



**CITY OF CORNING
CITY COUNCIL AGENDA**

**TUESDAY, FEBRUARY 28, 2012
CITY COUNCIL CHAMBERS
794 THIRD STREET**

A. CALL TO ORDER: 7:30 p.m.

B. ROLL CALL:

Council:

**Toni Parkins
John Leach
Darlene Dickison
Dave Linnet
Gary Strack**

Mayor:

C. PLEDGE OF ALLEGIANCE: Led by the City Manager Stephen Kimbrough.

D. INVOCATION: Led by Councilman John Leach.

Persons of no religious persuasion will not be expected in any manner to stand or to participate other than to remain quiet out of respect for those who do choose to participate.

E. PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, PRESENTATIONS:

1. Proclamation: March 2012 AMVETS White Clover (Remember Me) Month in the City of Corning. Mr. Alexander "Buck" Bordeau will be present to accept the Proclamation on behalf of Tehama County Post 2002.

2. Proclamation: Commemorating the 100 Year Anniversary of Girl Scouts of the USA. Present to accept the Proclamation will be Wini Peterson and members of Corning Troops 70211, 70296, 70298 and 70441.

F. BUSINESS FROM THE FLOOR: If there is anyone in the audience wishing to speak on items not already set on the Agenda, please come to the podium, and briefly identify the matter you wish to have placed on the Agenda. The Council will then determine if such matter will be placed on the Agenda for this meeting, scheduled for a subsequent meeting, or recommend other appropriate action. If the matter is placed on tonight's Agenda, you will have the opportunity later in the meeting to return to the podium to discuss the issue. The law prohibits the Council from taking formal action on the issue, however, unless it is placed on the Agenda for a later meeting so that interested members of the public will have a chance to appear and speak on the subject.

G. CONSENT AGENDA: It is recommended that items listed on the Consent Agenda be acted on simultaneously unless a Councilmember or members of the audience requests separate discussion and/or action.

3. Waive reading, except by title, of any Ordinance under consideration at this meeting for either introduction or passage, per Government Code Section 36934.

4. February 22, 2012 Claim Warrant - \$234,102.03.

5. February 22, 2012 Business License Report.

6. Reject Submittal of a Sustainable Communities Planning Grant Application.

H. ITEMS REMOVED FROM THE CONSENT AGENDA:

I. PUBLIC HEARINGS AND MEETINGS:

7. Public Hearing: Fiscal Year 2012-2013 Community Development Block Grant (CDBG) Application.

J. REGULAR AGENDA:

8. Presentation and Acceptance of Annual City Audit for Fiscal Year 2010-2011.
9. Application for a Type 20 Off-Sale Beer and Wine License and a Type 42 On-Sale Beer and Wine License, and Finding of Public Convenience or Necessity for the Olive Pit located at 2156 Solano Street.
10. Approve Proposed Independent Contractor and Public Safety Consultant Contract for effective March 1, 2012 for Chief Anthony Cardenas and Authorize City Manager to Sign Contract on behalf of the City.
11. Mid-Year Budget Review and General Discussion.

K. ITEMS PLACED ON THE AGENDA FROM THE FLOOR:

L. COMMUNICATIONS, CORRESPONDENCE AND INFORMATION:

- M. REPORTS FROM MAYOR AND COUNCIL MEMBERS:** City Councilmembers will report on attendance at conferences/meetings reimbursed at City expense (Requirement of Assembly Bill 1234).

Parkins:

Leach:

Dickison:

Linnet:

Strack:

N. ADJOURNMENT!:

POSTED: THURSDAY, FEBRUARY 23, 2012

PROCLAMATION
AMVETS White Clover (Remember Me) Month
in the
City of Corning
MARCH 2012

WHEREAS, on December 9, 1944 a national organization known as the American Veterans of World War II – or AMVETS, was formed with the aim to:

- Promote world peace;
- Preserve the American way of life; and
- Help the Veteran help himself.

WHEREAS, this organization chose the “White Clover” as the official flower because it was not only found in America, but throughout the world and symbolizes the States from which U.S. Armed Forces were drawn and the worldwide battlefields on which they fought; and

WHEREAS, in 1946 AMVETS petitioned Congress for a federal charter and on July 23, 1947 President Harry S. Truman signed the AMVETS Charter; and

WHEREAS, the Charter has been amended at the request of the AMVETS organization three times since it’s beginning, once on September 14 1966 by President Lyndon B. Johnson, on May 7, 1975 by President Gerald R. Ford, and most recently on May 31, 1984 by President Ronald Reagan to open the organization to those who served honorably and actively after May 7, 1975; and

WHEREAS, today, in recognition of the sacrifices made by all veterans and service personnel, AMVETS is open to anyone who is currently serving, or who has honorably served in the Armed Forces of the United States and includes National Guard and Reserve components—at any time after September 15, 1940.

WHEREAS, “Veterans Helping Veterans” is the motto of AMVETS Post 2002 in Tehama County and they will have the “White Clover Program” during the month of March in Tehama County.



NOW, THEREFORE I, Gary R. Strack, as Mayor of the City of Corning, **DO HEREBY PROCLAIM MARCH 2012** as **“AMVETS WHITE CLOVER MONTH IN THE CITY OF CORNING”**.

IN WITNESS WHEREOF, I have hereunto set my hand and cause the Great Seal of the City of Corning to be affixed this 28th day of February 2012.

Gary R. Strack, Mayor

ATTEST:

Lisa M. Linnet, City Clerk

PROCLAMATION
COMMEMORATING THE 100TH ANNIVERSARY
OF
GIRL SCOUTS OF THE USA

WHEREAS, March 12, 2012 marks the 100th anniversary of the first meeting of Girl Scouts of the USA, founded in 1912 by Juliette Gordon Low in Savannah, Georgia after visiting the founders of both Boy Scouts and Girl Guides in England; and

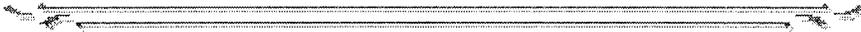
WHEREAS, since this first meeting more than 50 million girls have participated in the Girl Scout movement during their childhood; currently there are 47,000 girls and 32,000 adult members in the Northern California Council and 3.2 million members in the USA as Girl Scouts of the USA continues to inspire, challenge, and empower girls everywhere.

WHEREAS, through its membership in the World Association of Girl Guides and Girl Scouts, Girl Scouts of the USA is part of a worldwide family of 10 million girls and adults in 145 countries; and

WHEREAS, Girl Scouts is the largest, longest running and most effective leadership program for girls not only in the nation, but the world; and

WHEREAS, 69% of current women US Senators, 65% of women in the House of Representatives, an estimated 80% of women business executives and business owners, 64% of today's female leaders listed in Who's Who of American Women in the United States and 55% of all women astronauts are former Girl Scouts.

WHEREAS, throughout its distinguished history, Girl Scouting has inspired millions of girls and women with courage, confidence, and character to make the world a better place; and



NOW, THEREFORE I, Gary R. Strack, as Mayor of the City of Corning, do hereby applaud the commitment Girl Scouting has made to support the leadership development of America's girls and am proud to join the Girl Scouts of Northern California in recognizing the 100th Anniversary of Girl Scouts of the USA.

IN WITNESS WHEREOF, I have hereunto set my hand and cause the Great Seal of the City of Corning to be affixed this 28th day of February 2012.

Gary R. Strack, Mayor

ATTEST:

Lisa M. Linnet, City Clerk



MEMORANDUM

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: LORI SIMS
ACCOUNTING ASSISTANT

DATE: February 22, 2012

SUBJECT: Cash Disbursement Detail Report for the
Tuesday, February 28, 2012 Council Meeting

PROPOSED CASH DISBURSEMENTS FOR YOUR APPROVAL CONSIST OF THE FOLLOWING:

A.	Cash Disbursements	Ending 02-13-12	\$151,162.23
B.	Cash Disbursements	Ending 02-16-12	\$30,105.14
C.	Cash Disbursements	Ending 02-21-12	\$1,270.82
D.	Payroll Disbursements	Ending 02-22-12	\$41,535.35
E.	Cash Disbursements	Ending 02-22-12	\$10,028.49

GRAND TOTAL **\$234,102.03**

REPORT.: Feb 13 12 Monday
 RUN....: Feb 13 12 Time: 15:15
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 02-12 Bank Account.: 1020

PAGE: 001
 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Payment Information Invoice #	Description
013908	02/09/12	KNI00	KNIFE RIVER CONSTRUCTION	24205.22	.00	24205.22	12-0110	MAT & SUPPLIES-
013909	02/09/12	TRE00	TRENT CONSTRUCTION INC.	129935.15	.00	129935.15	12-0214	CLARK PARK WELL-WTR CAP I
013910	02/13/12	AME06	AMERICAN RIVER COLLEGE	176.00	.00	176.00	120209	TRAINING/ED-POLICE
013911	02/13/12	FEA01	FEARS, JEREMIAH	440.00	.00	440.00	120209	TRAINING/ED-POLICE
013912	02/13/12	PRI04	PRINCIPAL	8243.07	.00	8243.07	120213	DENTAL/VISION-INSURANCE
013913	02/13/12	PRY03	DAVID PRYATEL	100.00	.00	100.00	120812	TRAINING/ED-POLICE
013914	02/13/12	WAT02	WATSON, THOMAS J.	165.39	.00	165.39	120209	PROF SVCS-POLICE
Cash Account Total.....:				163264.83	.00	163264.83		

REPORT.: Feb 13 12 Monday
 RUN....: Feb 13 12 Time: 15:15
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 02-12 Bank Account.: 1025

PAGE: 002
 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information-----	
							Invoice #	Description
5331	02/13/12	PRI04	PRINCIPAL	-3191.20	.00	-3191.20	B11231u	Ck# 005331 Reversed
				-668.33	.00	-668.33	1B11231u	Ck# 005331 Reversed
			Check Total.....:	-3859.53	.00	-3859.53		
5364	02/13/12	PRI04	PRINCIPAL	-6842.63	.00	-6842.63	B20131u	Ck# 005364 Reversed
				-1400.44	.00	-1400.44	1B20131u	Ck# 005364 Reversed
			Check Total.....:	-8243.07	.00	-8243.07		
			Cash Account Total.....:	-12102.60	.00	-12102.60		
			Total Disbursements.....:	151162.23	.00	151162.23		
			=====	=====	=====	=====		

REPORT.: Feb 16 12 Thursday
 RUN...: Feb 16 12 Time: 16:38
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 02-12 Bank Account.: 1020

PAGE: 001
 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description
013915	02/14/12	ACT02	ACTION SPORT DEVELOPMENT,	5495.53	.00	5495.53	615	PROP 84 PARK-PROP 84
013916	02/16/12	ACI01	ACI SPECIALTY BENEFITS	324.00	.00	324.00	12843	WorkmensComp. General Cit
013917	02/16/12	AIR00	AIRGAS NCN	57.47	.00	57.47	102669667	MAT & SUPPLIES-FIRE
013918	02/16/12	BAS01	BASIC LABORATORY, INC	86.00	.00	86.00	1201228	ProfServices Water Dept
013919	02/16/12	BEN01	BENBOW, W.B.	6492.14	.00	6492.14	194	TELEMETRY-
013920	02/16/12	CAR12	CARREL'S OFFICE MACHINES	2.41	.00	2.41	106602	MAT & SUPPLIES-LIBRARY
013921	02/16/12	COR13	CORNING VOLUNTEER FIRE	82.45	.00	82.45	680	EQUIP MAINT-FIRE
013922	02/16/12	DEP03	DEPT OF TRANS/CAL TRANS	146.88	.00	146.88	SL120402	Equip.Maint. St&Trf Light
013923	02/16/12	DEP12	DEPT OF JUSTICE	51.00	.00	51.00	891069	TRAINING/ED-FIRE
013924	02/16/12	DOU04	DOUBLETREE HOTEL SAC	477.07	.00	477.07	120213	TRAINING/ED-POLICE
013925	02/16/12	GAL02	GALLS, AN ARAMARK COMPANY	35.63	.00	35.63	511942394	SAFETY ITEMS-POLICE
				97.43	.00	97.43	511946144	SAFETY ITEMS-POLICE
			Check Total.....:	133.06	.00	133.06		
013926	02/16/12	GOL03	GSFM / WFM	775.93	.00	775.93	I-033973	MAT & SUPPLIES-WTR
013927	02/16/12	GRA02	GRAINGER, W.W., INC	181.08	.00	181.08	974420565	CURB,GUTTER,SIDEWALK REPL
				123.97	.00	123.97	974837418	MAT & SUPPLIES-
				266.49	.00	266.49	975015549	MAT & SUPPLIES-WTR
			Check Total.....:	571.54	.00	571.54		
013928	02/16/12	JOH06	JOHNSON'S TURBO CLEAN	125.00	.00	125.00	2963	BLD MAINT-FIRE
013929	02/16/12	KNI00	KNIFE RIVER CONSTRUCTION	714.54	.00	714.54	126351	MAT & SUPPLIES-STR PROJ
013930	02/16/12	LAS02	LASER MAN, INC.	356.76	.00	356.76	701659	MAT & SUPPLIES-
013931	02/16/12	LEA01	LEAGUE OF CALIF CITIES	150.00	.00	150.00	97964	MAT & SUPPLIES-STR
013932	02/16/12	LIB03	LIBERTEL	217.72	.00	217.72	187679	COMMUNICATIONS-DISPATCH
				109.71	.00	109.71	187821	EQUIP MAINT-FIRE DISPATCH
			Check Total.....:	327.43	.00	327.43		
013933	02/16/12	LNC01	LN CURTIS & SONS	86.22	.00	86.22	122878500	EQUIP MAINT-FIRE
013934	02/16/12	MUN02	MUNICIPAL CODE CORPORATIO	400.00	.00	400.00	00214322	PROF SVCS-CITY CLERK

