserve Fund	78,500
Total	\$ <u>1,122,697</u>		\$ <u>1,122,697</u>

Continued on the following page

**CITY OF CORNING, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020

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, 2020, 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, 2020, 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>4,009,238</u>	\$ <u>3,002,727</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, 2020 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, 2018	<u>0.06303%</u>	<u>0.07303%</u>
Proportion - June 30, 2019	<u>0.06422%</u>	<u>0.07498%</u>
Change, Increase (Decrease)	<u>0.00119%</u>	<u>0.00195%</u>

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3: Retirement Plans (Continued)

For the year ended June 30, 2020, the Local Government recognized pension expense of \$1,932,670. At June 30, 2020, the Local Government reported deferred outflows of resources related to pensions from the following sources:

Pension contributions subsequent to measurement date	\$ 591,677
Differences between actual and expected experience	470,319
Differences between Projected and Actual Investment Earnings	-
Changes in assumptions	307,516
Change in employer's proportion	194,992
Differences between the employer's contributions and the employer's proportionate share of contributions	<u>18,415</u>
Total	\$ <u>1,582,919</u>

At June 30, 2020, the Local Government reported deferred inflows of resources related to pensions from the following sources:

Differences between actual and expected Investment experience	\$ 16,159
Changes in assumptions	82,827
Change in employer's proportion	1,744
Differences between Projected and Actual Investment Earnings	107,651
Differences between the employer's contributions and the employer's proportionate share of contributions	<u>400,475</u>
Total	\$ <u>608,856</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, 2020. 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>
2020	\$ 273,704	\$ 158,054
2020	(46,332)	(48,654)
2021	16,279	7,997
2022	10,608	10,731
2023	-	-
Thereafter	-	-

(Continued on the following page)

**CITY OF CORNING, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 3: Retirement Plans (Continued)

Actuarial Methods and Assumption Used to Determine Total Pension Liability

The June 30, 2020 total pension liabilities were based on the following actuarial methods and assumptions:

	<u>Safety Plan</u>	<u>Miscellaneous Plan</u>
Valuation Date	-----June 30, 2019-----	-----
Measurement Date	-----June 30, 2019-----	-----
Actuarial Cost Method	Entry-age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	-----7.15%-----	-----
Inflation	-----2.75%-----	-----
Payroll Growth Rate	-----3.00%-----	-----
Projected Salary Increases	Varies by Entry Age and Service	
Interment Rate of Return	-----7.15%-----	----- ⁽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, 2019 valuation were based on the results of a January 2019 actuarial experience study for the period 1997 to 2019. 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, 2020**

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 2020. 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 2020-21 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, 2020**

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% \$ 6,081,369	6.15% \$ 4,664,535
Current Discount Rate Net Pension Liability	7.15% \$ 4,009,238	7.15% \$ 3,002,727
1% Increase Net Pension Liability	8.15% \$ 2,310,414	8.15% \$ 1,631,025

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, 2020**

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 2020. 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, 2020, the most recent available:

Assets	\$ <u>71,377,660</u>
Liabilities	\$ <u>46,831,765</u>
Net Position - Unrestricted	\$ <u>24,545,895</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, 2020, 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, 2020**

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>	<u>Year of Loan or</u> <u>Year</u> <u>Repayments</u> <u>and/or Interest</u> <u>Payments Began</u>	<u>Original</u> <u>Issue/Loan</u> <u>Amount</u>	<u>Payments</u> <u>Amortized</u> <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, 2020 through February 16, 2021, 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, 2020**

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.

COVID-19 Pandemic - In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, customers, economies, and financial markets globally, leading to an economic downturn. It has also disrupted the normal operations of many government agencies, including the City. This outbreak and the related public-health protective measures will decrease the types of economic activity that generate City revenue and reduce our ability to provide services to residents and businesses. It is not possible for us to predict the duration or magnitude of these impacts 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, 2020, 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	-	-	269,044
Reserve for Library Systems	-	-	25,361
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.

(Continued on the following page)

**CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE 9: RESERVES AND DESIGNATIONS OF FUND EQUITY (Continued)

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.

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.

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 11: BUDGETARY PRINCIPLES (Continued)

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, 2020

ADDITIONAL DISCLOSURES
DEBT SERVICE REQUIREMENTS

2017 Refunding Bonds
Installment Payment Schedule for Bonded Debt

Water Refunding		Sewer Refunding	
Principal Amount	Maturity Date (September 1)	Principal Amount	Maturity Date (September 1)
\$ 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>3,100,000</u>		\$ <u>4,750,000</u>	

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020

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)
\$ 288,599	\$ 19,714	\$ 10,687	\$ 319,000	2021
312,121	21,321	11,558	345,000	2022
264,131	18,012	9,857	292,000	2023
<u>\$ 864,851</u>	<u>\$ 59,047</u>	<u>\$ 32,102</u>	<u>\$ 956,000</u>	
Fire Truck Lease				
\$ 57,828	\$ -	\$ -	\$ 57,828	2021
59,672	-	-	59,672	2022
61,573	-	-	61,573	2023
63,536	-	-	63,536	2024
40,484	-	-	40,484	2025
<u>\$ 283,093</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 283,093</u>	
Total	\$ <u>1,147,944</u>	\$ <u>59,047</u>	\$ <u>32,102</u>	\$ <u>1,239,093</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, 2020 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, 2020 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

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF CORNING
REQUIRED SUPPLEMENTARY INFORMATION - PENSION AND OPEB
As of June 30, 2020
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

	Miscellaneous Plan						Safety Plan					
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
City's proportion of the net pension liability	0.67300%	0.72900%	0.71170%	0.07068%	0.07068%	0.07068%	0.56370%	0.64300%	0.66500%	0.06101%	200.66500%	0.06101%
City's proportionate share of the net pension liability	\$ 1,664,056	\$ 1,659,380	\$ 2,374,865	\$ 2,785,236	\$ 2,681,232	\$ 3,135,336	\$ 2,114,718	\$ 2,342,743	\$ 3,145,751	\$ 3,645,767	\$ 3,593,781	\$ 4,162,284
City's covered-employee payroll	\$ 997,095	\$ 1,098,749	\$ 1,065,971	\$ 1,189,563	\$ 1,076,537	\$ 1,122,396	\$ 1,920,580	\$ 1,859,893	\$ 1,812,955	\$ 1,935,497	\$ 1,988,249	\$ 1,959,986
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	166.89%	151.02%	222.79%	234.14%	249.06%	279.34%	110.11%	125.96%	173.52%	188.36%	180.75%	212.36%
Plan fiduciary net position as a percentage of the total pension liability	83.03%	83.37%	74.45%	61.01%	63.03%	64.22%	81.41%	79.81%	72.41%	70.68%	73.03%	74.98%
<u>Notes to Schedule:</u>												
Change of benefit terms — In 2020, there were no changes to the benefit terms.												
Changes in assumptions — In 2020, there were certain changes in assumptions. See Note 3 for current changes.												
<u>Schedule of Plan Contributions</u>												
	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
Contractually required contribution (actuarially determined)	\$ 139,815	\$ 157,234	\$ 140,429	\$ 233,661	\$ 88,681	\$ 93,574	\$ 451,833	\$ 601,159	\$ 435,601	\$ 273,815	\$ 249,470	\$ 285,352
Contributions in relation to the contractually required contributions	(139,815)	(157,234)	(140,429)	(233,661)	(88,681)	(93,574)	(451,833)	(601,159)	(435,601)	(273,815)	(249,470)	(285,352)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 997,095	\$ 1,098,749	\$ 1,065,971	\$ 1,189,563	\$ 1,076,537	\$ 1,122,396	\$ 1,920,580	\$ 1,859,893	\$ 1,812,955	\$ 1,935,497	\$ 1,988,249	\$ 1,959,986
Contributions as a percentage of covered-employee payroll	14.02%	14.31%	13.17%	19.64%	8.24%	8.34%	23.53%	32.32%	24.03%	14.15%	12.55%	14.56%

* - 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.

THIS PAGE INTENTIONALLY LEFT BLANK

SUPPLEMENTARY INFORMATION

CITY OF CORNING
GENERAL FUND
Balance Sheet
June 30, 2020

Exhibit A-1

	<u>General Fund</u>
ASSETS	
Cash and Investments	\$ 3,514,890
Interest Receivable	29,199
Accounts Receivable	-
Notes Receivable (C.D.B.G.)	-
Receivable from Other Governments	40,018
Interfund Loans Receivable	-
Other Receivable	15,405
Inventory	-
Due From Other Funds	<u>213,139</u>
 Total Assets	 \$ <u><u>3,812,651</u></u>
LIABILITIES	
Accounts Payable	\$ 52,484
Accrued Wages/Payroll Taxes	15,871
Contract Retentions	-
Accrued Interest Payable	<u>3,168</u>
Total Liabilities	<u>71,523</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred Revenue - Business Licenses	<u>16,763</u>
Total Deferred Inflows of Resources	<u>16,763</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>88,286</u>
FUND EQUITY	
Reserved for contingencies	625,000
Unassigned	<u>3,099,365</u>
 Total Fund Balances	 <u>3,724,365</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ <u><u>3,812,651</u></u>

**CITY OF CORNING
GENERAL FUND**

Exhibit A-2

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2020**

	General Fund
REVENUES:	
Taxes	\$ 6,199,663
Intergovernmental Revenues	198,007
Interest	30,438
Licenses and Permits	289,114
Miscellaneous	209,488
Total Revenues	<u>6,926,710</u>
EXPENDITURES:	
Current:	
General Government:	
City Council	25,131
City Administration	157,406
City Clerk	11,608
City Treasurer	646
City Finance Department	66,541
General Government	970,775
Total General Government	<u>1,232,107</u>
Public Safety and Judiciary:	
Legal Services	84,339
Police	2,091,648
Police Dispatch	476,601
Animal Control	144,429
Fire	610,661
Total Public Safety and Judiciary	<u>3,407,678</u>
Transportation:	
Airport	
Streets	87,590
Total Transportation	<u>87,590</u>
Cultural, Parks and Recreation	
Library	22,295
Theater	7,610
Parks and Recreation	291,042
Total Cultural, Parks and Recreation	<u>320,947</u>

Continued on the following page

CITY OF CORNING
GENERAL FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2020

Exhibit A-2

**General
Fund**

EXPENDITURES (Continued):

Community/Economic Development:	
Economic Development	24,610
Total Community/Economic Development	<u>24,610</u>
Debt Service:	
Principal	265,983
Interest and Other Charges	44,319
Capital Outlay	<u>142,202</u>
Total Expenditures	<u>5,525,436</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,401,274</u>
OTHER FINANCING SOURCES (USES)	
Transfers In	-
Transfers Out	<u>(759,197)</u>
Total Other Financing Sources and Uses	<u>(759,197)</u>
Net Change in Fund Balances	<u>642,077</u>
Fund Balance-Beginning as previously stated	3,082,288
As previously stated	
Prior period Adjustment	<u>-</u>
Fund Balance-Beginning	3,082,288
Residual Equity Transfers - In	-
Residual Equity Transfers - Out	<u>-</u>
Fund Balance-Ending	<u>\$ 3,724,365</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Resources (Inflows):				
Taxes				
Sales and Use Taxes	\$ 4,253,000	4,253,000	\$ 4,210,280	\$ (42,720)
Property Taxes	604,100	604,100	625,019	20,919
Franchise Taxes	153,000	153,000	137,997	(15,003)
Vehicle License Fees	660,000	660,000	672,747	12,747
Transient Occupancy Tax	600,000	600,000	553,456	(46,544)
Other Taxes	15,000	15,000	164	(14,836)
Total Taxes	<u>6,285,100</u>	<u>6,285,100</u>	<u>6,199,663</u>	<u>(85,437)</u>
Intergovernmental Revenues	117,000	117,000	198,007	81,007
Interest	1,000	1,000	30,438	29,438
Licenses and Permits	277,100	277,100	289,114	12,014
Miscellaneous	159,100	159,100	209,488	50,388
Other Financing Sources:				
Operating Transfers In	-	-	-	-
Amount Available for Appropriation	<u>6,839,300</u>	<u>6,839,300</u>	<u>6,926,710</u>	<u>87,410</u>
Charges to Appropriations (Outflows):				
City Council				
Personnel Services	18,000	18,000	19,377	(1,377)
Material and Supplies	2,500	2,500	311	2,189
Other Services and Charges	9,000	9,000	5,443	3,557
Total City Council	<u>29,500</u>	<u>29,500</u>	<u>25,131</u>	<u>4,369</u>
City Administration				
Personnel Services	145,783	145,783	150,883	(5,100)
Material and Supplies	2,100	2,100	1,896	204
Other Services and Charges	7,650	7,650	4,627	3,023
Total City Administration	<u>155,533</u>	<u>155,533</u>	<u>157,406</u>	<u>(1,873)</u>
City Clerk				
Personnel Services	4,550	4,550	4,392	158
Material and Supplies	13,600	13,600	7,171	6,429
Other Services and Charges	650	650	45	605
Total City Clerk	<u>18,800</u>	<u>18,800</u>	<u>11,608</u>	<u>7,192</u>
City Treasurer				
Personnel Services	650	650	646	4
Material and Supplies	-	-	-	-
Other Services and Charges	-	-	-	-
Total City Treasurer	<u>650</u>	<u>650</u>	<u>646</u>	<u>4</u>
City Finance Department				
Personnel Services	29,562	29,562	24,468	5,094
Material and Supplies	44,500	44,500	41,643	2,857
Other Services and Charges	850	850	430	420
Total City Finance Department	<u>74,912</u>	<u>74,912</u>	<u>66,541</u>	<u>8,371</u>

