

CITY OF CORNING,

CALIFORNIA

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED
JUNE 30, 2021**

**CITY OF CORNING
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021**

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INTRODUCTORY SECTION

City Officials

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**CITY OF CORNING, CALIFORNIA
CITY OFFICIAL
FOR THE YEAR ENDED JUNE 30, 2021**

**CITY COUNCIL
(Terms as of June 30, 2021)**

<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

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FINANCIAL SECTION

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

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Donald R. Reynolds

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

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

Report On the Financial Statements

I have audited the accompanying consolidated financial statements of City of Corning (the City), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

my audit opinion.

Opinion

In my opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the City of Corning as of June 30, 2021, 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, appearing to read "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

CITY OF CORNING
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

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, 2021. 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 \$44,592,637. Deferred inflows and outflows of resources were \$6,328,447 and \$1,635,645 respectively, and total liabilities were \$18,158,128 at June 30, 2021. The City's assets exceeded its liabilities by \$21,741,707 (net position) for the fiscal year reported. This is an increase of \$2,960,943 from the previous year when assets exceeded liabilities by \$18,780,764. The increase was primarily due to increases in sales and use taxes and \$922,198 of American Rescue Plan Act (ARPA) monies received. A surplus in the amount of \$2,106,601 was generated in the governmental funds and an increase of \$854,342, including prior period adjustments, in the business-type funds.

At June 30, 2021, the General Fund had a fund balance of \$4,723,051.

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 \$9,776,036 this year. This compares to the prior year ending fund balance of \$7,320,812 and is an increase of \$2,446,218 during the current year.

For the fiscal year ending June 30, 2021, the fund balance of the General Fund was \$4,723,051. 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 \$4,723,051 at June 30, 2021 equates to 9.66 months of operating expenditures, based on reported fiscal year 2020-2021 expenditures (\$5,865,769).

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 \$6,358,448 as of June 30, 2021. This compares to the prior year ending net position of \$5,504,106 showing an increase of \$854,372, after prior period adjustments, during the 2020-21 year. Effective April 2021, the City no longer controls the financial aspects for Solid Waste.

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 52 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 51 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 starting on page 59 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 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, 2021.

TABLE 1 – NET POSITION						
	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets:						
Cash and other assets	\$ 16,201,517	\$ 13,316,870	\$ 4,297,573	\$ 4,090,401	\$ 20,499,010	\$ 17,407,271
Capital asset	<u>12,976,055</u>	<u>12,589,693</u>	<u>11,117,572</u>	<u>10,901,048</u>	<u>24,093,627</u>	<u>23,490,741</u>
Total Assets	<u>\$ 29,177,572</u>	<u>\$ 25,906,563</u>	<u>\$ 15,415,065</u>	<u>\$ 14,991,449</u>	<u>\$ 44,592,637</u>	<u>\$ 40,898,012</u>
Deferred Outflows	<u>\$ 1,144,000</u>	<u>\$ 1,294,455</u>	<u>\$ 491,645</u>	<u>\$ 288,003</u>	<u>\$ 1,635,645</u>	<u>\$ 1,582,458</u>
Liabilities:						
Other liabilities	\$ 1,458,059	\$ 994,756	\$ 681,031	\$ 588,609	\$ 2,139,090	\$ 1,583,365
Long-term liabilities	<u>7,259,423</u>	<u>6,766,800</u>	<u>8,759,615</u>	<u>9,076,035</u>	<u>16,019,038</u>	<u>15,842,835</u>
Total Liabilities	<u>\$ 8,717,482</u>	<u>\$ 7,761,556</u>	<u>\$ 9,440,646</u>	<u>\$ 9,664,644</u>	<u>\$ 18,158,128</u>	<u>\$ 17,426,200</u>
Deferred Inflows/Revenues	<u>\$ 6,220,831</u>	<u>\$ 6,162,804</u>	<u>\$ 107,616</u>	<u>\$ 110,702</u>	<u>\$ 6,328,447</u>	<u>\$ 6,273,506</u>
Net Position:						
Invested in capital assets net of related debt	\$ 11,842,822	\$11,441,750	\$ 3,516,913	\$ 2,959,957	\$ 15,359,735	\$ 14,401,707
Restricted	-	-	1,650,046	1,650,046	1,650,046	1,650,046
Unrestricted	<u>3,540,437</u>	<u>1,834,908</u>	<u>1,191,489</u>	<u>894,103</u>	<u>4,731,926</u>	<u>2,729,011</u>
Total Net Position	<u>\$ 15,383,259</u>	<u>\$ 13,276,658</u>	<u>\$ 6,358,448</u>	<u>\$ 5,504,106</u>	<u>\$ 21,741,707</u>	<u>\$ 18,780,764</u>

In fiscal year 2020-21, Governmental Activities increased the City's net position by \$2,106,601 and business-type activities increased the City's net position by \$854,342, after prior period adjustments, as compared to the prior fiscal year.

As Table 2 depicts, Governmental Activities revenues increased by \$1,605,839, or 19.25%, due primarily to increases in sales and use tax, grant revenue, and ARPA monies received. Expenses in the governmental activities increased by \$551,627, or 7.56%; much of this increase is in the City's public safety and street projects combined with an increase in general government.

Business-type activities revenues increased by \$201,716 or 4.49%. The increase was due, in part to changes in customer charges. Business-type expenses decreased by <\$176,874>.

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>	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 4,073,580	\$ 4,037,507	\$4,073,580	\$ 4,037,507
Operating grants and contributions	382,872	366,860	-	-	382,872	366,860
Capital grants and Contributions	303,285	5,142	-	-	303,285	5,142
General revenues:						
Property taxes	694,262	625,019	-	-	694,262	625,019
Sales and use taxes	4,635,865	4,210,280	-	-	4,635,865	4,210,280
Occupancy taxes	415,518	553,456	-	-	415,518	553,456
Other taxes	279,473	279,564	-	-	279,473	279,564
Vehicle License In Lieu	730,670	672,747	-	-	730,670	672,747
Franchise tax	152,145	137,164	-	-	152,145	137,164
Investment earnings	42,350	86,643	13,894	36,472	56,244	123,115
Intergovernmental	1,847,614	732,701	-	-	1,847,614	732,701
Other revenue	<u>463,748</u>	<u>672,387</u>	<u>606,679</u>	<u>418,458</u>	<u>1,070,427</u>	<u>1,090,845</u>
Total Revenue	<u>9,947,802</u>	<u>8,341,963</u>	<u>4,694,153</u>	<u>4,492,437</u>	<u>14,641,955</u>	<u>12,834,400</u>
Expenses :						
General government	2,447,424	2,194,351	-	-	2,447,424	2,194,351
Public safety	4,316,763	4,163,807	-	-	4,316,763	4,163,807
Transportation	557,399	361,489	-	-	557,399	361,489
Cultural Parks and Recreation	491,648	482,099	-	-	491,648	482,099
Community Development	27,967	87,828	-	-	27,967	87,828
Sewer	-	-	2,042,805	2,208,788	2,042,805	2,208,788
Water	-	-	1,583,822	1,473,962	1,583,822	1,473,962
Solid Waste	-	-	398,355	524,429	398,355	524,429
Airport	-	-	67,679	64,809	67,679	64,809
Transportation Center	-	-	18,240	15,787	18,240	15,787
Total Expenses	<u>7,841,201</u>	<u>7,289,574</u>	<u>4,110,901</u>	<u>4,287,775</u>	<u>11,952,102</u>	<u>11,577,349</u>
Increase (Decrease) in Net Position before transfers, prior period adjustments and extraordinary items	2,106,601	1,052,389	583,252	204,662	2,689,853	1,257,051
Transfers	-	(15,000)	-	-	-	(15,000)
Prior period adjustments	-	-	271,090	-	271,090	-
Increase (Decrease) in Net Position	<u>\$ 2,106,601</u>	<u>\$ 1,037,389</u>	<u>\$ 854,342</u>	<u>\$ 204,662</u>	<u>\$ 2,960,943</u>	<u>\$ 1,242,051</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 \$9,767,036 an increase of \$2,446,224 over the prior year. The primary reason for the increase is overall increases in sales tax, grant, and ARPA revenues.

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 \$1,013,321.

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

	2021		2020		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	% change
Taxes and assessments	\$ 6,628,460	86.11%	\$ 6,199,663	89.50%	\$ 428,797	6.92%
Use of money and property Interest	12,236	0.16%	30,948	0.45%	(18,712)	(60.47%)
Licenses and permits	290,781	3.78%	289,114	4.17%	1,667	0.58%
Intergovernmental revenues	363,500	4.72%	198,007	2.85%	165,493	(18.36%)
Other revenue	<u>402,700</u>	<u>5.23%</u>	<u>208,978</u>	<u>3.03%</u>	<u>193,722</u>	<u>92.70%</u>
Total	\$ <u>7,697,677</u>	<u>100.00%</u>	\$ <u>6,926,710</u>	<u>100.00%</u>	\$ <u>770,967</u>	<u>11.13%</u>

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

	<u>2021</u>		<u>2020</u>		<u>Increase/(Decrease)</u>	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>% change</u>
General Government	\$ 1,248,159	21.28%	\$ 1,316,446	23.82%	\$ (68,287)	(5.19%)
Public Safety	3,648,445	62.20%	3,323,339	60.15%	325,106	9.78%
Transportation	92,363	1.57%	87,590	1.59%	4,773	5.45%
Cultural Parks and Recreation	374,746	6.39%	320,947	5.81%	53,799	16.76%
Community/Economic Development	23,500	0.40%	24,610	0.45%	(1,110)	(4.42%)
Debt service	320,774	5.47%	310,302	5.62%	10,472	3.37%
Capital outlay	157,782	2.69%	142,202	2.56%	15,580	10.96%
Total	<u>\$ 5,865,769</u>	<u>100.00%</u>	<u>\$ 5,525,436</u>	<u>100.00%</u>	<u>\$ 340,333</u>	<u>6.16%</u>

Fiscal year 2020-21 General Fund revenue increased by \$770,967 (11.13%) in comparison with the prior year. Significant changes were a decrease of taxes and assessments, primarily due to an increase in sales tax and transient occupancy taxes. The schedule above reflects the changes during the year. Total General Fund expenditures increased by \$340,333 or 6.16% from the prior fiscal year indicating an increase in public safety, recreation and capital outlay.

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, 2021, the Water Fund had an increase in net position of \$58,928 and the Sewer Fund had an increase in net position of \$277,498. The Solid Waste Fund had an increase in net position of \$10,507, and the Airport and the Transportation Center have a change in net position of \$235,788 and \$531, 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 2020-21 and decreased in fiscal year 2019-20. Operating revenues increased by 5.99% while operating expenses increased by 8.42%. The net effect was a decrease in net position in fiscal year 2020-21 compared to fiscal year 2019-20.

TABLE 5 - WATER FUND
For the periods ending June 30

	<u>2021</u>	<u>2020</u>	<u>Increase(decrease) from prior</u>	
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Percent</u>
Operating Revenues	\$ 1,637,883	\$ 1,545,582	\$ 92,301	5.99%
Expenses	(1,466,946)	(1,353,044)	113,902	8.42%
Non-operating revenue (expense)	(112,009)	(106,716)	(5,293)	(4.72)%
Net operating transfers	-	-	-	00.00 %
Change in net position	<u>\$ 58,928</u>	<u>\$ 85,822</u>	<u>\$ (26,894)</u>	

Sewer Fund - The Sewer Fund reported a positive increase in net position in fiscal year 2020-21 compared to fiscal year 2019-20. In 2020-21 operating revenues increased offsetting smaller increases in operating expenses, the net effect being a \$277,498 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**

	2021	2020	Increase(decrease) from prior	
	Amount	Amount	Amount	Percent
Operating Revenues	\$ 2,311,673	\$ 2,337,114	\$ (25,441)	(1.08)%
Expenses	(1,860,236)	(2,022,212)	(161,976)	(8.01)%
Non-operating revenue (expense)	(173,939)	(165,992)	(7,947)	(4.56)%
Net operating transfers	-	-	-	00.00%
Change in net position	<u>\$ 277,498</u>	<u>\$ 148,910</u>	<u>\$ 129,038</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 2020-21, after Council approved changes, anticipated a shortfall of \$(53,481). Revenues in fiscal year 2020-21 were \$706,875, or 9.83%, more than the budget estimate. The results of the General Fund were more favorable than anticipated, with an actual net surplus of \$1,013,321 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**

	2021			2020		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues	\$ 7,190,802	\$ 7,897,677	\$ 706,875	\$ 6,839,300	\$ 6,926,710	\$ 87,410
Expenditures	<u>(5,970,878)</u>	<u>(5,645,487)</u>	<u>325,391</u>	<u>(5,468,189)</u>	<u>(5,383,234)</u>	<u>84,955</u>
Operating Result	<u>1219,924</u>	<u>2,252,190</u>	<u>1,032,266</u>	<u>1,371,111</u>	<u>1,543,476</u>	<u>172,365</u>
Capital Outlay	(192,318)	(157,782)	34,536	(521,960)	(142,202)	379,758
Transfers Out	<u>(1,081,087)</u>	<u>(1,081,087)</u>	<u>-0-</u>	<u>(950,000)</u>	<u>(759,197)</u>	<u>190,803</u>
Net Result	<u>\$ (53,481)</u>	<u>\$ 1,013,321</u>	<u>\$ 1,066,802</u>	<u>\$ (100,849)</u>	<u>\$ 642,077</u>	<u>\$ 742,926</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City's practice has been to capitalize buildings, machinery and equipment. As a small City under the definition of Governmental Accounting Standards Board Statement No. 34 (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, 2021, was \$12,976,055 and \$11,117,572 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

	2021	2020	Increase (Decrease) \$	Increase (Decrease) %
Governmental Funds	\$ 12,976,055	\$ 12,560,797	\$ 415,258	3.30%
Business-type Funds	\$ 11,117,572	\$ 11,614,236	\$ (496,664)	(4.27)%

Long-term debt (including Compensated Absences). As of June 30, 2021, the City had total debt outstanding of \$9,524,289; this is a decrease from the total debt outstanding at June 30, 2020 of \$9,774,431. 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>	
	2021	2020	2021	2020	2021	2020
Capital Leases	\$ 556,982	\$ 283,094	\$ -	\$ -	\$ 556,982	\$ 283,094
Compensated Absences	632,319	548,260	158,078	137,077	790,397	685,337
Pension Obligation Bonds	576,251	864,908	60,659	91,092	636,910	956,000
2020 Revenue Refunding Bonds	-	-	7,540,000	7,850,000	7,540,000	7,850,000
Total	<u>\$ 1,765,552</u>	<u>\$ 1,696,262</u>	<u>\$ 7,758,737</u>	<u>\$ 8,078,169</u>	<u>\$ 9,524,289</u>	<u>\$ 9,774,431</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 \$4,635,865 in sales tax and use tax in fiscal year 2020-2021, which is not quite a fully recovery from pre-pandemic levels. Overall sales and use taxes are up \$315,569 from fiscal year 2019-2020. Transient Occupancy Taxes received in fiscal year 2020-2021 totaled \$553,446, which was down \$202,603 from fiscal year 2019-2020. The decrease in Transient Occupancy Taxes is likely 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 \$100,971 from fiscal year 2019-2020 to fiscal year 2020-2021.

In 2020-2021 the City was notified that it will receive \$1,844,396 in American Rescue Plan Act (ARPA) revenues payable in two installments, the first of which has been recorded as revenue in 2020-21. The City plans to utilize these funds to extend water and sewer infrastructure to the westside of Interstate 5. Doing so, will increase the sales tax base and diversify City sources of revenue creating greater financial stability. 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.

The City may need to consider further water and sewer rate increases, if bad debt as a result of the COVID-19 pandemic is not recovered.

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 \$808,649 in State Gas Taxes, Senate Bill 1 funds, and local transportation taxes during the year; that is only \$101 per year per resident. The balance of the funds spent on roads comes from the City General Fund and available State and Federal funding. In the next few years, there will be two large road and pedestrian improvement projects funded through local transportation taxes and Safe Routes to Schools funding

The City Recreation Program is currently largely grant-funded. In fiscal year 2022-2023 the grant funding will terminate. At that point, the recreation program will become a general fund expense. The City received \$8.5 million in grant funding to construct a city plaza, recreation center, splash pad and amphitheater. Construction of the new facilities are expected to be completed in 2025. At that point, the City will need to increase recreation staffing to support the new facility.

For Fiscal Year 2020-2021 there were 42 full time City Employees. The City has a huge investment in those employees and they are the greatest asset of the City well worth retaining by maintaining stable employment.

The Police Departments leads through the Chief and three Sergeants; there are no Captains or Lieutenants employed at this time. The Dispatch Records Supervisor position has been filled. There remains five dispatchers, including the dispatch supervisor.