REPORT.: Feb 16 12 Thursday
 RUN....: Feb 16 12 Time: 16:38
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CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 02-12 Bank Account.: 1020

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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
013935	02/16/12	NOR31	NORM'S PRINTING	34.86	.00	34.86	10918	PROF SVCS-BLD & SAFETY
013936	02/16/12	OFF01	OFFICE DEPOT	127.95	.00	127.95	596923662	Office Supplies PoliceDis
013937	02/16/12	PGE05	PG&E	1454.55	.00	1454.55	120130	FIRE-ELECT & GAS
013938	02/16/12	PON10	PONCI'S WELDING	32.18	.00	32.18	50959	COMMUNICATIONS-POLICE
013939	02/16/12	QUI02	QUILL CORPORATION	211.90	.00	211.90	9921970	OFFICE SUPPLIES-
013940	02/16/12	SEN03	SENSUS USA	1504.64	.00	1504.64	ZA1201485	EQUIP MAINT-WTR
013941	02/16/12	SHA09	SHANE'S AUTO ACCESSORIES	143.00	.00	143.00	0032894	VEH/OP MAINT-FIRE
013942	02/16/12	TAS00	TASER INTERNATIONAL, INC.	865.51	.00	865.51	SI1275764	SAFETY ITEMS-POLICE
013943	02/16/12	TEH05	TEHAMA CO BD/SUPERVISORS	200.00	.00	200.00	2012-0209	MAT & SUPPLIES-CITY COUNC
013944	02/16/12	USA01	USA BLUE BOOK	61.69	.00	61.69	594515	MAT & SUPPLIES-WTR
				221.16	.00	221.16	594897	MAT & SUPPLIES-WTR
				115.85	.00	115.85	595415	MAT & SUPPLIES-WTR
			Check Total.....:	398.70	.00	398.70		
013945	02/16/12	VIV00	VIVID INK AND TONER	125.68	.00	125.68	610463	OFFICE SUPPLIES-POLICE
013946	02/16/12	WAR05	WARREN, DANA KARL	304.00	.00	304.00	120214	REC INSTRUCTOR-REC
013947	02/16/12	WAS01	WASTE MANAGEMENT OF	7324.71	.00	7324.71	115530505	PROP 84 PARK-NON CONSTR
013948	02/16/12	WES02	WESTERN BUSINESS PRODUCTS	44.96	.00	44.96	032280	EQUIP MAINT-FIRE DISPATCH
013949	02/16/12	DOU04	DOUBLETREE HOTEL SAC	477.07	.00	477.07	120214	TRAINING/ED-POLICE
			Cash Account Total.....:	30105.14	.00	30105.14		
			Total Disbursements.....:	30105.14	.00	30105.14		

REPORT.: Feb 21 12 Tuesday
 RUN...: Feb 21 12 Time: 14:47
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 02-12 Bank Account.: 1020

PAGE: 001
 ID #: PY-DP
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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Payment Information Invoice #	Description
013950	02/21/12	ACC00	ACCESS INFORMATION	42.00	.00	42.00	N053814	EQUIP MAINT-GEN CITY
				42.00	.00	42.00	N055805	EQUIP MAINT-GEN CITY
			Check Total.....:	84.00	.00	84.00		
013951	02/21/12	BAS01	BASIC LABORATORY, INC	86.00	.00	86.00	1201460	ProfServices Water Dept
013952	02/21/12	CON07	CONEXIS	30.00	.00	30.00	01120R348	MEDICAL INS-COBRA
013953	02/21/12	COR11	CORNING SAFE & LOCK	28.96	.00	28.96	3430	VEH/OP MAINT-POLICE
013954	02/21/12	DEP12	DEPT OF JUSTICE	35.00	.00	35.00	895282	PROF SVCS-POLICE
013955	02/21/12	ENT01	ENTENMANN-ROVIN CO.	141.20	.00	141.20	0077998IN	UNIFORMS/CLOTH-POLICE
013956	02/21/12	GRA02	GRAINGER, W.W., INC	96.80	.00	96.80	975526341	MAT & SUPPLIES-
013957	02/21/12	MOR02	RAY MORGAN COMPANY	160.87	.00	160.87	211586	EQUIP MAINT-FINANCE
013958	02/21/12	MUN03	MUNNELL & SHERRILL, INC.	39.00	.00	39.00	999238	MAT & SUPPLIES-
				79.29	.00	79.29	999244	MAT & SUPPLIES-
				83.43	.00	83.43	999245	MAT & SUPPLIES-STR
				112.01	.00	112.01	999274	MAT & SUPPLIES-
			Check Total.....:	313.73	.00	313.73		
013959	02/21/12	TEH12	TEHAMA CO ASSESSOR	60.44	.00	60.44	120214	PROF SVCS-
013960	02/21/12	USA01	USA BLUE BOOK	233.82	.00	233.82	598238	MAT & SUPPLIES-POOL
			Cash Account Total.....:	1270.82	.00	1270.82		
			Total Disbursements.....:	1270.82	.00	1270.82		

REPORT.: Feb 22 12 Wednesday
 RUN...: Feb 22 12 Time: 15:50
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report - Payroll Vendor Payment(s)
 Check Listing for 02-12 Bank Account.: 1025

PAGE: 002
 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
5380	02/22/12	BAN03	POLICE OFFICER ASSOC.	275.00	.00	275.00	B20221	POLICE OFFICER ASSOC
5381	02/22/12	CAL37	CALIFORNIA STATE DISBURSE	179.07	.00	179.07	B20221	WITHHOLDING ORDER
5382	02/22/12	EDD01	EMPLOYMENT DEVELOPMENT	3252.84	.00	3252.84	B20221	STATE INCOME TAX
				990.40	.00	990.40	1B20221	SDI
			Check Total.....:	4243.24	.00	4243.24		
5383	02/22/12	ICM01	ICMA RETIREMENT TRUST-457	50.00	.00	50.00	B20221	ICMA DEF. COMP
5384	02/22/12	OEU03	OPERATING ENGINEERS	500.00	.00	500.00	B20221	CREDIT UNION SAVINGS
5385	02/22/12	PERS1	PUBLIC EMPLOYEES RETIRE	26889.57	.00	26889.57	B20221	PERS PAYROLL REMITTANCE
5386	02/22/12	PRE03	PREMIER WEST BANK	8203.70	.00	8203.70	B20221	HSA DEDUCTIBLE
5387	02/22/12	STA04	STATE OF CALIFORNIA	341.27	.00	341.27	B20221	WAGE ASSN 553605213
5388	02/22/12	VAL06	VALIC	853.50	.00	853.50	B20221	AIG VALIC P TAX
			Cash Account Total.....:	41535.35	.00	41535.35		
			Total Disbursements.....:	41535.35	.00	41535.35		

REPORT.: Feb 22 12 Wednesday
 RUN....: Feb 22 12 Time: 15:50
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 02-12 Bank Account.: 1020

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 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description
013961	02/22/12	ATT13	AT&T	720.50	.00	720.50	120211	COMMUNICATIONS
013962	02/22/12	CHI06	CHICO POWER EQUIPMENT	133.20	.00	133.20	0062223	VEH OP MAINT - FIRE
013963	02/22/12	COM01	COMPUTER LOGISTICS, INC	167.31	.00	167.31	55311	Equip.Maint. Police Dept
013964	02/22/12	DOD01	JAMES DODGE	1046.00	.00	1046.00	120223	ADVANCED DISABILITY PENSI
013965	02/22/12	FED01	FEDERAL EXPRESS	36.01	.00	36.01	779556313	PROF SRVC-FINANCE
013966	02/22/12	ICM02	ICMA MEMBERSHIP RENEWALS	642.14	.00	642.14	120221	ICMA DUES - JOHN BREWER
013967	02/22/12	IMA01	IMAGE SALES, INC.	27.15	.00	27.15	29772	PROF SRVC - POLICE
013968	02/22/12	LAR01	LARRY'S PEST & WEED,	4667.00	.00	4667.00	43727	WEE/TREE SPRAY - STREETS
013969	02/22/12	LEA02	LEAGUE OF CA CITIES	50.00	.00	50.00	4010	ASSOC. DUES/CITY COUNCIL
013970	02/22/12	LIB03	LIBERTEL	20.01	.00	20.01	188049	COMMUNICATIONS/POLICE
013971	02/22/12	LNC01	LN CURTIS & SONS	230.48	.00	230.48	122822400	MAT & SUPPLIES / FIRE
013972	02/22/12	MGT00	MGT OF AMERICA, INC.	1500.00	.00	1500.00	21734	PROF SRVC / GEN CITY
013973	02/22/12	NEX02	NEXTEL	122.95	.00	122.95	086319123	COMMUNICATIONS / POLICE
013974	02/22/12	NOR31	NORM'S PRINTING	112.61	.00	112.61	010932	PRINTING/ADV - POLICE
013975	02/22/12	PAT02	PATTERSON ELECTRIC, INC.	64.17	.00	64.17	2630	MAT & SUPPLIES / BLDG MAI
013976	02/22/12	PGE2A	PG&E	50.08	.00	50.08	120215	ELECT - BLUE HERON
013977	02/22/12	PJB00	PETER J. BOICE CONSULTANT	190.00	.00	190.00	CORN7.INV	PROP 84 NON-CONST - PARK
013978	02/22/12	RED15	RED TRUCK ROCK YARD, LLC	115.24	.00	115.24	300	CG&S REPLACEMENT - STREET
013979	02/22/12	USA01	USA BLUE BOOK	51.49	.00	51.49	599489	SAFETY ITEMS / PW ADMIN
				82.15	.00	82.15	600404	MAT & SUPPLIES / WATER
Check Total.....:				133.64	.00	133.64		
Cash Account Total.....:				10028.49	.00	10028.49		
Total Disbursements.....:				10028.49	.00	10028.49		
Cash Account Total.....:				.00	.00	.00		

Date.: Feb 22, 2012
Time.: 3:11 pm
Run by: PALA CANTRELL

CITY OF CORNING
NEW BUSINESSES FOR CITY COUNCIL

Page.: 1
List.: NEWB
Group: WTFMB

Business Name	Address	CITY/STATE/ZIP	Contact Name	Business Desc. #1	Business Start Date	Primary Teleph
ANGEL'S TOUCH & DESI	709 FOURTH ST	CORNING, CA 96021	CENDEJAS ERIKA	PHOTOGRAPHY SERVICES	02/09/12	(530)838-0380
MAGIC TOUCH	709 FOURTH ST	CORNING, CA 96021	CENDEJAS ERIKA	PROPERTY PRESERVATION & CLEANUP	02/09/12	(530)838-0380
MENDOZA, MERCED GUAD	6222 SANTA CRUZ RD	CORNING, CA 96021	MENDOZA MERCED	CATALOG SALES - "LOS ALTOS BOOTS"	02/22/12	(530)824-0155
TA TIRE SHOP	3525 HWY 99W	CORNING, CA 96021	TIRATH TIRATH	TIRE SHOP	02/09/12	(530)824-5134
TOMPKINS ELECTRIC	1860 BIDWELL ST	RED BLUFF, CA 96080	TOMPKINS CHARLES	CONTRACTOR - ELECTRIC	02/22/12	(530)529-6800

Item No.: G-5

**ITEM NO.: G-6
REJECT SUBMITTAL OF A
SUSTAINABLE COMMUNITIES
PLANNING GRANT
APPLICATION.**

FEBRUARY 28, 2012

**TO: HONORABLE MAYOR AND COUNCILMEMBERS
OF THE CITY OF CORNING**

**FROM: STEPHEN J. KIMBROUGH, CITY MANAGER
JOHN STOUFER, PLANNING DIRECTOR**



SUMMARY:

The State of California, through Proposition 84 (the same Proposition that funded our new Park) has made available grant funds which would assist with preparing a new General Plan and the required elements of the Plan. On January 10, 2012 the Council approved an expenditure of \$2,000 for on-call Environmental Planning Consultant Eihnard Diaz to attend a Planning Grant Technical Assistance Workshop and prepare a grant application at no cost to the City.