(Continued)

CITY OF CORNING
and Changes in Fund Balances - Budget and Actual
For the Fiscal Years ended June 30, 2020

Exhibit A-3

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government				
Personnel Services	519,674	519,674	536,683	(17,009)
Material and Supplies	373,750	373,750	307,872	65,878
Other Services and Charges	4,100	4,100	126,220	(122,120)
Total General Government	<u>897,524</u>	<u>897,524</u>	<u>970,775</u>	<u>(73,251)</u>
Legal Services				
Other Services and Charges	80,500	80,500	84,339	(3,839)
Total Legal Services	<u>80,500</u>	<u>80,500</u>	<u>84,339</u>	<u>(3,839)</u>
Police				
Personnel Services	1,954,135	1,954,135	1,994,273	(40,138)
Material and Supplies	39,100	39,100	33,633	5,467
Other Services and Charges	79,720	79,720	63,742	15,978
Total Police	<u>2,072,955</u>	<u>2,072,955</u>	<u>2,091,648</u>	<u>(18,693)</u>
Police Dispatch				
Personnel Services	443,834	443,834	426,603	17,231
Material and Supplies	45,500	45,500	36,431	9,069
Other Services and Charges	18,600	18,600	13,567	5,033
Total Police Dispatch	<u>507,934</u>	<u>507,934</u>	<u>476,601</u>	<u>31,333</u>
Animal Control				
Personnel Services	92,451	92,451	96,099	(3,648)
Material and Supplies	49,900	49,900	45,764	4,136
Other Services and Charges	3,000	3,000	2,566	434
Total Animal Control	<u>145,351</u>	<u>145,351</u>	<u>144,429</u>	<u>922</u>
Fire				
Personnel Services	518,946	518,946	534,200	(15,254)
Material and Supplies	73,100	73,100	59,738	13,362
Other Services and Charges	25,000	25,000	16,723	8,277
Total Fire	<u>617,046</u>	<u>617,046</u>	<u>610,661</u>	<u>6,385</u>
Streets				
Personnel Services	13,343	13,343	22,174	(8,831)
Material and Supplies	-	-	232	(232)
Other Services and Charges	67,000	67,000	65,184	1,816
Total Streets	<u>80,343</u>	<u>80,343</u>	<u>87,590</u>	<u>(7,247)</u>
Library				
Personnel Services	-	-	4,169	(4,169)
Material and Supplies	31,450	31,450	17,450	14,000
Other Services and Charges	800	800	676	124
Total Library	<u>32,250</u>	<u>32,250</u>	<u>22,295</u>	<u>9,955</u>
Theater				
Personnel Services	-	-	-	-
Material and Supplies	-	-	-	-
Other Services and Charges	17,200	17,200	7,610	9,590
Total Theater	<u>17,200</u>	<u>17,200</u>	<u>7,610</u>	<u>9,590</u>

(Continued)

**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, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Parks and Recreation				
Personnel Services	246,191	246,191	202,291	43,900
Material and Supplies	169,300	169,300	81,812	87,488
Other Services and Charges	1,500	1,500	6,939	(5,439)
Total Parks and recreation	<u>416,991</u>	<u>416,991</u>	<u>291,042</u>	<u>125,949</u>
Economic Development				
Personnel Services	-	-	-	-
Material and Supplies	27,000	27,000	8,610	18,390
Other Services and Charges	7,500	7,500	16,000	(8,500)
Total Economic Development	<u>34,500</u>	<u>34,500</u>	<u>24,610</u>	<u>9,890</u>
Debt Service	286,200	286,200	310,302	(24,102)
Capital Outlay	521,960	521,960	142,202	379,758
Operating Transfer Out	950,000	950,000	759,197	190,803
 Total Charges to Appropriations	 <u>6,940,149</u>	 <u>6,940,149</u>	 <u>6,284,633</u>	 <u>655,516</u>
 Excess (Deficiency) of Resources Over Appropriations	 \$ <u>(100,849)</u>	 <u>(100,849)</u> \$	 <u>642,077</u> \$	 <u>742,926</u>

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2020

	Animal Control Officer Replacement Fund (Fund 072)	Business License ADA (Fund 080)	Rural Planning Fund (Fund 105)
ASSETS			
Cash and Cash Equivalents	\$ 519	\$ 7,666	\$ -
Interest receivable	-	-	-
Intergovernmental Receivable	-	-	-
Due from other funds	-	-	-
Loans Receivable (CDBG)	-	-	-
Total Assets	<u>\$ 519</u>	<u>\$ 7,666</u>	<u>\$ -</u>
LIABILITIES			
Accounts Payable	\$ -	\$ 3	\$ 5,000
Contract Retentions	-	-	-
Due to Other Funds	-	-	10,272
Total Liabilities	<u>-</u>	<u>3</u>	<u>15,272</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Loans Receivable	-	-	-
Total Liabilities and Deferred Inflows of Resources	<u>-</u>	<u>3</u>	<u>15,272</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	<u>519</u>	<u>7,663</u>	<u>(15,272)</u>
Total Fund Balance (Deficit)	<u>519</u>	<u>7,663</u>	<u>(15,272)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 519</u>	<u>\$ 7,666</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)
\$ 139,646	\$ 317,987	\$ 55,485	\$ 63,270	\$ 584,573
-	-	-	-	-
20,267	-	-	-	20,267
-	-	-	-	-
-	-	-	-	-
<u>159,913</u>	<u>317,987</u>	<u>55,485</u>	<u>63,270</u>	<u>604,840</u>
\$ 692	\$ 1,706	\$ 2,630	\$ 317	\$ 10,348
-	-	-	-	-
-	-	-	-	10,272
<u>692</u>	<u>1,706</u>	<u>2,630</u>	<u>317</u>	<u>20,620</u>
-	-	-	-	-
<u>692</u>	<u>1,706</u>	<u>2,630</u>	<u>317</u>	<u>20,620</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>159,221</u>	<u>316,281</u>	<u>52,855</u>	<u>62,953</u>	<u>584,220</u>
<u>159,221</u>	<u>316,281</u>	<u>52,855</u>	<u>62,953</u>	<u>584,220</u>
\$ <u>159,913</u>	\$ <u>317,987</u>	\$ <u>55,485</u>	\$ <u>63,270</u>	\$ <u>604,840</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2020

	Subtotal (Brought forward)	Special Gas Tax Improvement #2107 Fund (Fund 111)	Special Gas Tax Improvement #2107.5 Fund (Fund 112)
ASSETS			
Cash and Cash Equivalents	\$ 584,573	\$ 50,859	\$ 8,174
Interest receivable	-	-	-
Intergovernmental Receivable	20,267	-	-
Due from other funds	-	-	-
Loans Receivable (CDBG)	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 604,840</u>	<u>\$ 50,859</u>	<u>\$ 8,174</u>
LIABILITIES			
Accounts Payable	\$ 10,348	\$ 194	\$ -
Contract Retentions	-	-	-
Due to Other Funds	10,272	-	-
Total Liabilities	<u>20,620</u>	<u>194</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>20,620</u>	<u>194</u>	<u>-</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	<u>584,220</u>	<u>50,665</u>	<u>8,174</u>
Total Fund Balance (Deficit)	<u>584,220</u>	<u>50,665</u>	<u>8,174</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 604,840</u>	<u>\$ 50,859</u>	<u>\$ 8,174</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>Safe Routes to Schools Fund (Fund 118)</u>	<u>Subtotal (Carried forward to next page)</u>
\$ 439,910	\$ 131,258	\$ 485,872	\$ -	\$ 1,700,646
-	-	-	-	-
-	-	-	-	20,267
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>439,910</u>	\$ <u>131,258</u>	\$ <u>485,872</u>	\$ <u>-</u>	\$ <u>1,720,913</u>
\$ 1,270	\$ 506	\$ -	\$ -	\$ 12,318
-	-	-	-	-
-	-	-	4,101	14,373
<u>1,270</u>	<u>506</u>	<u>-</u>	<u>4,101</u>	<u>26,691</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,270</u>	<u>506</u>	<u>-</u>	<u>4,101</u>	<u>26,691</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>438,640</u>	<u>130,752</u>	<u>485,872</u>	<u>(4,101)</u>	<u>1,694,222</u>
<u>438,640</u>	<u>130,752</u>	<u>485,872</u>	<u>(4,101)</u>	<u>1,694,222</u>
\$ <u>439,910</u>	\$ <u>131,258</u>	\$ <u>485,872</u>	\$ <u>-</u>	\$ <u>1,720,913</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2020

	<u>Subtotal (Brought forward)</u>	<u>Special Gas Traffic Construction (Fund 121)</u>	<u>2,020 CHIP Maintenance Fund (Fund 125)</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,700,646	\$ 26,256	\$ 55,257
Interest receivable	-	-	-
Intergovernmental Receivable	20,267	-	-
Due from other funds	-	-	-
Loans Receivable (CDBG)	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	\$ <u>1,720,913</u>	\$ <u>26,256</u>	\$ <u>55,257</u>
LIABILITIES			
Accounts Payable	\$ 12,318	\$ -	\$ 54,463
Contract Retentions	-	-	-
Due to Other Funds	14,373	-	-
Total Liabilities	<u>26,691</u>	<u>-</u>	<u>54,463</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Loans Receivable	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>26,691</u>	<u>-</u>	<u>54,463</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	<u>1,694,222</u>	<u>26,256</u>	<u>794</u>
Total Fund Balance (Deficit)	<u>1,694,222</u>	<u>26,256</u>	<u>794</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>1,720,913</u>	\$ <u>26,256</u>	\$ <u>55,257</u>

(Continued)

**Exhibit B-1
(Continued)**

1	<u>DWR SGMA Grant (Fund 153)</u>	<u>SB-2 Grant (Fund 155)</u>	<u>Promise Grant (Fund 160)</u>	<u>Abandoned Vehicle Grant (Fund 170)</u>	<u>Subtotal (Carried forward to next page)</u>
	\$ -	\$ -	\$ 41,093	\$ 35,852	\$ 1,859,104
	-	-	-	-	-
	-	-	18,212	-	38,479
	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,305</u>	<u>\$ 35,852</u>	<u>\$ 1,897,583</u>
	\$ -	\$ 4,144	\$ 114	\$ -	\$ 71,039
	-	-	-	-	-
	<u>163</u>	<u>9,863</u>	<u>-</u>	<u>-</u>	<u>24,399</u>
	<u>163</u>	<u>14,007</u>	<u>114</u>	<u>-</u>	<u>95,438</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>163</u>	<u>14,007</u>	<u>114</u>	<u>-</u>	<u>95,438</u>
	-	-	-	-	-
	-	-	-	-	-
	<u>(163)</u>	<u>(14,007)</u>	<u>59,191</u>	<u>35,852</u>	<u>1,802,145</u>
	<u>(163)</u>	<u>(14,007)</u>	<u>59,191</u>	<u>35,852</u>	<u>1,802,145</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,305</u>	<u>\$ 35,852</u>	<u>\$ 1,897,583</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2020

	<u>Subtotal (Brought forward)</u>	<u>SAFE Grant (Fund 188)</u>	<u>Homeland Security (Fund 189)</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,859,104	\$ 2,687	\$ 14,913
Interest receivable	-	-	-
Intergovernmental Receivable	38,479	3,219	-
Due from other funds	-	-	-
Loans Receivable (CDBG)	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	\$ <u>1,897,583</u>	\$ <u>5,906</u>	\$ <u>14,913</u>
LIABILITIES			
Accounts Payable	\$ 71,039	\$ -	\$ -
Contract Retentions	-	-	-
Due to Other Funds	<u>24,399</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>95,438</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>95,438</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	<u>1,802,145</u>	<u>5,906</u>	<u>14,913</u>
Total Fund Balance (Deficit)	<u>1,802,145</u>	<u>5,906</u>	<u>14,913</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>1,897,583</u>	\$ <u>5,906</u>	\$ <u>14,913</u>

(Continued)

**Exhibit B-1
(Continued)**

<u>Prop 47 Cycle 1 Grant (Fund 192)</u>	<u>Promotion Neighborhood Grant (Fund 193)</u>	<u>Prop 47 Grant (Fund 195)</u>	<u>2013 Home Loan Fund (Fund 320, 828)</u>	<u>Subtotal (Carried forward to next page)</u>
\$ -	\$ 146	\$ -	\$ -	\$ 1,876,850
-	-	-	-	-
57,239	-	-	-	98,937
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>110,612</u>	<u>110,612</u>
<u>\$ 57,239</u>	<u>\$ 146</u>	<u>\$ -</u>	<u>\$ 110,612</u>	<u>\$ 2,086,399</u>
\$ 30,868	\$ -	\$ 62,450	\$ -	\$ 164,357
-	-	-	-	-
94,982	-	24,989	-	144,370
<u>125,850</u>	<u>-</u>	<u>87,439</u>	<u>-</u>	<u>308,727</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>110,612</u>	<u>110,612</u>
<u>125,850</u>	<u>-</u>	<u>87,439</u>	<u>110,612</u>	<u>419,339</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(68,611)</u>	<u>146</u>	<u>(87,439)</u>	<u>-</u>	<u>1,667,060</u>
<u>(68,611)</u>	<u>146</u>	<u>(87,439)</u>	<u>-</u>	<u>1,667,060</u>
<u>\$ 57,239</u>	<u>\$ 146</u>	<u>\$ -</u>	<u>\$ 110,612</u>	<u>\$ 2,086,399</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2020