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 full-time Maintenance Workers and a field supervisor. A part-time maintenance worker is utilized as well. 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

CITY OF CORNING
STATEMENT OF NET POSITION
June 30, 2021

Statement 1

	Primary Government		
	Governmental Activities	Business Activities	Total
ASSETS			
Cash and Investments (Note 3)			
Available for operations	\$ 9,386,366	\$ 3,719,565	\$ 13,105,931
Restricted	-	230,186	230,186
Receivables (net of allowance for uncollectable)			
Accounts Receivable	-	351,056	351,056
Intergovernmental Receivable	1,039,235	-	1,039,235
Interest Receivable	1,616,155	-	1,616,155
Other Receivable	-	-	-
Loans Receivable (CDBG.)	4,130,637	-	4,130,637
Internal balances	-	-	-
Inventory	-	25,680	25,680
Due From Other Funds	29,124	(28,994)	130
Capital Assets (Note 2):			
Unamortized loan acquisition costs	-	-	-
Land and construction in progress	481,646	838,088	1,319,734
Depreciable assets, net	12,494,409	10,279,484	22,773,893
Total Assets	<u>\$ 29,177,572</u>	<u>\$ 15,415,065</u>	<u>\$ 44,592,637</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loan acquisition costs	\$ -	\$ 226,731	\$ 226,731
Pension	1,144,000	264,914	1,408,914
Total Deferred Outflows of Resources	<u>\$ 1,144,000</u>	<u>\$ 491,645</u>	<u>\$ 1,635,645</u>
LIABILITIES			
Accounts Payable	\$ 629,212	\$ 99,904	\$ 729,116
Accrued Wages/Payroll Taxes	47,053	5,083	52,136
Accrued Interest Payable	2,110	98,515	100,625
Deposits	-	25,650	25,650
Other Accrued Liabilities	-	-	-
Contract retentions	-	-	-
Accrued compensated absences:			
Due within one year	375,000	99,000	474,000
Due in more than one year	257,319	59,078	316,397
Long-term debt			
Due within one year	404,686	352,879	757,565
Due in more than one year	728,547	7,247,780	7,976,327
Net Pension Liability	6,273,555	1,452,757	7,726,312
Total Liabilities	<u>\$ 8,717,482</u>	<u>\$ 9,440,646</u>	<u>\$ 18,158,128</u>
DEFERRED INFLOWS OF RESOURCES			
GASB 68 Actuarial Adjustments	\$ 464,725	\$ 107,616	\$ 572,341
Unearned Revenue	5,756,106	-	5,756,106
Total Deferred Inflows of Resources	<u>\$ 6,220,831</u>	<u>\$ 107,616</u>	<u>\$ 6,328,447</u>
NET POSITION			
Net investment in capital assets	\$ 11,842,822	\$ 3,516,913	\$ 15,359,735
Reserved for debt service	-	230,172	230,172
Reserved for capital improvement	-	1,419,874	1,419,874
Unrestricted	3,540,437	1,191,489	4,731,926
Total Net Position	<u>\$ 15,383,259</u>	<u>\$ 6,358,448</u>	<u>\$ 21,741,707</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
Year Ended June 30, 2021

Statement 2

	Net (Expense) Revenue and Changes In Net Position					
	Expenses	Program Revenues		Governmental Activities	Business-Type Activities	
		Charges for Services	Operating Grants and Contributions			Capital Grants and Contributions
FUNCTIONS/PROGRAMS						
Governmental Activities:						
General Government:						
City Council	\$ 33,788	\$ -	\$ -	\$ -	\$ (33,788)	\$ -
City Administration	190,184	-	-	-	(190,184)	-
City Clerk	21,886	-	-	-	(21,886)	-
City Treasurer	780	-	-	-	(780)	-
City Finance	82,183	-	-	-	(82,183)	-
General Government	<u>2,118,603</u>	<u>132,432</u>	<u>13,816</u>	<u>-</u>	<u>(1,972,355)</u>	<u>-</u>
Total General Government	<u>2,447,424</u>	<u>132,432</u>	<u>13,816</u>	<u>-</u>	<u>(2,301,176)</u>	<u>-</u>
Public Safety and Judiciary:						
Legal Services	127,296	-	-	-	(127,296)	-
Police	2,623,250	18,732	184,191	-	(2,420,327)	-
Police Dispatch	624,263	-	-	-	(624,263)	-
Animal Control	155,285	-	-	-	(155,285)	-
Fire	<u>786,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(786,669)</u>	<u>-</u>
Total Public Safety and Judiciary	<u>4,316,763</u>	<u>18,732</u>	<u>184,191</u>	<u>-</u>	<u>(4,113,840)</u>	<u>-</u>
Transportation:						
Airport	-	-	-	-	-	-
Streets	<u>557,399</u>	<u>17,108</u>	<u>184,865</u>	<u>150,276</u>	<u>(205,150)</u>	<u>-</u>
Total Transportation	<u>557,399</u>	<u>17,108</u>	<u>184,865</u>	<u>150,276</u>	<u>(205,150)</u>	<u>-</u>
Cultural, Parks and Recreation						
Library	32,115	-	-	-	(32,115)	-
Theater	8,554	-	-	-	(8,554)	-
Parks and Recreation	<u>450,979</u>	<u>27,235</u>	<u>-</u>	<u>153,009</u>	<u>(270,735)</u>	<u>-</u>
Total Cultural, Parks and Recreation	<u>491,648</u>	<u>27,235</u>	<u>-</u>	<u>153,009</u>	<u>(311,404)</u>	<u>-</u>
Community/Economic Development:						
Economic Development	<u>27,967</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,967)</u>	<u>-</u>
Total Community/Economic Development	<u>27,967</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,967)</u>	<u>-</u>
Business-Type Activities						
Sewer	2,042,805	2,069,652	-	-	-	26,847
Water	1,583,822	1,595,066	-	-	-	11,244
Solid Waste	398,355	408,862	-	-	-	10,507
Airport	67,679	-	-	-	-	(67,679)
Transportation	<u>18,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,240)</u>
Total Business-Type Activities	<u>4,110,901</u>	<u>4,073,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,321)</u>
Total	<u>\$ 11,952,102</u>	<u>\$ 4,269,087</u>	<u>\$ 382,872</u>	<u>\$ 303,285</u>	<u>\$ (6,959,537)</u>	<u>\$ (37,321)</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
Year Ended June 30, 2021

Statement 2
(Continued)

CHANGES IN NET POSITION:

	Governmental	Business	Total
	Activities	Activities	Total
Net (Expense)/Revenue	\$ (6,959,537)	\$ (37,321)	\$ (6,996,858)
General Revenues:			
Taxes			
Sales and Use Taxes	4,635,865	-	4,635,865
Property Taxes	694,262	-	694,262
Franchise Taxes	152,145	-	152,145
Vehicle License Fees	730,670	-	730,670
Transit Occupancy Tax	415,518	-	415,518
Other Taxes	279,473	-	279,473
Intergovernmental	1,847,614	-	1,847,614
Investment Income	42,350	13,894	56,244
Donations	-	-	-
Transfers - Internal Activity	-	-	-
Total General Revenues and Transfers	<u>9,066,138</u>	<u>620,573</u>	<u>9,686,711</u>
Change in Net Position	2,106,601	583,252	2,689,853
Net Position - Beginning of Year	<u>13,276,658</u>	<u>5,504,106</u>	<u>18,780,764</u>
Prior Period Adjustment	-	271,090	271,090
Residual Equity Transfers In (Out)	-	-	-
Net Position - Ending of Year	<u>\$ 15,383,259</u>	<u>\$ 6,358,448</u>	<u>\$ 21,741,707</u>

BASIC FINANCIAL STATEMENTS

Fund Financial Statements

CITY OF CORNING
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

Statement 3

ASSETS	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash and Investments	\$ 4,288,810	\$ 5,097,556	\$ 9,386,366
Intergovernmental Receivable	79,367	959,868	1,039,235
Notes Receivable (C.D.B.G.)	-	4,130,637	4,130,637
Interest receivable	7,405	1,608,750	1,616,155
Due From Other Funds	<u>552,129</u>	<u>-</u>	<u>552,129</u>
Total Assets	<u>\$ 4,927,711</u>	<u>\$ 11,796,811</u>	<u>\$ 16,724,522</u>
 LIABILITIES			
Accounts Payable	\$ 160,917	\$ 468,295	\$ 629,212
Accrued Wages/Payroll Taxes	24,914	22,139	47,053
Due to Other Funds	-	523,005	523,005
Other liabilities	<u>2,110</u>	<u>-</u>	<u>2,110</u>
Accrued Compensated Absences	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>187,941</u>	<u>1,013,439</u>	<u>1,201,380</u>
 DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Business Licenses	16,719	-	16,719
Deferred Revenue - Loans Receivable	<u>-</u>	<u>5,739,387</u>	<u>5,739,387</u>
Other Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>204,660</u>	<u>6,752,826</u>	<u>6,957,486</u>
 FUND BALANCES			
Restricted for contingences	625,000	-	625,000
Assigned	1,425,774	-	1,425,774
Unassigned	2,672,277	-	2,672,277
Unassigned - Special Revenues Funds	-	3,128,353	3,128,353
Unassigned - Capital Projects Funds	<u>-</u>	<u>1,915,632</u>	<u>1,915,632</u>
Total Fund Balances	<u>4,723,051</u>	<u>5,043,985</u>	<u>9,767,036</u>
Total Liabilities and Fund Balances	<u>\$ 4,927,711</u>	<u>\$ 11,796,811</u>	<u>\$ 16,724,522</u>

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

Total Fund Balance - Total Governmental Funds	\$ 9,767,036
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.	12,976,055
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds: Deferred Outflows of Resources	1,144,000
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Deferred Inflows of Resources	\$ (464,725)
Long-Term Debt	(1,133,233)
Accrued Compensated Absences	(632,319)
Net leases	-
Net Pension Liability	<u>(6,273,555)</u>
Net Position of Governmental Activities	<u>\$ 15,383,259</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, 2021

Statement 4

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:			
Taxes	\$ 6,628,460	\$ 279,473	\$ 6,907,933
Intergovernmental Revenues	363,500	2,170,271	2,533,771
Interest	12,236	30,114	42,350
Licenses and Permits	290,781	-	290,781
Miscellaneous	402,700	101,985	504,685
Total Revenues	<u>7,697,677</u>	<u>2,581,843</u>	<u>10,279,520</u>
EXPENDITURES:			
Current:			
General Government:			
City Council	28,557	-	28,557
City Administration	160,741	-	160,741
City Clerk	18,497	-	18,497
City Treasurer	661	-	661
City Finance	69,460	-	69,460
General Government	970,243	820,361	1,790,604
Total General Government	<u>1,248,159</u>	<u>820,361</u>	<u>2,068,520</u>
Public Safety and Judiciary:			
Legal Services	107,587	-	107,587
Police	2,217,121	-	2,217,121
Police Dispatch	527,615	-	527,615
Animal Control	131,244	-	131,244
Fire	664,878	-	664,878
Total Public Safety and Judiciary	<u>3,648,445</u>	<u>-</u>	<u>3,648,445</u>
Transportation:			
Streets	92,363	378,740	471,103
Total Transportation	<u>92,363</u>	<u>378,740</u>	<u>471,103</u>
Cultural, Parks and Recreation			
Library	27,143	-	27,143
Theater	7,229	-	7,229
Parks and Recreation	340,374	40,854	381,228
Total Cultural, Parks and Recreation	<u>374,746</u>	<u>40,854</u>	<u>415,600</u>
Community/Economic Development:			
Economic Development	23,500	138	23,638
Total Community/Economic Development	<u>23,500</u>	<u>138</u>	<u>23,638</u>
Debt Service:			
Principal	265,983	54,410	320,393
Interest and Other Charges	54,791	9,992	64,783
Capital Outlay	157,782	663,038	820,820
Total Expenditures	<u>5,865,769</u>	<u>1,967,533</u>	<u>7,833,302</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,831,908</u>	<u>614,310</u>	<u>2,446,218</u>
OTHER FINANCING SOURCES (USES)			
Debt Proceeds	-	-	-
Transfers In / Out	(818,587)	818,587	-
Total Other Financing Sources and (Uses)	<u>(818,587)</u>	<u>818,587</u>	<u>-</u>
Net Change in Fund Balances	1,013,321	1,432,897	2,446,218
Fund Balances-Beginning of Year	3,724,371	3,596,447	7,320,818
Residual Equity Transfers	(14,641)	14,641	-
Prior period adjustment	-	-	-
Fund Balances-End of Year	<u>\$ 4,723,051</u>	<u>\$ 5,043,985</u>	<u>\$ 9,767,036</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, 2021

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 \$ 2,446,218

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	\$ 820,820	
Donated Infrastructure not included in capital outlay	-	
Depreciation expense	<u>(443,898)</u>	376,922

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	(322,273)	
Bond Principal Retirement	<u>320,393</u>	(1,880)

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		26,035
---	--	--------

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		(656,695)
Accrued compensated absences		<u>(83,999)</u>

Change in Net Position of Governmental Activities	\$	<u>2,106,601</u>
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CITY OF CORNING
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

Statement 5

	Enterprise Funds
	<u> </u>
<u>ASSETS</u>	
<u>Current Assets:</u>	
Cash and Investments	\$ 3,719,565
Accounts Receivable	351,056
Inventory	<u>25,680</u>
Total Current Assets	<u>4,096,301</u>
<u>Noncurrent Assets:</u>	
Capital Assets:	
Land and Construction in Progress	838,088
Property, Plant, and Equipment	26,015,757
Accumulated Depreciation	<u>(15,736,273)</u>
Net Capital Assets	<u>11,117,572</u>
Restricted Assets	<u>230,186</u>
Total Noncurrent Assets	<u>11,347,758</u>
Deferred Outflows of Resources	
Loan Acquisition Costs	226,731
Pension Contribution	<u>264,914</u>
Total Assets	<u>\$ 15,935,704</u>
 <u>LIABILITIES</u>	
<u>Current Liabilities:</u>	
Accounts Payable	\$ 99,904
Accrued Wages/Payroll Taxes	5,083
Due to other funds	28,994
Accrued Interest Payable	98,515
Deposits	25,650
Current Portion of Non-Current Liabilities	<u>451,879</u>
Total Current Liabilities	<u>710,025</u>
<u>Noncurrent Liabilities:</u>	
Notes, Bonds and Certificates Payable	7,148,780
Accrued Compensated Absences	158,078
Net Pension Liability	1,452,757
Loans	<u>-</u>
Total Noncurrent Liabilities	<u>8,759,615</u>
Total Liabilities	<u>9,469,640</u>
<u>Deferred Inflows of Resources</u>	
GASB 68 Actuarial Adjustments	<u>107,616</u>
<u>NET POSITION:</u>	
Investment in Capital Assets, net of related debt	3,516,913
Reserved for capital improvement	1,419,874
Reserved for debt service	230,172
Unrestricted	<u>1,191,489</u>
Total Net Position	<u>\$ 6,358,448</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, 2021

	<u>Enterprise Funds</u>
OPERATING REVENUES:	
Charges for Services	
Sewer Charges	\$ 2,069,652
Water Charges	1,588,566
Solid Waste	408,862
Connection Fees	6,500
Lease and Rents	30,566
Other revenue	576,113
Total Operating Revenues	<u>4,680,259</u>
OPERATING EXPENSES:	
Salaries and Benefits	1,243,010
Utilities	360,092
Depreciation	394,640
Amortization	12,517
Other Expenses	1,801,197
Total Operating Expenses	<u>3,811,456</u>
Operating Income	<u>868,803</u>
NONOPERATING REVENUES (EXPENSES):	
Interest Income	13,894
Interest expense	<u>(299,445)</u>
Total Nonoperating Revenue (Expenses)	<u>(285,551)</u>
Income Before Contributions and Transfers	-
Operating transfers in (out)	<u>-</u>
Net income (Loss)	583,252
Net Position-Beginning of Year - As previously stated	5,504,106
Prior period adjustment	<u>271,090</u>
Net Position - Beginning of Year	5,775,196
Residual Equity Transfers In	-
Residual Equity Transfers Out	-
Net Position - End of Year	\$ <u><u>6,358,448</u></u>

CITY OF CORNING
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2021

Statement 7

	<u>Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 3,984,649
Other Operating Cash Receipts	609,222
Payments to Suppliers	(2,217,130)
Payments to Employees	<u>(977,645)</u>
Net Cash Provided (Used) by Operating Activities	<u>1,399,096</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	(302,659)
Repayment of Certificates of Participation	(340,432)
Repayment of Loan Payable: Mid Valley Bank	7,164
Changes in GASB 68 amounts	279,054
Payments for capital acquisitions	<u>(668,844)</u>
Net cash (used by) capital and related financing activities	<u>(1,025,717)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Receipts of interest	<u>13,894</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>387,273</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,533,484</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,920,757</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Net Operating Income (Loss)	\$ 868,803
Adjustments to Reconcile Net Income to Net Cash Provided by (Used by) Operating Activities:	
Depreciation/Amortization	407,157
Prior period adjustments	263,926
Decrease (Increase) in Accounts Receivable	(84,750)
Decrease (Increase) in Inventory	25,681
Decrease (Increase) in Prepaid Assets	-
Increase (Decrease) in Accounts Payable	(78,308)
Increase (Decrease) in Wages Payable	1,439
Increase (Decrease) in Accrued Compensation	-
Increase (Decrease) in Due to Other Funds	-
Increase (Decrease) in Interest Payable	(3,214)
Increase (Decrease) in Deposits	<u>(1,638)</u>
Net cash from (used for) operating activities	<u>\$ 1,399,096</u>

See accompanying notes to the basic financial statements.