After attending the workshop and further researching some of the commitments the City would have to make should the grant funds be awarded, Mr. Diaz submitted the attached memorandum recommending that the City not submit a grant application at this time. Mr. Diaz recommends that we do more research before possibly submitting an application for the next funding cycle in 2013.

Since returning to work I have had the opportunity to do additional research on the Sustainable Communities Planning Grant and agree with Mr. Diaz. The grant would be very cumbersome and ask the City to make commitments that would jeopardize local control of land use issues. Therefore, Staff is recommending that the Council take the following action:

ACTION:

MAYOR AND COUNCIL DIRECT STAFF NOT TO SUBMIT A GRANT APPLICATION FOR THE 2012 FUNDING CYCLE, BUT DO FURTHER RESEARCH ON THE SUSTAINABLE COMMUNITIES PLANNING GRANT APPLICATION FOR POSSIBLE SUBMITTAL DURING THE NEXT FUNDING CYCLE IN 2013.



Diaz Associates Memorandum

To: Mr. John Stoufer, Planning Director
City of Corning
From: Eihnard Diaz, AICP
Diaz Associates
Date: February 9, 2012
Subject: Sustainable Communities Planning Grant

Please accept this Memorandum as a follow-up to our discussion this morning regarding not submitting an application for a Sustainable Communities Planning Grant.

After attending the January 20, 2012 Planning Grant Application Technical Assistance Workshop, review of the Request for Proposals with Guidelines, and review of several approved 2011 Planning Grant Applications for cities similar in size to the City of Corning (City), it is my recommendation to you and the City that the 2012 Grant Application not be pursued. The following are highlights of some of the key issues.

- The grant proposal is cumbersome and asks for commitments that if included, should be reviewed and approved by the City Council.
- The proposals must identify collaboration with other state, regional and local agencies and public and private “stakeholders.” Public agencies may include but not limited to; Regional Water Quality Control Board, CalTrans, Air Pollution Control Districts, the County, Indian Tribes, Water Conservation Districts, County Health Departments, School Districts, Transit Companies, Regional Transportation Planning Agencies, Resource Management Agencies, etc.
- Cities participated in the development of Integrated Regional Water Management Plans.
- Other existing and future funding sources and amounts that would be committed to the project the proposal addressed needed to be identified.
- Funds and/or in kind services are to be “leveraged.” Funds and/or in-kind services ranged from 12 to 30 percent of the grant amount. One City (Capitola) received \$100,000 to increase their general plan update budget of \$760,000 to \$860,000.
- The application had to identify “indicators” to measure the success of “Program Objectives.” Percentage “increases” and “decreases” had to be identified. Attached is a sample form identifying “Indicators and Outcomes.”

I do recommend that we possibly look forward to the next funding cycle in 2013 by defining a proposal for funding that is well thought out and balances the City’s abilities and needs with the restrictions and outcomes being sought by the grant funding.

As you are aware, the City agreed to pay me for attending the Workshop in Sacramento and associated mileage. Based on not proceeding with the application, I do not find it appropriate to request compensation.

Should you have any questions, please do not hesitate to contact me.

**Form 4c – SAMPLE INDICATORS AND OUTCOMES
(Examples)**

Program Objectives	Indicators (Data Point)	Desired Outcomes
Improve Air Quality and Water Quality	<ul style="list-style-type: none"> ✓ Ozone Levels ✓ Particulate matter ✓ Impaired water segments 	<ul style="list-style-type: none"> ✓ Decrease by _____% ✓ Decrease by _____% ✓ Decrease by _____%
Promote Public Health	<ul style="list-style-type: none"> ✓ Population with asthma ✓ Overweight/ obese population 	<ul style="list-style-type: none"> ✓ Decrease by _____% ✓ Decrease by _____%
Promote Equity	<ul style="list-style-type: none"> ✓ Access to transportation (proximity of residences and businesses to transit and transportation links) ✓ Job growth compared to Job Quality (e.g., wage levels) 	<ul style="list-style-type: none"> ✓ Increase by _____% ✓ Increase by _____%
Increase Affordable Housing	<ul style="list-style-type: none"> ✓ Housing supply that meets regional Housing Needs Allocation for extremely low, very low, and low income households ✓ Housing owners with costs greater than 35% of income 	<ul style="list-style-type: none"> ✓ Increase by _____% ✓ Decrease by _____%
Promote Infill and Compact Development	<ul style="list-style-type: none"> ✓ Proportion of jobs and housing units within ½ mile of transit ✓ Housing units within X distance of transit with Y service 	<ul style="list-style-type: none"> ✓ Increase by _____% ✓ Decrease by _____%
Revitalize Urban and Community Centers	<ul style="list-style-type: none"> ✓ Dollars spent serving infill development as opposed to Greenfield development 	<ul style="list-style-type: none"> ✓ Increase by _____%
Protect Natural Resources and Agricultural Lands	<ul style="list-style-type: none"> ✓ Acres of protected and/or conserved lands ✓ Acres of habitat avoided 	<ul style="list-style-type: none"> ✓ Increase by _____% ✓ Increase by _____%
Reduce Automobile Usage and Fuel Consumption	<ul style="list-style-type: none"> ✓ Transit ridership ✓ Vehicle miles traveled 	<ul style="list-style-type: none"> ✓ Increase by _____% ✓ Decrease by _____%
Improve Infrastructure Systems	<ul style="list-style-type: none"> ✓ Transit Ridership ✓ Parks acres per residents 	<ul style="list-style-type: none"> ✓ Increase by _____% ✓ Increase by _____%
Promote Water Conservation	<ul style="list-style-type: none"> ✓ Residential water usage ✓ Agriculture water usage 	<ul style="list-style-type: none"> ✓ Decrease by _____% ✓ Decrease by _____%
Promote Energy Efficiency and Conservation	<ul style="list-style-type: none"> ✓ Residential energy consumption 	<ul style="list-style-type: none"> ✓ Decrease by _____%
Strengthen the Economy	<ul style="list-style-type: none"> ✓ Number of green jobs ✓ Net business formation 	<ul style="list-style-type: none"> ✓ Increase by _____% ✓ Increase by _____%

ITEM NO: I-7
PUBLIC HEARING; FISCAL YEAR 2012-2013
COMMUNITY DEVELOPMENT BLOCK
GRANT (CDBG) APPLICATION

FEBRUARY 28, 2012

TO: HONORABLE MAYOR AND COUNCILMEMBERS
OF THE CITY OF CORNING

FROM: STEPHEN J. KIMBROUGH, CITY MANAGER
JOHN STOUFER, PLANNING DIRECTOR



BACKGROUND:

This is the first of two required Public Hearings on the Fiscal year 2012-2013 Community Development Block Grant Program to solicit citizen input.

The State CDBG Program publishes an annual Notice of Funding Availability (NOFA) for the General, Economic Development and Planning/Technical Assistance activities each fiscal year. Eligible Cities and Counties may submit an application for CDBG funds under this NOFA. The 2012 NOFA provides for a maximum application amount of \$2,000,000. Eligible activities and amounts included in the maximum application amount are up to \$1,000,000 for housing activities, up to \$1,500,000 for public improvement activities, up to \$500,000 for public services, up to \$1,500,000 for public facilities activities, up to \$500,000 for economic development enterprise fund activities and \$100,000 for planning activities.

Eligible activities paid for with State CDBG funds must meet one or more of the three National Objectives listed in CDBG Federal Statutes as follows: Benefit to low/mod income households or persons; elimination of slums and blight; or meeting urgent community development need (a need resulting from a State or Federal declared disaster).

ALTERNATIVES/OPTIONS:

This is an on-going State/Federal Program that offers the City the opportunity to apply annually for community development grant funds, or apply on behalf of a single business (Over-the Counter Application). There are other project specific or targeted grant programs available from the Department of Housing & Community Development. The City may not qualify for all programs, or rank well for limited competitive funding.

RECOMMENDATION:

DISCUSSION ONLY, NO ACTION IS REQUIRED. THIS PUBLIC HEARING IS THE FIRST OF TWO REQUIRED BY THE STATE DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (H & CD) PRIOR TO SUBMITTAL OF A GRANT APPLICATION.

ITEM NO: J-8
PRESENTATION AND ACCEPTANCE OF
ANNUAL CITY AUDIT FOR
FISCAL YEAR 2010-2011

February 28, 2012

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: STEPHEN J. KIMBROUGH, CITY MANAGER



SUMMARY:

Each year, the City Auditor, Donald Reynolds, CPA, who is accountable directly to the City Council, presents the results of his Annual Audit of Corning financial records. He will be present at the Council Meeting to explain to the City Council the results of the Audit for the past fiscal year 2010-2011.

A copy of the Audit is on file for public review at City Hall; a copy has been distributed to each City Council Member and included in this Agenda Packet on the City's website at www.corning.org.

AUDIT OVERVIEW:

The Audit Report begins on page 3, with the "**Management's Discussion and Analysis**" or "**MD&A**" to provide Management's introduction to the Annual Audit. This is an important part of the Audit report, because it provides an overview of the City financial condition as viewed by the City Management. The MD&A has been reviewed by the Auditor before inclusion in the report. Included are an explanation of the components of the audit and summaries of the Revenues and Expenditures which highlight the City's finances and provides a guide for the reader.

GENERAL FUND:

The General Fund of the City is the main fund that is discretionary in nature; the Council has the freedom to determine the priorities and establish the uses of the General Fund. All of the other Funds are restricted to specific purposes either by City Code or by State Law, though the City Council still sets the priorities.

The "Financial Analysis of the City's Funds" is found on page 6 of the MD&A; it provides a clear view of the General Fund, the key Operating Fund of the City. Note that key operating revenues increase in this fiscal year. On page 7, the importance of Sales Tax as a key city Revenue.

Unless you are a financial analyst, holder of City bonds or the City's Banker, you can ignore the Balance Sheets and go directly from the MD&A to the General Fund "**Comparative Statement of Revenues, Expenditures and Changes in Fund Balance**" (**Exhibit A-2**) on **page 46**. At the bottom of the page, the beginning fund balance is shown as is the ending fund balance. The General Fund balance on July 1, 2010, was \$793,588; the balance has grown to \$960,000 by June 30, 2011.

The City normally sets aside \$800,000 in General Fund monies for an Operating Reserve to cover fluctuations in normal cash flow during the year; like a savings account, the operating reserve covers normal operating expenses until the arrival of specific tax income and State Subventions. The City decided to reduce the operating reserve to \$500,000 to provide funding for City services until the end of the economic recession. Once the current economic recession ends, the Operating Reserve should be slowly increased until it reaches \$1 million.

The Operating Reserve is a savings account; it is **not** current revenue in excess of current budgeted expenses. The City must spend all the General Fund revenue each year to maintain approved service levels.