	Subtotal (Brought forward)	SALDO Home Loan Fund (Fund 321, 825)	CDBG Program Inc. Unrestricted (Fund 323, 820)
ASSETS			
Cash and Cash Equivalents	\$ 1,876,850	\$ -	\$ 56,336
Interest receivable	-	1,491,750	-
Intergovernmental Receivable	98,937	-	-
Due from other funds	-	-	-
Loans Receivable (CDBG)	<u>110,612</u>	<u>3,900,000</u>	<u>37,402</u>
Total Assets	\$ <u>2,086,399</u>	\$ <u>5,391,750</u>	\$ <u>93,738</u>
LIABILITIES			
Accounts Payable	\$ 164,357	\$ -	\$ -
Contract Retentions	-	-	-
Due to Other Funds	<u>144,370</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>308,727</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Loans Receivable	<u>110,612</u>	<u>5,391,750</u>	<u>37,402</u>
Total Liabilities and Deferred Inflows of Resources	<u>419,339</u>	<u>5,391,750</u>	<u>37,402</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	<u>1,667,060</u>	<u>-</u>	<u>56,336</u>
Total Fund Balance (Deficit)	<u>1,667,060</u>	<u>-</u>	<u>56,336</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>2,086,399</u>	\$ <u>5,391,750</u>	\$ <u>93,738</u>

(Continued)

**Exhibit B-1
(Continued)**

CDBG 1990 Loan Fund (Fund 324,826)	CDBG Economic Reuse (Fund 325)	CDBG Housing Reuse (Fund 326, 821, 822, 824)	SALADO Wall Fund (Fund 344)	Drainage Fund (Fund 345)	Subtotal (Carried forward to next page)
\$ 19,412	\$ 9,507	\$ 45,156	\$ 95,317	\$ 178,624	\$ 2,281,202
-	-	-	-	-	1,491,750
-	-	-	-	-	98,937
-	-	-	-	-	-
<u>41,055</u>	<u>-</u>	<u>67,322</u>	<u>-</u>	<u>-</u>	<u>4,156,391</u>
<u>\$ 60,467</u>	<u>\$ 9,507</u>	<u>\$ 112,478</u>	<u>\$ 95,317</u>	<u>\$ 178,624</u>	<u>\$ 8,028,280</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 164,357
-	-	-	-	-	-
-	-	-	-	-	144,370
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>308,727</u>
<u>41,055</u>	<u>-</u>	<u>67,322</u>	<u>-</u>	<u>-</u>	<u>5,648,141</u>
<u>41,055</u>	<u>-</u>	<u>67,322</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>41,055</u>	<u>-</u>	<u>67,322</u>	<u>-</u>	<u>-</u>	<u>5,956,868</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>19,412</u>	<u>9,507</u>	<u>45,156</u>	<u>95,317</u>	<u>178,624</u>	<u>2,071,412</u>
<u>19,412</u>	<u>9,507</u>	<u>45,156</u>	<u>95,317</u>	<u>178,624</u>	<u>2,071,412</u>
<u>\$ 60,467</u>	<u>\$ 9,507</u>	<u>\$ 112,478</u>	<u>\$ 95,317</u>	<u>\$ 178,624</u>	<u>\$ 8,028,280</u>

See accompanying See accompanying notes to
the basic financial s the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2020

	<u>Subtotal (Brought forward)</u>	<u>Park Recycling Grant Fund (Fund 353)</u>	<u>Trail Development Fund (Fund 356)</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,281,202	\$ 5,374	\$ 6,068
Interest receivable	1,491,750	-	-
Intergovernmental Receivable	98,937	-	-
Due from other funds	-	-	-
Loans Receivable (CDBG)	<u>4,156,391</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 8,028,280</u>	<u>\$ 5,374</u>	<u>\$ 6,068</u>
LIABILITIES			
Accounts Payable	\$ 164,357	\$ -	\$ -
Contract Retentions	-	-	-
Due to Other Funds	<u>144,370</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>308,727</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Loans Receivable	<u>5,648,141</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,956,868</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	<u>2,071,412</u>	<u>5,374</u>	<u>6,068</u>
Total Fund Balance (Deficit)	<u>2,071,412</u>	<u>5,374</u>	<u>6,068</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,028,280</u>	<u>\$ 5,374</u>	<u>\$ 6,068</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
\$ 1,246	\$ -	\$ 22,730	\$ 34,250	\$ 1,810	\$ 2,352,680
-	-	-	-	-	1,491,750
-	-	-	-	-	98,937
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,156,391</u>
<u>\$ 1,246</u>	<u>\$ -</u>	<u>\$ 22,730</u>	<u>\$ 34,250</u>	<u>\$ 1,810</u>	<u>\$ 8,099,758</u>
\$ -	\$ 272	\$ -	\$ -	\$ 117	\$ 164,746
-	-	-	-	-	-
-	1,055	-	-	-	145,425
<u>-</u>	<u>1,327</u>	<u>-</u>	<u>-</u>	<u>117</u>	<u>310,171</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,648,141</u>
<u>-</u>	<u>1,327</u>	<u>-</u>	<u>-</u>	<u>117</u>	<u>5,958,312</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,246</u>	<u>(1,327)</u>	<u>22,730</u>	<u>34,250</u>	<u>1,693</u>	<u>2,141,446</u>
<u>1,246</u>	<u>(1,327)</u>	<u>22,730</u>	<u>34,250</u>	<u>1,693</u>	<u>2,141,446</u>
<u>\$ 1,246</u>	<u>\$ -</u>	<u>\$ 22,730</u>	<u>\$ 34,250</u>	<u>\$ 1,810</u>	<u>\$ 8,099,758</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, 2020**

	Animal Control Officer Replacement Fund (Fund 072)	Business License ADA (Fund 080)	Rural Planning Fund (Fund 105)
REVENUES:			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Interest	8	79	-
Other Revenues	385	2,329	-
Total revenues	<u>393</u>	<u>2,408</u>	<u>-</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	686	588	5,000
Total General Government	<u>686</u>	<u>588</u>	<u>5,000</u>
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:			
Streets	-	-	-
Total Transportation	<u>-</u>	<u>-</u>	<u>-</u>
Cultural, Parks and Recreation			
Parks and Recreation	-	-	-
Total Cultural, Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>
Community/Economic Development:			
Economic Development	-	-	-
Total Community/Economic Development	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay			
Total Expenditures	<u>686</u>	<u>588</u>	<u>5,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(293)</u>	<u>1,820</u>	<u>(5,000)</u>
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(293)	1,820	(5,000)
Fund Balances-Beginning of Year - As Previously Stated	812	5,843	(10,272)
Prior Period Adjustment	-	-	-
Fund Balances-Beginning of Year - As Restated	<u>812</u>	<u>5,843</u>	<u>(10,272)</u>
Residual Equity Transfers In / Out	-	-	-
Fund Balances-Ending of Year	<u>\$ 519</u>	<u>\$ 7,663</u>	<u>\$ (15,272)</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)
\$ 132,722	\$ -	\$ 39,090	\$ 28,254	\$ 200,066
1,126	3,922	723	743	6,601
-	-	-	-	2,714
<u>133,848</u>	<u>3,922</u>	<u>39,813</u>	<u>28,997</u>	<u>209,381</u>
-	-	-	-	6,274
-	-	-	-	6,274
-	-	-	-	-
-	-	-	-	-
19,788	24,941	65,144	31,381	141,254
<u>19,788</u>	<u>24,941</u>	<u>65,144</u>	<u>31,381</u>	<u>141,254</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
19,788	24,941	65,144	31,381	147,528
<u>114,060</u>	<u>(21,019)</u>	<u>(25,331)</u>	<u>(2,384)</u>	<u>61,853</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
114,060	(21,019)	(25,331)	(2,384)	61,853
45,161	337,300	78,186	65,337	522,367
-	-	-	-	-
<u>45,161</u>	<u>337,300</u>	<u>78,186</u>	<u>65,337</u>	<u>522,367</u>
-	-	-	-	-
\$ <u>159,221</u>	\$ <u>316,281</u>	\$ <u>52,855</u>	\$ <u>62,953</u>	\$ <u>584,220</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, 2020**

	Subtotal (Brought forward)	Special Gas Tax Improvement #2106 Fund (Fund 111)	Special Gas Tax Improvement #2107.5 Fund (Fund 112)
REVENUES:			
Intergovernmental Revenues	\$ 200,066	\$ 49,358	\$ 2,000
Interest	6,601	707	99
Other Revenues	2,714	-	-
Total revenues	<u>209,381</u>	<u>50,065</u>	<u>2,099</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	6,274	-	-
Total General Government	<u>6,274</u>	<u>-</u>	<u>-</u>
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:			
Streets	141,254	27,811	-
Total Transportation	<u>141,254</u>	<u>27,811</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			
Total Expenditures	147,528	67,901	-
Excess (Deficiency) of Revenues Over Expenditures	<u>61,853</u>	<u>(17,836)</u>	<u>2,099</u>
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	61,853	(17,836)	2,099
Fund Balances-Beginning of Year	522,367	68,501	6,075
Prior Period Adjustment	-	-	-
Fund Balances-Beginning of Year	<u>522,367</u>	<u>68,501</u>	<u>6,075</u>
Residual Equity Transfers In / Out	-	-	-
Fund Balances-Ending of Year	<u>\$ 584,220</u>	<u>\$ 50,665</u>	<u>\$ 8,174</u>

(Continued)

Exhibit B-2
(Continued)

Local Transportation Fund (Fund 114)	Special Gas Tax Improvement # 2103 Fund (Fund 115)	Traffic Mitigation Fund (Fund 116)	Safe Routes to Schools Fund (Fund 118)	Subtotal (Carried forward to next page)
\$ 159,865	\$ 52,839	\$ 184,865	\$ -	\$ 648,993
3,988	1,506	4,983	-	17,884
-	-	-	-	2,714
<u>163,853</u>	<u>54,345</u>	<u>189,848</u>	<u>-</u>	<u>669,591</u>
35,085	27,810	-	-	69,169
<u>35,085</u>	<u>27,810</u>	<u>-</u>	<u>-</u>	<u>69,169</u>
-	-	-	-	-
-	-	-	-	-
-	11,704	-	4,101	184,870
-	<u>11,704</u>	<u>-</u>	<u>4,101</u>	<u>184,870</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	10,312	-	-	50,402
<u>35,085</u>	<u>49,826</u>	<u>-</u>	<u>4,101</u>	<u>304,441</u>
128,768	4,519	189,848	(4,101)	365,150
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
128,768	4,519	189,848	(4,101)	365,150
309,872	126,233	296,024	-	1,329,072
-	-	-	-	-
<u>309,872</u>	<u>126,233</u>	<u>296,024</u>	<u>-</u>	<u>1,329,072</u>
-	-	-	-	-
\$ <u>438,640</u>	\$ <u>130,752</u>	\$ <u>485,872</u>	\$ <u>(4,101)</u>	\$ <u>1,694,222</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, 2020

	<u>Subtotal (Brought forward)</u>	<u>Special Gas Traffic Construction (Fund 121)</u>	<u>2020 CHIP Maintenance Fund (Fund 125)</u>
REVENUES:			
Intergovernmental Revenues	\$ 648,993	\$ 8,615	\$ -
Interest	17,884	288	668
Other Revenues	2,714	-	-
Total revenues	<u>669,591</u>	<u>8,903</u>	<u>668</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	69,169	-	-
Total General Government	<u>69,169</u>	<u>-</u>	<u>-</u>
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:			
Streets	184,870	-	-
Total Transportation	<u>184,870</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	50,402	-	54,462
Total Expenditures	<u>304,441</u>	<u>-</u>	<u>54,462</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>365,150</u>	<u>8,903</u>	<u>(53,794)</u>
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	365,150	8,903	(53,794)
Fund Balances-Beginning of Year	1,329,072	17,353	54,588
Prior Period Adjustment	-	-	-
Fund Balances-Beginning of Year	<u>1,329,072</u>	<u>17,353</u>	<u>54,588</u>
Residual Equity Transfers In / Out	-	-	-
Fund Balances-Ending of Year	<u>\$ 1,694,222</u>	<u>\$ 26,256</u>	<u>\$ 794</u>

(Continued)

**Exhibit B-2
(Continued)**

DWR SGMA Grant (Fund 153)	SB-2 Grant (Fund 155)	Promise Grant (Fund 160)	Abandoned Vehicle Grant (Fund 170)	Subtotal (Carried forward to next page)
\$ -	\$ -	\$ 106,252	\$ -	\$ 763,860
-	-	585	418	19,843
-	-	11,962	7,993	22,669
-	-	118,799	8,411	806,372
-	-	34,596	-	103,765
-	-	34,596	-	103,765
-	-	-	-	-
-	-	-	-	-
-	14,007	-	-	198,877
-	14,007	-	-	198,877
-	-	69,160	-	69,160
-	-	69,160	-	69,160
-	-	-	-	-
-	-	-	-	-
-	-	-	-	104,864
-	14,007	103,756	-	476,666
-	(14,007)	15,043	8,411	329,706
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(14,007)	15,043	8,411	329,706
(163)	-	\$ 44,148	27,441	1,472,439
-	-	-	-	-
(163)	-	44,148	27,441	1,472,439
-	-	-	-	-
\$ (163)	\$ (14,007)	\$ 59,191	\$ 35,852	\$ 1,802,145