CITY OF CORNING
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

	<u>Private Purpose Trust Funds</u>
<u>ASSETS</u>	
Cash and Investments	\$ 280,074
Total Assets	<u>\$ 280,074</u>
 <u>Net Position</u>	
Held in trust for:	
Scholarships	\$ 24,963
Library Systems	<u>255,111</u>
Total Net Position	<u>\$ 280,074</u>

CITY OF CORNING
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

Statement 9

	<u>Private Purpose Trust Funds</u>
<u>Additions:</u>	
Interest Income	\$ 1,181
Total Revenues	<u>1,181</u>
<u>Deductions:</u>	
Scholarships	-
Capital Outlay	15,010
Other Deductions	<u>500</u>
Total Deductions	<u>15,510</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(14,329)</u>
Change in Net Position	<u>(14,329)</u>
Net Position - Beginning of the Year	294,403
Residual Equity Transfers	<u>-</u>
Net Position - End of the Year	<u>\$ 280,074</u>

BASIC FINANCIAL STATEMENTS

Notes to Basic Financial Statements

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**CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2021

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, 2021**

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, 2021**

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, 2021**

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, 2021

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, 2021**

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, 2021**

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, 2021**

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, 2021**

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, 2021

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, 2021, the City's cash and investments are reported in the financial statements as follows:

Primary government, net of deficit funds (\$552,129)	\$ 13,035,132
Restricted Cash	230,186
Agency funds	<u>282,355</u>
Total Cash and Investments	<u>\$ 13,547,673</u>

As of June 30, 2021, the City's cash and investments in bank consisted of the following:

Cash:	
Cash on hand	\$ 1,300
Deposits (less outstanding checks)	<u>4,363,060</u>
Total Cash	<u>4,364,360</u>

As of June 30, 2021, the City's investments consisted of the following:

Investments:	
In California Local Agency Investment Fund (at market):	<u>9,069,679</u>
Total Investments	<u>9,069,679</u>
Total Cash and Investments	<u>\$ 13,434,039</u>

At year end, the carrying amount of the City's cash deposits (including amount in checking accounts and money market accounts) was \$4,363,060 and the bank balance was \$4,534,479. 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, 2021**

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, 2021, 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, 2021, the City's investment position in the State of California Local Agency Investment Fund (LAIF) was \$9,069,679. 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, 2021

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, 2021, was as follows:

	Balance July 1, 2020	Additions	Adjustments/ Retirements	Transfers	Balance June 30, 2021
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	481,646	-	-	481,646
Total Capital Assets, Not Being Depreciated	-	481,646	-	-	481,646
Capital Assets, Being Depreciated:					
Buildings	2,034,452	-	(7,515)	-	2,026,937
Parks	4,145,157	116,392	(500)	-	4,261,049
Fire Department	1,953,959	73,310	(74,389)	-	1,952,880
Police Department	691,100	131,512	(48,339)	-	774,273
Machinery and equipment	711,234	27,400	(73,000)	-	665,634
Infrastructure	8,370,356	-	-	-	8,370,356
Total Capital Assets, Being Depreciated	17,906,258	348,614	(203,743)	-	18,051,129
Less Accumulated Depreciation	(5,316,565)	(443,898)	(203,743)	-	(5,556,720)
Total Capital Assets, Being Depreciated, Net	12,589,693	(95,284)	-	-	12,494,409
Total Governmental Activities, Net	\$ 12,589,693	\$ 386,362	\$ -	\$ -	\$ 12,976,055
Business-Type Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 838,088	\$ -	\$ -	\$ -	\$ 838,088
Construction in progress	-	-	-	-	-
Total Capital Assets, Not Being Depreciated	838,088	-	-	-	838,088
Capital Assets, Being Depreciated:					
Buildings	2,652,532	-	-	-	2,652,532
Improvements	74,308	-	-	-	74,308
Machinery and equipment	716,839	105,173	-	-	822,012
Utility Property	22,183,380	-	-	22,183,380	-
Total Capital Assets, Being Depreciated	25,627,059	105,173	-	-	25,732,232
Less Accumulated Depreciation	(15,564,149)	(443,263)	-	271,090	(15,736,322)
Total Capital Assets, Being Depreciated, Net	10,062,910	(338,090)	-	(271,000)	9,453,820
Total Business-type Activities, Net	\$ 10,900,998	\$ (338,090)	\$ -	\$ (271,000)	\$ 10,291,908

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 2: DETAILED NOTES (Continued)

Capital Assets (Continued)

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2021</u>
Loan Acquisition Costs:					
Loan Acquisition Costs	\$ 284,413	\$ -	\$ -	\$ -	\$ 284,413
Less Accumulated amortization	<u>(45,163)</u>	<u>-</u>	<u>(12,519)</u>	<u>-</u>	<u>(57,682)</u>
Loan Acquisition costs, net of amortization	<u>\$ 239,250</u>	<u>\$ -</u>	<u>\$ (12,519)</u>	<u>\$ -</u>	<u>\$ 226,731</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 139,697
Public Safety and Judiciary	243,455
Transportation	31,436
Culture Parks and Recreation	27,733
Community Economic Development	<u>1,577</u>
Total Depreciation Expense -- Governmental Functions	<u>\$ 443,898</u>

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

Sewer	\$ 229,739
Solid Waste	-
Airport	47,308
Transportation	-
Water	<u>166,216</u>
Total Depreciation Expense - Business-Type Functions	<u>\$ 443,263</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, 2021.

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, 2021

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 \$5,756,107 related to long-term notes and loans receivable.

At June 30, 2021, the components of unearned revenue in governmental funds consisted of off-sets to notes receivable in the amount of \$5,739,344, 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, 2021, was as follows:

	<u>Balance</u>		<u>Adjustments/</u>	<u>Balance</u>	<u>Amounts</u>
	<u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2021</u>	<u>Due Within</u>
					<u>One Year</u>
Governmental Activities					
Pension Obligation Bonds	\$ 864,851	\$ -	\$ (288,600)	\$ 576,251	\$ 312,121
U.S. Bancorp Leasing	283,092	-	(56,144)	226,948	59,672
Pacific Gas and Electric	-	344,990	(14,956)	330,034	32,893
Compensated Absences (Note 1)	<u>548,319</u>	<u>280,710</u>	<u>(196,710)</u>	<u>632,319</u>	<u>375,000</u>
Total Government Activities	\$ <u>1,696,262</u>	\$ <u>625,700</u>	\$ <u>(556,410)</u>	\$ <u>1,765,552</u>	\$ <u>779,686</u>
Business-Type Activities					
2017 Water and Sewer Revenue Refunding Bonds	\$ 7,850,000	-	(310,000)	7,540,000	320,000
Pension Obligation Bonds	91,091	-	(30,432)	60,659	32,879
Compensated Absences (Note 1)	<u>137,078</u>	<u>61,824</u>	<u>(40,824)</u>	<u>158,078</u>	<u>99,000</u>
Total Business-Type Activities	\$ <u>8,078,169</u>	\$ <u>61,824</u>	\$ <u>(381,256)</u>	\$ <u>7,758,737</u>	\$ <u>451,879</u>

(Continued on the following page)

**CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 2: DETAILED NOTES (Continued)

Long-term Debt (Continued)

At June 30, 2021, 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, 2021 at no premium.

Fire Truck - Lease Purchase

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%.

Pacific Gas and Electric - Retrofit

In an arrangement with Pacific Gas and Electric (PGandE), the City contracted with independent parties in 2019 and 2020 to make certain energy retrofit modification to many of the City's buildings. As part of that arrangement, the City received loan proceeds from PGandE in 2020-2021 totaling \$354,669 to pay for the modifications. The no interest loan payments range from 49 to 120 months and are paid as a line item on the various monthly PGandE billings.

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**CITY OF CORNING, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 2: DETAILED NOTES (Continued)

Long-term Debt (Continued)

The annual aggregate maturities for the years subsequent to June 30, 2021, are disclosed in the other disclosures section on pages 51 through 52.

Operating Leases

Rental expenses incurred under operating leases are not considered material.

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, 2021:

<u>Due To:</u>		<u>Due From:</u>	
General Fund	\$ 523,135	Proposition 47 Grant Funds	\$ 430,609
		Street Scape Fund	67,714
		SB-2 Planning Grant Fund	19,027
		L and L District 1 Zone 1	1,446
		ATP SR-25 Fund	<u>4,339</u>
Total	<u>\$ 523,135</u>		<u>\$ 523,135</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, 2021:

<u>Transfer From:</u>		<u>Transfer To:</u>	
General Fund	\$ 768,587	Equipment Replacement Fund - Pub Wks	\$ 102,253
		Equipment Replacement Fund - Fire	340,336
		Equipment Replacement Fund - Police	325,998
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	<u>78,500</u>	Short Lived Water Reserve Fund	<u>78,500</u>
Total	<u>\$ 1,132,087</u>		<u>\$ 1,132,087</u>

(Continued on the following page)

**CITY OF CORNING, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021**

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, 2020, 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, 2021

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, 2021, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Safety Plan</u>	<u>Miscellaneous Plan</u>
Contributions - Employer	\$ 302,156	\$ 89,471
Contributions - Employee (Paid by employer)	\$ 12,512	\$ 9,703

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

As of June 30, 2021, 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>4,421,156</u>	\$ <u>3,305,157</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, 2020 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, 2020 rolled forward to June 30, 2021 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, 2019 and 2020 was as follows:

	<u>Safety Plan</u>	<u>Miscellaneous Plan</u>
Proportion - June 30, 2019	0.06422%	0.07498%
Proportion - June 30, 2020	0.06636%	0.07836%
Change, Increase (Decrease)	0.00214%	0.00337%

(Continued on the following page)

CITY OF CORNING, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 3: Retirement Plans (Continued)

For the year ended June 30, 2021, the Local Government recognized pension expense of \$1,265,681. At June 30, 2021, the Local Government reported deferred outflows of resources related to pensions from the following sources:

Pension contributions subsequent to measurement date	\$ 413,842
Differences between actual and expected experience	513,163
Differences between Projected and Actual Investment Earnings	-
Changes in assumptions	-
Change in employer's proportion	287,634
Differences between the employer's contributions and the employer's proportionate share of contributions	<u>194,275</u>
Total	\$ <u>1,408,914</u>

At June 30, 2021, the Local Government reported deferred inflows of resources related to pensions from the following sources:

Differences between actual and expected Investment experience	\$ -
Changes in assumptions	38,301
Change in employer's proportion	-
Differences between Projected and Actual Investment Earnings	-
Differences between the employer's contributions and the employer's proportionate share of contributions	<u>534,040</u>
Total	\$ <u>572,340</u>

\$572,340 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, 2021. 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>
2021	\$ 32,009	\$ (1,397)
2021	96,496	57,487
2022	83,667	59,201
2023	48,147	47,091
2024	-	-
Thereafter	-	-

(Continued on the following page)

**CITY OF CORNING, CALIFORNIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 3: Retirement Plans (Continued)

Actuarial Methods and Assumption Used to Determine Total Pension Liability

The June 30, 2021 total pension liabilities were based on the following actuarial methods and assumptions:

	<u>Safety Plan</u>	<u>Miscellaneous Plan</u>
Valuation Date	-----June 30, 2020-----	
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, 2020 valuation were based on the results of a January 2020 actuarial experience study for the period 1997 to 2020. 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, 2021

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 2021. 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 2021-21 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, 2021**

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% \$ 6,602,372	6.15% \$ 5,016,539
Current Discount Rate Net Pension Liability	7.15% \$ 4,421,156	7.15% \$ 3,305,157
1% Increase Net Pension Liability	8.15% \$ 2,631,262	8.15% \$ 1,891,096

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, 2021**

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 2021. 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, 2021, 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, 2021, 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, 2021**

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 Pledged</u>	<u>Borrowing Fund/Entity - Bond/Loan</u>	<u>Use of Funds</u>	<u>Year of Loan or Year Repayments and/or Interest Payments Began</u>	<u>Original Issue/Loan Amount</u>	<u>Payments Amortized 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, 2021 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, 2021

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, 2021, 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	\$ -	\$ -	\$ -
Reserve for Scholarships	-	-	255,111
Reserve for Library Systems	-	-	24,963
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, 2021**

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, 2021

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, 2021

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)
\$ 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
<u>\$ 2,930,000</u>		175,000	2043
		180,000	2044
		185,000	2045
		195,000	2046
		<u>\$ 4,610,000</u>	

Pacific Gas and Electric Lease

\$ 32,893	\$ -	\$ -	\$ 32,893	2022
32,893	-	-	32,893	2023
32,893	-	-	32,893	2024
32,893	-	-	32,893	2025
32,893	-	-	32,893	2026
32,893	-	-	32,893	2027
32,893	-	-	32,893	2028
32,893	-	-	32,893	2029
32,893	-	-	32,893	2030
32,893	-	-	32,893	2031
1,104	-	-	1,105	2032
<u>Total \$ 330,034</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 330,035</u>	

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

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)	
\$ 312,121	\$ 21,321	\$ 11,558	\$ 345,000	2022	
<u>264,130</u>	<u>17,954</u>	<u>9,826</u>	<u>291,910</u>	2023	
<u>\$ 576,251</u>	<u>\$ 39,275</u>	<u>\$ 21,384</u>	<u>\$ 636,910</u>		
Fire Truck Lease					
\$ 59,672	\$ -	\$ -	\$ 59,672	2022	
61,573	-	-	61,573	2023	
63,536	-	-	63,536	2024	
<u>42,167</u>	<u>-</u>	<u>-</u>	<u>42,167</u>	2025	
<u>\$ 226,948</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,948</u>		
Total	\$ 803,199	\$ 39,275	\$ 21,384	\$ 863,858	

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, 2021 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, 2021 are reflected in a schedule following the individual fund and account group statements beginning at page 91.
- G. The City uses interfund transfers to supplant the budgets of various funds using general and enterprise surpluses to offset funding shortfalls with Council approval.
- H. Deficit fund balances of \$6,477, \$5,757 and \$24,198 exist in the CDBG Program Income Special Revenue Fund, the Housing Element Special Revenue Fund and the 08/09 CDBG Special Revenue Funds respectively. These deficits represent expenditures on housing project maintenance in excess of corresponding revenues. The Deficits will be liquidated with future CDBG funding.

REQUIRED SUPPLEMENTARY INFORMATION

Unaudited

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CITY OF CORNING
REQUIRED SUPPLEMENTARY INFORMATION - PENSION AND OPEB
As of June 30, 2021
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	2021	2015	2016	2017	2018	2019	2020	2021
City's proportion of the net pension liability	<u>0.67300%</u>	<u>0.72900%</u>	<u>0.07133%</u>	<u>0.06801%</u>	<u>0.06690%</u>	<u>0.06499%</u>	<u>0.07836%</u>	<u>0.56370%</u>	<u>0.64300%</u>	<u>0.66500%</u>	<u>0.06750%</u>	<u>0.06460%</u>	<u>0.06424%</u>	<u>0.06636%</u>
City's proportionate share of the net pension liability	<u>\$ 1,664,056</u>	<u>\$ 1,659,380</u>	<u>\$ 2,374,865</u>	<u>\$ 2,785,236</u>	<u>\$ 2,681,232</u>	<u>\$ 3,135,336</u>	<u>\$ 3,305,157</u>	<u>\$ 2,114,718</u>	<u>\$ 2,342,743</u>	<u>\$ 3,145,751</u>	<u>\$ 3,645,767</u>	<u>\$ 3,593,781</u>	<u>\$ 4,162,284</u>	<u>\$ 4,421,156</u>
City's covered-employee payroll	<u>\$ 997,095</u>	<u>\$ 1,098,749</u>	<u>\$ 1,065,971</u>	<u>\$ 1,189,563</u>	<u>\$ 1,076,537</u>	<u>\$ 1,122,396</u>	<u>\$ 1,054,031</u>	<u>\$ 1,920,580</u>	<u>\$ 1,859,893</u>	<u>\$ 1,812,955</u>	<u>\$ 1,935,497</u>	<u>\$ 1,988,249</u>	<u>\$ 1,959,986</u>	<u>\$ 1,842,695</u>
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	<u>166.89%</u>	<u>151.02%</u>	<u>222.79%</u>	<u>234.14%</u>	<u>249.06%</u>	<u>279.34%</u>	<u>313.57%</u>	<u>110.11%</u>	<u>125.96%</u>	<u>173.52%</u>	<u>188.36%</u>	<u>180.75%</u>	<u>212.36%</u>	<u>239.93%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>83.03%</u>	<u>83.37%</u>	<u>74.45%</u>	<u>61.01%</u>	<u>63.03%</u>	<u>64.22%</u>	<u>69.12%</u>	<u>81.41%</u>	<u>79.81%</u>	<u>72.41%</u>	<u>70.68%</u>	<u>73.03%</u>	<u>74.98%</u>	<u>77.25%</u>
Notes to Schedule:														
Change of benefit terms — In 2021, there were no changes to the benefit terms.														
Changes in assumptions — In 2021, there were certain changes in assumptions. See Note 3 for current changes.														
Schedule of Plan Contributions														
	2015	2016	2017	2018	2019	2020	2021	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution (actuarially determined)	\$ 139,815	\$ 157,234	\$ 140,429	\$ 233,661	\$ 88,681	\$ 93,574	\$ 99,174	\$ 451,833	\$ 601,159	\$ 435,601	\$ 273,815	\$ 249,470	\$ 285,352	\$ 314,668
Contributions in relation to the contractually required contributions	<u>(139,815)</u>	<u>(157,234)</u>	<u>(140,429)</u>	<u>(233,661)</u>	<u>(88,681)</u>	<u>(93,574)</u>	<u>(99,174)</u>	<u>(451,833)</u>	<u>(601,159)</u>	<u>(435,601)</u>	<u>(273,815)</u>	<u>(249,470)</u>	<u>(285,352)</u>	<u>(314,668)</u>
Contribution deficiency (excess)	<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>
City's covered-employee payroll	<u>\$ 997,095</u>	<u>\$ 1,098,749</u>	<u>\$ 1,065,971</u>	<u>\$ 1,189,563</u>	<u>\$ 1,076,537</u>	<u>\$ 1,122,396</u>	<u>\$ 1,054,031</u>	<u>\$ 1,920,580</u>	<u>\$ 1,859,893</u>	<u>\$ 1,812,955</u>	<u>\$ 1,935,497</u>	<u>\$ 1,988,249</u>	<u>\$ 1,959,986</u>	<u>\$ 1,842,695</u>
Contributions as a percentage of covered-employee payroll	<u>14.02%</u>	<u>14.31%</u>	<u>13.17%</u>	<u>19.64%</u>	<u>8.24%</u>	<u>8.34%</u>	<u>9.41%</u>	<u>23.53%</u>	<u>32.32%</u>	<u>24.03%</u>	<u>14.15%</u>	<u>12.55%</u>	<u>14.56%</u>	<u>17.08%</u>

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

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

CITY OF CORNING
and Changes in Fund Balances - Budget and Actual
For the Fiscal Years ended June 30, 2021

Exhibit A-3

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government				
Personnel Services	620,144	620,144	589,828	30,316
Material and Supplies	350,850	350,850	298,902	51,948
Other Services and Charges	3,800	3,800	81,513	(77,713)
Total General Government	974,794	974,794	970,243	4,551
Legal Services				
Other Services and Charges	76,200	76,200	107,587	(31,387)
Total Legal Services	76,200	76,200	107,587	(31,387)
Police				
Personnel Services	2,130,397	2,130,397	2,122,740	7,657
Material and Supplies	41,200	41,200	35,383	5,817
Other Services and Charges	59,720	59,720	58,998	722
Total Police	2,231,317	2,231,317	2,217,121	14,196
Police Dispatch				
Personnel Services	580,571	580,571	468,314	112,257
Material and Supplies	45,500	45,500	39,268	6,232
Other Services and Charges	18,600	18,600	20,033	(1,433)
Total Police Dispatch	644,671	644,671	527,615	117,056
Animal Control				
Personnel Services	81,694	81,694	78,259	3,435
Material and Supplies	50,992	50,992	49,689	1,303
Other Services and Charges	3,800	3,800	3,296	504
Total Animal Control	136,486	136,486	131,244	5,242
Fire				
Personnel Services	567,009	567,009	584,313	(17,304)
Material and Supplies	68,900	68,900	65,288	3,612
Other Services and Charges	24,000	24,000	15,277	8,723
Total Fire	659,909	659,909	664,878	(4,969)
Streets				
Personnel Services	14,369	14,369	21,610	(7,241)
Material and Supplies	-	-	160	(160)
Other Services and Charges	67,000	67,000	70,593	(3,593)
Total Streets	81,369	81,369	92,363	(10,994)
Library				
Personnel Services	-	-	4,581	(4,581)
Material and Supplies	23,400	23,400	22,301	1,099
Other Services and Charges	750	750	261	489
Total Library	24,150	24,150	27,143	(2,993)
Theater				
Personnel Services	-	-	-	-
Material and Supplies	-	-	-	-
Other Services and Charges	15,700	15,700	7,229	8,471
Total Theater	15,700	15,700	7,229	8,471