Exhibit A-3 on Page 47 and 48, Exhibit A-3 provides more detail on General Fund Revenues and where the money is spent, including a comparison of budget versus actual income and expenses. Sales tax recovered and exceeded the original projections by \$447,462.

Some City Departments or functions show negative year end balances in the General Fund as shown in **Exhibit A-3**. The Budget is a financial representation of the Annual Plan of Service, and like any plan, circumstances change during the year leaving some costs lower than estimated and some costs higher. Rather than amending the budget during the year, the over expenditures are left for all to see in order to learn and improve on the next budget.

OTHER FUNDS:

The other specialized Funds such as the road funds are listed in **Exhibit B-2 on page 56 through page 62**.

Exhibit B-2 shows the **Capital Replacement and the Capital Improvement Funds**, including development fee related funds including the Traffic Mitigation Fund 116, and Drainage Fund 345. The Department **Equipment Replacement Funds are in Exhibit C-2 beginning on page 77**.

Page 85, Exhibit E-2, shows the three Trust Funds, **J.T. Levy** scholarship fund (balance \$27,854), **Rodgers Theatre Trust** (balance \$21,965), and the **Riddell Library fund** balance of \$265,648, having grown from \$263,864 at the beginning of the year.

The **Sewer Fund 610** and **Water Fund 630** are summarized on page 82 and again on pages 91 and 93; be cautious; Depreciation and Amortization are included and distort the net income and do not include principal payments on long-term debt. Retained Earnings include the total cost of all fixed assets less any accumulated depreciation and any long term debt, and this gives a distorted view of the net income for a reader with a non-financial background; **a clear picture is provided and will be presented on February 28, 2012, in the Mid-year Budget Report**.

RECOMMENDATION:

MAYOR AND COUNCIL MEMBERS RECEIVE AND ACCEPT THE ANNUAL AUDIT FOR FISCAL YEAR ENDING JUNE 30, 2011.

**CITY OF CORNING
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2011**

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INTRODUCTORY SECTION

**CITY OF CORNING
PRINCIPAL OFFICIALS
June 30, 2011**

**CITY COUNCIL
(Terms as of June 30, 2011)**

Name	Office	Term Expires
GARY STRACK	Mayor	2012
TONI PARKINS	Vice-Mayor	2012
DARLENE DICKISON	Councilwoman	2014
JOHN LEACH	Councilman	2012
DAVE LINNET	Councilman	2014

**CITY CLERK
LISA LINNET**

**CITY TREASURER
PALA CANTRELL**

**CITY MANAGER & FINANCE DIRECTOR
STEPHEN J. KIMBROUGH**

FINANCIAL SECTION

Donald R. Reynolds
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

The Honorable City Council
City of Corning
Corning, California

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Corning, California as of June 30, 2011, and for the year then ended, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Corning, California's management. My responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

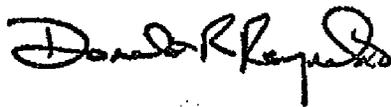
In my opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of Corning, California as of June 30, 2011 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated January 31, 2012 on my consideration of the City's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, grants, and contracts. The purpose of that report is to describe the scope of our 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 read in conjunction with this report in considering the results of my audit.

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

The management's discussion and analysis and budgetary comparison information on pages 3 through 11, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Corning, California, basic financial statements. The combining and individual nonmajor fund financial statements as well as the schedule of expenditures of federal awards are not a required part of the basic financial statements, and are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Such information has been subjected to the auditing procedures applied to the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on them.



Donald R. Reynolds,
Certified Public Accountant
January 31, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This section of the Comprehensive Annual Financial Report provides a narrative overview and analysis of the financial activities of the City of Corning for the fiscal year ended June 30, 2011. This should be read in conjunction with the transmittal letter and the financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City of Corning exceeded its liabilities at June 30, 2011 by \$15.51 million (net assets). Of this amount, \$2.52 million (unrestricted net assets) may be used to meet the government's ongoing obligations to its citizens and creditors.
- Total net assets decreased by \$527 thousand, with a decrease of \$432 thousand in net assets of governmental activities, and a decrease of \$95 thousand in business-type activities.
- Governmental funds, on June 30, 2011, reported combined Net Assets of \$6.79 million, a decrease of \$426 thousand in comparison to the previous fiscal year. These net assets are largely investments in capital assets with \$4.81 million (44.03%) being unreserved and available for spending (unreserved fund balance).
- As of June 30, 2011, the General Fund had a year-end fund balance of \$960 thousand, \$160 thousand of which was unreserved. The unreserved General Fund balance at June 30, 2011, represented 3.83% of 2010-2011 General Fund expenditures of \$4.17 million.

OVERVIEW OF THE FINANCIAL HIGHLIGHTS

The basic financial statements are comprised of three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also includes other supplementary information as well as a *Single Audit* section that presents required reports on internal controls and compliance with laws and regulations related to federal grants.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

This set of statements is designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* (Statement 1) presents information on all the City's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the City of Corning is improving or declining.

The *statement of activities* (Statement 2) presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as for uncollected taxes and earned but not yet used vacation time.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees or are required by grantor agencies to be accounted for in this fashion (*business-type activities*). The governmental activities include general government, public safety, public works, planning, community development, and recreation and cultural. The business-type activities of the City are water and sewer.

The government-wide financial statements are intended to include not only the City of Corning itself (known as the *primary government*), but also its component units, entities for which the government is considered to be financially responsible. Blended component units, although legally separate entities, are in substance, part of the government's operations and so data from these units are combined with data of the primary government. The City of Corning has no reported component units.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Corning, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Corning can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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 impacts of the government's near-term decisions. Both the governmental fund balance sheet and the government fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

The City of Corning adopts annual appropriations for its governmental funds. As required supplementary statements, budgetary comparison statements have been provided to demonstrate compliance with adopted appropriations. The basic governmental fund financial statements can be found on pages 15-17 of this report.

Proprietary Funds. The only type of proprietary funds the City of Corning maintains are enterprise funds. *Enterprise funds* are used to report the same functions as business-type activities in the government-wide financial statements. The City of Corning uses enterprise funds to account for its water, sewer and solid waste enterprises, as well as the airport and transportation center.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer enterprises. Both of the City's enterprise funds are considered major funds. The basic proprietary fund financial statements can be found on pages 18-20 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Corning's own programs. The accounting used for fiduciary funds is much like that use for proprietary funds. The basic fiduciary fund financial statements can be found on pages 21-22 of this report. The City administers three fiduciary funds, the Ridell Library Trust, the J.T. Levy Scholarship Trust and the Rodgers Theatre Fund.

Notes to the Financial Statements. The notes provide additional important information that is essential to the reader for a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. For the City of Corning, assets exceeded liabilities by \$15.51 million at June 30, 2011. Net assets decreased by \$527 thousand in Fiscal Year 2010-2011.

By far the largest portion of the City of Corning's net assets (70 percent) reflects the City's investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Corning uses these assets to serve its citizens and businesses; consequently, these assets are *not* available for spending. Although the City of Corning's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental Activities. Governmental activity expenses totaled \$5.25 million in Fiscal Year 2010-2011. Program revenues totaled \$535 thousand. General revenues and transfers totaled \$4.28 million. Tax revenues (84.04 percent) represented the largest share of general revenues and intergovernmental and other revenues (15.37 percent) represented the second-largest share of general revenues and transfers.

The largest portion of governmental activity expenses; public safety activities, represented 60.5 percent. 21.1 percent related to general government activities and street related activities accounted for another 11.9 percent. Recreation and cultural activities represented 5.4 percent, while community and economic development represented 1.1 percent.

Business-type Activities. Business-type activity expenses totaled \$3.39 million in Fiscal Year 2010-2011. Charges for services totaled \$3.18 million, and lease, rents and other revenues totaled \$390 thousand. Sewer enterprise expenses totaled \$1.83 million, with charges for sewer services totaling \$1.49 million. Water enterprise expenses totaled \$1.10 million, with charges for water services totaling \$1.27 million. Solid Waste expenses totaled \$415 thousand, with charges for Solid waste services totaling \$414 thousand. Airport enterprise expenses totaled \$26 thousand. Transportation Center enterprise expenses totaled \$15 thousand.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier in this discussion and analysis, the City of Corning uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These funds have been classified as governmental or proprietary.

Governmental Funds. The focus of the *City's governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2011, the City of Corning's governmental funds reported combined ending fund balances of \$2.24 million. Of this total, 64.28% (1.44 million) was unreserved, which is available for spending at the City's discretion.

General Fund. The General Fund is the chief operating fund of the City of Corning. In 2010-2011, there was a surplus of General Fund revenues and other financing sources over expenditures and other uses in the amount of \$160,441. The City Departments spent \$234,373 more than budgeted.

General Fund Revenues.

Sales and use tax revenues rose 30.965% from 2009-2010 to 2010-2011 as a result of improving retail, particularly fuel and automotive sales

Property tax revenues declined 7.47% from 2009-2010 to 2010-2011,

Franchise taxes increased by 16.18 % from 2009-2010 to 2010-2011.

Vehicle License Fees increased by 14.66 % from 2009-2010 to 2010-2011. The State had finally paid back one of its "Takings" from local government revenues making 2009-2010 higher than normal. The state has also completely changed it method for allocating Vehicle License Fees which may result in future increases.

Transient occupancy tax decreased by 25.85% from 2009-2010 to 2010-2011, generally due to the timing of hotel payments.

Intergovernmental revenues were up 39.58% from 2009-2010 to 2010-2011. The City received additional grant revenues in 2010-2011 for numerous projects.

Charges for services and other revenues decreased by 1.73% from 2009-2010 to 2010-2011, due to a large decrease in Public Works/Planning plan check and development application fees in the prior year, continuing into the current year. Licenses and permits decreased by 46.29% from 2009-2010 to 2010-2011.

Overall, general fund revenues increased 12.78%, from \$3,691,417 in the prior fiscal year, 2009-2010, to \$4,163,542 in fiscal year 2010-2011, not including transfers.

	<u>2010/11</u>	<u>% of Total</u>	Change from 2009/10
Sales, use and other taxes	\$ 2,092,962	50.3%	\$ 494,789
Property taxes	488,151	11.7%	(39,432)
Franchise taxes	120,618	2.9%	16,801
Vehicle license fees	567,097	13.6%	72,510
Transient Occupancy tax	266,010	6.4%	(92,726)
Other taxes	18,858	0.5%	(2,445)
Intergovernmental	352,516	8.5%	99,967
Interest	2,092	0.1%	(3,244)
Licenses and permits	84,929	2.0%	(73,195)
Other	<u>170,310</u>	<u>4.0%</u>	<u>(899)</u>
Total revenues	\$ 4,163,543	100.0%	\$ 472,126

General Fund expenditures. General Fund expenditures totaled \$5.11 million in 2009-2011.

	<u>2010/11</u>	<u>% of Total</u>	Change From 2009/10
General government	\$ 555,071	13.3%	\$ 200
Public safety	3,175,160	76.2%	(10,187)
Transportation	185,714	4.5%	(46,816)
Cultural, Parks and Recreation	230,592	5.5%	(23,210)
Community/Economic development	21,500	.5%	(1,100)
Debt Service	-	- %	-
Capital outlay	-	- %	-
Total expenditures	<u>\$ 4,168,037</u>	<u>100.0%</u>	<u>\$ (81,113)</u>

General government expenditures increased .04%. Public safety expenditures declined .30%. General Fund Transportation expenditures decreased 20.13%. Culture, parks and recreation expenditures decreased 9.14%. Community/ Economic development expenditures fell 4.86%. Retirement of principal and interest charges is nominal in the General Fund. \$340,333 in capital outlay was expended in 2010-2011 to purchase the City's new additions to fixed assets.

General Fund analysis General Fund expenditures exceeded General Fund revenues by \$549,818 in fiscal year 2010-2011.

This was intentional. During the budget adoption process each June, the City Council allocates most of the "Available Reserve" (prior year savings) to one time capital projects identified in the "Long Term Capital Improvement Program".

The highest priority has been street rehabilitation.