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, 2020**

	Subtotal (Brought forward)	SAFE Grant (Fund 188)	Homeland Security (Fund 189)
REVENUES:			
Intergovernmental Revenues	\$ 763,860	\$ -	\$ -
Interest	19,843	10	180
Other Revenues	22,669	5,896	-
Total revenues	<u>806,372</u>	<u>5,906</u>	<u>180</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	103,765	-	-
Total General Government	<u>103,765</u>	<u>-</u>	<u>-</u>
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:			
Streets	198,877	-	-
Total Transportation	<u>198,877</u>	<u>-</u>	<u>-</u>
Cultural, Parks and Recreation			
Parks and Recreation	69,160	-	-
Total Cultural, Parks and Recreation	<u>69,160</u>	<u>-</u>	<u>-</u>
Community/Economic Development:			
Economic Development	-	-	-
Total Community/Economic Development	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay			
Total Expenditures	104,864	-	-
Total Expenditures	<u>476,666</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>329,706</u>	<u>5,906</u>	<u>180</u>
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	329,706	5,906	180
Fund Balances-Beginning of Year	<u>1,472,439</u>	<u>-</u>	<u>14,733</u>
Prior Period Adjustment	-	-	-
Fund Balances-Beginning of Year	<u>1,472,439</u>	<u>-</u>	<u>14,733</u>
Residual Equity Transfers In / Out	-	-	-
Fund Balances-Ending of Year	<u>\$ 1,802,145</u>	<u>\$ 5,906</u>	<u>\$ 14,913</u>

(Continued)

Exhibit B-2
(Continued)

Prop 47 Cycle 1 Grant (Fund 192)	Promotion Neighborhood Grant (Fund 193)	Prop 47 Grant (Fund 195)	2013 Home Loan Fund (Fund 320,828)	SALDO Home Loan Fund (Fund 321, 825)	Subtotal (Carried forward to next page)
\$ 320,403	\$ 46,757	\$ -	\$ -	\$ -	\$ 1,131,020
-	-	-	-	-	20,033
-	-	-	-	-	28,565
<u>320,403</u>	<u>46,757</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,179,618</u>
<u>346,855</u>	<u>24,000</u>	<u>87,439</u>	<u>-</u>	<u>-</u>	<u>562,059</u>
<u>346,855</u>	<u>24,000</u>	<u>87,439</u>	<u>-</u>	<u>-</u>	<u>562,059</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>-</u>	<u>-</u>	<u>198,877</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198,877</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,160</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,160</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>-</u>	<u>-</u>	<u>104,864</u>
<u>346,855</u>	<u>24,000</u>	<u>87,439</u>	<u>-</u>	<u>-</u>	<u>934,960</u>
<u>(26,452)</u>	<u>22,757</u>	<u>(87,439)</u>	<u>-</u>	<u>-</u>	<u>244,658</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>(26,452)</u>	<u>22,757</u>	<u>(87,439)</u>	<u>-</u>	<u>-</u>	<u>244,658</u>
<u>(42,159)</u>	<u>(22,611)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,422,402</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(42,159)</u>	<u>(22,611)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,422,402</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>(68,611)</u>	\$ <u>146</u>	\$ <u>(87,439)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,667,060</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, 2020

	Subtotal (Brought forward)	CDBG Program Inc. Unrestricted (Fund 323, 820)	CDBG 1990 Loan Fund (Fund 324)
REVENUES:			
Intergovernmental Revenues	\$ 1,131,020	\$ -	\$ -
Interest	20,033	614	235
Other Revenues	28,565	-	19,177
Total revenues	<u>1,179,618</u>	<u>614</u>	<u>19,412</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	562,059	-	-
Total General Government	<u>562,059</u>	<u>-</u>	<u>-</u>
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:			
Streets	198,877	-	-
Total Transportation	<u>198,877</u>	<u>-</u>	<u>-</u>
Cultural, Parks and Recreation			
Parks and Recreation	69,160	-	-
Total Cultural, Parks and Recreation	<u>69,160</u>	<u>-</u>	<u>-</u>
Community/Economic Development:			
Economic Development	-	-	-
Total Community/Economic Development	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay			
Capital Outlay	104,864	-	-
Total Expenditures	<u>934,960</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>244,658</u>	<u>614</u>	<u>19,412</u>
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	244,658	614	19,412
Fund Balances-Beginning of Year	<u>1,422,402</u>	<u>55,722</u>	<u>-</u>
Prior Period Adjustment	-	-	-
Fund Balances-Beginning of Year	<u>1,422,402</u>	<u>55,722</u>	<u>-</u>
Residual Equity Transfers In / Out	-	-	-
Fund Balances-Ending of Year	<u>\$ 1,667,060</u>	<u>\$ 56,336</u>	<u>\$ 19,412</u>

(Continued)

Exhibit B-2
(Continued)

CDBG Economic Reuse (Fund 325)	CDBG Housing Reuse (Fund 326, 821, 822, 824)	SALADO Wall Fund (Fund 344)	Drainage Fund (Fund 345)	Park Recycling Grant Fund (Fund 353)	Subtotal (Carried forward to next page)
\$ -	\$ -	\$ -	\$ 49,101	\$ -	\$ 1,180,121
118	546	1,153	1,924	110	24,733
4,180	-	-	-	-	51,922
<u>4,298</u>	<u>546</u>	<u>1,153</u>	<u>51,025</u>	<u>110</u>	<u>1,256,776</u>
-	-	-	-	-	562,059
-	-	-	-	-	562,059
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	198,877
-	-	-	-	-	198,877
-	-	-	-	-	69,160
-	-	-	-	-	69,160
770	-	-	-	-	770
770	-	-	-	-	770
-	-	-	-	-	104,864
770	-	-	-	-	935,730
<u>3,528</u>	<u>546</u>	<u>1,153</u>	<u>51,025</u>	<u>110</u>	<u>321,046</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,528	546	1,153	51,025	110	321,046
<u>5,979</u>	<u>44,610</u>	<u>94,164</u>	<u>127,599</u>	<u>20,264</u>	<u>1,770,740</u>
-	-	-	-	-	-
5,979	44,610	94,164	127,599	20,264	1,770,740
-	-	-	-	(15,000)	(15,000)
<u>\$ 9,507</u>	<u>\$ 45,156</u>	<u>\$ 95,317</u>	<u>\$ 178,624</u>	<u>\$ 5,374</u>	<u>\$ 2,076,786</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, 2020

	Subtotal (Brought forward)	Trail Development Fund (Fund 356)	Wayfinding Maintenance Fund (Fund 370)
REVENUES:			
Intergovernmental Revenues	\$ 1,180,121	\$ -	\$ -
Interest	24,733	73	15
Other Revenues	51,922	-	-
Total revenues	<u>1,256,776</u>	<u>73</u>	<u>15</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	562,059	-	-
Total General Government	<u>562,059</u>	<u>-</u>	<u>-</u>
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:			
Streets	198,877	-	-
Total Transportation	<u>198,877</u>	<u>-</u>	<u>-</u>
Cultural, Parks and Recreation			
Parks and Recreation	69,160	-	-
Total Cultural, Parks and Recreation	<u>69,160</u>	<u>-</u>	<u>-</u>
Community/Economic Development:			
Economic Development	770	-	-
Total Community/Economic Development	<u>770</u>	<u>-</u>	<u>-</u>
Capital Outlay			
Capital Outlay	104,864	-	-
Total Expenditures	<u>935,730</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>321,046</u>	<u>73</u>	<u>15</u>
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	321,046	73	15
Fund Balances-Beginning of Year	1,770,740	5,995	1,231
Prior Period Adjustment	-	-	-
Fund Balances-Beginning of Year	<u>1,770,740</u>	<u>5,995</u>	<u>1,231</u>
Residual Equity Transfers In / Out	<u>(15,000)</u>	<u>-</u>	<u>-</u>
Fund Balances-Ending of Year	<u>\$ 2,076,786</u>	<u>\$ 6,068</u>	<u>\$ 1,246</u>

(Continued)

Lighting & Landscape Fund (Fund 701)	Lighting & Landscape Fund (Fund 702)	Lighting & Landscape Fund (Fund 703)	Lighting & Landscape Fund (Fund 704)	Totals
\$ -	\$ -	\$ -	\$ -	\$ 1,180,121
-	248	392	-	25,461
883	7,189	4,263	4,773	69,030
<u>883</u>	<u>7,437</u>	<u>4,655</u>	<u>4,773</u>	<u>1,274,612</u>
-	-	-	1,701	563,760
-	-	-	1,701	563,760
-	-	-	-	-
-	-	-	-	-
1,946	4,003	1,980	1,449	208,255
<u>1,946</u>	<u>4,003</u>	<u>1,980</u>	<u>1,449</u>	<u>208,255</u>
-	-	-	-	69,160
-	-	-	-	69,160
-	-	-	-	770
-	-	-	-	770
-	-	-	-	104,864
<u>1,946</u>	<u>4,003</u>	<u>1,980</u>	<u>3,150</u>	<u>946,809</u>
<u>(1,063)</u>	<u>3,434</u>	<u>2,675</u>	<u>1,623</u>	<u>327,803</u>
-	-	-	-	-
-	-	-	-	-
(1,063)	3,434	2,675	1,623	327,803
(264)	19,296	31,575	70	1,828,643
-	-	-	-	-
<u>(264)</u>	<u>19,296</u>	<u>31,575</u>	<u>70</u>	<u>1,828,643</u>
-	-	-	-	(15,000)
\$ <u><u>(1,327)</u></u>	\$ <u><u>22,730</u></u>	\$ <u><u>34,250</u></u>	\$ <u><u>1,693</u></u>	\$ <u><u>2,141,446</u></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, 2020

ACO Replacement Fund (Fund 72)		
Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:		
Intergovernmental Revenues	\$ -	\$ -
Interest	-	8
Other Revenues	3,000	(2,615)
Total revenues	3,000	(2,607)
EXPENDITURES:		
Current:		
General Government:		
General Government	3,000	686
Total General Government	3,000	686
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	686
Excess of Revenues Over (Under) Expenditures	-	(293)
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	-	(293)
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR	812	
Prior Period Adjustment	-	
As Restated	812	
Residual Equity Transfers In / Out	-	
FUND BALANCE (DEFICIT), AT END OF YEAR	\$ 519	

(Continued)

Exhibit B-3

Business License ADA (Fund 80)			Rural Planning Fund (Fund 105)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	79	79	-	-	-
200	2,329	2,129	-	-	-
200	2,408	2,208	-	-	-
600	588	12	-	5,000	(5,000)
600	588	12	-	5,000	(5,000)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
600	588	12	-	5,000	(5,000)
(400)	1,820	2,220	-	(5,000)	(5,000)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ (400)	1,820	\$ 2,220	\$ -	(5,000)	\$ (5,000)
	5,843			(10,272)	
	-			-	
	5,843			(10,272)	
	-			-	
\$	7,663		\$	(15,272)	

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, 2020

SB-1 Road Fund (Fund 106)			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental Revenues	\$ 134,600	\$ 132,722	\$ (1,878)
Interest	-	1,126	1,126
Other Revenues	-	-	-
Total revenues	134,600	133,848	(752)
EXPENDITURES:			
Current:			
General Government:			
General Government	-	-	-
Total General Government	-	-	-
Transportation:			
Airport	-	-	-
Streets	-	19,788	(19,788)
Total Transportation	-	19,788	(19,788)
Cultural, Parks and Recreation			
Parks and Recreation	-	-	-
Total Cultural, Parks and Recreation	-	-	-
Community/Economic Development:			
Economic Development	-	-	-
Total Community/Economic Development	-	-	-
Capital Outlay	125,000	-	125,000
Total Expenditures	125,000	19,788	105,212
Excess of Revenues Over (Under) Expenditures	9,600	114,060	104,460
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	\$ 9,600	114,060	\$ 104,460
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		45,161	
Prior Period Adjustment		-	
As Restated		45,161	
Residual Equity Transfers In / Out		-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 159,221	

(Continued)

**Exhibit B-3
(Continued)**

RSTP Streets Fund (Fund 108)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 53,100	\$ -	\$ (53,100)
-	3,922	3,922
-	-	-
53,100	3,922	(49,178)
-	-	-
-	-	-
-	-	-
36,600	24,941	11,659
36,600	24,941	11,659
-	-	-
-	-	-
-	-	-
-	-	-
158,400	-	158,400
195,000	24,941	170,059
(141,900)	(21,019)	120,881
-	-	-
-	-	-
-	-	-
\$ (141,900)	(21,019)	\$ 120,881
	337,300	
	-	
	337,300	
	-	
\$	316,281	

Special Gas Tax Improvement #2105 (Fund 109)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 42,600	\$ 39,090	\$ (3,510)
100	723	623
-	-	-
42,700	39,813	(2,887)
-	-	-
-	-	-
-	-	-
80,933	65,144	15,789
80,933	65,144	15,789
-	-	-
-	-	-
-	-	-
50,000	-	50,000
130,933	65,144	65,789
(88,233)	(25,331)	62,902
-	-	-
-	-	-
-	-	-
\$ (88,233)	(25,331)	\$ 62,902
	78,186	
	-	
	78,186	
	-	
\$	52,855	