(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, 2021**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Parks and Recreation				
Personnel Services	269,864	269,864	255,289	14,575
Material and Supplies	154,300	154,300	84,853	69,447
Other Services and Charges	<u>1,500</u>	<u>1,500</u>	<u>232</u>	<u>1,268</u>
Total Parks and recreation	<u>425,664</u>	<u>425,664</u>	<u>340,374</u>	<u>85,290</u>
Economic Development				
Personnel Services	94,085	94,085	-	94,085
Material and Supplies	16,000	16,000	16,000	-
Other Services and Charges	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Total Economic Development	<u>117,585</u>	<u>117,585</u>	<u>23,500</u>	<u>94,085</u>
Debt Service	286,200	286,200	320,774	(34,574)
Capital Outlay	192,318	192,318	157,782	34,536
Operating Transfer Out	<u>1,081,087</u>	<u>1,081,087</u>	<u>1,018,587</u>	<u>62,500</u>
Total Charges to Appropriations	<u>7,244,283</u>	<u>7,244,283</u>	<u>6,884,356</u>	<u>359,927</u>
Excess (Deficiency) of Resources Over Appropriations	\$ <u><u>(53,481)</u></u>	\$ <u><u>(53,481)</u></u>	\$ <u><u>1,013,321</u></u>	\$ <u><u>1,066,802</u></u>

SUPPLEMENTARY INFORMATION

CITY OF CORNING
GENERAL FUND
Balance Sheet
June 30, 2021

Exhibit A-1

	General Fund
	<u> </u>
ASSETS	
Cash and Investments	\$ 4,288,810
Interest Receivable	7,405
Accounts Receivable	-
Notes Receivable (C.D.B.G.)	-
Receivable from Other Governments	79,367
Interfund Loans Receivable	-
Other Receivable	-
Inventory	-
Due From Other Funds	<u>552,129</u>
 Total Assets	 \$ <u><u>4,927,711</u></u>
LIABILITIES	
Accounts Payable	\$ 160,917
Accrued Wages/Payroll Taxes	24,914
Contract Retentions	-
Accrued Interest Payable	<u>2,110</u>
Total Liabilities	<u>187,941</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred Revenue - Business Licenses	<u>16,719</u>
Total Deferred Inflows of Resources	<u>16,719</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>204,660</u>
FUND EQUITY	
Reserved for contingencies	625,000
Assigned	1,425,774
Unassigned	<u>2,672,277</u>
Total Fund Balances	<u>4,723,051</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ <u><u>4,927,711</u></u>

**CITY OF CORNING
GENERAL FUND**

Exhibit A-2

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2021**

	General Fund
REVENUES:	
Taxes	\$ 6,628,460
Intergovernmental Revenues	363,500
Interest	12,236
Licenses and Permits	290,781
Miscellaneous	402,700
Total Revenues	<u>7,697,677</u>
EXPENDITURES:	
Current:	
General Government:	
City Council	28,557
City Administration	160,741
City Clerk	18,497
City Treasurer	661
City Finance Department	69,460
General Government	970,243
Total General Government	<u>1,248,159</u>
Public Safety and Judiciary:	
Legal Services	107,587
Police	2,217,121
Police Dispatch	527,615
Animal Control	131,244
Fire	664,878
Total Public Safety and Judiciary	<u>3,648,445</u>
Transportation:	
Airport	
Streets	92,363
Total Transportation	<u>92,363</u>
Cultural, Parks and Recreation	
Library	27,143
Theater	7,229
Parks and Recreation	340,374
Total Cultural, Parks and Recreation	<u>374,746</u>

Continued on the following page

CITY OF CORNING
GENERAL FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2021

Exhibit A-2

**General
Fund**

EXPENDITURES (Continued):

Community/Economic Development:	
Economic Development	23,500
Total Community/Economic Development	<u>23,500</u>
Debt Service:	
Principal	265,983
Interest and Other Charges	54,791
Capital Outlay	<u>157,782</u>
Total Expenditures	<u>5,865,769</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,831,908</u>
OTHER FINANCING SOURCES (USES)	
Transfers In	200,000
Transfers Out	<u>(1,018,587)</u>
Total Other Financing Sources and Uses	<u>(818,587)</u>
Net Change in Fund Balances	<u>1,013,321</u>
Fund Balance-Beginning as previously stated	3,724,371
As previously stated	
Prior period Adjustment	<u>-</u>
Fund Balance-Beginning	3,724,371
Residual Equity Transfers - In	-
Residual Equity Transfers - Out	<u>14,641</u>
Fund Balance-Ending	<u>\$ 4,723,051</u>

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2021

	ARPA COVID Relief Fund (Fund 005)	Animal Control Officer Replacement Fund (Fund 072)	Business License ADA (Fund 080)	Rural Planning Fund (Fund 105)
ASSETS				
## Cash and Cash Equivalents	\$ -	\$ 519	\$ 9,510	\$ -
Interest receivable	-	-	-	-
Intergovernmental Receivable	922,198	-	-	-
Due from other funds	-	-	-	-
Loans Receivable (CDBG)	-	-	-	-
Total Assets	\$ 922,198	\$ 519	\$ 9,510	\$ -
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 14	\$ -
Contract Retentions	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	-	-	14	-
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue - Loans Receivable	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	-	-	14	-
Fund Balances (Deficit):				
Reserved for line extensions	-	-	-	-
Reserved for parklands	-	-	-	-
Reserved for non-current loans receivable	-	-	-	-
Unreserved, undesignated	922,198	519	9,496	-
Total Fund Balance (Deficit)	922,198	519	9,496	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 922,198	\$ 519	\$ 9,510	\$ -

(Continued)

<u>SB-1 Road Fund (Fund 106)</u>	<u>RSTP Streets Fund (Fund 108)</u>	<u>Special Gas Tax Improvement #2105 Fund (Fund 109)</u>	<u>Special Gas Tax Improvement #2106 Fund (Fund 110)</u>	<u>Subtotal (Carried forward to next page)</u>
\$ 273,099	\$ 690,153	\$ 34,743	\$ 60,909	\$ 1,068,933
-	-	-	-	-
25,886	-	-	-	948,084
-	-	-	-	-
-	-	-	-	-
<u>\$ 298,985</u>	<u>\$ 690,153</u>	<u>\$ 34,743</u>	<u>\$ 60,909</u>	<u>\$ 2,017,017</u>
\$ 125,000	\$ 751	\$ 27,818	\$ 50,194	\$ 203,777
-	-	-	-	-
-	-	-	-	-
<u>125,000</u>	<u>751</u>	<u>27,818</u>	<u>50,194</u>	<u>203,777</u>
-	-	-	-	-
<u>125,000</u>	<u>751</u>	<u>27,818</u>	<u>50,194</u>	<u>203,777</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>173,985</u>	<u>689,402</u>	<u>6,925</u>	<u>10,715</u>	<u>1,813,240</u>
<u>173,985</u>	<u>689,402</u>	<u>6,925</u>	<u>10,715</u>	<u>1,813,240</u>
<u>\$ 298,985</u>	<u>\$ 690,153</u>	<u>\$ 34,743</u>	<u>\$ 60,909</u>	<u>\$ 2,017,017</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2021

	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	\$ 1,068,933	\$ 78,696	\$ 10,217
Interest receivable	-	-	-
Intergovernmental Receivable	948,084	-	-
Due from other funds	-	-	-
Loans Receivable (CDBG)	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ <u>2,017,017</u>	\$ <u>78,696</u>	\$ <u>10,217</u>
LIABILITIES			
Accounts Payable	\$ 203,777	\$ 65,742	\$ -
Contract Retentions	-	-	-
Due to Other Funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>203,777</u>	<u>65,742</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>203,777</u>	<u>65,742</u>	<u>-</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	<u>1,813,240</u>	<u>12,954</u>	<u>10,217</u>
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance (Deficit)	<u>1,813,240</u>	<u>12,954</u>	<u>10,217</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>2,017,017</u>	\$ <u>78,696</u>	\$ <u>10,217</u>

(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>
\$ 555,633	\$ 124,555	\$ 636,190	\$ -	\$ 2,474,224
-	-	-	-	-
-	-	-	-	948,084
-	-	-	-	-
-	-	-	-	-
<u>\$ 555,633</u>	<u>\$ 124,555</u>	<u>\$ 636,190</u>	<u>\$ -</u>	<u>\$ 3,422,308</u>
\$ 68,235	\$ 50,256	\$ -	\$ -	\$ 388,010
22,139	-	-	-	22,139
-	-	-	4,339	4,339
<u>90,374</u>	<u>50,256</u>	<u>-</u>	<u>4,339</u>	<u>414,488</u>
-	-	-	-	-
<u>90,374</u>	<u>50,256</u>	<u>-</u>	<u>4,339</u>	<u>414,488</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>465,259</u>	<u>74,299</u>	<u>636,190</u>	<u>(4,339)</u>	<u>3,007,820</u>
<u>465,259</u>	<u>74,299</u>	<u>636,190</u>	<u>(4,339)</u>	<u>3,007,820</u>
<u>\$ 555,633</u>	<u>\$ 124,555</u>	<u>\$ 636,190</u>	<u>\$ -</u>	<u>\$ 3,422,308</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2021

	<u>Subtotal (Brought forward)</u>	<u>Special Gas Traffic Construction (Fund 121)</u>	<u>2,021 CHIP Maintenance Fund (Fund 125)</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,474,224	\$ 26,366	\$ -
Interest receivable	-	-	-
Intergovernmental Receivable	948,084	-	-
Due from other funds	-	-	-
Loans Receivable (CDBG)	<u>-</u>	<u>-</u>	<u>-</u>
 Total Assets	 \$ <u>3,422,308</u>	 \$ <u>26,366</u>	 \$ <u>-</u>
LIABILITIES			
Accounts Payable	\$ 388,010	\$ -	\$ -
Contract Retentions	22,139	-	-
Due to Other Funds	<u>4,339</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>414,488</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>414,488</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	<u>3,007,820</u>	<u>26,366</u>	<u>-</u>
 Total Fund Balance (Deficit)	 <u>3,007,820</u>	 <u>26,366</u>	 <u>-</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ <u>3,422,308</u>	 \$ <u>26,366</u>	 \$ <u>-</u>

(Continued)

Maintenance Fund	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)
	\$ -	\$ -	\$ 48,331	\$ 36,002	\$ 2,584,923
	-	-	-	-	-
	-	-	11,784	-	959,868
	-	-	-	-	-
	-	-	-	-	-
	\$ -	\$ -	\$ 60,115	\$ 36,002	\$ 3,544,791
	\$ -	\$ -	\$ 747	\$ -	\$ 388,757
	-	-	-	-	22,139
	-	18,896	-	-	23,235
	-	18,896	747	-	434,131
	-	-	-	-	-
	-	18,896	747	-	434,131
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	(18,896)	59,368	36,002	3,110,660
	-	(18,896)	59,368	36,002	3,110,660
	\$ -	\$ -	\$ 60,115	\$ 36,002	\$ 3,544,791

See accompanying notes to
the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2021

	<u>Subtotal (Brought forward)</u>	<u>SAFE Grant (Fund 188)</u>	<u>Homeland Security (Fund 189)</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,584,923	\$ 5,906	\$ 14,975
Interest receivable	-	-	-
Intergovernmental Receivable	959,868	-	-
Due from other funds	-	-	-
Loans Receivable (CDBG)	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	\$ <u>3,544,791</u>	\$ <u>5,906</u>	\$ <u>14,975</u>
LIABILITIES			
Accounts Payable	\$ 388,757	\$ -	\$ -
Contract Retentions	22,139	-	-
Due to Other Funds	<u>23,235</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>434,131</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>434,131</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	<u>3,110,660</u>	<u>5,906</u>	<u>14,975</u>
Total Fund Balance (Deficit)	<u>3,110,660</u>	<u>5,906</u>	<u>14,975</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>3,544,791</u>	\$ <u>5,906</u>	\$ <u>14,975</u>

(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	\$ -	\$ -	\$ 2,605,950
-	-	-	-	-
-	-	-	-	959,868
-	-	-	-	-
-	-	-	110,612	110,612
<u>\$ -</u>	<u>\$ 146</u>	<u>\$ -</u>	<u>\$ 110,612</u>	<u>\$ 3,676,430</u>
\$ 1,710	\$ -	\$ 74,960	\$ -	\$ 465,427
-	-	-	-	22,139
<u>30,480</u>	<u>-</u>	<u>400,130</u>	<u>-</u>	<u>453,845</u>
<u>32,190</u>	<u>-</u>	<u>475,090</u>	<u>-</u>	<u>941,411</u>
-	-	-	110,612	110,612
<u>32,190</u>	<u>-</u>	<u>475,090</u>	<u>110,612</u>	<u>1,052,023</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(32,190)</u>	<u>146</u>	<u>(475,090)</u>	<u>-</u>	<u>2,624,407</u>
<u>(32,190)</u>	<u>146</u>	<u>(475,090)</u>	<u>-</u>	<u>2,624,407</u>
<u>\$ -</u>	<u>\$ 146</u>	<u>\$ -</u>	<u>\$ 110,612</u>	<u>\$ 3,676,430</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2021

	Subtotal (Brought forward)	SALDO Home Loan Fund (Fund 321, 825)	CDBG 1987 Loan Fund (Fund 323, 820)	CDBG 1990 Loan Fund (Fund 324,821)
ASSETS				
Cash and Cash Equivalents	\$ 2,605,950	\$ -	\$ 56,552	\$ 19,355
Interest receivable	-	1,608,750	-	-
Intergovernmental Receivable	959,868	-	-	-
Due from other funds	-	-	-	-
Loans Receivable (CDBG)	<u>110,612</u>	<u>3,900,000</u>	<u>37,402</u>	<u>38,559</u>
 Total Assets	 <u>\$ 3,676,430</u>	 <u>\$ 5,508,750</u>	 <u>\$ 93,954</u>	 <u>\$ 57,914</u>
LIABILITIES				
Accounts Payable	\$ 465,427	\$ -	\$ -	-
Contract Retentions	22,139	-	-	-
Due to Other Funds	<u>453,845</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>941,411</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue - Loans Receivable	<u>110,612</u>	<u>5,508,750</u>	<u>37,402</u>	<u>38,559</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,052,023</u>	<u>5,508,750</u>	<u>37,402</u>	<u>38,559</u>
Fund Balances (Deficit):				
Reserved for line extensions	-	-	-	-
Reserved for parklands	-	-	-	-
Reserved for non-current loans receivable	-	-	-	-
Unreserved, undesignated	<u>2,624,407</u>	<u>-</u>	<u>56,552</u>	<u>19,355</u>
 Total Fund Balance (Deficit)	 <u>2,624,407</u>	 <u>-</u>	 <u>56,552</u>	 <u>19,355</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 3,676,430</u>	 <u>\$ 5,508,750</u>	 <u>\$ 93,954</u>	 <u>\$ 57,914</u>

(Continued)

CDBG Economic Reuse (Fund 325)	CDBG Housing Reuse Fund (Fund 326, 822)	CDBG Housing Rehab RLF Fund (Fund 328, 826)	SALADO Wall Fund (Fund 344)	Drainage Fund (Fund 345)	Subtotal (Carried forward to next page)
\$ 9,547	\$ 45,345	\$ -	\$ 95,715	\$ 196,008	\$ 3,028,472
-	-	-	-	-	1,608,750
-	-	-	-	-	959,868
-	-	-	-	-	-
-	3,010	41,054	-	-	4,130,637
<u>\$ 9,547</u>	<u>\$ 48,355</u>	<u>\$ 41,054</u>	<u>\$ 95,715</u>	<u>\$ 196,008</u>	<u>\$ 9,727,727</u>
\$ -	\$ -	\$ -	\$ -	\$ -	465,427
-	-	-	-	-	22,139
-	-	-	-	-	453,845
-	-	-	-	-	941,411
-	3,010	41,054	-	-	5,739,387
-	3,010	41,054	-	-	6,680,798
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,547</u>	<u>45,345</u>	<u>-</u>	<u>95,715</u>	<u>196,008</u>	<u>3,046,929</u>
<u>9,547</u>	<u>45,345</u>	<u>-</u>	<u>95,715</u>	<u>196,008</u>	<u>3,046,929</u>
\$ <u>9,547</u>	\$ <u>48,355</u>	\$ <u>41,054</u>	\$ <u>95,715</u>	\$ <u>196,008</u>	\$ <u>9,727,727</u>

See accompanying notes to
the basic financial statements

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2021

	<u>Subtotal (Brought forward)</u>	Park Recycling Grant Fund (Fund 353)	Trail Development Fund (Fund 356)
ASSETS			
Cash and Cash Equivalents	\$ 3,028,472	\$ 10,402	\$ 6,093
Interest receivable	1,608,750	-	-
Intergovernmental Receivable	959,868	-	-
Due from other funds	-	-	-
Loans Receivable (CDBG)	<u>4,130,637</u>	<u>-</u>	<u>-</u>
 Total Assets	 \$ <u>9,727,727</u>	 \$ <u>10,402</u>	 \$ <u>6,093</u>
LIABILITIES			
Accounts Payable	\$ 465,427	\$ -	\$ -
Contract Retentions	22,139	-	-
Due to Other Funds	<u>453,845</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>941,411</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Loans Receivable	<u>5,739,387</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,680,798</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):			
Reserved for line extensions	-	-	-
Reserved for parklands	-	-	-
Reserved for non-current loans receivable	-	-	-
Unreserved, undesignated	<u>3,046,929</u>	<u>10,402</u>	<u>6,093</u>
 Total Fund Balance (Deficit)	 <u>3,046,929</u>	 <u>10,402</u>	 <u>6,093</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ <u>9,727,727</u>	 \$ <u>10,402</u>	 \$ <u>6,093</u>