Proprietary funds. The City's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. Highlights of the annual activity for these funds have already been provided in the discussion of the business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

A detailed budgetary comparison schedule for the year ended June 30, 2011, is presented as required supplementary information following the notes to the financial statements. The following summarizes the final General Fund budget compared to actual results for 2010-2011:

	<u>Final Budget</u>	<u>Actual</u>
Revenues	\$ 3,375,930	\$ 4,163,543
Other Sources Transfers in	<u>188,663</u>	<u>188,662</u>
Total Revenues and Other Source	<u>3,564,592</u>	<u>4,352,205</u>
Expenditures and Transfers-out	<u>(3,957,391)</u>	<u>(4,191,764)</u>
Excess (Deficiency)	<u>\$ (392,799)</u>	<u>\$ 160,441</u>

The City Departments spent \$234,373 more than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Corning's investment in capital assets for its governmental and business type activities as of June 30, 2011, amounts to \$21.23 million (net of accumulated depreciation). This investment in capital assets includes land, park improvements, buildings and improvements, vehicles and equipment, streets, bikeways, water, sewer and storm drain systems.

Additional information on the City's capital assets may be found in note 3 to the basic financial statements.

Long-term debt. At June 30, 2011, the City had \$135 thousand in governmental activity debt outstanding. The City had \$9.89 million in business-type activity debt outstanding. Details on the long-term debt can be found in footnote number 4 of the financial statements. During the current year the City retired \$161 thousand in long-term debt.

Additional information about the nature and type of long-term debt can be found in Note 4 to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

Sales Tax from Fuel, Automobile and Truck sales are increasing again while other retailers in Corning have remained stable. There was a 30% increase in retail sales in Corning in 2010-2011 with total sales tax received in the amount of \$2,092,962. The prior year, 2009-2010 had dropped to \$1,598,173.

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

Even with this decline in sales, Corning has one of, if not, the highest per capita sales tax incomes in the north state. In other words, Corning has more sales tax income per resident to spend on services.

Other City operations remain in good financial shape. The Water Enterprise invested in one new well in 2010-2011, to support the City's ISO Class II rated Water System. City Council enacted a five year series of annual rate increases intended to maintain a stable cash flow and to assure investors of the stability of the City.

The Sewer Enterprise is setting aside net revenues to fund future repairs and facility replacement. The decline in home building leaves the Sewer Capital Fund short of funds for debt service on the plant expansion bonds, but the Sewer Operating Fund is pledged to makeup any shortage of revenue from new development. The Sewer Rates are increased annually as part of a long range plan adopted by the City Council.

The greatest impact of the recession hits Street Maintenance which is funded by State gas taxes and the City General Fund. Few people realize that State gas taxes are a small portion of a City's investment in Roads. The City received only \$195,714 in State Gas Taxes during the year; that is only \$25.54 per year per resident. The balance of the funds spent on roads comes from the City General Fund.

Even in these economic times, the City is pursuing an aggressive Park development program and planning for the future. This year the City awarded \$4,276,800, competitive State Proposition 84 Grant for a major new park in the southwest "quadrant" of the City. The city

will add 17 new acres of developed parks. The City is positioning itself to purchase additional land for future development in order to meet the needs of future population growth.

BUDGETARY CUTS MADE AND CONTINUING

The City continued another full year of personnel cost reductions through the "Furlough" of all City Employees every other Friday, a savings of 10% of employee costs. Capital Improvements routinely funded from the City General Fund in the past, must be postponed.

The City Management Team moved quickly to reduce spending as soon as the lower sales tax figures were revealed in January 2009. Four Public Works vacancies were left unfilled. By June 2009, the City Council and management were reviewing reductions in personnel costs through a cycle of one day per pay period layoffs of all city employees. These "Furloughs", as people like to call them, began in October 2009, as soon as the City had firm financial information to share with the City Employees who all agreed to the Plan to reduce employee costs by 10%.

There are only 41 full time City Employees and the City has a huge investment in them. This makes the Employees the greatest asset of the City, a Service Company, and well worth retaining by maintaining stable employment. A Police Officer, for example costs the City between \$150,000 and \$200,000 in training and on-the-job experience. Most people do not realize the City of Corning operates with very little overhead. The Police Department leads through the Chief and Three Sergeants; there are no Captains or Lieutenants. The Fire Department, an ISO Class 4 rated agency, is a ninety-nine year old Volunteer Department with no full time firefighters, saving the City over \$1 million per year. The entire Public Works Department has seven Maintenance Workers and a field supervisor. Only the Director and the Public Works Secretary are in the office. All City Employees have direct service contact with the public.

STATE'S CONTINUED FAILURE TO RESOLVE STATE FINANCES

As noted in the past, the State of California's continued budget problems still impact the positive trends in local revenue growth. Lingering State revenue/expenditure imbalances will continue to adversely affect the City.

Since 1992, the State has diverted (taken) nearly \$2 million in local property tax to fund the State responsibilities.

REQUESTS FOR INFORMATION

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 Stephen J. (Steve) Kimbrough City Manager, City of Corning, 794 Third Street, Corning, California 96021.

BASIC FINANCIAL STATEMENTS

CITY OF CORNING
STATEMENT OF NET ASSETS
June 30, 2011

Statement 1

	Primary Government		
	Governmental Activities	Business Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 2,284,646	\$ 1,836,660	\$ 4,121,306
Intergovernmental Receivable	59,937	-	59,937
Accounts Receivable	11,320	187,674	198,994
Notes Receivable (C.D.B.G.)	5,000	-	5,000
Receivable from Other Governments	15,563	-	15,563
Other Receivable	5,219	-	5,219
Inventory	-	71,148	71,148
Due From Other Funds	118,421	(118,421)	-
Total Current Assets	<u>2,500,106</u>	<u>1,977,061</u>	<u>4,477,167</u>
Noncurrent Assets:			
Restricted Cash	-	953,767	953,767
Notes Receivable (C.D.B.G.)	556,853	-	556,853
Net Capital Assets (Note 2):			
Enterprise Funds	-	16,100,027	16,100,027
General Plant & Equipment	5,128,362	-	5,128,362
Total Capital Assets, net	<u>5,128,362</u>	<u>16,100,027</u>	<u>21,228,389</u>
Total Noncurrent Assets	<u>5,685,215</u>	<u>17,053,794</u>	<u>22,739,009</u>
Total Assets	<u>8,185,321</u>	<u>19,030,855</u>	<u>27,216,176</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	224,405	125,892	350,297
Accrued Wages/Payroll Taxes	20,993	5,285	26,278
Accrued Interest Payable	-	124,746	124,746
Deposits	-	64,379	64,379
Deferred Revenue	571,348	-	571,348
Current Portion of non-current liabilities	174,780	224,288	399,068
Total Current Liabilities	<u>991,526</u>	<u>544,590</u>	<u>1,536,116</u>
Noncurrent Liabilities:			
Notes, Bonds and Certificates Payable	-	9,712,200	9,712,200
Accrued Compensated Absences	268,690	50,548	319,238
Capital Leases	139,131	-	139,131
Total Noncurrent Liabilities	<u>407,821</u>	<u>9,762,748</u>	<u>10,170,569</u>
Total Liabilities	<u>1,399,347</u>	<u>10,307,338</u>	<u>11,706,685</u>
NET ASSETS			
Nonspendable - Investment in Capital Assets, net of related debt	4,814,451	6,048,835	10,863,286
Restricted for:			
Debt Service	-	2,122,817	2,122,817
Assigned	1,971,523	551,865	2,523,388
Total Net Assets	<u>\$ 6,785,974</u>	<u>\$ 8,723,517</u>	<u>\$ 15,509,491</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended June 30, 2011

Statement 2

	Program Revenues				Net (Expense)/ Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS/PROGRAMS					
Governmental Activities:					
General Government:					
City Council	\$ 40,533	\$ -	\$ -	\$ -	\$ (40,533)
City Administration	207,205	-	-	-	(207,205)
City Clerk	28,892	-	-	-	(28,892)
City Treasurer	1,326	-	-	-	(1,326)
City Finance	69,357	-	-	-	(69,357)
General Government	761,956	97,999	-	-	(663,957)
Total General Government	1,109,269	97,999	-	-	(1,011,270)
Public Safety and Judiciary:					
Legal Services	80,148	-	-	-	(80,148)
Police	2,061,313	30,120	180,213	-	(1,850,980)
Police Dispatch	452,774	-	-	-	(452,774)
Animal Control	81,536	-	-	-	(81,536)
Fire	499,389	-	-	-	(499,389)
Total Public Safety and Judiciary	3,175,160	30,120	180,213	-	(2,964,827)
Transportation:					
Airport	-	-	-	-	-
Streets	621,797	-	-	95,915	(525,882)
Total Transportation	621,797	-	-	95,915	(525,882)
Cultural, Parks and Recreation					
Library	17,599	-	-	-	(17,599)
Theater	1,988	-	-	-	(1,988)
Parks and Recreation	265,171	39,113	-	-	(226,058)
Total Cultural, Parks and Recreation	284,758	39,113	-	-	(245,645)
Community/Economic Development:					
Economic Development	56,107	-	-	91,220	35,113
Total Community/Economic Development	56,107	-	-	91,220	35,113
Business-Type Activities					
Sewer	1,826,420	1,488,059	-	-	(338,361)
Water	1,101,801	1,274,729	-	-	172,928
Solid Waste	415,197	413,842	-	-	(1,355)
Airport	27,576	-	-	-	(27,576)
Transportation	15,301	-	-	-	(15,301)
Total Business-Type Activities	3,386,295	3,176,630	-	-	(209,665)
Total	\$ 8,633,386	\$ 3,343,862	180,213	187,135	(4,922,176)

See accompanying notes to
the basic financial statements.

CITY OF CORNING
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended June 30, 2011

Statement 2
(Continued)

CHANGES IN NET ASSETS:

	<u>Governmental Activities</u>	<u>Business Activities</u>	<u>Total</u>
Net (Expense)/Revenue	\$ (4,712,511)	\$ (209,665)	\$ (4,922,176)
General Revenues:			
Taxes			
Sales and Use Taxes	2,092,962	-	2,092,962
Property Taxes	488,151	-	488,151
Franchise Taxes	120,618	-	120,618
Vehicle License Fees	567,097	-	567,097
Transit Occupancy Tax	266,010	-	266,010
Other Taxes	158,799	-	158,799
Intergovernmental	504,928	-	504,928
Investment Income	13,390	12,863	26,253
Other	68,464	102,041	170,505
Transfers - Internal Activity	293	(293)	-
Total General Revenues and Transfers	<u>4,280,712</u>	<u>114,611</u>	<u>4,395,323</u>
Change in Net Assets	(431,799)	(95,054)	(526,853)
Net Assets - Beginning of Year	<u>7,211,608</u>	<u>8,831,014</u>	<u>16,042,622</u>
Prior Period Adjustment	6,165	(12,443)	(6,278)
Residual Equity Transfers In (Out)	-	-	-
Net Assets - Ending of Year	<u>\$ 6,785,974</u>	<u>\$ 8,723,517</u>	<u>\$ 15,509,491</u>

See accompanying notes to
the basic financial statements.