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, 2020

Special Gas Tax 2106 (Fund 110)			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental Revenues	\$ 30,500	\$ 28,254	\$ (2,246)
Interest	100	743	643
Other Revenues	-	-	-
Total revenues	30,600	28,997	(1,603)
EXPENDITURES:			
Current:			
General Government:			
General Government	-	-	-
Total General Government	-	-	-
Transportation:			
Airport	-	-	-
Streets	46,583	31,381	15,202
Total Transportation	46,583	31,381	15,202
Cultural, Parks and Recreation			
Parks and Recreation	-	-	-
Total Cultural, Parks and Recreation	-	-	-
Community/Economic Development:			
Economic Development	-	-	-
Total Community/Economic Development	-	-	-
Capital Outlay	50,000	-	50,000
Total Expenditures	96,583	31,381	65,202
Excess of Revenues Over (Under) Expenditures	(65,983)	(2,384)	63,599
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	\$ (65,983)	(2,384)	\$ 63,599
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		65,337	
Prior Period Adjustment		-	
As Restated		65,337	
Residual Equity Transfers In / Out		-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 62,953	

(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)
\$ 55,600	\$ 49,358	\$ (6,242)	\$ 2,000	\$ 2,000	\$ -
100	707	607	-	99	99
-	-	-	-	-	-
55,700	50,065	(5,635)	2,000	2,099	99
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
79,583	27,811	51,772	2,000	-	2,000
79,583	27,811	51,772	2,000	-	2,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
25,000	40,090	(15,090)	-	-	-
104,583	67,901	36,682	2,000	-	2,000
(48,883)	(17,836)	31,047	-	2,099	2,099
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ (48,883)	(17,836)	\$ 31,047	\$ -	2,099	\$ 2,099
	68,501			6,075	
	-			-	
	68,501			6,075	
	-			-	
	\$ 50,665			\$ 8,174	

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, 2020

Local Transportation Fund (Fund 114)			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental Revenues	\$ 104,900	\$ 159,865	\$ 54,965
Interest	-	3,988	3,988
Other Revenues	-	-	-
Total revenues	104,900	163,853	58,953
EXPENDITURES:			
Current:			
General Government:			
General Government	36,000	35,085	915
Total General Government	36,000	35,085	915
Transportation:			
Airport	-	-	-
Streets	44,000	-	44,000
Total Transportation	44,000	-	44,000
Cultural, Parks and Recreation			
Parks and Recreation	-	-	-
Total Cultural, Parks and Recreation	-	-	-
Community/Economic Development:			
Economic Development	-	-	-
Total Community/Economic Development	-	-	-
Capital Outlay	153,200	-	153,200
Total Expenditures	233,200	35,085	198,115
Excess of Revenues Over (Under) Expenditures	(128,300)	128,768	257,068
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	\$ (128,300)	128,768	\$ 257,068
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		309,872	
Prior Period Adjustment		-	
As Restated		309,872	
Residual Equity Transfers In / Out		-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 438,640	

(Continued)

**Exhibit B-3
(Continued)**

Special Gas Tax Improvement #2103 (Fund 115)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 66,000	\$ 52,839	\$ (13,161)
100	1,506	1,406
-	-	-
66,100	54,345	(11,755)
77,283	27,810	49,473
77,283	27,810	49,473
-	-	-
15,000	11,704	3,296
15,000	11,704	3,296
-	-	-
-	-	-
-	-	-
-	-	-
64,000	10,312	53,688
156,283	49,826	106,457
(90,183)	4,519	94,702
-	-	-
-	-	-
-	-	-
\$ (90,183)	4,519	\$ 94,702
	126,233	
	-	
	126,233	
	-	
\$	130,752	

Traffic Mitigation Fund (Fund 116)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 5,000	\$ 184,865	\$ 179,865
-	4,983	4,983
-	-	-
5,000	189,848	184,848
-	-	-
-	-	-
-	-	-
1,000	-	1,000
1,000	-	1,000
-	-	-
-	-	-
-	-	-
-	-	-
1,000	-	1,000
4,000	189,848	185,848
-	-	-
-	-	-
-	-	-
\$ 4,000	189,848	\$ 185,848
	296,024	
	-	
	296,024	
	-	
\$	485,872	

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, 2020

Safe Routes to Schools (Fund 118)		
Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:		
Intergovernmental Revenues	\$ -	\$ -
Interest	-	-
Other Revenues	-	-
Total revenues	-	-
EXPENDITURES:		
Current:		
General Government:		
General Government	-	-
Total General Government	-	-
Transportation:		
Airport	-	-
Streets	4,101	(4,101)
Total Transportation	4,101	(4,101)
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	4,101	(4,101)
Excess of Revenues Over (Under) Expenditures	(4,101)	(4,101)
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	(4,101)	(4,101)
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		
Prior Period Adjustment	-	-
As Restated	-	-
Residual Equity Transfers In / Out	-	-
FUND BALANCE (DEFICIT), AT END OF YEAR	\$ (4,101)	

(Continued)

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes In Fund Balance (Deficit) - Budget And Actual
Year Ended June 30, 2020

DWR SGMA Grant (Fund 153)		
Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:		
Intergovernmental Revenues	\$ -	\$ -
Interest	-	-
Other Revenues	-	-
Total revenues	-	-
EXPENDITURES:		
Current:		
General Government:		
General Government	-	-
Total General Government	-	-
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	-	-
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 (DEFICIT), AT BEGINNING OF YEAR	(163)	
Prior Period Adjustment	-	
As Restated	(163)	
Residual Equity Transfers In / Out	-	
FUND BALANCE (DEFICIT), AT END OF YEAR	\$ (163)	

(Continued)

**Exhibit B-3
(Continued)**

SB-2 Grant Fund (Fund 155)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	14,007	(14,007)
-	14,007	(14,007)
-	-	-
-	-	-
-	-	-
-	-	-
-	14,007	(14,007)
-	(14,007)	(14,007)
-	-	-
-	-	-
-	-	-
-	-	-
\$ -	(14,007)	\$ (14,007)
	-	
	-	
	-	
	-	
\$	(14,007)	

Promise Grant Fund (Fund 160)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 60,000	\$ 106,252	\$ 46,252
-	585	585
-	11,962	11,962
60,000	118,799	58,799
-	-	-
63,019	34,596	28,423
63,019	34,596	28,423
-	-	-
-	-	-
-	-	-
-	69,160	(69,160)
-	69,160	(69,160)
-	-	-
-	-	-
-	-	-
63,019	103,756	(40,737)
(3,019)	15,043	18,062
-	-	-
-	-	-
-	-	-
-	-	-
\$ (3,019)	15,043	\$ 18,062
	44,148	
	-	
	44,148	
	-	
\$	59,191	

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, 2020

Abandoned Vehicle Grant Fund (Fund 170)		
Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:		
Intergovernmental Revenues	\$ -	\$ -
Interest	-	418
Other Revenues	-	7,993
Total revenues	-	8,411
EXPENDITURES:		
Current:		
General Government:		
General Government	-	-
Total General Government	-	-
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	-	8,411
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	-	8,411
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		
Prior Period Adjustment	-	-
As Restated	-	27,441
Residual Equity Transfers In / Out	-	-
FUND BALANCE (DEFICIT), AT END OF YEAR	\$ 35,852	

(Continued)

**Exhibit B-3
(Continued)**

SAFE Grant (Fund 188)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	10	10
-	5,896	5,896
-	5,906	5,906
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	5,906	5,906
-	-	-
-	-	-
-	-	-
-	-	-
\$ -	\$ 5,906	\$ 5,906
	-	
	-	
	-	
	-	
	\$ 5,906	

Homeland Security Grant (Fund 189)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	180	180
-	-	-
-	180	180
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	180	180
-	-	-
-	-	-
-	-	-
-	-	-
\$ -	\$ 180	\$ 180
	14,733	
	-	
	14,733	
	-	
	\$ 14,913	

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, 2020

Proposition 47 Grant Fund C1 (Fund 192)			
Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES:			
Intergovernmental Revenues	\$ 388,500	\$ 320,403	\$ (68,097)
Interest	-	-	-
Other Revenues	-	-	-
Total revenues	388,500	320,403	(68,097)
EXPENDITURES:			
Current:			
General Government:			
General Government	388,500	346,855	41,645
Total General Government	388,500	346,855	41,645
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	388,500	346,855	41,645
Excess of Revenues Over (Under) Expenditures	-	(26,452)	(26,452)
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	\$ -	(26,452)	\$ (26,452)
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR			
Prior Period Adjustment		(42,159)	
As Restated		-	
Residual Equity Transfers In / Out		(42,159)	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ (68,611)	

(Continued)

Prevention Neighborhood Grant (fund 193)			Proposition 47 Grant Fund (Fund 195)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 55,000	\$ 46,757	\$ (8,243)	\$ 961,145	\$ -	\$ (961,145)
-	-	-	-	-	-
-	-	-	-	-	-
55,000	46,757	(8,243)	961,145	-	(961,145)
55,000	24,000	31,000	961,145	87,439	873,706
55,000	24,000	31,000	961,145	87,439	873,706
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
55,000	24,000	31,000	961,145	87,439	873,706
-	22,757	22,757	-	(87,439)	(87,439)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	22,757	\$ 22,757	\$ -	(87,439)	\$ (87,439)
	(22,611)			-	
	-			-	
	(22,611)			-	
	-			-	
\$	146		\$	(87,439)	

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, 2020

SALDO Home Loan (Fund 321, 825)		
Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:		
Intergovernmental Revenues	\$ -	\$ -
Interest	-	-
Other Revenues	-	-
Total revenues	-	-
EXPENDITURES:		
Current:		
General Government:		
General Government	-	-
Total General Government	-	-
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	-	-
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 (DEFICIT), AT BEGINNING OF YEAR	-	
Prior Period Adjustment	-	
As Restated	-	
Residual Equity Transfers In / Out	-	
FUND BALANCE (DEFICIT), AT END OF YEAR	\$ -	

(Continued)

Exhibit B-3
(Continued)

CDBG Program Unrestricted (Fund 323, 820)			CDBG 1990 Loan Fund (Fund 324)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	614	614	-	235	235
10,000	-	(10,000)	-	19,177	19,177
10,000	614	(9,386)	-	19,412	19,412
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,000	614	(9,386)	-	19,412	19,412
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 10,000	614	\$ (9,386)	\$ -	19,412	\$ 19,412
	55,722			-	
	-			-	
	55,722			-	
	-			-	
\$	56,336		\$	19,412	

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, 2020

CDBG Economic Reuse (Fund 325, 823)			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental Revenues	\$ 2,500	\$ -	\$ (2,500)
Interest	500	118	(382)
Other Revenues	3,500	4,180	680
Total revenues	6,500	4,298	(2,202)
EXPENDITURES:			
Current:			
General Government:			
General Government	-	-	-
Total General Government	-	-	-
Transportation:			
Airport	-	-	-
Streets	-	-	-
Total Transportation	-	-	-
Cultural, Parks and Recreation			
Parks and Recreation	-	-	-
Total Cultural, Parks and Recreation	-	-	-
Community/Economic Development:			
Economic Development	4,000	770	3,230
Total Community/Economic Development	4,000	770	3,230
Capital Outlay	-	-	-
Total Expenditures	4,000	770	3,230
Excess of Revenues Over (Under) Expenditures	2,500	3,528	1,028
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	\$ 2,500	3,528	\$ 1,028
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		5,979	
Prior Period Adjustment		-	
As Restated		5,979	
Residual Equity Transfers In / Out		-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 9,507	

(Continued)

Exhibit B-3
(Continued)

CDBG Housing Reuse (Fund 326, 821, 822)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
500	546	46
-	-	-
500	546	46
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
500	546	46
-	-	-
-	-	-
-	-	-
\$ 500	\$ 546	\$ 46
	44,610	
	-	
	44,610	
	-	
\$	45,156	

SALADO Wall Fund (Fund 344)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
200	1,153	953
-	-	-
200	1,153	953
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
200	1,153	953
-	-	-
-	-	-
-	-	-
\$ 200	\$ 1,153	\$ 953
	94,164	
	-	
	94,164	
	-	
\$	95,317	

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, 2020

Drainage Fund (Fund 345)			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental Revenues	\$ 10,000	\$ 49,101	\$ 39,101
Interest	1,000	1,924	924
Other Revenues	-	-	-
Total revenues	11,000	51,025	40,025
EXPENDITURES:			
Current:			
General Government:			
General Government	-	-	-
Total General Government	-	-	-
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	51,025	40,025
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	\$ 51,025	\$ 40,025
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		127,599	
Prior Period Adjustment		-	
As Restated		127,599	
Residual Equity Transfers In / Out		-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 178,624	

(Continued)

**Exhibit B-3
(Continued)**

Park Recycling Grant (Fund 353)			Trail Development Fund (Fund 356)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 5,000	\$ -	\$ (5,000)	\$ -	\$ -	\$ -
-	110	110	-	73	73
-	-	-	-	-	-
5,000	110	(4,890)	-	73	73
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,000	-	5,000	-	-	-
5,000	-	5,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,000	-	5,000	-	-	-
-	110	110	-	73	73
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ 110	\$ 110	\$ -	\$ 73	\$ 73
	20,264			5,995	
	-			-	
	20,264			5,995	
	(15,000)			-	
\$	5,374		\$	6,068	

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, 2020

Wayfinding Maintenance Fund (Fund 370)		
Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:		
Intergovernmental Revenues	\$ -	\$ -
Interest	-	15
Other Revenues	-	-
Total revenues	-	15
EXPENDITURES:		
Current:		
General Government:		
General Government	-	-
Total General Government	-	-
Transportation:		
Airport	-	-
Streets	-	-
Total Transportation	-	-
Cultural, Parks and Recreation		
Parks and Recreation	-	-
Total Cultural, Parks and Recreation	-	-
Community/Economic Development:		
Economic Development	1,200	-
Total Community/Economic Development	1,200	1,200
Capital Outlay	-	-
Total Expenditures	1,200	1,200
Excess of Revenues Over (Under) Expenditures	(1,200)	15
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	\$ (1,200)	\$ 15
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR	1,231	
Prior Period Adjustment	-	
As Restated	1,231	
Residual Equity Transfers In / Out	-	
FUND BALANCE (DEFICIT), AT END OF YEAR	\$ 1,246	