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
\$ 1,251	\$ -	\$ 25,450	\$ 36,602	\$ 3,386	\$ 3,111,656
-	-	-	-	-	1,608,750
-	-	-	-	-	959,868
-	-	-	-	-	-
-	-	-	-	-	4,130,637
<u>\$ 1,251</u>	<u>\$ -</u>	<u>\$ 25,450</u>	<u>\$ 36,602</u>	<u>\$ 3,386</u>	<u>\$ 9,810,911</u>
\$ -	\$ 79	\$ 39	\$ 37	\$ 159	\$ 465,741
-	-	-	-	-	22,139
-	1,446	-	-	-	455,291
-	1,525	39	37	159	943,171
-	-	-	-	-	5,739,387
-	1,525	39	37	159	6,682,558
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,251	(1,525)	25,411	36,565	3,227	3,128,353
1,251	(1,525)	25,411	36,565	3,227	3,128,353
<u>\$ 1,251</u>	<u>\$ -</u>	<u>\$ 25,450</u>	<u>\$ 36,602</u>	<u>\$ 3,386</u>	<u>\$ 9,810,911</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, 2021

	ARPA COVID Relief Fund (Fund 005)	Animal Control Officer Replacement Fund (Fund 072)	Business License ADA (Fund 080)	Rural Planning Fund (Fund 105)
REVENUES:				
Intergovernmental Revenues	\$ 922,198	\$ -	\$ -	\$ -
Interest	-	-	35	-
Other Revenues	-	-	2,476	-
Total revenues	<u>922,198</u>	<u>-</u>	<u>2,511</u>	<u>-</u>
EXPENDITURES:				
Current:				
General Government:				
General Government	-	-	678	-
Total General Government	<u>-</u>	<u>-</u>	<u>678</u>	<u>-</u>
Public Safety and Judiciary:				
Police	-	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:				
Streets	-	-	-	-
Total Transportation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cultural, Parks and Recreation				
Parks and Recreation	-	-	-	-
Total Cultural, Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Community/Economic Development:				
Economic Development	-	-	-	-
Total Community/Economic Development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay				
Total Expenditures	<u>-</u>	<u>-</u>	<u>678</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>1,833</u>	<u>-</u>
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	922,198	-	1,833	-
Fund Balances-Beginning of Year - As Previously Stated	-	519	7,663	(15,272)
Prior Period Adjustment	-	-	-	-
Fund Balances-Beginning of Year - As Restated	<u>-</u>	<u>519</u>	<u>7,663</u>	<u>(15,272)</u>
Residual Equity Transfers In / Out	-	-	-	15,272
Fund Balances-Ending of Year	<u>\$ 922,198</u>	<u>\$ 519</u>	<u>\$ 9,496</u>	<u>\$ -</u>

(Continued)

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)
\$ 142,060	\$ 387,116	\$ 39,041	\$ 28,120	\$ 1,518,535
795	2,101	144	197	3,272
-	-	-	-	2,476
<u>142,855</u>	<u>389,217</u>	<u>39,185</u>	<u>28,317</u>	<u>1,524,283</u>
-	-	-	-	678
-	-	-	-	678
-	-	-	-	-
-	-	-	-	-
<u>128,091</u>	<u>16,096</u>	<u>58,752</u>	<u>29,304</u>	<u>232,243</u>
<u>128,091</u>	<u>16,096</u>	<u>58,752</u>	<u>29,304</u>	<u>232,243</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	26,363	51,251	77,614
<u>128,091</u>	<u>16,096</u>	<u>85,115</u>	<u>80,555</u>	<u>310,535</u>
<u>14,764</u>	<u>373,121</u>	<u>(45,930)</u>	<u>(52,238)</u>	<u>291,550</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>14,764</u>	<u>373,121</u>	<u>(45,930)</u>	<u>(52,238)</u>	<u>1,213,748</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>
-	-	-	-	15,272
\$ <u>173,985</u>	\$ <u>689,402</u>	\$ <u>6,925</u>	\$ <u>10,715</u>	\$ <u>1,813,240</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, 2021

	Subtotal (Brought forward)	Special Gas Tax Improvement #2106 Fund (Fund 111)	Special Gas Tax Improvement #2107.5 Fund (Fund 112)
REVENUES:			
Intergovernmental Revenues	\$ 1,518,535	\$ 52,828	\$ 2,000
Interest	3,272	245	43
Other Revenues	2,476	-	-
Total revenues	<u>1,524,283</u>	<u>53,073</u>	<u>2,043</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	678	-	-
Total General Government	<u>678</u>	<u>-</u>	<u>-</u>
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:			
Streets	232,243	24,288	-
Total Transportation	<u>232,243</u>	<u>24,288</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			
Capital Outlay	77,614	66,496	-
Total Expenditures	<u>310,535</u>	<u>90,784</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>291,550</u>	<u>(37,711)</u>	<u>2,043</u>
Transfers In			
Transfers In	-	-	-
Transfers Out			
Transfers Out	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,213,748	(37,711)	2,043
Fund Balances-Beginning of Year - As Previously Stated	584,220	50,665	8,174
Prior Period Adjustment	-	-	-
Fund Balances-Beginning of Year	<u>584,220</u>	<u>50,665</u>	<u>8,174</u>
Residual Equity Transfers In / Out	15,272	-	-
Fund Balances-Ending of Year	<u>\$ 1,813,240</u>	<u>\$ 12,954</u>	<u>\$ 10,217</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)
\$ 106,359	\$ 51,125	\$ 148,040	\$ -	\$ 1,878,887
1,800	463	2,278	-	8,101
-	-	-	-	2,476
<u>108,159</u>	<u>51,588</u>	<u>150,318</u>	<u>-</u>	<u>1,889,464</u>
34,174	24,287	-	-	59,139
<u>34,174</u>	<u>24,287</u>	<u>-</u>	<u>-</u>	<u>59,139</u>
-	-	-	-	-
-	-	-	-	-
-	5,591	-	238	262,360
-	<u>5,591</u>	<u>-</u>	<u>238</u>	<u>262,360</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
97,366	78,163	-	-	319,639
<u>131,540</u>	<u>108,041</u>	<u>-</u>	<u>238</u>	<u>641,138</u>
(23,381)	(56,453)	150,318	(238)	326,128
50,000	-	-	-	50,000
-	-	-	-	-
<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
26,619	(56,453)	150,318	(238)	1,298,326
438,640	130,752	485,872	(4,101)	1,694,222
-	-	-	-	-
<u>438,640</u>	<u>130,752</u>	<u>485,872</u>	<u>(4,101)</u>	<u>1,694,222</u>
-	-	-	-	15,272
<u>\$ 465,259</u>	<u>\$ 74,299</u>	<u>\$ 636,190</u>	<u>\$ (4,339)</u>	<u>\$ 3,007,820</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, 2021

	<u>Subtotal (Brought forward)</u>	<u>Special Gas Traffic Construction (Fund 121)</u>	<u>2021 CHIP Maintenance Fund (Fund 125)</u>
REVENUES:			
Intergovernmental Revenues	\$ 1,878,887	\$ -	\$ -
Interest	8,101	110	-
Other Revenues	<u>2,476</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,889,464</u>	<u>110</u>	<u>-</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	<u>59,139</u>	<u>-</u>	<u>-</u>
Total General Government	<u>59,139</u>	<u>-</u>	<u>-</u>
Public Safety and Judiciary:			
Police	<u>-</u>	<u>-</u>	<u>-</u>
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:			
Streets	<u>262,360</u>	<u>-</u>	<u>-</u>
Total Transportation	<u>262,360</u>	<u>-</u>	<u>-</u>
Cultural, Parks and Recreation			
Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>
Total Cultural, Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>
Community/Economic Development:			
Economic Development	<u>-</u>	<u>-</u>	<u>-</u>
Total Community/Economic Development	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay	<u>319,639</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>641,138</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>326,128</u>	<u>110</u>	<u>-</u>
Transfers In	<u>50,000</u>	<u>-</u>	<u>-</u>
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>50,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,298,326	110	-
Fund Balances-Beginning of Year - As Previously Stated	1,694,222	26,256	794
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances-Beginning of Year	<u>1,694,222</u>	<u>26,256</u>	<u>794</u>
Residual Equity Transfers In / Out	<u>15,272</u>	<u>-</u>	<u>(794)</u>
Fund Balances-Ending of Year	<u>\$ 3,007,820</u>	<u>\$ 26,366</u>	<u>\$ -</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)
\$ -	\$ 101,900	\$ 49,763	\$ -	\$ 2,030,550
-	130	212	150	8,703
-	-	21,092	-	23,568
-	102,030	71,067	150	2,062,821
-	-	37,438	-	96,577
-	-	37,438	-	96,577
-	-	-	-	-
-	-	-	-	-
-	106,919	-	-	369,279
-	106,919	-	-	369,279
-	-	33,452	-	33,452
-	-	33,452	-	33,452
-	-	-	-	-
-	-	-	-	-
-	-	-	-	319,639
-	106,919	70,890	-	818,947
-	(4,889)	177	150	321,676
-	-	-	-	50,000
-	-	-	-	-
-	-	-	-	50,000
-	(4,889)	177	150	1,293,874
(163)	(14,007)	59,191	35,852	1,802,145
-	-	-	-	-
(163)	(14,007)	59,191	35,852	1,802,145
163	-	-	-	14,641
\$ -	\$ (18,896)	\$ 59,368	\$ 36,002	\$ 3,110,660

See accompanying notes to the basic financial statements for a complete description of the items included in the 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, 2021

	Subtotal (Brought forward)	SAFE Grant (Fund 188)	Homeland Security (Fund 189)
REVENUES:			
Intergovernmental Revenues	\$ 2,030,550	\$ -	\$ -
Interest	8,703	-	62
Other Revenues	23,568	-	-
Total revenues	<u>2,062,821</u>	<u>-</u>	<u>62</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	96,577	-	-
Total General Government	<u>96,577</u>	<u>-</u>	<u>-</u>
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:			
Streets	369,279	-	-
Total Transportation	<u>369,279</u>	<u>-</u>	<u>-</u>
Cultural, Parks and Recreation			
Parks and Recreation	33,452	-	-
Total Cultural, Parks and Recreation	<u>33,452</u>	<u>-</u>	<u>-</u>
Community/Economic Development:			
Economic Development	-	-	-
Total Community/Economic Development	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay	319,639	-	-
Total Expenditures	<u>818,947</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>321,676</u>	<u>-</u>	<u>62</u>
Transfers In	50,000	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Uses	<u>50,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,293,874	-	62
Fund Balances-Beginning of Year - As Previously Stated	<u>1,802,145</u>	<u>5,906</u>	<u>14,913</u>
Prior Period Adjustment	-	-	-
Fund Balances-Beginning of Year	<u>1,802,145</u>	<u>5,906</u>	<u>14,913</u>
Residual Equity Transfers In / Out	14,641	-	-
Fund Balances-Ending of Year	<u>\$ 3,110,660</u>	<u>\$ 5,906</u>	<u>\$ 14,975</u>

(Continued)

**Exhibit B-2
(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>SALDO Home Loan Fund (Fund 321, 825)</u>	<u>Subtotal (Carried forward to next page)</u>
\$ 107,590	\$ -	\$ 263,310	\$ -	\$ -	2,401,450
-	-	-	-	-	8,765
-	-	-	-	-	23,568
<u>107,590</u>	<u>-</u>	<u>263,310</u>	<u>-</u>	<u>-</u>	<u>2,433,783</u>
<u>64,919</u>	<u>-</u>	<u>657,211</u>	<u>-</u>	<u>-</u>	<u>818,707</u>
<u>64,919</u>	<u>-</u>	<u>657,211</u>	<u>-</u>	<u>-</u>	<u>818,707</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>369,279</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>369,279</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,452</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,452</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>319,639</u>
<u>64,919</u>	<u>-</u>	<u>657,211</u>	<u>-</u>	<u>-</u>	<u>1,541,077</u>
<u>42,671</u>	<u>-</u>	<u>(393,901)</u>	<u>-</u>	<u>-</u>	<u>(29,492)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
<u>42,671</u>	<u>-</u>	<u>(393,901)</u>	<u>-</u>	<u>-</u>	<u>942,706</u>
<u>(68,611)</u>	<u>146</u>	<u>(87,439)</u>	<u>-</u>	<u>-</u>	<u>1,667,060</u>
<u>(6,250)</u>	<u>-</u>	<u>6,250</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(74,861)</u>	<u>146</u>	<u>(81,189)</u>	<u>-</u>	<u>-</u>	<u>1,667,060</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,641</u>
\$ <u>(32,190)</u>	\$ <u>146</u>	\$ <u>(475,090)</u>	\$ <u>-</u>	\$ <u>-</u>	<u>2,624,407</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, 2021

	<u>Subtotal (Brought forward)</u>	<u>CDBG 1987 Loan Fund (Fund 323, 820)</u>	<u>CDBG 1990 Loan Fund (Fund 324,821)</u>	<u>CDBG Economic Reuse (Fund 325)</u>
REVENUES:				
Intergovernmental Revenues	\$ 2,401,450	\$ -	\$ -	\$ -
Interest	8,765	216	81	40
Other Revenues	23,568	-	-	-
Total revenues	<u>2,433,783</u>	<u>216</u>	<u>81</u>	<u>40</u>
EXPENDITURES:				
Current:				
General Government:				
General Government	818,707	-	-	-
Total General Government	<u>818,707</u>	<u>-</u>	<u>-</u>	<u>-</u>
Public Safety and Judiciary:				
Police	-	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:				
Streets	369,279	-	-	-
Total Transportation	<u>369,279</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cultural, Parks and Recreation				
Parks and Recreation	33,452	-	-	-
Total Cultural, Parks and Recreation	<u>33,452</u>	<u>-</u>	<u>-</u>	<u>-</u>
Community/Economic Development:				
Economic Development	-	-	138	-
Total Community/Economic Development	<u>-</u>	<u>-</u>	<u>138</u>	<u>-</u>
Capital Outlay	319,639	-	-	-
Total Expenditures	<u>1,541,077</u>	<u>-</u>	<u>138</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(29,492)</u>	<u>216</u>	<u>(57)</u>	<u>40</u>
Transfers In	50,000	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	942,706	216	(57)	40
Fund Balances-Beginning of Year - As Previously Stated	<u>1,667,060</u>	<u>56,336</u>	<u>19,412</u>	<u>9,507</u>
Prior Period Adjustment	-	-	-	-
Fund Balances-Beginning of Year	<u>1,667,060</u>	<u>56,336</u>	<u>19,412</u>	<u>9,507</u>
Residual Equity Transfers In / Out	14,641	-	-	-
Fund Balances-Ending of Year	<u>\$ 2,624,407</u>	<u>\$ 56,552</u>	<u>\$ 19,355</u>	<u>\$ 9,547</u>

(Continued)

See accompanying notes to
the basic financial statements

**Exhibit B-2
(Continued)**

CDBG Housing Reuse (Fund 326, 822, 826)	CDBG Housing Rehab RLF Fund (Fund 328, 826)	SALADO Wall Fund (Fund 344)	Drainage Fund (Fund 345)	Park Recycling Grant Fund (Fund 353)	Subtotal (Carried forward to next page)
\$ -	\$ -	\$ -	\$ 16,597	\$ 5,000	\$ 2,423,047
189	-	398	787	28	10,504
-	-	-	-	-	23,568
<u>189</u>	<u>-</u>	<u>398</u>	<u>17,384</u>	<u>5,028</u>	<u>2,457,119</u>
-	-	-	-	-	818,707
-	-	-	-	-	818,707
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	369,279
-	-	-	-	-	369,279
-	-	-	-	-	33,452
-	-	-	-	-	33,452
-	-	-	-	-	138
-	-	-	-	-	138
-	-	-	-	-	319,639
-	-	-	-	-	1,541,215
<u>189</u>	<u>-</u>	<u>398</u>	<u>17,384</u>	<u>5,028</u>	<u>(6,294)</u>
-	-	-	-	-	50,000
-	-	-	-	-	-
-	-	-	-	-	50,000
189	-	398	17,384	5,028	965,904
45,156	-	95,317	178,624	5,374	2,076,786
-	-	-	-	-	-
<u>45,156</u>	<u>-</u>	<u>95,317</u>	<u>178,624</u>	<u>5,374</u>	<u>2,076,786</u>
-	-	-	-	-	14,641
\$ <u>45,345</u>	\$ <u>-</u>	\$ <u>95,715</u>	\$ <u>196,008</u>	\$ <u>10,402</u>	\$ <u>3,057,331</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, 2021

	Subtotal (Brought forward)	Trail Development Fund (Fund 356)	Wayfinding Maintenance Fund (Fund 370)
REVENUES:			
Intergovernmental Revenues	\$ 2,423,047	\$ -	\$ -
Interest	10,504	25	5
Other Revenues	23,568	-	-
Total revenues	<u>2,457,119</u>	<u>25</u>	<u>5</u>
EXPENDITURES:			
Current:			
General Government:			
General Government	818,707	-	-
Total General Government	<u>818,707</u>	<u>-</u>	<u>-</u>
Public Safety and Judiciary:			
Police	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:			
Streets	369,279	-	-
Total Transportation	<u>369,279</u>	<u>-</u>	<u>-</u>
Cultural, Parks and Recreation			
Parks and Recreation	33,452	-	-
Total Cultural, Parks and Recreation	<u>33,452</u>	<u>-</u>	<u>-</u>
Community/Economic Development:			
Economic Development	138	-	-
Total Community/Economic Development	<u>138</u>	<u>-</u>	<u>-</u>
Capital Outlay			
Capital Outlay	319,639	-	-
Total Expenditures	<u>1,541,215</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,294)</u>	<u>25</u>	<u>5</u>
Transfers In	50,000	-	-
Transfers Out	-	-	-
Total Other Financing Sources and Uses	<u>50,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	965,904	25	5
Fund Balances-Beginning of Year - As Previously Stated	2,076,786	6,068	1,246
Prior Period Adjustment	-	-	-
Fund Balances-Beginning of Year	<u>2,076,786</u>	<u>6,068</u>	<u>1,246</u>
Residual Equity Transfers In / Out	14,641	-	-
Fund Balances-Ending of Year	<u>\$ 3,057,331</u>	<u>\$ 6,093</u>	<u>\$ 1,251</u>