FUND FINANCIAL STATEMENTS

CITY OF CORNING
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

Statement 3

ASSETS	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and Investments	\$ 993,224	\$ 1,291,422	\$ 2,284,646
Intergovernmental Receivable	1,498	58,439	59,937
Accounts Receivable	11,320	-	11,320
Notes Receivable (C.D.B.G.)	-	561,853	561,853
Receivable from Other Governments	15,563	-	15,563
Other Receivable	5,219	-	5,219
Due From Other Funds	-	<u>118,421</u>	<u>118,421</u>
Total Assets	<u>1,026,824</u>	<u>\$ 2,030,135</u>	<u>\$ 3,056,959</u>
LIABILITIES			
Accounts Payable	\$ 36,246	\$ 188,159	\$ 224,405
Accrued Wages/Payroll Taxes	20,993	-	20,993
Due to Other Funds	-	-	-
Deferred Revenue	<u>9,495</u>	<u>561,853</u>	<u>571,348</u>
Total Liabilities	<u>66,734</u>	<u>750,012</u>	<u>816,746</u>
FUND BALANCES			
Reserved for:			
Contingencies	800,000	-	800,000
Insurance	-	-	-
Unreserved, reported in			
General Fund	160,090	-	160,090
Special Revenues Funds	-	912,192	912,192
Capital Projects Funds	-	<u>367,931</u>	<u>367,931</u>
Total Fund Balances	<u>960,090</u>	<u>1,280,123</u>	<u>2,240,213</u>
Total Liabilities and Fund Balances	<u>\$ 1,026,824</u>	<u>\$ 2,030,135</u>	<u>\$ 3,056,959</u>

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

Total Fund Balance - Total Governmental Funds	\$ 2,240,213
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets unused in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$ 2,674,170.	5,128,362
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Certificates of Participation	\$ -
Accrued Compensated Absences	(268,690)
Capital Lease	<u>(313,911)</u>
Net Assets of Governmental Activities	<u>\$ 6,785,974</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, 2011

Statement 4

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:			
Taxes	\$ 3,005,918	\$ 120,622	\$ 3,126,540
Intergovernmental Revenues	752,843	415,097	1,167,940
Interest	2,092	11,298	13,390
Licenses and Permits	65,609	-	65,609
Miscellaneous	337,080	104,440	441,520
Total Revenues	<u>4,163,542</u>	<u>651,457</u>	<u>4,814,999</u>
EXPENDITURES:			
Current:			
General Government:			
City Council	21,944	-	21,944
City Administration	112,178	-	112,178
City Clerk	15,642	-	15,642
City Treasurer	718	-	718
City Finance	37,549	-	37,549
General Government	<u>367,040</u>	<u>45,473</u>	<u>412,513</u>
Total General Government	<u>555,071</u>	<u>45,473</u>	<u>600,544</u>
Public Safety and Judiciary:			
Legal Services	80,148	-	80,148
Police	2,061,313	-	2,061,313
Police Dispatch	452,774	-	452,774
Animal Control	81,536	-	81,536
Fire	499,389	-	499,389
Total Public Safety and Judiciary	<u>3,175,160</u>	<u>-</u>	<u>3,175,160</u>
Transportation:			
Streets	185,714	436,083	621,797
Total Transportation	<u>185,714</u>	<u>436,083</u>	<u>621,797</u>
Cultural, Parks and Recreation			
Library	17,599	-	17,599
Theater	1,988	-	1,988
Parks and Recreation	211,005	54,166	265,171
Total Cultural, Parks and Recreation	<u>230,592</u>	<u>54,166</u>	<u>284,758</u>
Community/Economic Development:			
Economic Development	21,500	34,607	56,107
Total Community/Economic Development	<u>21,500</u>	<u>34,607</u>	<u>56,107</u>
Debt Service:			
Principal	-	-	-
Interest and Other Charges	-	-	-
Capital Outlay	-	630,946	630,946
Total Expenditures	<u>4,168,037</u>	<u>1,201,275</u>	<u>5,369,312</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,495)</u>	<u>(549,818)</u>	<u>(554,313)</u>
OTHER FINANCING SOURCES (USES)			
Debt Proceeds	-	-	-
Transfers In / Out	164,936	(164,643)	293
Total Other Financing Sources and (Uses)	<u>164,936</u>	<u>(164,643)</u>	<u>293</u>
Net Change in Fund Balances	160,441	(714,461)	(554,020)
Fund Balances-Beginning of Year	<u>793,588</u>	<u>1,994,480</u>	<u>2,788,068</u>
Prior period adjustment	6,061	104	6,165
Fund Balances-End of Year	<u>\$ 960,090</u>	<u>\$ 1,280,123</u>	<u>\$ 2,240,213</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, 2011

Statement 4
(Continued)

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

Net change in fund balances - Total Governmental Funds	\$	(554,020)
Amounts reported for governmental activities in the Statement of Activities and changes in net assets are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the estimated useful life of the assets:		
Capital assets purchases capitalized	340,333	
Depreciation expense	<u>(251,369)</u>	88,964
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:		
Capital lease obligation principal payments		-
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures on governmental funds:		
Accrued compensated absences		<u>33,256</u>
Change in Net Assets of Governmental Activities	\$	<u>(431,800)</u>

**CITY OF CORNING
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2011**

Statement 5

	<u>Enterprise Funds</u>
<u>ASSETS</u>	
<u>Current Assets:</u>	
Cash and Investments	\$ 1,836,660
Accounts Receivable	187,674
Inventory	<u>71,148</u>
Total Current Assets	<u>2,095,482</u>
<u>Noncurrent Assets:</u>	
Capital Assets:	
Property, Plant, and Equipment	25,498,337
Accumulated Depreciation	<u>(9,497,986)</u>
Net Capital Assets	<u>16,000,351</u>
Loan Acquisition Costs	136,807
Accumulated Amortization	<u>(37,131)</u>
Net Loan Acquisition Costs	<u>99,676</u>
Restricted Assets	<u>953,767</u>
Total Noncurrent Assets	<u>17,053,794</u>
Total Assets	<u>\$ 19,149,276</u>
 <u>LIABILITIES</u>	
<u>Current Liabilities:</u>	
Accounts Payable	\$ 125,892
Accrued Wages/Payroll Taxes	5,285
Due to Other Funds	118,421
Accrued Interest Payable	124,746
Deposits	64,379
Current Portion of Non-Current Liabilities	<u>224,288</u>
Total Current Liabilities	<u>663,011</u>
<u>Noncurrent Liabilities:</u>	
Notes, Bonds and Certificates Payable	9,712,200
Accrued Compensated Absences	<u>50,548</u>
Total Noncurrent Liabilities	<u>9,762,748</u>
Total Liabilities	<u>10,425,759</u>
 <u>NET ASSETS:</u>	
Investment in Capital Assets, net of related debt	6,048,835
Restricted for:	
Debt Service	2,122,817
Unrestricted	<u>551,865</u>
Total Net Assets	<u>8,723,517</u>
Total liabilities and net assets	<u>\$ 19,149,276</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

Statement 6

	<u>Enterprise Funds</u>
OPERATING REVENUES:	
Charges for Services	
Sewer Charges	\$ 1,487,404
Water Charges	1,272,364
Solid Waste	413,842
Connection Fees	3,020
Lease and Rents	30,086
Other revenue	71,955
Total Operating Revenues	<u>3,278,671</u>
OPERATING EXPENSES:	
Salaries and Benefits	729,387
Utilities	284,650
Depreciation	632,650
Amortization	6,219
Other Expenses	1,279,040
Total Operating Expenses	<u>2,931,946</u>
Operating Income	<u>346,725</u>
NONOPERATING REVENUES (EXPENSES):	
Interest Income	12,863
Interest expense	<u>(454,349)</u>
Total Nonoperating Revenue (Expenses)	<u>(441,486)</u>
Income Before Contributions and Transfers	(94,761)
Operating transfers in (out)	<u>(293)</u>
Net income (Loss)	(95,054)
Net Assets-Beginning of Year - As previously stated	<u>8,831,014</u>
Prior period adjustment	<u>-</u>
Net Assets-Beginning of Year - As restated	8,831,014
Residual Equity Transfers In	2,556,484
Residual Equity Transfers Out	<u>(2,568,927)</u>
Net Assets-End of Year	<u>\$ 8,723,517</u>

See accompanying notes to
the basic financial statements.

**CITY OF CORNING
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2011**

Statement 7

	<u>Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 3,477,487
Other Operating Cash Receipts	102,041
Payments to Suppliers	(1,895,425)
Payments to Employees	<u>(759,516)</u>
Net Cash Provided (Used) by Operating Activities	<u>924,587</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Operating transfers from (to) other funds	<u>(12,736)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Interest Paid	(454,349)
Repayment of Certificates of Participation	(193,900)
Loss on disposition of assets	-
Payments for capital acquisitions	<u>(138,137)</u>
Net cash (used by) capital and related financing activities	<u>(786,386)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Receipts of interest	<u>12,863</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>138,328</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,698,332</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,836,660</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Net Operating Income (Loss)	\$ 346,725
Adjustments to Reconcile Net Income to Net Cash Provided by (Used by) Operating Activities:	
Depreciation	638,869
Decrease (Increase) in Accounts Receivable	294,396
Decrease (Increase) in Inventory	(706)
Decrease (Increase) in Other Assets	(24,407)
Increase (Decrease) in Accounts Payable	(254,536)
Increase (Decrease) in Wages Payable	(10,357)
Increase (Decrease) in Accrued Compensation	(19,772)
Increase (Decrease) in Due to Other Funds	(49,892)
Increase (Decrease) in Interest Payable	(2,194)
Increase (Decrease) in Deposits	<u>6,461</u>
Net cash from (used for) operating activities	<u>\$ 924,587</u>

See accompanying notes to the
basic financial statements.

CITY OF CORNING
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

Statement 8

	<u>Private Purpose Funds</u>
<u>ASSETS</u>	
Cash and Investments	\$ 315,467
Total Assets	<u>\$ 315,467</u>
 <u>Net Assets</u>	
Held in trust for:	
Scholarships	\$ 27,854
Library Systems	265,648
Theater	<u>21,965</u>
Total Net Assets	<u>315,467</u>
Total Liabilities and Net Assets	<u>\$ 315,467</u>

CITY OF CORNING
STATEMENT OF CHANGE IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

Statement 9

	<u>Private Purpose Trust</u>
<u>Additions:</u>	
Interest Income	\$ 5,948
Total Revenues	<u>5,948</u>
<u>Deductions:</u>	
Scholarships	250
Capital Outlay	-
Other Deductions	<u>2,841</u>
Total Deductions	<u>3,091</u>
Excess (Deficiency) of Revenues	
Over Expenditures	<u>2,857</u>
Other Financing Sources (Uses):	
Operating Transfers In	-
Operating Transfers Out	<u>-</u>
Total Other Financing Source (Uses)	<u>-</u>
Change in Net Assets	<u>2,857</u>
Net Assets-Beginning of the Year	<u>312,610</u>
Net Assets-End of the Year	<u>\$ 315,467</u>

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 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.

A. REPORTING ENTITY

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the City of Corning 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, water, and wastewater services; the construction and maintenance of highways, streets and infrastructure; recreational activities and cultural events.

The City is a general law city in the State of California. The City is governed by an elected City Council consisting of five council members. These financial statements present all the fund types of the City and its component units. Blended component units, although legally separate entities, are, in substance, part of the City's operations.

The City has determined that there is one potential component unit to be included within the reporting entity, the Corning Redevelopment Agency. As of this year, the City has not funded the Agency, and as a result there are no activities to be included in the City's financial statements.

B. BASIS OF PRESENTATION

Government-wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

Governmental Funds

General Fund: The General Fund is the primary fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for certain purposes.

Capital Project Funds: The Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes thirteen Capital Project Funds and they are used to account for the acquisition or construction of major capital facilities.

Proprietary Funds

Enterprise Fund: Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing services to the general public on a continuing basis be financed primarily through user charges, or (b) where the governing body had decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public police, management control, accountability, or other purposes.

Fiduciary Funds

Trust and Agency Funds: Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Expendable Trust, Pension Trust, and Agency Funds. Expendable Trusts are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets Equal liabilities) and do not involve measurement of results of operations.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheet. Their operating statements

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.
- c. Trust and Agency Funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

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

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both the governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurement means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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

D. ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

For the purpose of the Statement of Net Assets, "cash, includes time deposits" includes all demand, savings, accounts, and certificates of deposits of the City. For the Purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalent" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less. Investments of the promissory note trustee accounts are not considered cash equivalent.

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND EQUITY (Continued)

Cash and Investments (Continued)

The City pools idle cash from all funds for the purpose of increasing income through investment activities. Cash deposits are stated at cost, which approximates fair value. Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement Number 31. Investment income is recorded as revenue in the individual funds based on the computed average interest rate of all investments and the average daily cash balance of each fund. For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments.

Interfund Receivable and Payable

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

Receivables

In the Government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, and police fines. Business-type activities report utilities as their major receivables.

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

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Utility accounts receivable compose the majority of the proprietary fund receivables.

Inventory

Inventory of supplies in the enterprise funds is valued at estimated cost under the first in, first out (FIFO) method.