(Continued)

**Exhibit B-3
(Continued)**

Lighting & Landscape Fund (Fund 701)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
900	883	(17)
900	883	(17)
-	-	-
-	-	-
-	-	-
1,132	1,946	(814)
1,132	1,946	(814)
-	-	-
-	-	-
-	-	-
-	-	-
1,132	1,946	(814)
(232)	(1,063)	(831)
-	-	-
-	-	-
-	-	-
\$ (232)	\$ (1,063)	\$ (831)
	(264)	
	-	
	(264)	
	-	
\$	(1,327)	

Lighting & Landscape Fund (Fund 702)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	248	248
7,280	7,189	(91)
7,280	7,437	157
-	-	-
-	-	-
-	-	-
2,882	4,003	(1,121)
2,882	4,003	(1,121)
-	-	-
-	-	-
-	-	-
-	-	-
2,882	4,003	(1,121)
4,398	3,434	(964)
-	-	-
-	-	-
-	-	-
\$ 4,398	\$ 3,434	\$ (964)
	19,296	
	-	
	19,296	
	-	
\$	22,730	

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, 2020

Exhibit B-3
(Continued)

Lighting & Landscape Fund (Fund 703)		
Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:		
Intergovernmental Revenues	\$ -	\$ -
Interest	100	392
Other Revenues	2,900	4,263
Total revenues	3,000	4,655
EXPENDITURES:		
Current:		
General Government:		
General Government	-	-
Total General Government	-	-
Transportation:		
Airport	-	-
Streets	4,332	1,980
Total Transportation	4,332	1,980
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	4,332	1,980
Excess of Revenues Over (Under) Expenditures	(1,332)	2,675
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	(1,332)	2,675
	\$ (1,332)	\$ 4,007
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR	31,575	
Prior Period Adjustment	-	
As Restated	31,575	
Residual Equity Transfers In / Out	-	
FUND BALANCE (DEFICIT), AT END OF YEAR	\$ 34,250	

(Continued)

Lighting & Landscape Fund (Fund 704)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
50	-	(50)
4,775	4,773	(2)
4,825	4,773	(52)
-	1,701	(1,701)
-	1,701	(1,701)
-	-	-
3,982	1,449	2,533
3,982	1,449	2,533
-	-	-
-	-	-
-	-	-
-	-	-
3,982	3,150	832
843	1,623	780
-	-	-
-	-	-
-	-	-
\$ 843	\$ 1,623	\$ 780
	70	
	-	
	70	
	-	
	\$ 1,693	

Total		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 1,976,445	\$ 1,180,121	\$ (796,324)
2,750	25,461	22,711
32,555	69,030	36,475
2,011,750	1,274,612	(737,138)
1,584,547	563,760	1,020,787
1,584,547	563,760	1,020,787
-	-	-
318,027	208,255	109,772
318,027	208,255	109,772
5,000	69,160	(64,160)
5,000	69,160	(64,160)
5,200	770	4,430
5,200	770	4,430
625,600	104,864	520,736
2,538,374	946,809	1,591,565
(526,624)	327,803	854,427
-	-	-
-	-	-
-	-	-
-	-	-
\$ (526,624)	\$ 327,803	\$ 854,427
	1,828,643	
	-	
	1,828,643	
	(15,000)	
	\$ 2,141,446	

See accompanying notes to the basic financial statements

CITY OF CORNING
CAPITAL PROJECTS FUNDS
Combining Balance Sheet
June 30, 2020

	Police Equipment Replacement Fund (Fund 071)	Proposition 30 Police Fund (Fund 073)	Police K-9 Fund (Fund 074)	Parks Capital Outlay Fund (Fund 075)	Fire Equipment Replacement Fund (Fund 076)
ASSETS					
Cash and Cash Equivalents	\$ 307,419	\$ 16,952	\$ 22,535	\$ 75,918	\$ 313,840
Intergovernmental Receivable	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Other Assets:					
Restricted Cash: Loan Repayment	-	-	-	-	-
Total assets	<u>\$ 307,419</u>	<u>\$ 16,952</u>	<u>\$ 22,535</u>	<u>\$ 75,918</u>	<u>\$ 313,840</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ 61,815	\$ 7,956
Due to Other Funds	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,815</u>	<u>7,956</u>
Fund Balances					
Unassigned	<u>307,419</u>	<u>16,952</u>	<u>22,535</u>	<u>14,103</u>	<u>305,884</u>
Total Fund Balances	<u>307,419</u>	<u>16,952</u>	<u>22,535</u>	<u>14,103</u>	<u>305,884</u>
Total Liabilities and Fund Balances	<u>\$ 307,419</u>	<u>\$ 16,952</u>	<u>\$ 22,535</u>	<u>\$ 75,918</u>	<u>\$ 313,840</u>

(Continued)

Exhibit C-1

Economic Development Project Fund (Fund 077)	Public Works Equipment Replacement Fund (Fund 078)	Park Acquisition Fund (Fund 341)	Bedroom Tax Fund (Fund 355)	Street Scape Fund (Fund 359)	Totals
\$ 29,265	\$ 657,928	\$ 149,965	\$ 43,780	\$ -	\$ 1,617,602
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 29,265</u>	<u>\$ 657,928</u>	<u>\$ 149,965</u>	<u>\$ 43,780</u>	<u>\$ -</u>	<u>\$ 1,617,602</u>
\$ -	\$ -	\$ 4,512	\$ 20,604	\$ -	\$ 94,887
-	-	-	-	67,714	67,714
-	-	-	-	-	-
-	-	4,512	20,604	67,714	162,601
<u>29,265</u>	<u>657,928</u>	<u>145,453</u>	<u>23,176</u>	<u>(67,714)</u>	<u>1,455,001</u>
<u>29,265</u>	<u>657,928</u>	<u>145,453</u>	<u>23,176</u>	<u>(67,714)</u>	<u>1,455,001</u>
<u>\$ 29,265</u>	<u>\$ 657,928</u>	<u>\$ 149,965</u>	<u>\$ 43,780</u>	<u>\$ -</u>	<u>\$ 1,617,602</u>

See accompanying See accompanying notes to
the basic financial : the basic financial statements

CITY OF CORNING
CAPITAL PROJECTS FUNDS

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Year Ended June 30, 2020

	Police Equipment Replacement Fund (Fund 071)	Proposition 30 Police Fund (Fund 073)	Police K-9 Fund (Fund 073)	Parks Capital Outlay Fund (Fund 075)
REVENUES:				
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -
Acquisition Charges and Fees	-	-	-	-
Interest	6,897	215	-	918
Other	-	-	-	-
Total Revenues	<u>6,897</u>	<u>215</u>	<u>-</u>	<u>918</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>
Debt Service:				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	15,116	2,091	-	61,815
Total Expenditures	<u>15,116</u>	<u>2,091</u>	<u>-</u>	<u>61,815</u>
Excess of Revenues Over (Under) Expenditures	<u>(8,219)</u>	<u>(1,876)</u>	<u>-</u>	<u>(60,897)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	122,282	-	-	75,000
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Over)	<u>122,282</u>	<u>-</u>	<u>-</u>	<u>75,000</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>114,063</u>	<u>(1,876)</u>	<u>-</u>	<u>14,103</u>
FUND BALANCE, AT BEGINNING OF YEAR	<u>193,356</u>	<u>18,828</u>	<u>22,535</u>	<u>-</u>
Residual Equity Transfers In	-	-	-	-
Residual Equity Transfers Out	-	-	-	-
FUND BALANCE, AT END OF YEAR	<u>\$ 307,419</u>	<u>\$ 16,952</u>	<u>\$ 22,535</u>	<u>\$ 14,103</u>

(Continued)

Fire Equipment Replacement Fund (Fund 076)	Economic Development Project Fund (Fund 077)	Public Works Equipment Replacement Fund (Fund 078)	Park Acquisition Fund (Fund 341)	Bedroom Tax Fund (Fund 355)	Street Scape Fund (Fund 359)	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,142	\$ 5,142
-	-	-	-	-	-	-
12,014	765	7,852	1,666	417	-	30,744
-	-	54,833	27,722	22,200	-	104,755
<u>12,014</u>	<u>765</u>	<u>62,685</u>	<u>29,388</u>	<u>22,617</u>	<u>5,142</u>	<u>140,641</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	4,513	-	-	4,513
-	-	-	4,513	-	-	4,513
-	46,500	-	-	-	-	46,500
-	46,500	-	-	-	-	46,500
54,410	-	-	-	-	-	54,410
9,992	-	-	-	-	-	9,992
252,537	-	28,384	-	20,605	-	380,548
<u>316,939</u>	<u>46,500</u>	<u>28,384</u>	<u>4,513</u>	<u>20,605</u>	-	<u>495,963</u>
<u>(304,925)</u>	<u>(45,735)</u>	<u>34,301</u>	<u>24,875</u>	<u>2,012</u>	<u>5,142</u>	<u>(355,322)</u>
309,583	75,000	177,332	-	-	-	759,197
-	-	-	-	-	-	-
<u>309,583</u>	<u>75,000</u>	<u>177,332</u>	-	-	-	<u>759,197</u>
<u>4,658</u>	<u>29,265</u>	<u>211,633</u>	<u>24,875</u>	<u>2,012</u>	<u>5,142</u>	<u>403,875</u>
<u>301,226</u>	-	<u>446,295</u>	<u>120,578</u>	<u>21,164</u>	<u>(72,856)</u>	<u>1,051,126</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ <u>305,884</u>	\$ <u>29,265</u>	\$ <u>657,928</u>	\$ <u>145,453</u>	\$ <u>23,176</u>	\$ <u>(67,714)</u>	\$ <u>1,455,001</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, 2020

Police Equipment Replacement Fund (Fund 071)		
Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:		
Intergovernmental Revenues	\$ -	\$ -
Acquisition Charges and Fees	-	-
Interest	200	6,697
Other	-	-
Total Revenues	200	6,697
EXPENDITURES:		
Current:		
General Government:		
General Government	-	-
Total General Government	-	-
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	-	-
Debt Service:		
Principal	-	-
Interest and Other Charges	-	-
Capital Outlay	122,600	15,116
Total Expenditures	122,600	107,484
Excess of Revenues Over (Under) Expenditures	(122,400)	(8,219)
OTHER FINANCING SOURCES (USES):		
Operating Transfers In	122,282	122,282
Operating Transfers Out	-	-
Total Other Financing Sources (Over)	122,282	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (118)	\$ 114,181
FUND BALANCE, AT BEGINNING OF YEAR	193,356	
Residual Equity Transfers In	-	
Residual Equity Transfers Out	-	
FUND BALANCE, AT END OF YEAR	\$ 307,419	

(Continued)

Proposition 30 Police Fund (Fund 73)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	215	215
-	-	-
-	215	215
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
21,400	2,091	19,309
21,400	2,091	19,309
(21,400)	(1,876)	19,524
-	-	-
-	-	-
-	-	-
\$ (21,400)	(1,876)	\$ 19,524
	18,828	
	-	
	-	
	\$ 16,952	

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

See accompanying notes to the basic financial statements

**Exhibit C-3
(Continued)**

Fire Equipment Replacement Fund (Fund 076)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
200	12,014	11,814
-	-	-
200	12,014	11,814
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	54,410	(54,410)
-	9,992	(9,992)
392,600	252,537	140,063
392,600	316,939	75,661
(392,400)	(304,925)	87,475
309,583	309,583	-
-	-	-
309,583	309,583	-
\$ (82,817)	4,658	\$ 87,475
	301,226	
	-	
	-	
	\$ 305,884	

Economic Development Project Fund (Fund 077)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	765	765
-	-	-
-	765	765
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
75,000	46,500	28,500
75,000	46,500	28,500
-	-	-
-	-	-
-	-	-
-	-	-
75,000	46,500	28,500
(75,000)	(45,735)	29,265
75,000	75,000	-
-	-	-
75,000	75,000	-
\$ -	29,265	\$ 29,265
	-	
	-	
	-	
	\$ 29,265	

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, 2020

REVENUES:

Intergovernmental Revenues
Acquisition Charges and Fees
Interest
Other
Total Revenues

EXPENDITURES:

Current:

General Government:
General Government
Total General Government
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
Debt Service:
Principal
Interest and Other Charges
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

Public Works Equip. Replacement Fund (Fund 078)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
100	7,852	7,752
17,000	54,833	37,833
17,100	62,685	45,585
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
28,500	28,384	116
28,500	28,384	116
(11,400)	34,301	45,701
177,332	177,332	-
-	-	-
177,332	177,332	-
\$ 165,932	211,633	\$ 45,701
	446,295	
	-	
	-	
	\$ 657,928	

**Exhibit C-3
(Continued)**

Park Acquisition Fund (Fund 341)			Bedroom Tax (Fund 355)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
100	1,666	1,566	-	417	417
5,000	27,722	22,722	600	22,200	21,600
5,100	29,388	24,288	600	22,617	22,017
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4,513	(4,513)	-	-	-
-	4,513	(4,513)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
29,000	-	29,000	-	20,605	(20,605)
29,000	4,513	24,487	-	20,605	(20,605)
(23,900)	24,875	48,775	600	2,012	1,412
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ (23,900)	24,875	\$ 48,775	\$ 600	2,012	\$ 1,412
	120,578			21,164	
	-			-	
	-			-	
	\$ 145,453			\$ 23,176	