(Continued)

Lighting & Landscape Fund (Fund 701)	Lighting & Landscape Fund (Fund 702)	Lighting & Landscape Fund (Fund 703)	Lighting & Landscape Fund (Fund 704)	Totals
\$ -	\$ -	\$ -	\$ -	2,423,047
-	93	145	5	10,777
883	7,285	4,263	4,773	40,772
<u>883</u>	<u>7,378</u>	<u>4,408</u>	<u>4,778</u>	<u>2,474,596</u>
-	-	-	1,654	820,361
-	-	-	1,654	820,361
-	-	-	-	-
-	-	-	-	-
1,081	4,697	2,093	1,590	378,740
<u>1,081</u>	<u>4,697</u>	<u>2,093</u>	<u>1,590</u>	<u>378,740</u>
-	-	-	-	33,452
-	-	-	-	33,452
-	-	-	-	138
-	-	-	-	138
-	-	-	-	319,639
1,081	4,697	2,093	3,244	1,552,330
<u>(198)</u>	<u>2,681</u>	<u>2,315</u>	<u>1,534</u>	<u>68</u>
-	-	-	-	50,000
-	-	-	-	-
-	-	-	-	50,000
(198)	2,681	2,315	1,534	972,266
(1,327)	22,730	34,250	1,693	2,141,446
-	-	-	-	-
<u>(1,327)</u>	<u>22,730</u>	<u>34,250</u>	<u>1,693</u>	<u>2,141,446</u>
-	-	-	-	14,641
\$ <u>(1,525)</u>	\$ <u>25,411</u>	\$ <u>36,565</u>	\$ <u>3,227</u>	<u>3,128,353</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, 2021

ACO Replacement Fund (Fund 72)		
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	519	
Prior Period Adjustment	-	
As Restated	519	
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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	35	35	-	-	-
200	2,476	2,276	-	-	-
200	2,511	2,311	-	-	-
600	678	(78)	-	-	-
600	678	(78)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
600	678	(78)	-	-	-
(400)	1,833	2,233	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ (400)	1,833	\$ 2,233	\$ -	\$ -	\$ -
	7,663			(15,272)	
	-			-	
	7,663			(15,272)	
	-			-	
\$	9,496		\$	(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, 2021

SB-1 Road Fund (Fund 106)		
Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:		
Intergovernmental Revenues	\$ 130,257	\$ 142,060
Interest	-	795
Other Revenues	-	-
Total revenues	130,257	142,855
EXPENDITURES:		
Current:		
General Government:		
General Government	-	-
Total General Government	-	-
Transportation:		
Airport	-	-
Streets	36,100	128,091
Total Transportation	36,100	128,091
Cultural, Parks and Recreation		
Parks and Recreation	-	-
Total Cultural, Parks and Recreation	-	-
Community/Economic Development:		
Economic Development	-	-
Total Community/Economic Development	-	-
Capital Outlay	150,000	-
Total Expenditures	186,100	128,091
Excess of Revenues Over (Under) Expenditures	(55,843)	14,764
OTHER FINANCING SOURCES (USES):		
Operating Transfers In	-	-
Operating Transfers Out	-	-
Total Other Financing Sources (Over)	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (55,843)	\$ 14,764
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR	159,221	
Prior Period Adjustment	-	
As Restated	159,221	
Residual Equity Transfers In / Out	-	
FUND BALANCE (DEFICIT), AT END OF YEAR	\$ 173,985	

(Continued)

Exhibit B-3
(Continued)

RSTP Streets Fund (Fund 108)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 47,790	\$ 387,116	\$ 339,326
-	2,101	2,101
-	-	-
47,790	389,217	341,427
-	-	-
-	-	-
-	-	-
36,600	16,096	20,504
36,600	16,096	20,504
-	-	-
-	-	-
-	-	-
-	-	-
158,400	-	158,400
195,000	16,096	178,904
(147,210)	373,121	520,331
-	-	-
-	-	-
-	-	-
\$ (147,210)	373,121	\$ 520,331
	316,281	
	-	
	316,281	
	-	
	\$ 689,402	

Special Gas Tax Improvement #2105 (Fund 109)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 39,590	\$ 39,041	\$ (549)
100	144	44
-	-	-
39,690	39,185	(505)
-	-	-
-	-	-
-	-	-
83,776	58,752	25,024
83,776	58,752	25,024
-	-	-
-	-	-
-	-	-
-	-	-
50,000	26,363	23,637
133,776	85,115	48,661
(94,086)	(45,930)	48,156
-	-	-
-	-	-
-	-	-
\$ (94,086)	(45,930)	\$ 48,156
	52,855	
	-	
	52,855	
	-	
	\$ 6,925	

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, 2021

Special Gas Tax 2106 (Fund 110)			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental Revenues	\$ 27,170	\$ 28,120	\$ 950
Interest	100	197	97
Other Revenues	-	-	-
Total revenues	27,270	28,317	1,047
EXPENDITURES:			
Current:			
General Government:			
General Government	-	-	-
Total General Government	-	-	-
Transportation:			
Airport	-	-	-
Streets	53,476	29,304	24,172
Total Transportation	53,476	29,304	24,172
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	51,251	(1,251)
Total Expenditures	103,476	80,555	22,921
Excess of Revenues Over (Under) Expenditures	(76,206)	(52,238)	23,968
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	\$ (76,206)	(52,238)	\$ 23,968
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		62,953	
Prior Period Adjustment		-	
As Restated		62,953	
Residual Equity Transfers In / Out		-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 10,715	

(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)
\$ 47,240	\$ 52,828	\$ 5,588	\$ 2,000	\$ 2,000	\$ -
100	245	145	-	43	43
-	-	-	-	-	-
47,340	53,073	5,733	2,000	2,043	43
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
85,976	24,288	61,688	2,000	-	2,000
85,976	24,288	61,688	2,000	-	2,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
25,000	66,496	(41,496)	-	-	-
110,976	90,784	20,192	2,000	-	2,000
(63,636)	(37,711)	25,925	-	2,043	2,043
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ (63,636)	(37,711)	\$ 25,925	\$ -	2,043	\$ 2,043
	50,665			8,174	
	-			-	
	50,665			8,174	
	-			-	
	\$ 12,954			\$ 10,217	

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, 2021

Local Transportation Fund (Fund 114)			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental Revenues	\$ 60,300	\$ 106,359	\$ 46,059
Interest	-	1,800	1,800
Other Revenues	-	-	-
Total revenues	60,300	108,159	47,859
EXPENDITURES:			
Current:			
General Government:			
General Government	56,100	34,174	21,926
Total General Government	56,100	34,174	21,926
Transportation:			
Airport	-	-	-
Streets	42,800	-	42,800
Total Transportation	42,800	-	42,800
Cultural, Parks and Recreation			
Parks and Recreation	-	-	-
Total Cultural, Parks and Recreation	-	-	-
Community/Economic Development:			
Economic Development	-	-	-
Total Community/Economic Development	-	-	-
Capital Outlay	112,750	97,366	15,384
Total Expenditures	211,650	131,540	80,110
Excess of Revenues Over (Under) Expenditures	(151,350)	(23,381)	127,969
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	-	50,000	50,000
Operating Transfers Out	-	-	-
Total Other Financing Sources (Over)	-	50,000	50,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (151,350)	26,619	\$ 177,969
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		438,640	
Prior Period Adjustment		-	
As Restated		438,640	
Residual Equity Transfers In / Out		-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 465,259	

(Continued)

Exhibit B-3
(Continued)

Special Gas Tax Improvement #2103 (Fund 115)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 61,190	\$ 51,125	\$ (10,065)
100	463	363
-	-	-
61,290	51,588	(9,702)
78,976	24,287	54,689
78,976	24,287	54,689
-	-	-
14,000	5,591	8,409
14,000	5,591	8,409
-	-	-
-	-	-
-	-	-
-	-	-
74,900	78,163	(3,263)
167,876	108,041	59,835
(106,586)	(56,453)	50,133
-	-	-
-	-	-
-	-	-
\$ (106,586)	(56,453)	\$ 50,133
	130,752	
	-	
	130,752	
	-	
	74,299	

Traffic Mitigation Fund (Fund 116)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 5,000	\$ 148,040	\$ 143,040
-	2,278	2,278
-	-	-
5,000	150,318	145,318
-	-	-
-	-	-
-	-	-
1,000	-	1,000
1,000	-	1,000
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
1,000	-	1,000
4,000	150,318	146,318
-	-	-
-	-	-
-	-	-
\$ 4,000	150,318	\$ 146,318
	485,872	
	-	
	485,872	
	-	
	636,190	

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, 2021

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	100,000	238	99,762
Total Transportation	100,000	238	99,762
Cultural, Parks and Recreation			
Parks and Recreation	-	-	-
Total Cultural, Parks and Recreation	-	-	-
Community/Economic Development:			
Economic Development	-	-	-
Total Community/Economic Development	-	-	-
Capital Outlay	-	-	-
Total Expenditures	100,000	238	99,762
Excess of Revenues Over (Under) Expenditures	(100,000)	(238)	99,762
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	-
Total Other Financing Sources (Over)	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (100,000)	(238)	\$ 99,762
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		(4,101)	
Prior Period Adjustment		-	
As Restated		(4,101)	
Residual Equity Transfers In / Out		-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ (4,339)	

(Continued)

Exhibit B-3
(Continued)

Special Gas Traffic Construction (Fund 121)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	110	110
-	-	-
-	110	110
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	110	110
-	-	-
-	-	-
-	-	-
\$ -	110	\$ 110
	26,256	
	-	
	26,256	
	-	
	26,366	

2021 CHIP Maintenance Fund (Fund 125)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
\$ -	-	\$ -
	794	
	-	
	794	
	(794)	
	-	

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, 2021

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		163	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ -	

(Continued)

Exhibit B-3
(Continued)

SB-2 Grant Fund (Fund 155)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 160,000	\$ 101,900	\$ (58,100)
-	130	130
-	-	-
160,000	102,030	(57,970)
-	-	-
-	-	-
-	-	-
160,000	106,919	53,081
160,000	106,919	53,081
-	-	-
-	-	-
-	-	-
-	-	-
160,000	106,919	53,081
-	(4,889)	(4,889)
-	-	-
-	-	-
-	-	-
\$ -	(4,889)	\$ (4,889)
	(14,007)	
	-	
	(14,007)	
	-	
	(18,896)	

Promise Grant Fund (Fund 160)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 60,000	\$ 49,763	\$ (10,237)
-	212	212
-	21,092	21,092
60,000	71,067	11,067
-	-	-
65,155	37,438	27,717
65,155	37,438	27,717
-	-	-
-	-	-
-	33,452	(33,452)
-	33,452	(33,452)
-	-	-
-	-	-
-	-	-
65,155	70,890	(5,735)
(5,155)	177	5,332
-	-	-
-	-	-
-	-	-
\$ (5,155)	177	\$ 5,332
	59,191	
	-	
	59,191	
	-	
	59,368	

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, 2021

Abandoned Vehicle Grant Fund (Fund 170)		
Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:		
Intergovernmental Revenues	\$ -	\$ -
Interest	-	150
Other Revenues	-	-
Total revenues	-	150
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	-	150
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	-	150
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR	35,852	
Prior Period Adjustment	-	
As Restated	35,852	
Residual Equity Transfers In / Out	-	
FUND BALANCE (DEFICIT), AT END OF YEAR	\$ 36,002	

(Continued)

Exhibit B-3
(Continued)

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

Homeland Security Grant (Fund 189)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	62	62
-	-	-
-	62	62
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	62	62
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
\$ -	\$ 62	\$ 62
	14,913	
	-	
	14,913	
	-	
	\$ 14,975	

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, 2021

Proposition 47 Grant Fund C1 (Fund 192)			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental Revenues	\$ -	\$ 107,590	\$ 107,590
Interest	-	-	-
Other Revenues	-	-	-
Total revenues	-	107,590	107,590
EXPENDITURES:			
Current:			
General Government:			
General Government	46,375	64,919	(18,544)
Total General Government	46,375	64,919	(18,544)
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	46,375	64,919	(18,544)
Excess of Revenues Over (Under) Expenditures	(46,375)	42,671	89,046
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	\$ (46,375)	42,671	\$ 89,046
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		(68,611)	
Prior Period Adjustment		-	
As Restated		(68,611)	
Residual Equity Transfers In / Out		-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ (25,940)	

(Continued)

Prevention Neighborhood Grant (fund 193)			Proposition 47 Grant Fund (Fund 195)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 55,000	\$ -	\$ (55,000)	\$ 1,126,099	\$ 263,310	\$ (862,789)
-	-	-	-	-	-
-	-	-	-	-	-
55,000	-	(55,000)	1,126,099	263,310	(862,789)
-	-	-	-	-	-
-	-	-	950,300	657,211	293,089
-	-	-	950,300	657,211	293,089
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	950,300	657,211	293,089
55,000	-	(55,000)	175,799	(393,901)	(569,700)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 55,000	\$ -	\$ (55,000)	\$ 175,799	\$ (393,901)	\$ (569,700)
	146			(81,189)	
	-			-	
	146			(81,189)	
	-			-	
\$	146		\$	(475,090)	

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, 2021

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)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	216	216
10,000	-	(10,000)
10,000	216	(9,784)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
10,000	216	(9,784)
-	-	-
-	-	-
-	-	-
\$ 10,000	216	\$ (9,784)
	56,336	
	-	
	56,336	
	-	
\$	56,552	

CDBG 1990 Loan Fund (Fund 324)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	81	81
-	-	-
-	81	81
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	138	(138)
-	138	(138)
-	-	-
-	138	(138)
-	(57)	(57)
-	-	-
-	-	-
-	-	-
\$ -	(57)	\$ (57)
	19,412	
	-	
	19,412	
	-	
\$	19,355	

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, 2021

CDBG Economic Reuse (Fund 325, 823)			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental Revenues	\$ 2,500	\$ -	\$ (2,500)
Interest	500	40	(460)
Other Revenues	3,500	-	(3,500)
Total revenues	6,500	40	(6,460)
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	6,500	40	(6,460)
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	\$ 6,500	40	\$ (6,460)
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		9,507	
Prior Period Adjustment		-	
As Restated		9,507	
Residual Equity Transfers In / Out		-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 9,547	

(Continued)

Exhibit B-3
(Continued)

CDBG Housing Reuse (Fund 326, 821, 822)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
500	189	(311)
-	-	-
500	189	(311)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
500	189	(311)
-	-	-
-	-	-
-	-	-
\$ 500	189	\$ (311)
	45,156	
	-	
	45,156	
	-	
\$	45,345	

SALADO Wall Fund (Fund 344)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
200	398	198
-	-	-
200	398	198
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
200	398	198
-	-	-
-	-	-
-	-	-
\$ 200	398	\$ 198
	95,317	
	-	
	95,317	
	-	
\$	95,715	

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, 2021

Drainage Fund (Fund 345)			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental Revenues	\$ 10,000	\$ 16,597	\$ 6,597
Interest	1,000	787	(213)
Other Revenues	-	-	-
Total revenues	11,000	17,384	6,384
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	17,384	6,384
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	-
Total Other Financing Sources (Over)	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 11,000	17,384	\$ 6,384
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		178,624	
Prior Period Adjustment		-	
As Restated		178,624	
Residual Equity Transfers In / Out		-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 196,008	

(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	\$ -	\$ -	\$ -	\$ -
-	28	28	-	25	25
-	-	-	-	-	-
5,000	5,028	28	-	25	25
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,000	-	5,000	-	-	-
5,000	-	5,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,000	-	5,000	-	-	-
-	5,028	5,028	-	25	25
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	5,028	\$ 5,028	\$ -	25	\$ 25
	5,374			6,068	
	-			-	
	5,374			6,068	
	-			-	
	\$ 10,402			\$ 6,093	

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, 2021

Wayfinding Maintenance Fund (Fund 370)		
Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:		
Intergovernmental Revenues	\$ -	\$ -
Interest	-	5
Other Revenues	-	-
Total revenues	-	5
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)	5
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)	\$ 1,205
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		
Prior Period Adjustment	1,246	
As Restated	-	
Residual Equity Transfers In / Out	1,246	
FUND BALANCE (DEFICIT), AT END OF YEAR	\$ 1,251	

(Continued)

Exhibit B-3
(Continued)

Lighting & Landscape Fund (Fund 701)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
900	883	(17)
900	883	(17)
-	-	-
-	-	-
-	-	-
1,132	1,081	51
1,132	1,081	51
-	-	-
-	-	-
-	-	-
-	-	-
1,132	1,081	51
(232)	(198)	34
-	-	-
-	-	-
-	-	-
\$ (232)	(198)	\$ 34
	(1,327)	
	-	
	(1,327)	
	-	
\$	(1,525)	

Lighting & Landscape Fund (Fund 702)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	93	93
7,280	7,285	5
7,280	7,378	98
-	-	-
-	-	-
-	-	-
4,982	4,697	285
4,982	4,697	285
-	-	-
-	-	-
-	-	-
-	-	-
4,982	4,697	285
2,298	2,681	383
-	-	-
-	-	-
-	-	-
\$ 2,298	2,681	\$ 383
	22,730	
	-	
	22,730	
	-	
\$	25,411	

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, 2021

Exhibit B-3
(Continued)

Lighting & Landscape Fund (Fund 703)			
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental Revenues	\$ -	\$ -	\$ -
Interest	100	145	45
Other Revenues	2,900	4,263	1,363
Total revenues	3,000	4,408	1,408
EXPENDITURES:			
Current:			
General Government:			
General Government	-	-	-
Total General Government	-	-	-
Transportation:			
Airport	-	-	-
Streets	4,332	2,093	2,239
Total Transportation	4,332	2,093	2,239
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	2,093	2,239
Excess of Revenues Over (Under) Expenditures	(1,332)	2,315	3,647
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)	2,315	\$ 3,647
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		34,250	
Prior Period Adjustment		-	
As Restated		34,250	
Residual Equity Transfers In / Out		-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 36,565	