Compensated Absences

The City permits its employees to accumulate a limited amount of earned but unused vacation and compensatory time and to redeem such unused vacation time in cash upon death or termination of employment, or by extended absence immediately preceding retirement. The employees are permitted to carryover, within limits, unused vacation or compensatory time off from one year to the next. The total amount of unpaid vacation and compensatory time off at June 30, 2011 has been determined and is reflected in the financial statements as both a current liability and non-current liability. Sick leave, however, does not vest to the employees and is payable only when sick leave is taken.

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND EQUITY (Continued)

Capital Assets

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

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	10-40 years
Improvements	10-40 years
Machinery and Equipment	3-20 years
Utility System	5-50 years
Infrastructure	15-50 years

Restricted Assets

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to promissory notes and utility deposits.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable and interfund loan payables.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND EQUITY (Continued)

Deferred 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.

Equity Classifications

Beginning with fiscal year 2011, the City implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance-amounts in fund balance that cannot be spent because they are either not in spendable form (such as prepaids and inventory) or legally/contractually are required to be maintained intact;

Restricted fund balance-resources that are constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through externally enforceable legal restrictions (cannot be spent due to their form);

Committed fund balance-amounts are constrained to specific purposes by action of the City itself, using its highest level of decision-making authority; removal or modification of the restrictions on the use of these amounts can only be accomplished if the City takes the same highest level action to remove or change the constraint;

Assigned fund balance-amounts the City intends to use for a specific purpose; intent can be expressed by the City, a City created committee, or an official designated by the City to which it delegates the authority; Informal commitments (no formal action by the City);

Unassigned fund balance-Resources in the fund balance that cannot be classified into any of the other categories. These amounts that are available for any purpose; positive amounts are reported only in the general fund.

The City establishes fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the City.

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. ASSETS, LIABILITIES, AND EQUITY (Continued)

Equity Classifications (Continued)

Unreserved fund balance:

Designated for local initiatives and program sustainability consists of funds that have been reserved for one of the following two purposes:

1. Funds to operate a specific program or project in the current or future fiscal years that have not yet been encumbered or authorized for definite contracts.
2. Funds that have been set aside for long-term program sustainability.

Unreserved undesignated includes the remainder of the fund balance that has not yet been allocated for a specific purpose or has been identified in only a general manner where the City has significant flexibility in changing the amount or nature of the designation.

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 disclosures of contingent assets and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

E. REVENUES, EXPENDITURES, AND EXPENSES

Property Taxes

Property taxes attach as an enforceable lien on property as of the first Monday in March. Property taxes are payable in two installments on December 10 and April 10. The City collects its share of property taxes through the County of Tehama. The City relies on the competency of the County in determining its share of the overall property tax collections.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. REVENUES, EXPENDITURES, AND EXPENSES (Continued)

Expenditures/Expenses (Continued)

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

Proprietary Funds - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds reported expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

F. NEW PRONOUNCEMENTS

In 2010, the city adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

GASB Statement 54 Fund Balance Reporting and Governmental Fund Type Definitions requires a government to segregate their governmental funds equity, or fund balance, into five separate types (Nonspendable, Restricted, Committed, Assigned and Unassigned) as opposed to the simple reserved and unreserved fund balances previously used. This appears very straight forward and easy to implement. However, GASB 54 continues to require a government to display the first four of those types in a manner that distinguishes a specific purpose within those types.

According to paragraph 22 of GASB 54, restricted, committed and assigned fund balance can be displayed either in the aggregate on the face of the Governmental Fund Statements, or it can be displayed in sufficient detail so that the major restrictions, commitments and assignments are evident to the financial statement user. Paragraph 25 of GASB 54, if restricted, committed, or assigned fund balances are displayed in the aggregate on the face of the governmental fund statements, then specific purposes information, as required in paragraph 22, should be disclosed in the notes to the financial statements. Either way, specific purpose information must be reported in a manner that is evident to the financial statement

GASB Statement No. 57 OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans This Statement GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, to permit an agent employer that has an individual-employer OPEB plan with fewer than 100 total plan members to use the alternative measurement method, at its option, regardless of the number of total plan members in the agent multiple-employer OPEB plan in which it participates. Consistent with this change to the employer-reporting requirements, this Statement also amends a Statement Number 43 provision that a defined benefit OPEB plan obtain an actual valuation.

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

NOTE 2 CASH AND INVESTMENTS

Cash and investments as of June 30, 2011, are as follows:

	Government-Wide Statement of Net Assets			Fiduciary Funds	Total
	Governmental	Business	Total		
	Activities	Activities			
Cash and investments	\$ 2,284,646	\$ 1,836,660	\$ 4,121,306	\$ 315,467	\$ 4,436,773
Restricted cash and investments	\$ -	\$ 953,767	\$ 953,767	\$ -	\$ 953,767

The City maintains a cash and investment pool that is available for use by all funds, except for funds required to be held in a separate account by grant provisions or other agreement. Each fund's portion of the cash and investment pool or segregated accounts is displayed on the Statement of Net Assets and the Fund Financial Statement Balance Sheets as "Cash and Investments."

Deposits - At June 30, 2011, the carrying amount of the City's deposits was \$5,390,540, of which \$953,767 was restricted and \$4,436,773 was unrestricted. The bank balance was \$4,585,850. Of the bank balance, \$887,970 was covered by Federal depository insurance, and \$3,697,880 was covered by collateral held in the pledging bank's trust department. Such collateral is in the City's name.

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

The California Government Code and the investment policy of the City authorize the City to invest in obligations, participation, or other instruments of the U.S. Government or its agencies, state and municipal bonds, commercial paper of "prime" quality of ranking or of the highest letter and numerical rating as provided by Standard & Poor's Corporation or Moody's Investor Service, Inc., bankers' acceptances, repurchase agreements, mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds, and medium-term notes (issued by U.S. Corporations) of a maximum of five years with a minimum rating category of "A" by a nationally recognized rating service, notes, bonds, or other obligations secured by a valid first priority security interest, and the State Treasurer's investment Pool (LAIF). The City does not participate in Reverse repurchase agreements.

In accordance with authorized investment laws, LAIF invests in various structured notes and mortgage-backed securities, such as collateralized mortgage obligations. As of June 30, 2011, 14.72% of LAIF's investment portfolio was invested in structured notes and other assets-backed securities.

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

NOTE 2 CASH AND INVESTMENTS (Continued)

At June 30, 2011, the City's investments and deposits were as follows:

	Cash and Investments		
	Fair Value		Total
	Unrestricted	Restricted	
Deposits	\$ 3,174,138	\$ 953,767	\$ 4,127,905
Local Agency Investment Fund	1,262,635	-	1,262,635
Total Cash and Investments	\$ 4,436,773	\$ 953,767	\$ 5,390,540

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the City invests the bulk of its surplus funds in LAIF. The City has no formal policy regarding interest rate risk.

Credit Risk - As of June 30, 2011, the City's investments in LAIF are not rated as LAIF is a State sponsored investment pool.

Custodial Credit Risk - All securities are held in the name of the City. As a result, the City had no custodial credit risk at June 30, 2011.

NOTE 3 CAPITAL ASSETS

Capital asset activities for the year ended June 30, 2011, was as follows:

	Balance at June 30, 2010	Additions	Donations Adjustments/ Disposals	Balance at June 30, 2011
Governmental Activities:				
Buildings	\$ 1,328,746	\$ 213,080	-	\$ 1,541,826
Parks	358,919	127,253	-	486,172
Fire Department	1,245,575	-	-	1,245,575
Police Department	590,101	-	-	590,101
Machinery and Equipment	1,012,374	-	-	1,012,374
Infrastructure	3,666,613	-	-	3,666,613
Total at Historic Cost	8,202,328	340,333	-	8,542,661
Less Accumulated Depreciation	3,162,930	251,369	-	3,414,299
Governmental Activities Capital Assets, net	\$ 5,039,398			\$ 5,128,362

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2011

NOTE 3 CAPITAL ASSETS (Continued)

Business-Type Activities:

Construction in Progress	\$	2,605,252	\$	45,280	\$	(2,650,532)	\$	-
Land		838,088		-		-		838,088
Building		27,000		2,650,532		(25,000)		2,652,532
Improvements		52,532		21,776		-		74,308
Machinery and Equipment		497,523		-		-		497,523
Utility Property		21,329,046		44,957		-		21,374,003
Total at Historical Cost		<u>25,349,441</u>	\$	<u>2,762,545</u>	\$	<u>(2,675,532)</u>		<u>25,436,454</u>
Less Accumulated Depreciation		<u>8,246,478</u>	\$	<u>1,251,508</u>	\$	<u>-</u>		<u>9,497,986</u>
Loan Acquisition Costs		<u>136,807</u>	\$	<u>-</u>	\$	<u>-</u>		<u>136,807</u>
Less Accumulated Amortization		<u>31,091</u>	\$	<u>6,217</u>	\$	<u>-</u>		<u>37,308</u>
Business-Type Capital Assets, net	\$	<u>17,208,679</u>					\$	<u>16,037,967</u>

NOTE 4 CHANGES IN LONG-TERM DEBT

The following is a summary of the long-term debt transactions of the City of Corning for the year ended June 30,

	Capital Leases	1999 Certificates of Participation	2005 Certificates of Participation	2005 Revenue Refunding Bonds
Long Term Debt July 1, 2010	\$ 173,984	\$ 3,813,700	\$ 2,175,000	\$ 4,100,000
Additions	-	-	-	-
Deletions	-	-	-	-
Repayment	<u>(39,421)</u>	<u>(63,900)</u>	<u>(80,000)</u>	<u>(50,000)</u>
Long Term Debt June 30, 2011	<u>\$ 134,563</u>	<u>\$ 3,749,800</u>	<u>\$ 2,095,000</u>	<u>\$ 4,050,000</u>

Capital Leases

The City leases a fire engine. This lease has been, for accounting purposes, capitalized and included in the Long-Term Liabilities section of the balance sheet. Future minimum lease payments are as follows. The lease bears interest at 4.204%

	Fire Engine
2011-12	\$ 47,308
2012-13	47,308
2013-14	<u>47,308</u>

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

NOTE 4 CHANGES IN LONG-TERM DEBT (Continued)

Capital Leases (Continued)

	<u>Fire Engine</u>
Total Minimum Lease Payments	141,924
Less: Amounts representing interest	<u>7,361</u>
Present value of future minimum lease payments	<u>\$ 134,563</u>

1999 Certificates of Participation

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

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

Installment Payment Schedule for Certificates

Series A Certificates		Series B Certificates	
Principal Amount	Maturity Date (September 1)	Principal Amount	Maturity Date (September 1)
\$ 61,700	2011	\$ 5,000	2011
64,400	2012	5,200	2012
67,200	2013	5,400	2013
70,100	2014	5,600	2014
73,200	2015	5,900	2015
76,400	2016	6,100	2016
79,700	2017	6,400	2017
83,200	2018	6,700	2018
86,900	2019	7,000	2019
90,700	2020	7,300	2020
94,600	2021	7,600	2021
98,800	2022	8,000	2022
103,100	2023	8,300	2023
107,600	2024	8,700	2024

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

NOTE 4 CHANGES IN LONG-TERM DEBT (Continued)

Installment Payment Schedule for Certificates

Series A Certificates		Series B Certificates	
Principal Amount	Maturity Date (September 1)	Principal Amount	Maturity Date (September 1)
112,300	2025	9,000	2025
117,200	2026	9,400	2026
122,400	2027	9,800	2027
127,700	2028	10,300	2028
133,300	2029	10,700	2029
139,100	2030	11,200	2030
145,200	2031	11,700	2031
151,600	2032	12,200	2032
158,200	2033	12,700	2033
165,100	2034	13,300	2034
172,400	2035	13,900	2035
179,900	2036	14,500	2036
187,800	2037	15,100	2037
196,000	2038	15,800	2038
<u>204,700</u>	2039	<u>16,500</u>	2039
\$ 3,470,500		\$ 279,300	

Installment Payment Schedule for Certificates (Continued)

Of the amounts shown in this table for interest, principal and total payments for each period, approximately fifty-seven percent (57%) of each such payment represents amounts expected to be paid with respect to Notes, the proceeds of which are anticipated to be used for Water Enterprise System improvements and forty-three percent (43%) of each such payment represents amounts expected to be paid with respect to the Notes, the proceeds of which are anticipated to be used with respect to the Sewer Enterprise System improvements.