See accompanying notes to the basic financial statements

**Exhibit C-3
(Continued)**

Capital Project Funds		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ 5,142	\$ 5,142
-	-	-
600	30,744	30,144
22,600	104,755	82,155
23,200	140,641	117,441
-	-	-
-	-	-
-	-	-
-	-	-
-	4,513	(4,513)
-	4,513	(4,513)
75,000	46,500	28,500
75,000	46,500	28,500
-	54,410	(54,410)
-	9,992	(9,992)
669,100	380,548	288,552
744,100	495,963	248,137
(720,900)	(355,322)	365,578
759,197	759,197	-
-	-	-
759,197	759,197	-
\$ 38,297	403,875	\$ 365,578
	-	
	1,051,126	
	-	
	-	
	\$ 1,455,001	

See accompanying notes to
the basic financial statements

CITY OF CORNING
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2020

Exhibit D-1

	Sewer Enterprise Fund (Fund 610, etc)	Solid Waste Enterprise Fund (Fund 615)	Airport Fund (Fund 620)	Transportation Center Fund (Fund 625)	Water Enterprise Fund (Fund 630, etc)	Total
ASSETS						
Current Assets:						
Cash and Investments	\$ 1,978,331	\$ 76,272	\$ 71,585	\$ 19,855	\$ 1,157,071	\$ 3,303,114
Accounts Receivable	131,048	41,649	-	3,043	90,566	266,306
Inventories	10,804	-	-	-	40,557	51,361
Prepaid Assets	-	-	-	-	-	-
Total Current Assets	<u>2,120,183</u>	<u>117,921</u>	<u>71,585</u>	<u>22,898</u>	<u>1,288,194</u>	<u>3,620,781</u>
Capital Assets:						
Land and Construction in Progress	105,274	-	727,814	-	5,000	838,088
Property, Plant and Equipment	16,224,192	-	2,662,699	5,167	6,735,001	25,627,059
Accumulated Depreciation	(12,112,151)	-	(333,320)	-	(3,118,628)	(15,564,099)
Net Capital Assets	<u>4,217,315</u>	<u>-</u>	<u>3,057,193</u>	<u>5,167</u>	<u>3,621,373</u>	<u>10,901,048</u>
Loan Acquisition Costs	141,545	-	-	-	142,868	284,413
Accumulated Amortization	(26,756)	-	-	-	(18,407)	(45,163)
Net Loan Acquisition Costs	<u>114,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,461</u>	<u>239,250</u>
Restricted Cash:						
Loan Repayment	-	-	-	-	230,370	230,370
Total Other Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,370</u>	<u>230,370</u>
Deferred Outflows of Resource						
Pension Contribution	100,081	-	873	-	187,049	288,003
Total Assets	\$ <u>6,552,368</u>	\$ <u>117,921</u>	\$ <u>3,129,651</u>	\$ <u>28,065</u>	\$ <u>5,451,447</u>	\$ <u>15,279,452</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 25,240	\$ 132,239	\$ 316	\$ 876	\$ 19,541	\$ 178,212
Accrued Wages	1,090	-	-	-	2,370	3,460
Due to other funds	-	-	-	-	-	-
Interest Payable	61,530	-	-	-	40,199	101,729
Deposits	-	-	-	-	27,288	27,288
Current Portion of Long Term Debt	126,889	-	-	-	151,031	277,920
Total Current Liabilities	<u>214,749</u>	<u>132,239</u>	<u>316</u>	<u>876</u>	<u>240,429</u>	<u>588,609</u>
Deferred Inflows of Resources						
GASB 68 Actuarial Adjustments	38,495	-	260	-	71,947	110,702
Long-Term Liabilities						
Interfund Loan Payable	-	-	-	-	-	-
Accrued Compensation for Future Absen	68,539	-	-	-	68,539	137,078
Net Pension Liability	443,334	-	3,869	-	828,583	1,275,786
Certificates of Participation Payable	4,782,147	-	-	-	3,158,944	7,941,091
Less: Current Portion	(126,889)	-	-	-	(151,031)	(277,920)
Total Long-Term Liabilities	<u>5,167,131</u>	<u>-</u>	<u>3,869</u>	<u>-</u>	<u>3,905,035</u>	<u>9,076,035</u>
Total Liabilities	<u>5,420,375</u>	<u>132,239</u>	<u>4,445</u>	<u>876</u>	<u>4,217,411</u>	<u>9,775,346</u>
NET POSITION						
Investment in capital assets, net	(564,832)	-	3,057,193	5,167	462,429	2,959,957
Reserved for Capital improvement	734,647	-	-	-	685,227	1,419,874
Restricted for debt service	-	-	-	-	230,172	230,172
Unrestricted	962,178	(14,318)	68,013	22,022	(143,792)	894,103
Total Net Position	\$ <u>1,131,993</u>	\$ <u>(14,318)</u>	\$ <u>3,125,206</u>	\$ <u>27,189</u>	\$ <u>1,234,036</u>	\$ <u>5,504,106</u>

See accompanying notes to the basic financial statements.

CITY OF CORNING
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Year Ended June 30, 2020

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	\$ 2,025,835	\$ 522,024	\$ -	\$ -	\$ 1,489,648	\$ 4,037,507
Connection fees	-	-	-	-	29,900	29,900
Lease and Rents	9,394	-	17,739	17,506	-	44,639
Other Revenue	301,885	-	10,000	6,000	26,034	343,919
Total Operating Revenues	<u>2,337,114</u>	<u>522,024</u>	<u>27,739</u>	<u>23,506</u>	<u>1,545,582</u>	<u>4,455,965</u>
OPERATING EXPENSES:						
Salaries and Benefits	319,960	-	3,281	1,643	659,704	984,588
Utilities	93,083	-	4,480	7,754	224,962	330,279
Depreciation	457,396	-	33,135	-	150,500	641,031
Amortization	7,755	-	-	-	4,762	12,517
Other Expenses	1,144,018	524,429	23,913	6,390	313,116	2,011,866
Total Operating Expenses	<u>2,022,212</u>	<u>524,429</u>	<u>64,809</u>	<u>15,787</u>	<u>1,353,044</u>	<u>3,980,281</u>
Operating Income (Loss)	<u>314,902</u>	<u>(2,405)</u>	<u>(37,070)</u>	<u>7,719</u>	<u>192,538</u>	<u>475,684</u>
NON-OPERATING REVENUE (EXPENSE)						
Investment Earnings	20,584	557	888	241	14,202	36,472
Interest Expense	(186,576)	-	-	-	(120,918)	(307,494)
Net Non-Operating Revenues (Expenses)	<u>(165,992)</u>	<u>557</u>	<u>888</u>	<u>241</u>	<u>(106,716)</u>	<u>(271,022)</u>
Income Before Transfers	<u>148,910</u>	<u>(1,848)</u>	<u>(36,182)</u>	<u>7,960</u>	<u>85,822</u>	<u>204,662</u>
Operating Transfers In	285,000	-	-	-	78,500	363,500
Operating Transfers Out	(285,000)	-	-	-	(78,500)	(363,500)
Changes in net position	<u>148,910</u>	<u>(1,848)</u>	<u>(36,182)</u>	<u>7,960</u>	<u>85,822</u>	<u>204,662</u>
NET POSITION, BEGINNING OF YEAR						
As Previously Stated	983,083	(12,470)	3,161,388	19,229	1,148,214	5,299,444
Prior period adjustment	-	-	-	-	-	-
As Restated	<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>
Residual Equity Transfers In	-	-	-	-	-	-
Residual Equity Transfers Out	-	-	-	-	-	-
NET POSITION, END OF YEAR	<u>\$ 1,131,993</u>	<u>\$ (14,318)</u>	<u>\$ 3,125,206</u>	<u>\$ 27,189</u>	<u>\$ 1,234,036</u>	<u>\$ 5,504,106</u>

See accompanying notes to the basic financial statements.

CITY OF CORNING
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2020

Exhibit D-3

	Sewer Enterprise Fund (Fund 610, etc)	Solid Waste Enterprise Fund (Fund 615)	Airport Fund (Fund 620)	Transportation Center Fund (Fund 625)	Water Enterprise Fund (Fund 630, etc)	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	\$ 1,995,521	\$ 514,697	\$ 12,662	\$ -	\$ 1,506,689	\$ 4,029,569
Other Operating Cash Receipts	311,279	-	27,739	25,763	26,034	390,815
Payments to Suppliers	(1,229,616)	(514,771)	(28,181)	(14,315)	(454,249)	(2,241,132)
Payments to Employees	(324,138)	-	(10,090)	(1,643)	(668,722)	(1,004,593)
Net Cash Provided (Used) by Operating Activities	<u>753,046</u>	<u>(74)</u>	<u>2,130</u>	<u>9,805</u>	<u>409,752</u>	<u>1,174,659</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers from (to) other funds	-	-	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Interest Paid	(188,896)	-	-	-	(122,416)	(311,312)
Repayment of Certificates of Participation	(288,895)	-	-	-	(279,913)	(568,808)
Repayment of Loan Payable: Mid Valley Bank	-	-	3,869	-	-	3,869
Changes in GASB 68 amounts	34,222	-	(1,494)	-	65,269	97,997
Payments for capital acquisitions	<u>479,654</u>	<u>-</u>	<u>33,129</u>	<u>-</u>	<u>129,761</u>	<u>642,544</u>
Net cash (used for) capital and related financing activities	<u>36,085</u>	<u>-</u>	<u>35,504</u>	<u>-</u>	<u>(207,299)</u>	<u>(135,710)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Receipts of interest	<u>20,584</u>	<u>557</u>	<u>888</u>	<u>241</u>	<u>14,202</u>	<u>36,472</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
	<u>809,715</u>	<u>483</u>	<u>38,522</u>	<u>10,046</u>	<u>216,655</u>	<u>1,075,421</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>\$ 2,120,690</u>	<u>\$ 77,905</u>	<u>\$ 85,719</u>	<u>\$ 21,083</u>	<u>\$ 1,522,119</u>	<u>\$ 3,827,516</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Net Operating Income (Loss)	\$ 314,902	\$ (2,405)	\$ (37,070)	\$ 7,719	\$ 192,538	\$ 475,684
Adjustments to Reconcile Net Income to Net Cash From (Used For) Operating Activities:						
Depreciation and Amortization	465,151	-	33,135	-	155,262	653,548
Pension Adjustments	-	-	(6,809)	-	-	(6,809)
Decrease (Increase) in Accounts Receivable	(30,314)	(7,327)	12,662	2,257	(9,976)	(32,698)
Decrease (Increase) in Inventory	5,242	-	-	-	19,677	24,919
Decrease (Increase) in Prepaid Assets	16,046	-	-	-	60,234	76,280
Increase (Decrease) in Accounts Payable	18,087	9,658	212	(171)	5,416	33,202
Increase (Decrease) in Wages Payable	(4,178)	-	-	-	(9,018)	(13,196)
Increase (Decrease) in Due to Other Funds	(29,570)	-	-	-	-	(29,570)
Increase (Decrease) in Interest Payable	(2,320)	-	-	-	(1,498)	(3,818)
Increase (Decrease) in Deposits	-	-	-	-	(2,883)	(2,883)
Net cash from (used for) operating activities	<u>\$ 753,046</u>	<u>\$ (74)</u>	<u>\$ 2,130</u>	<u>\$ 9,805</u>	<u>\$ 409,752</u>	<u>\$ 1,174,659</u>

See accompanying notes to the basic financial statements.

**CITY OF CORNING
EXPENDABLE TRUST FUNDS**

Exhibit E-1

Combining Balance Sheet
June 30, 2020

	J.T. Levy Trust Fund (Fund 401)	Ridell Library Fund (Fund 403)	Totals
ASSETS:			
Cash and investments	\$ 25,361	\$ 269,044	\$ 294,405
Receivables:			
Intergovernmental			
County	-	-	-
Deferred compensation plan assets	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>25,361</u>	\$ <u>269,044</u>	\$ <u>294,405</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u> </u>	<u> </u>	<u> </u>
Fund Balances:			
Held in trust for:			
Scholarships	25,361	-	25,361
Library System	-	269,044	269,044
Theater	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>25,361</u>	<u>269,044</u>	<u>294,405</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	\$ <u>25,361</u>	\$ <u>269,044</u>	\$ <u>294,405</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, 2020

Exhibit E-2

	J.T. Levy Trust Fund (Fund 401)	Ridell Library Fund (Fund 403)	Totals
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ -
Fines and Forfeitures	-	-	-
Interest	<u>307</u>	<u>3,254</u>	<u>3,561</u>
Total Revenues	<u>307</u>	<u>3,254</u>	<u>3,561</u>
EXPENDITURES:			
Scholarships	-	-	-
Capital Outlay	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>307</u>	<u>3,254</u>	<u>3,561</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>307</u>	<u>3,254</u>	<u>3,561</u>
FUND BALANCE, BEGINNING OF YEAR	25,054	265,790	290,844
Residual Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 25,361</u>	<u>\$ 269,044</u>	<u>\$ 294,405</u>

See accompanying notes to
the basic financial statements.

**CITY OF CORNING
EXPENDABLE TRUST FUNDS**

Exhibit E-3

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Year Ended June 30, 2020

	<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.

THIS PAGE INTENTIONALLY LEFT BLANK

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

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, 2020, which collectively comprise the Authority's basic financial statements and have issued my report thereon dated February 16, 2021. 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, flowing style.