(Continued)

Lighting & Landscape Fund (Fund 704)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
50	5	(45)
4,775	4,773	(2)
4,825	4,778	(47)
-	1,654	(1,654)
-	1,654	(1,654)
-	-	-
3,982	1,590	2,392
3,982	1,590	2,392
-	-	-
-	-	-
-	-	-
-	-	-
3,982	3,244	738
843	1,534	691
-	-	-
-	-	-
-	-	-
\$ 843	1,534	\$ 691
	1,693	
	-	
	1,693	
	-	
	3,227	

Total		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 1,839,136	\$ 1,500,849	\$ (338,287)
2,750	10,777	8,027
29,555	40,772	11,217
1,871,441	1,552,398	(319,043)
1,197,506	820,361	377,145
1,197,506	820,361	377,145
-	-	-
630,156	378,740	251,416
630,156	378,740	251,416
5,000	33,452	(28,452)
5,000	33,452	(28,452)
1,200	138	1,062
1,200	138	1,062
621,050	319,639	301,411
2,454,912	1,552,330	902,582
(583,471)	68	583,539
-	50,000	50,000
-	-	-
-	-	-
-	50,000	50,000
\$ (583,471)	50,068	\$ 633,539
	-	
	2,147,696	
	-	
	2,147,696	
	(631)	
	2,197,133	

See accompanying notes to the basic financial statements

CITY OF CORNING
CAPITAL PROJECTS FUNDS
Combining Balance Sheet
June 30, 2021

	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	\$ 454,651	\$ 15,962	\$ 22,535	\$ 13,086	\$ 490,891
Intergovernmental Receivable	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Other Assets:					
Restricted Cash: Loan Repayment	-	-	-	-	-
Total assets	<u>\$ 454,651</u>	<u>\$ 15,962</u>	<u>\$ 22,535</u>	<u>\$ 13,086</u>	<u>\$ 490,891</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 162	\$ -	\$ -	\$ -	2,392
Due to Other Funds	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-
Total liabilities	<u>162</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,392</u>
Fund Balances					
Unassigned	<u>454,489</u>	<u>15,962</u>	<u>22,535</u>	<u>13,086</u>	<u>488,499</u>
Total Fund Balances	<u>454,489</u>	<u>15,962</u>	<u>22,535</u>	<u>13,086</u>	<u>488,499</u>
Total Liabilities and Fund Balances	<u>\$ 454,651</u>	<u>\$ 15,962</u>	<u>\$ 22,535</u>	<u>\$ 13,086</u>	<u>\$ 490,891</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
\$ 29,623	\$ 761,165	\$ 160,880	\$ 37,107	\$ -	1,985,900
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 29,623</u>	<u>\$ 761,165</u>	<u>\$ 160,880</u>	<u>\$ 37,107</u>	<u>\$ -</u>	<u>1,985,900</u>
\$ -	\$ -	\$ -	\$ -	\$ -	2,554
-	-	-	-	67,714	67,714
-	-	-	-	-	-
-	-	-	-	67,714	70,268
<u>29,623</u>	<u>761,165</u>	<u>160,880</u>	<u>37,107</u>	<u>(67,714)</u>	<u>1,915,632</u>
<u>29,623</u>	<u>761,165</u>	<u>160,880</u>	<u>37,107</u>	<u>(67,714)</u>	<u>1,915,632</u>
<u>\$ 29,623</u>	<u>\$ 761,165</u>	<u>\$ 160,880</u>	<u>\$ 37,107</u>	<u>\$ -</u>	<u>1,985,900</u>

See accompanying notes to the basic financial statements

CITY OF CORNING
CAPITAL PROJECTS FUNDS

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Year Ended June 30, 2021

	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	\$ 26,697	\$ -	\$ -	\$ -
Acquisition Charges and Fees	-	-	-	-
Interest	2,041	67	-	58
Other	-	-	-	-
Total Revenues	<u>28,738</u>	<u>67</u>	<u>-</u>	<u>58</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	<u>207,666</u>	<u>1,057</u>	<u>-</u>	<u>1,075</u>
Total Expenditures	<u>207,666</u>	<u>1,057</u>	<u>-</u>	<u>1,075</u>
Excess of Revenues Over (Under) Expenditures	<u>(178,928)</u>	<u>(990)</u>	<u>-</u>	<u>(1,017)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	325,998	-	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Over)	<u>325,998</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>147,070</u>	<u>(990)</u>	<u>-</u>	<u>(1,017)</u>
FUND BALANCE, AT BEGINNING OF YEAR	<u>307,419</u>	<u>16,952</u>	<u>22,535</u>	<u>14,103</u>
Residual Equity Transfers In	-	-	-	-
Residual Equity Transfers Out	-	-	-	-
FUND BALANCE, AT END OF YEAR	<u>\$ 454,489</u>	<u>\$ 15,962</u>	<u>\$ 22,535</u>	<u>\$ 13,086</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	26,697
-	-	-	-	-	-	-
12,882	358	3,171	629	131	-	19,337
-	-	25,213	22,200	13,800	-	61,213
<u>12,882</u>	<u>358</u>	<u>28,384</u>	<u>22,829</u>	<u>13,931</u>	<u>-</u>	<u>107,247</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	7,402	-	-	7,402
-	-	-	7,402	-	-	7,402
-	-	-	-	-	-	-
-	-	-	-	-	-	-
54,410	-	-	-	-	-	54,410
9,992	-	-	-	-	-	9,992
106,201	-	27,400	-	-	-	343,399
<u>170,603</u>	<u>-</u>	<u>27,400</u>	<u>7,402</u>	<u>-</u>	<u>-</u>	<u>415,203</u>
<u>(157,721)</u>	<u>358</u>	<u>984</u>	<u>15,427</u>	<u>13,931</u>	<u>-</u>	<u>(307,956)</u>
340,336	-	102,253	-	-	-	768,587
-	-	-	-	-	-	-
<u>340,336</u>	<u>-</u>	<u>102,253</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>768,587</u>
<u>182,615</u>	<u>358</u>	<u>103,237</u>	<u>15,427</u>	<u>13,931</u>	<u>-</u>	<u>460,631</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>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ <u>488,499</u>	\$ <u>29,623</u>	\$ <u>761,165</u>	\$ <u>160,880</u>	\$ <u>37,107</u>	\$ <u>(67,714)</u>	\$ <u>1,915,632</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, 2021**

Police Equipment Replacement Fund (Fund 071)		
		Variance Favorable (Unfavorable)
Budget	Actual	
REVENUES:		
Intergovernmental Revenues	\$ -	\$ 26,697
Acquisition Charges and Fees	-	-
Interest	200	2,041
Other	-	-
Total Revenues	200	28,738
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	232,076	207,666
Total Expenditures	232,076	207,666
Excess of Revenues Over (Under) Expenditures	(231,876)	(178,928)
OTHER FINANCING SOURCES (USES):		
Operating Transfers In	325,998	325,998
Operating Transfers Out	-	-
Total Other Financing Sources (Over)	325,998	325,998
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 94,122	\$ 52,948
FUND BALANCE, AT BEGINNING OF YEAR		307,419
Residual Equity Transfers In		-
Residual Equity Transfers Out		-
FUND BALANCE, AT END OF YEAR		\$ 454,489

(Continued)

Proposition 30 Police Fund (Fund 73)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	67	67
-	-	-
-	67	67
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
21,400	1,057	20,343
21,400	1,057	20,343
(21,400)	(990)	20,410
-	-	-
-	-	-
-	-	-
\$ (21,400)	(990)	\$ 20,410
	16,952	
	-	
	-	
	\$ 15,962	

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

See accompanying notes to the basic financial statements

CITY OF CORNING
CAPITAL PROJECTS FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2021

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

Parks Capital Outlay Fund (Fund 075)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	58	58
-	-	-
-	58	58
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
75,000	1,075	73,925
75,000	1,075	73,925
(75,000)	(1,017)	73,983
75,000	-	(75,000)
-	-	-
75,000	-	(75,000)
\$ -	(1,017)	\$ (1,017)
	14,103	
	-	
	-	
	\$ 13,086	

**Exhibit C-3
(Continued)**

Fire Equipment Replacement Fund (Fund 076)			Economic Development Project Fund (Fund 077)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
200	12,882	12,682	-	358	358
-	-	-	-	-	-
200	12,882	12,682	-	358	358
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	20,000	-	20,000
-	-	-	20,000	-	20,000
-	54,410	(54,410)	-	-	-
-	9,992	(9,992)	-	-	-
178,500	106,201	72,299	-	-	-
178,500	170,603	7,897	20,000	-	20,000
(178,300)	(157,721)	20,579	(20,000)	358	20,358
340,336	340,336	-	75,000	-	(75,000)
-	-	-	-	-	-
340,336	340,336	-	75,000	-	(75,000)
\$ 162,036	\$ 182,615	\$ 20,579	\$ 55,000	\$ 358	\$ (54,642)
	305,884			29,265	
	-			-	
	-			-	
	\$ 488,499			\$ 29,623	

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, 2021

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	3,171	3,071
29,000	25,213	(3,787)
29,100	28,384	(716)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
39,000	27,400	11,600
39,000	27,400	11,600
(9,900)	984	10,884
102,253	102,253	-
-	-	-
102,253	102,253	-
\$ 92,353	103,237	\$ 10,884
	657,928	
	-	
	-	
	\$ 761,165	

**Exhibit C-3
(Continued)**

Park Acquisition Fund (Fund 341)			Bedroom Tax (Fund 355)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
300	629	329	-	131	131
5,000	22,200	17,200	600	13,800	13,200
5,300	22,829	17,529	600	13,931	13,331
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	7,402	(7,402)	-	-	-
-	7,402	(7,402)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,000	-	4,000	-	-	-
4,000	7,402	(3,402)	-	-	-
1,300	15,427	14,127	600	13,931	13,331
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 1,300	\$ 15,427	\$ 14,127	\$ 600	\$ 13,931	\$ 13,331
	145,453			23,176	
	-			-	
	-			-	
	\$ 160,880			\$ 37,107	

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, 2021

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

Street Scape Fund (Fund 359)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
\$ -	\$ -	\$ -
	(67,714)	
	-	
	-	
	\$ (67,714)	

**Exhibit C-3
(Continued)**

Capital Project Funds		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ 26,697	\$ 26,697
-	-	-
800	19,337	18,537
34,600	61,213	26,613
35,400	107,247	71,847
-	-	-
-	-	-
-	-	-
-	-	-
-	7,402	(7,402)
-	7,402	(7,402)
20,000	-	20,000
20,000	-	20,000
-	54,410	(54,410)
-	9,992	(9,992)
549,976	343,399	206,577
569,976	415,203	154,773
(534,576)	(307,956)	226,620
918,587	768,587	(150,000)
-	-	-
918,587	768,587	(150,000)
\$ 384,011	460,631	\$ 76,620
	-	
	1,455,001	
	-	
	-	
	\$ 1,915,632	

See accompanying notes to
the basic financial statements

CITY OF CORNING
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2021

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	\$ 2,368,966	\$ -	\$ 74,091	\$ 23,018	\$ 1,253,490	\$ 3,719,565
Accounts Receivable	197,806	25,183	-	500	127,567	351,056
Inventories	5,402	-	-	-	20,278	25,680
Prepaid Assets	-	-	-	-	-	-
Total Current Assets	<u>2,572,174</u>	<u>25,183</u>	<u>74,091</u>	<u>23,518</u>	<u>1,401,335</u>	<u>4,096,301</u>
Capital Assets:						
Land and Construction in Progress	105,274	-	727,814	-	5,000	838,088
Property, Plant and Equipment	16,224,192	-	2,946,224	5,167	6,840,174	26,015,757
Accumulated Depreciation	<u>(12,070,801)</u>	<u>-</u>	<u>(380,628)</u>	<u>-</u>	<u>(3,284,844)</u>	<u>(15,736,273)</u>
Net Capital Assets	<u>4,258,665</u>	<u>-</u>	<u>3,293,410</u>	<u>5,167</u>	<u>3,560,330</u>	<u>11,117,572</u>
Restricted Cash:						
Loan Repayment	-	-	-	-	230,186	230,186
Total Other Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,186</u>	<u>230,186</u>
Deferred Outflows of Resource						
Loan Acquisition Costs	107,033	-	-	-	119,698	226,731
Pension Contribution	<u>92,807</u>	<u>-</u>	<u>1,306</u>	<u>-</u>	<u>170,801</u>	<u>264,914</u>
Total Assets	<u>\$ 7,030,679</u>	<u>\$ 25,183</u>	<u>\$ 3,368,807</u>	<u>\$ 28,685</u>	<u>\$ 5,482,350</u>	<u>\$ 15,935,704</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 31,336	\$ -	\$ 118	\$ 965	\$ 67,485	\$ 99,904
Accrued Wages	1,531	-	-	-	3,552	5,083
Due to other funds	-	28,994	-	-	-	28,994
Interest Payable	60,090	-	-	-	38,425	98,515
Deposits	-	-	-	-	25,650	25,650
Current Portion of Long Term Debt	<u>126,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,031</u>	<u>277,920</u>
Total Current Liabilities	<u>219,846</u>	<u>28,994</u>	<u>118</u>	<u>965</u>	<u>286,143</u>	<u>536,066</u>
Deferred Inflows of Resources						
GASB 68 Actuarial Adjustments	<u>37,701</u>	<u>-</u>	<u>531</u>	<u>-</u>	<u>69,384</u>	<u>107,616</u>
Long-Term Liabilities						
Interfund Loan Payable	-	-	-	-	-	-
Accrued Compensation for Future Absences	79,039	-	-	-	79,039	158,078
Net Pension Liability	508,941	-	7,164	-	936,652	1,452,757
Certificates of Participation Payable	4,631,460	-	-	-	2,969,199	7,600,659
Less: Current Portion	<u>(126,889)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(151,031)</u>	<u>(277,920)</u>
Total Long-Term Liabilities	<u>5,092,551</u>	<u>-</u>	<u>7,164</u>	<u>-</u>	<u>3,833,859</u>	<u>8,933,574</u>
Total Liabilities	<u>5,350,098</u>	<u>28,994</u>	<u>7,813</u>	<u>965</u>	<u>4,189,386</u>	<u>9,577,256</u>
NET POSITION						
Investment in capital assets, net	(372,795)	-	3,293,410	5,167	591,131	3,516,913
Reserved for Capital improvement	734,647	-	-	-	685,227	1,419,874
Restricted for debt service	-	-	-	-	230,172	230,172
Unrestricted	<u>1,318,729</u>	<u>(3,811)</u>	<u>67,584</u>	<u>22,553</u>	<u>(213,566)</u>	<u>1,191,489</u>
Total Net Position	<u>\$ 1,680,581</u>	<u>\$ (3,811)</u>	<u>\$ 3,360,994</u>	<u>\$ 27,720</u>	<u>\$ 1,292,964</u>	<u>\$ 6,358,448</u>

See accompanying notes to the basic financial statements.

**CITY OF CORNING
ENTERPRISE FUNDS**

Exhibit D-2

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Year Ended June 30, 2021**

	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	\$ 2,069,652	\$ 408,862	\$ -	\$ -	\$ 1,588,566	\$ 4,067,080
Connection fees	-	-	-	-	6,500	6,500
Lease and Rents	9,497	-	8,400	12,669	-	30,566
Other Revenue	232,524	-	294,772	6,000	42,817	576,113
Total Operating Revenues	<u>2,311,673</u>	<u>408,862</u>	<u>303,172</u>	<u>18,669</u>	<u>1,637,883</u>	<u>4,680,259</u>
OPERATING EXPENSES:						
Salaries and Benefits	424,032	-	8,240	1,456	809,282	1,243,010
Utilities	106,890	-	3,425	9,442	240,335	360,092
Depreciation	229,696	-	47,308	-	117,636	394,640
Amortization	7,755	-	-	-	4,762	12,517
Other Expenses	1,091,863	398,355	8,706	7,342	294,931	1,801,197
Total Operating Expenses	<u>1,860,236</u>	<u>398,355</u>	<u>67,679</u>	<u>18,240</u>	<u>1,466,946</u>	<u>3,811,456</u>
Operating Income (Loss)	<u>451,437</u>	<u>10,507</u>	<u>235,493</u>	<u>429</u>	<u>170,937</u>	<u>868,803</u>
NON-OPERATING REVENUE (EXPENSE)						
Investment Earnings	8,630	-	295	102	4,867	13,894
Interest Expense	(182,569)	-	-	-	(116,876)	(299,445)
Net Non-Operating Revenues (Expenses)	<u>(173,939)</u>	<u>-</u>	<u>295</u>	<u>102</u>	<u>(112,009)</u>	<u>(285,551)</u>
Income Before Transfers	<u>277,498</u>	<u>10,507</u>	<u>235,788</u>	<u>531</u>	<u>58,928</u>	<u>583,252</u>
Operating Transfers In	285,000	-	-	-	246,260	531,260
Operating Transfers Out	(285,000)	-	-	-	(246,260)	(531,260)
Changes in net position	<u>277,498</u>	<u>10,507</u>	<u>235,788</u>	<u>531</u>	<u>58,928</u>	<u>583,252</u>
NET POSITION, BEGINNING OF YEAR						
As Previously Stated	1,131,993	(14,318)	3,125,206	27,189	1,234,036	5,504,106
Prior period adjustment	271,090	-	-	-	-	271,090
As Restated	<u>1,403,083</u>	<u>(14,318)</u>	<u>3,125,206</u>	<u>27,189</u>	<u>1,234,036</u>	<u>5,775,196</u>
Residual Equity Transfers In	-	-	-	-	-	-
Residual Equity Transfers Out	-	-	-	-	-	-
NET POSITION, END OF YEAR	<u>\$ 1,680,581</u>	<u>\$ (3,811)</u>	<u>\$ 3,360,994</u>	<u>\$ 27,720</u>	<u>\$ 1,292,964</u>	<u>\$ 6,358,448</u>

See accompanying notes to the basic financial statements.

CITY OF CORNING
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2021

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	\$ 2,002,894	\$ 425,328	\$ -	\$ -	\$ 1,556,427	\$ 3,984,649
Other Operating Cash Receipts	242,021	-	303,172	21,212	42,817	609,222
Payments to Suppliers	(1,188,695)	(530,594)	(12,329)	(16,695)	(468,817)	(2,217,130)
Payments to Employees	(152,501)	-	(15,404)	(1,456)	(808,284)	(977,645)
Net Cash Provided (Used) by Operating Activities	<u>903,719</u>	<u>(105,266)</u>	<u>275,439</u>	<u>3,061</u>	<u>322,143</u>	<u>1,399,096</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers from (to) other funds	-	-	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Interest Paid	(184,009)	-	-	-	(118,650)	(302,659)
Repayment of Certificates of Participation	(150,687)	-	-	-	(189,745)	(340,432)
Repayment of Loan Payable: Mid Valley Bank	-	-	7,164	-	-	7,164
Changes in GASB 68 amounts	118,539	-	3,133	-	157,382	279,054
Payments for capital acquisitions	(305,557)	-	(283,525)	-	(79,762)	(668,844)
Net cash (used for) capital and related financing activities	<u>(521,714)</u>	<u>-</u>	<u>(273,228)</u>	<u>-</u>	<u>(230,775)</u>	<u>(1,025,717)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Receipts of interest	8,630	-	295	102	4,867	13,894
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>390,635</u>	<u>(105,266)</u>	<u>2,506</u>	<u>3,163</u>	<u>96,235</u>	<u>387,273</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,978,331</u>	<u>76,272</u>	<u>71,585</u>	<u>19,855</u>	<u>1,387,441</u>	<u>3,533,484</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,368,966</u>	<u>\$ (28,994)</u>	<u>\$ 74,091</u>	<u>\$ 23,018</u>	<u>\$ 1,483,676</u>	<u>\$ 3,920,757</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Net Operating Income (Loss)	\$ 451,437	\$ 10,507	\$ 235,493	\$ 429	\$ 170,937	\$ 868,803
Adjustments to Reconcile Net Income to Net Cash From (Used For) Operating Activities:						
Depreciation and Amortization	237,451	-	47,308	-	122,398	407,157
Pension Adjustments	271,090	-	(7,164)	-	-	263,926
Decrease (Increase) in Accounts Receivable	(66,758)	16,466	-	2,543	(37,001)	(84,750)
Decrease (Increase) in Inventory	5,402	-	-	-	20,279	25,681
Decrease (Increase) in Prepaid Assets	-	-	-	-	-	-
Increase (Decrease) in Accounts Payable	6,096	(132,239)	(198)	89	47,944	(78,308)
Increase (Decrease) in Wages Payable	441	-	-	-	998	1,439
Increase (Decrease) in Due to Other Funds	-	-	-	-	-	-
Increase (Decrease) in Interest Payable	(1,440)	-	-	-	(1,774)	(3,214)
Increase (Decrease) in Deposits	-	-	-	-	(1,638)	(1,638)
Net cash from (used for) operating activities	<u>\$ 903,719</u>	<u>\$ (105,266)</u>	<u>\$ 275,439</u>	<u>\$ 3,061</u>	<u>\$ 322,143</u>	<u>\$ 1,399,096</u>

See accompanying notes to the basic financial statements.

**CITY OF CORNING
EXPENDABLE TRUST FUNDS**

Exhibit E-1

Combining Balance Sheet

June 30, 2021

	<u>J.T. Levy Trust Fund (Fund 401)</u>	<u>Ridell Library Fund (Fund 403)</u>	<u>Totals</u>
ASSETS:			
Cash and investments	\$ 24,963	\$ 255,111	\$ 280,074
Receivables:			
Intergovernmental			
County	-	-	-
Deferred compensation plan assets	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>24,963</u>	\$ <u>255,111</u>	\$ <u>280,074</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u> </u>	<u> </u>	<u> </u>
Fund Balances:			
Held in trust for:			
Scholarships	24,963	-	24,963
Library System	-	255,111	255,111
Theater	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>24,963</u>	<u>255,111</u>	<u>280,074</u>
Total liabilities and fund balances	\$ <u>24,963</u>	\$ <u>255,111</u>	\$ <u>280,074</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, 2021

Exhibit E-2

	J.T. Levy Trust Fund (Fund 401)	Ridell Library Fund (Fund 403)	Totals
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ -
Fines and Forfeitures	-	-	-
Interest	104	1,077	1,181
Total Revenues	104	1,077	1,181
EXPENDITURES:			
Scholarships	-	-	-
Capital Outlay	-	15,010	15,010
Other	500	-	500
Total Expenditures	500	15,010	15,510
Excess (Deficiency) of Revenues Over Expenditures	(396)	(13,933)	(14,329)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(396)	(13,933)	(14,329)
FUND BALANCE, BEGINNING OF YEAR	25,359	269,044	294,403
Residual Transfers out	-	-	-
FUND BALANCE, END OF YEAR	\$ 24,963	\$ 255,111	\$ 280,074

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, 2021

	Totals		
	<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		289,146	
FUND BALANCE, END OF YEAR		<u>\$ 291,318</u>	

See accompanying notes to
the basic financial statements.

OTHER REPORTS AND SCHEDULES

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

COMBINING BALANCE SHEET - SEWER ENTERPRISE FUNDS

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

COMBINED BALANCE SHEET - WATER ENTERPRISE FUNDS

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

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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, 2021, 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.



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

CITY OF CORNING
SEWER ENTERPRISE FUNDS
Combining Balance Sheet
June 30, 2021

	Sewer Capital Improvement Fund (Fund 347)	WWTP EXP. (Fund 348)	W.W.T.P. Capital Replacement Fund (Fund 380)	Sewer Capital Replacement Fund (Fund 381)
ASSETS				
Current Assets:				
Cash and Investments	\$ 113,367	\$ 966,777	\$ 649,726	\$ 149,004
Accounts Receivable	-	-	-	-
Inventories	-	-	-	-
Total Current Assets	<u>113,367</u>	<u>966,777</u>	<u>649,726</u>	<u>149,004</u>
Capital Assets				
Land and Construction in Progress		-		
Property, Plant and Equipment	-	4,453,848	-	-
Accumulated Depreciation	-	(2,006,660)	-	-
Net Capital Assets	<u>-</u>	<u>2,447,188</u>	<u>-</u>	<u>-</u>
Deferred Outflows of Resources				
Loan Acquisition Costs, Net	-	36,597	-	-
Pension Contribution	-	-	-	-
Total Assets	\$ <u>113,367</u>	\$ <u>3,450,562</u>	\$ <u>649,726</u>	\$ <u>149,004</u>
LIABILITIES				
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ 14,292
Accrued Wages	-	-	-	-
Interest Payable	-	40,712	-	-
Current Portion of Long Term Debt	-	64,000	-	-
Total Current Liabilities	<u>-</u>	<u>104,712</u>	<u>-</u>	<u>14,292</u>
Long-Term Liabilities				
Interfund Loan Payable	-	-	-	-
Accrued Compensation for Future Absences	-	-	-	-
Net Pension Liability	-	-	-	-
Long-Term Debt	-	3,127,298	-	-
Less: Current Portion	-	(64,000)	-	-
Total Long-Term Liabilities	<u>-</u>	<u>3,063,298</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>3,168,010</u>	<u>-</u>	<u>14,292</u>
Deferred Inflows of Resources				
GASB 68 Actuarial Adjustments	-	-	-	-
Fund Equity:				
Retained Earnings:				
Investment in Capital Assets	-	(680,110)	-	-
Restricted	113,367	962,662	649,726	134,712
Unrestricted	-	-	-	-
Total Net Assets	<u>113,367</u>	<u>282,552</u>	<u>649,726</u>	<u>134,712</u>
Total Net Assets	\$ <u>113,367</u>	\$ <u>282,552</u>	\$ <u>649,726</u>	\$ <u>134,712</u>

<u>Fund (Fund 610)</u>	<u>TOTAL Sewer Enterprise Fund</u>
\$ 490,092	\$ 2,368,966
197,806	197,806
5,402	5,402
<u>693,300</u>	<u>2,572,174</u>
105,274	105,274
11,770,344	16,224,192
<u>(10,064,141)</u>	<u>(12,070,801)</u>
<u>1,811,477</u>	<u>4,258,665</u>
70,436	107,033
<u>92,807</u>	<u>92,807</u>
\$ <u>2,668,020</u>	\$ <u>7,030,679</u>
\$ 17,044	\$ 31,336
1,531	1,531
19,378	60,090
<u>62,889</u>	<u>126,889</u>
<u>100,842</u>	<u>219,846</u>
-	-
79,039	79,039
508,941	508,941
1,504,162	4,631,460
<u>(62,889)</u>	<u>(126,889)</u>
<u>2,029,253</u>	<u>5,092,551</u>
<u>2,130,095</u>	<u>5,312,397</u>
<u>37,701</u>	<u>37,701</u>
307,315	(372,795)
-	1,860,467
<u>192,909</u>	<u>192,909</u>
<u>500,224</u>	<u>1,680,581</u>
\$ <u>500,224</u>	\$ <u>1,680,581</u>

CITY OF CORNING
SEWER ENTERPRISE FUNDS
Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
Year Ended June 30, 2021

	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	37,440	191,360	-	-
Total Operating Revenues	<u>37,440</u>	<u>191,360</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES:				
Salaries and Benefits	-	-	-	-
Utilities	-	-	-	-
Depreciation	-	133,908	-	-
Amortization	-	4,940	-	-
Other Expenses	-	-	45,873	14,292
Total Operating Expenses	<u>-</u>	<u>138,848</u>	<u>45,873</u>	<u>14,292</u>
Operating Income (Loss)	<u>37,440</u>	<u>52,512</u>	<u>(45,873)</u>	<u>(14,292)</u>
NON-OPERATING REVENUE (EXPENSE)				
Investment Earnings	378	3,673	2,825	605
Interest Expense	-	(122,603)	-	-
Net Non-Operating Revenues (Expenses)	<u>378</u>	<u>(118,930)</u>	<u>2,825</u>	<u>605</u>
Net Income Before Transfers	<u>37,818</u>	<u>(66,418)</u>	<u>(43,048)</u>	<u>(13,687)</u>
Operating Transfers In	-	160,000	85,000	40,000
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income	<u>37,818</u>	<u>93,582</u>	<u>41,952</u>	<u>26,313</u>
NET ASSETS, AT BEGINNING OF YEAR				
As Previously Stated	75,549	188,970	607,774	108,399
Prior period adjustment	-	-	-	-
As Restated	<u>75,549</u>	<u>188,970</u>	<u>607,774</u>	<u>108,399</u>
Residual Equity Transfers In	-	-	-	-
Residual Equity Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS, AT END OF YEAR	<u>\$ 113,367</u>	<u>\$ 282,552</u>	<u>\$ 649,726</u>	<u>\$ 134,712</u>

	<u>Fund (Fund 610)</u>		<u>TOTAL Sewer Enterprise Fund</u>
\$	2,069,652	\$	2,069,652
	-		-
	9,497		9,497
	<u>3,724</u>		<u>232,524</u>
	<u>2,082,873</u>		<u>2,311,673</u>
	424,032		424,032
	106,890		106,890
	95,788		229,696
	2,815		7,755
	<u>1,031,698</u>		<u>1,091,863</u>
	<u>1,661,223</u>		<u>1,860,236</u>
	<u>421,650</u>		<u>451,437</u>
	1,149		8,630
	<u>(59,966)</u>		<u>(182,569)</u>
	<u>(58,817)</u>		<u>(173,939)</u>
	<u>362,833</u>		<u>277,498</u>
	-		285,000
	<u>(285,000)</u>		<u>(285,000)</u>
	<u>77,833</u>		<u>277,498</u>
	151,301		1,131,993
	<u>271,090</u>		<u>271,090</u>
	422,391		1,403,083
	-		-
	<u>-</u>		<u>-</u>
\$	<u>500,224</u>	\$	<u>1,680,581</u>

CITY OF CORNING
WATER ENTERPRISE FUNDS

Combining Balance Sheet

June 30, 2021

	Water Capital Improvement Fund (Fund 346)	Water Capital Replacement Fund (Fund 383)	Short Lived Water Reserve (Fund 386)	Water Fund (Fund 630)
ASSETS				
Current Assets:				
Cash and Investments	\$ 83,435	\$ 713,703	\$ -	\$ 456,352
Accounts Receivable	-	-	-	127,567
Inventories	-	-	-	20,278
Total Current Assets	<u>83,435</u>	<u>713,703</u>	<u>-</u>	<u>604,197</u>
Fixed Assets:				
Land and Construction in Progress	-	-	-	5,000
Property, Plant and Equipment	-	-	-	6,840,174
Accumulated Depreciation	-	-	-	(3,284,844)
Net Property, Plant and Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,560,330</u>
Restricted Cash:				
Loan Repayment	-	-	-	14
Total Other Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>14</u>
Deferred Outflows of Resources				
Loan Acquisition Costs, net	-	-	-	119,698
GASB 68 Actuarial Adjustments	-	-	-	170,801
Total Assets	\$ <u>83,435</u>	\$ <u>713,703</u>	\$ <u>-</u>	\$ <u>4,455,040</u>
LIABILITIES				
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ 956	\$ 41,838	-	24,691
Accrued Wages	-	-	-	3,552
Interest Payable	-	-	-	38,425
Deposits	-	-	-	25,650
Current Portion of Long Term Debt	-	-	-	151,031
Total Current Liabilities	<u>956</u>	<u>41,838</u>	<u>-</u>	<u>243,349</u>
Long-Term Liabilities				
Accrued Compensation for Future Absences	-	-	-	79,039
Net Pension Liability	-	-	-	936,652
Long-Term Debt	-	-	-	2,969,199
Less: Current Portion	-	-	-	(151,031)
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,833,859</u>
Total Liabilities	<u>956</u>	<u>41,838</u>	<u>-</u>	<u>4,077,208</u>
Deferred Inflows of Resources				
GASB 68 Actuarial Adjustments	-	-	-	69,384
NET ASSETS				
Investment in Capital Assets	-	-	-	591,131
Restricted	82,479	671,865	-	-
Unrestricted	-	-	-	(282,683)
Total Net Assets	\$ <u>82,479</u>	\$ <u>671,865</u>	\$ <u>-</u>	\$ <u>308,448</u>

Water Rate Stabilization Reserve Fund (Fund 631)	TOTAL Water Enterprise Funds
\$ -	\$ 1,253,490
-	127,567
-	20,278
<u>-</u>	<u>1,401,335</u>
-	5,000
-	6,840,174
-	(3,284,844)
<u>-</u>	<u>3,560,330</u>
<u>230,172</u>	<u>230,186</u>
<u>230,172</u>	<u>230,186</u>
-	119,698
-	170,801
\$ <u>230,172</u>	\$ <u>5,482,350</u>
-	67,485
-	3,552
-	38,425
-	25,650
-	151,031
<u>-</u>	<u>286,143</u>
-	79,039
-	936,652
-	2,969,199
-	(151,031)
<u>-</u>	<u>3,833,859</u>
<u>-</u>	<u>4,120,002</u>
<u>-</u>	<u>69,384</u>
-	591,131
230,172	984,516
-	(282,683)
\$ <u>230,172</u>	\$ <u>1,292,964</u>

CITY OF CORNING
WATER ENTERPRISE FUNDS
Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
Year Ended June 30, 2021

	Water Capital Improvement Fund (Fund 346)	Water Capital Replacement Fund (Fund 383)	Short Lived Water Reserve (386)	Water Fund (Fund 630)
OPERATING REVENUES:				
Charges for Service	\$ -	\$ -	\$ -	\$ 1,588,566
Connection fees	-	-	-	6,500
Lease and Rents	-	-	-	-
Other Revenue	42,697	-	-	120
Total Operating Revenues	<u>42,697</u>	<u>-</u>	<u>-</u>	<u>1,595,186</u>
OPERATING EXPENSES:				
Salaries and Benefits	-	-	-	809,282
Utilities	-	-	-	240,335
Depreciation	-	-	-	117,636
Amortization	-	-	-	4,762
Other Expenses	8,305	98,265	-	188,264
Total Operating Expenses	<u>8,305</u>	<u>98,265</u>	<u>-</u>	<u>1,360,279</u>
Operating Income (Loss)	<u>34,392</u>	<u>(98,265)</u>	<u>-</u>	<u>234,907</u>
NON-OPERATING REVENUE (EXPENSE)				
Investment Earnings	302	3,097	-	1,371
Interest Expense	-	-	-	(116,876)
Net Non-Operating Revenues (Expenses)	<u>302</u>	<u>3,097</u>	<u>-</u>	<u>(115,505)</u>
Net Income Before Transfers	<u>34,694</u>	<u>(95,168)</u>	<u>-</u>	<u>119,402</u>
Operating Transfers In	-	246,260	-	-
Operating Transfers Out	-	-	(167,760)	(78,500)
Net Income	<u>34,694</u>	<u>151,092</u>	<u>(167,760)</u>	<u>40,902</u>
NET ASSETS, AT BEGINNING OF YEAR				
As Previously Stated	47,785	520,773	167,760	267,546
Prior period adjustment	-	-	-	-
As Restated	<u>47,785</u>	<u>520,773</u>	<u>167,760</u>	<u>267,546</u>
Residual Equity Transfers In	-	-	-	-
Residual Equity Transfers Out	-	-	-	-
NET ASSETS, AT END OF YEAR	<u>\$ 82,479</u>	<u>\$ 671,865</u>	<u>\$ -</u>	<u>\$ 308,448</u>

<u>Water Stabilization Fund (631)</u>	<u>TOTAL Water Enterprise Funds</u>
\$ -	\$ 1,588,566
-	6,500
-	-
-	42,817
<u>-</u>	<u>1,637,883</u>
-	809,282
-	240,335
-	117,636
-	4,762
97	294,931
<u>97</u>	<u>1,466,946</u>
<u>(97)</u>	<u>170,937</u>
97	4,867
-	(116,876)
<u>97</u>	<u>(112,009)</u>
-	58,928
-	246,260
-	(246,260)
-	58,928
230,172	1,234,036
-	-
<u>230,172</u>	<u>1,234,036</u>
-	-
<u>-</u>	<u>-</u>
\$ <u>230,172</u>	\$ <u>1,292,964</u>

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