Donald R. Reynolds, CPA
Redding, California
February 16, 2021

CITY OF CORNING
SEWER ENTERPRISE FUNDS
 Combining Balance Sheet
 June 30, 2020

	<u>Sewer Capital Improvement Fund (Fund 347)</u>	<u>WWTP EXP. (Fund 348)</u>	<u>W.W.T.P. Capital Replacement Fund (Fund 380)</u>	<u>Sewer Capital Replacement Fund (Fund 381)</u>
ASSETS				
Current Assets:				
Cash and Investments	\$ 75,549	\$ 830,230	\$ 607,774	\$ 108,399
Accounts Receivable	-	-	-	-
Inventories	-	-	-	-
Total Current Assets	<u>75,549</u>	<u>830,230</u>	<u>607,774</u>	<u>108,399</u>
Capital Assets				
Land and Construction in Progress	-	-	-	-
Property, Plant and Equipment	-	4,453,848	-	-
Accumulated Depreciation	-	(1,872,709)	-	-
Net Capital Assets	<u>-</u>	<u>2,581,139</u>	<u>-</u>	<u>-</u>
Loan Acquisition Costs	-	57,085	-	-
Accumulated Amortization	-	(15,548)	-	-
Net Loan Acquisition Costs	<u>-</u>	<u>41,537</u>	<u>-</u>	<u>-</u>
Deferred Outflows of Resources				
Pension Contribution	-	-	-	-
Total Assets	\$ <u>75,549</u>	\$ <u>3,452,906</u>	\$ <u>607,774</u>	\$ <u>108,399</u>
LIABILITIES				
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Wages	-	-	-	-
Interest Payable	-	41,662	-	-
Current Portion of Long Term Debt	-	64,000	-	-
Total Current Liabilities	<u>-</u>	<u>105,662</u>	<u>-</u>	<u>-</u>
Long-Term Liabilities				
Interfund Loan Payable	-	-	-	-
Accrued Compensation for Future Absences	-	-	-	-
Net Pension Liability	-	-	-	-
Long-Term Debt	-	3,222,274	-	-
Less: Current Portion	-	(64,000)	-	-
Total Long-Term Liabilities	<u>-</u>	<u>3,158,274</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>3,263,936</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
GASB 68 Actuarial Adjustments	-	-	-	-
Fund Equity:				
Retained Earnings:				
Investment in Capital Assets	-	(641,135)	-	-
Restricted	75,549	830,105	607,774	108,399
Unrestricted	-	-	-	-
Total Net Assets	<u>75,549</u>	<u>188,970</u>	<u>607,774</u>	<u>108,399</u>
Total Net Assets	\$ <u>75,549</u>	\$ <u>188,970</u>	\$ <u>607,774</u>	\$ <u>108,399</u>

<u>Fund (Fund 610)</u>	<u>TOTAL Sewer Enterprise Fund</u>
\$ 356,379	\$ 1,978,331
131,048	131,048
<u>10,804</u>	<u>10,804</u>
<u>498,231</u>	<u>2,120,183</u>
105,274	105,274
11,770,344	16,224,192
<u>(10,239,442)</u>	<u>(12,112,151)</u>
<u>1,636,176</u>	<u>4,217,315</u>
84,460	141,545
<u>(11,208)</u>	<u>(26,756)</u>
<u>73,252</u>	<u>114,789</u>
<u>100,081</u>	<u>100,081</u>
\$ <u><u>2,307,740</u></u>	\$ <u><u>6,552,368</u></u>
\$ 25,240	\$ 25,240
1,090	1,090
19,868	61,530
<u>62,889</u>	<u>126,889</u>
<u>109,087</u>	<u>214,749</u>
-	-
68,539	68,539
443,334	443,334
1,559,873	4,782,147
<u>(62,889)</u>	<u>(126,889)</u>
<u>2,008,857</u>	<u>5,167,131</u>
<u>2,117,944</u>	<u>5,381,880</u>
<u>38,495</u>	<u>38,495</u>
-	-
76,303	(564,832)
-	1,621,827
<u>74,998</u>	<u>74,998</u>
<u>151,301</u>	<u>1,131,993</u>
\$ <u><u>151,301</u></u>	\$ <u><u>1,131,993</u></u>

CITY OF CORNING
SEWER ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
Year Ended June 30, 2020

	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	44,928	229,632	-	-
Total Operating Revenues	<u>44,928</u>	<u>229,632</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES:				
Salaries and Benefits	-	-	-	-
Utilities	-	-	-	-
Depreciation	-	133,951	-	-
Amortization	-	4,940	-	-
Other Expenses	-	-	25,544	43,462
Total Operating Expenses	<u>-</u>	<u>138,891</u>	<u>25,544</u>	<u>43,462</u>
Operating Income (Loss)	<u>44,928</u>	<u>90,741</u>	<u>(25,544)</u>	<u>(43,462)</u>
NON-OPERATING REVENUE (EXPENSE)				
Investment Earnings	693	10,131	7,420	1,574
Interest Expense	-	(125,436)	-	-
Net Non-Operating Revenues (Expenses)	<u>693</u>	<u>(115,305)</u>	<u>7,420</u>	<u>1,574</u>
Net Income Before Transfers	<u>45,621</u>	<u>(24,564)</u>	<u>(18,124)</u>	<u>(41,888)</u>
Operating Transfers In	-	160,000	85,000	40,000
Operating Transfers Out	-	-	-	-
Net Income	<u>45,621</u>	<u>135,436</u>	<u>66,876</u>	<u>(1,888)</u>
NET ASSETS, AT BEGINNING OF YEAR				
As Previously Stated	29,928	53,534	540,898	110,287
Prior period adjustment	-	-	-	-
As Restated	<u>29,928</u>	<u>53,534</u>	<u>540,898</u>	<u>110,287</u>
Residual Equity Transfers In	-	-	-	-
Residual Equity Transfers Out	-	-	-	-
NET ASSETS, AT END OF YEAR	<u>\$ 75,549</u>	<u>\$ 188,970</u>	<u>\$ 607,774</u>	<u>\$ 108,399</u>

	<u>Fund (Fund 610)</u>		<u>TOTAL Sewer Enterprise Fund</u>
\$	2,025,835	\$	2,025,835
	-		-
	9,394		9,394
	<u>27,325</u>		<u>301,885</u>
	<u>2,062,554</u>		<u>2,337,114</u>
	319,960		319,960
	93,083		93,083
	323,445		457,396
	2,815		7,755
	<u>1,075,012</u>		<u>1,144,018</u>
	<u>1,814,315</u>		<u>2,022,212</u>
	<u>248,239</u>		<u>314,902</u>
	766		20,584
	<u>(61,140)</u>		<u>(186,576)</u>
	<u>(60,374)</u>		<u>(165,992)</u>
	<u>187,865</u>		<u>148,910</u>
	-		285,000
	<u>(285,000)</u>		<u>(285,000)</u>
	<u>(97,135)</u>		<u>148,910</u>
	248,436		983,083
	<u>-</u>		<u>-</u>
	248,436		983,083
	-		-
	<u>-</u>		<u>-</u>
\$	<u>151,301</u>	\$	<u>1,131,993</u>

CITY OF CORNING
WATER ENTERPRISE FUNDS

Combining Balance Sheet
 June 30, 2020

	<u>Water Capital Improvement Fund (Fund 346)</u>	<u>Water Capital Replacement Fund (Fund 383)</u>	<u>Short Lived Water Reserve (Fund 386)</u>	<u>Water Fund (Fund 630)</u>
ASSETS				
Current Assets:				
Cash and Investments	\$ 47,785	\$ 520,773	\$ 167,760	\$ 420,753
Accounts Receivable	-	-	-	90,566
Inventories	-	-	-	40,557
Total Current Assets	<u>47,785</u>	<u>520,773</u>	<u>167,760</u>	<u>551,876</u>
Fixed Assets:				
Land and Construction in Progress	-	-	-	5,000
Property, Plant and Equipment	-	-	-	6,735,001
Accumulated Depreciation	-	-	-	(3,118,628)
Net Property, Plant and Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,621,373</u>
Loan Acquisition Costs	-	-	-	142,868
Accumulated Amortization	-	-	-	(18,407)
Net Loan Acquisition Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,461</u>
Restricted Cash:				
Loan Repayment	-	-	-	198
Total Other Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>198</u>
Deferred Outflows of Resources				
GASB 68 Actuarial Adjustments	-	-	-	187,049
Total Assets	<u>\$ 47,785</u>	<u>\$ 520,773</u>	<u>\$ 167,760</u>	<u>\$ 4,484,957</u>
LIABILITIES				
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ -	\$ -	-	19,541
Accrued Wages	-	-	-	2,370
Interest Payable	-	-	-	40,199
Deposits	-	-	-	27,288
Current Portion of Long Term Debt	-	-	-	151,031
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,429</u>
Long-Term Liabilities				
Accrued Compensation for Future Absences	-	-	-	68,539
Net Pension Liability	-	-	-	828,583
Long-Term Debt	-	-	-	3,158,944
Less: Current Portion	-	-	-	(151,031)
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,905,035</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,145,464</u>
Deferred Inflows of Resources				
GASB 68 Actuarial Adjustments	-	-	-	71,947
NET ASSETS				
Investment in Capital Assets	-	-	-	462,429
Restricted	47,785	520,773	-	-
Unrestricted	-	-	167,760	(194,883)
Total Net Assets	<u>\$ 47,785</u>	<u>\$ 520,773</u>	<u>\$ 167,760</u>	<u>\$ 267,546</u>

Water Rate Stabilization Reserve Fund (Fund 631)	TOTAL Water Enterprise Funds
\$ -	\$ 1,157,071
-	90,566
-	40,557
-	<u>1,288,194</u>
-	5,000
-	6,735,001
-	<u>(3,118,628)</u>
-	<u>3,621,373</u>
-	142,868
-	<u>(18,407)</u>
-	<u>124,461</u>
230,172	230,370
<u>230,172</u>	<u>230,370</u>
-	187,049
\$ <u>230,172</u>	\$ <u>5,451,447</u>
-	19,541
-	2,370
-	40,199
-	27,288
-	<u>151,031</u>
-	<u>240,429</u>
-	68,539
-	828,583
-	3,158,944
-	<u>(151,031)</u>
-	<u>3,905,035</u>
-	<u>4,145,464</u>
-	71,947
-	462,429
230,172	798,730
-	<u>(27,123)</u>
\$ <u>230,172</u>	\$ <u>1,234,036</u>

CITY OF CORNING
WATER ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
Year Ended June 30, 2020

	<u>Water Capital Improvement Fund (Fund 346)</u>	<u>Water Capital Replacement Fund (Fund 383)</u>	<u>Short Lived Water Reserve (386)</u>	<u>Water Fund (Fund 630)</u>
OPERATING REVENUES:				
Charges for Service	\$ -	\$ -	\$ -	\$ 1,489,648
Connection fees	-	-	-	29,900
Lease and Rents	-	-	-	-
Other Revenue	<u>23,952</u>	<u>-</u>	<u>-</u>	<u>2,082</u>
Total Operating Revenues	<u>23,952</u>	<u>-</u>	<u>-</u>	<u>1,521,630</u>
OPERATING EXPENSES:				
Salaries and Benefits	-	-	-	659,704
Utilities	-	-	-	224,962
Depreciation	-	-	-	150,500
Amortization	-	-	-	4,762
Other Expenses	<u>6,991</u>	<u>53,624</u>	<u>-</u>	<u>252,501</u>
Total Operating Expenses	<u>6,991</u>	<u>53,624</u>	<u>-</u>	<u>1,292,429</u>
Operating Income (Loss)	<u>16,961</u>	<u>(53,624)</u>	<u>-</u>	<u>229,201</u>
NON-OPERATING REVENUE (EXPENSE)				
Investment Earnings	501	6,724	2,029	4,948
Interest Expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>(120,918)</u>
Net Non-Operating Revenues (Expenses)	<u>501</u>	<u>6,724</u>	<u>2,029</u>	<u>(115,970)</u>
Net Income Before Transfers	<u>17,462</u>	<u>(46,900)</u>	<u>2,029</u>	<u>113,231</u>
Operating Transfers In	-	78,500	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(78,500)</u>
Net Income	<u>17,462</u>	<u>31,600</u>	<u>2,029</u>	<u>34,731</u>
NET ASSETS, AT BEGINNING OF YEAR				
As Previously Stated	30,323	489,173	165,731	232,815
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As Restated	<u>30,323</u>	<u>489,173</u>	<u>165,731</u>	<u>232,815</u>
Residual Equity Transfers In	-	-	-	-
Residual Equity Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS, AT END OF YEAR	<u>\$ 47,785</u>	<u>\$ 520,773</u>	<u>\$ 167,760</u>	<u>\$ 267,546</u>

<u>Water Stabilization Fund (631)</u>	<u>TOTAL Water Enterprise Funds</u>
\$ -	\$ 1,489,648
-	29,900
-	-
-	26,034
<u>-</u>	<u>1,545,582</u>
-	659,704
-	224,962
-	150,500
-	4,762
-	313,116
<u>-</u>	<u>1,353,044</u>
-	192,538
-	14,202
-	(120,918)
-	(106,716)
-	85,822
-	78,500
-	(78,500)
-	85,822
230,172	1,148,214
-	-
<u>230,172</u>	<u>1,148,214</u>
-	-
-	-
\$ <u>230,172</u>	\$ <u>1,234,036</u>

THIS PAGE INTENTIONALLY LEFT BLANK