2005 Certificates of Participation

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

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

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

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

NOTE 4 CHANGES IN LONG-TERM DEBT (Continued)

Installment Payment Schedule for Certificates

Series A Certificates		
Principal Amount	Maturity Date (August 15)	
\$ 80,000	2011	
85,000	2012	
90,000	2013	
95,000	2014	
100,000	2015	
100,000	2016	
105,000	2017	
115,000	2018	
655,000	2023	
<u>670,000</u>	<u>2027</u>	
\$ <u>2,095,000</u>		

2005 Revenue Refunding Bond

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

Interest is payable semiannually on April 1 and September 1. Principal payments are required each September 1 in accordance with the following schedule:

Installment Payment Schedule for Bond

Series A Bonds			Series B Bonds		
Principal Amount	Maturity Date (September 1)		Principal Amount	Maturity Date (September 1)	
\$ 47,000	2011		\$ 5,000	2011	
49,000	2012		6,000	2012	
51,000	2013		6,000	2013	
53,000	2014		6,000	2014	
55,000	2015		7,000	2015	
58,000	2016		6,000	2016	
60,000	2017		7,000	2017	
63,000	2018		7,000	2018	

(Continued on the following page)

NOTE 4 CHANGES IN LONG-TERM DEBT (Continued)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2011

Installment Payment Schedule for Bond

Series A Bonds		Series B Bonds	
Principal Amount	Maturity Date (September 1)	Principal Amount	Maturity Date (September 1)
65,000	2019	8,000	2019
68,000	2020	8,000	2020
71,000	2021	8,000	2021
74,000	2022	9,000	2022
77,000	2023	9,000	2023
80,000	2024	10,000	2024
84,000	2025	10,000	2025
87,000	2026	11,000	2026
91,000	2027	11,000	2027
95,000	2028	11,000	2028
99,000	2029	12,000	2029
103,000	2030	12,000	2030
108,000	2031	12,000	2031
112,000	2032	13,000	2032
117,000	2033	14,000	2033
122,000	2034	14,000	2034
127,000	2035	15,000	2035
132,000	2036	16,000	2036
138,000	2037	16,000	2037
144,000	2038	17,000	2038
150,000	2039	18,000	2039
156,000	2040	19,000	2040
163,000	2041	19,000	2041
170,000	2042	20,000	2042
177,000	2043	21,000	2043
185,000	2044	21,000	2044
193,000	2045	22,000	2045
<u>\$ 3,624,000</u>		<u>\$ 426,000</u>	

NOTE 5 OTHER REQUIRED INDIVIDUAL FUND 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 11.
- B. Summary disclosure of debt service requirements to maturity of all types of outstanding debt. This requirement is met by Note 4.
- C. Summary disclosure of changes in General Fixed Assets by major asset class. This requirement is met by Note 3.
- D. Summary disclosure of changes in General Long-Term Debt. This requirement is met by Note 4.

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2011

NOTE 5 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (Continued)

- E. Excess of expenditures over appropriations in individual funds for the year ended June 30, 2011 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, 2011 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.
- I. Interfund receivable and payable balances at June 30, 2011 are as follows:

<u>Interfund Receivable / Payable - Pooled cash interfund balances</u>		
<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Traffic Mitigation Fund	Airport Fund	\$ <u>118,421</u>
		\$ <u>118,421</u>

NOTE 6 RETIREMENT PROGRAMS - REGULAR EMPLOYEES

A. PLAN DESCRIPTION

The City's retirement plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through resolution. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office - 400 P Street - Sacramento, CA 95814.

B. FUNDING POLICY

The City contributes the employees required contribution of 7% of their annual covered salary for all active plan members in the City's retirement plan. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those by the CalPERS Board of Administration. The required employer contribution rate for fiscal years 2010/11 was 14.198% for non-safety employees. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2011

NOTE 6 RETIREMENT PROGRAMS - REGULAR EMPLOYEES (Continued)

C. ANNUAL PENSION COST

For fiscal year 2010/11, the City's annual pension cost was \$220,213 and the City actually contributed \$220,213. The required contribution for fiscal year 2010/11 was determined as part of the June 30, 2009 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45% and (c) 3.25% cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.00%. The actuarial value of the City's retirement plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and/or losses. The City's retirement plan's unfunded actuarial accrued liability (or excess of assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2009 was 19 years.

D. THREE YEAR TREND INFORMATION - Employer Pool (in thousands)

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>% of APC Contributed</u>	<u>Net Pension Obligation</u>	<u>Entry age Normal Accrued Liability</u>
06/30/08	\$ 174,517	100.00%	\$ -	\$ 2,780,281
06/30/09	\$ 169,846	100.00%	\$ -	\$ 3,104,798
06/30/10	\$ 208,641	100.00%	\$ -	\$ 3,309,065

E. FUNDING STATUS OF THE PLAN

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded/ (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL As a % Payroll</u>
06/30/08	\$ 2,547,323	\$ 232,958	91.6%	\$ 688,606	33.8%
06/30/09	\$ 2,758,511	\$ 346,287	88.8%	\$ 742,981	46.6%
06/30/10	\$ 2,946,408	\$ 362,657	89.0%	\$ 748,401	48.5%

NOTE 7 RETIREMENT PROGRAMS - SAFETY EMPLOYEES

A. PLAN DESCRIPTION

The City's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The City's retirement plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS) an agent multiple-employer plan administered by CalPERS which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through resolution. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office - 400 P Street - Sacramento, CA 95814.

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2011

NOTE 7 RETIREMENT PROGRAMS - SAFETY EMPLOYEES (Continued)

B. FUNDING POLICY

The City contributes the employees required contribution of 9% of their annual covered salary for all active plan members in the City's retirement plan. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those by the CalPERS Board of Administration. The required employer contribution rate for fiscal years 2010/11 was 42.226% for all employees. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

C. ANNUAL PENSION COST

For fiscal year 2010/11, the City's annual pension cost was \$529,991 and the City actually contributed \$529,991. The required contribution for fiscal year 2010/11 was determined as part of the June 30 2009 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45% for safety members, and (c) 3.25% cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.00%. The actuarial value of the City's retirement plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and/or losses. The City's retirement plan's unfunded actuarial accrued liability (or excess of assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2009 was 20 years.

D. THREE YEAR TREND INFORMATION - CITY'S RETIREMENT PLAN - Employer pool (In thousands)

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension Cost</u> <u>(APC)</u>	<u>% of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>	<u>Entry age</u> <u>Normal</u> <u>Accrued</u> <u>Liability</u>
06/30/08	\$ 538,603	100.00%	\$ -	\$ 8,700,468
06/30/09	\$ 581,321	100.00%	\$ -	\$ 9,721,675
06/30/10	\$ 596,211	100.00%	\$ -	\$ 10,165,476

E. FUNDING STATUS OF THE PLAN

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded/ (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL As a % Payroll</u>
06/30/08	\$ 7,464,928	\$ 1,235,540	85.8%	\$ 914,841	135.1%
06/30/09	\$ 8,027,159	\$ 1,694,516	82.6%	\$ 973,815	174.0%
06/30/10	\$ 8,470,235	\$ 1,695,241	83.3%	\$ 955,981	177.3%

* 6/30/08 and 6/30/09 - Information is not available according to CalPERS Circular 200-050-09 issued on July 9, 2011.

NOTE 8 JOINT VENTURE

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

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

NOTE 8 JOINT VENTURE (Continued)

A. Description of Joint Powers Authority

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 2011. 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.

B. Condensed Financial Information of the Authority

Noted below is a condensed audited balance sheet of the Authorities Combined Worker's Compensation Insurance and Liability Insurance Fund as of June 30, 2011:

Assets	<u>\$ 50,442,560</u>
Liabilities	32,491,912
Fund Equity-Reserved for Insurance	
Claims and Losses:	
Co-Participants	17,911,311
City of Corning	<u>39,337</u>
Total Liabilities and Fund Equity	<u>\$ 17,950,648</u>

C. 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, 2011, the City, in the opinion of the City Attorney, had no material claims which would require loss provision in the financial statements. Small dollar claims and judgments are recorded as expenditures when paid.

NOTE 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, 2011, are outlined below followed by explanations as to the nature and purpose of each reserve:

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

NOTE 9 RESERVES AND DESIGNATIONS OF FUND EQUITY (Continued)

<u>Reserve</u>	<u>General Fund</u>	<u>Fiduciary Funds</u>
Reserve for Contingencies	\$ 800,000	\$ -
Reserve for Scholarships		27,854
Reserve for Library Systems		265,648
Reserve for Theater		21,965

A. Reserve for Contingencies

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

B. 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.

C. 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.

D. Reserve for Theater

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

NOTE 10 CONTINGENCIES

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

NOTE 11 REDEVELOPMENT AGENCY

In 1985, the City established a separate and distinct Redevelopment Agency. The Agency is currently inactive and has had no financial activity since its creation.

NOTE 12 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.

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

NOTE 12 DEFERRED COMPENSATION PLAN (Continued)

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 13 REGIONAL AGENCY

It is the opinion of the City's legal counsel that the City has no liability for losses under the plan but does have the duty of due care that would be required of the ordinary prudent investor. No compensation, property or rights purchased with such amounts, or income attributable to such amounts, property or rights was made available to participants or other beneficiaries during the fiscal year.

The City is a party in the Tehama County Sanitary Landfill Agency. The purpose of the Agency is to plan, acquire, fund, construct, and operate all solid waste facilities and services as provided in the health and safety code and all other applicable codes and laws. In addition, the Agency has been formed for the purpose of reducing the cost of reporting and tracking disposal and diversion programs by the individual cities and counties and related activities.

NOTE 14 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the government fund balance sheet and the government-wide statement of net assets:

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities, as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term" liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds". The details of that difference are as follows:

	<u>Beginning of the Year</u>	<u>End of the Year</u>
Capital leases payable	\$ (353,332)	\$ (313,911)
Other accrued liabilities	(268,690)	(268,690)
Certificate of Participation	-	-
Net capital assets	<u>5,039,398</u>	<u>5,128,362</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 4,417,376</u>	<u>\$ 4,545,761</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of the difference are as follows:

(Continued on the following page)

CITY OF CORNING
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

NOTE 14 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Capital outlay	\$ 340,333
Depreciation	(251,369)
Bond Proceeds	-
Bond Principal Retirement	-
Change in accrued liabilities	33,256
Principal payments on capital leases	-
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 122,220</u>

NOTE 15 BUDGETARY PRINCIPLES

Budget Data

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

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

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

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

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

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

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

Budgetary Basis Reconciliation

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

NOTE 16 PRIOR PERIOD ADJUSTMENTS

The City made certain adjustments to reflect adjustments to the cash held in the hands of the Bond Trustee. These amounts are reflected in the statements as prior period adjustments.

SUPPLEMENTARY INFORMATION

CITY OF CORNING
GENERAL FUND
 Comparative Balance Sheet
 June 30, 2011

Exhibit A-1

ASSETS	General Fund
Cash and Investments	\$ 993,224
Interest Receivable	1,498
Accounts Receivable	11,320
Receivable from Other Governments	15,563
Other Receivable	5,219
Due From Other Funds	-
Total Assets	\$ 1,026,824
 LIABILITIES	
Accounts Payable	\$ 36,246
Accrued Wages/Payroll Taxes	20,993
Deferred Revenue	9,495
Total Liabilities	66,734
 FUND BALANCES	
Reserved for:	
Contingencies	800,000
Insurance	-
Unreserved, reported in	160,090
General Funds	-
Special Revenues Fund	-
Capital Projects Fund	-
Total Fund Balances	960,090
Total Liabilities and Fund Balances	\$ 1,026,824

See accompanying notes to
 the basic financial statements.

**CITY OF CORNING
GENERAL FUND**

Exhibit A-2

**Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2011**

	General Fund
REVENUES:	
Taxes	\$ 3,005,918
Intergovernmental Revenues	752,843
Interest	2,092
Licenses and Permits	65,609
Miscellaneous	<u>337,080</u>
Total Revenues	<u>4,163,542</u>
EXPENDITURES:	
Current:	
General Government:	
City Council	21,944
City Administration	112,178
City Clerk	15,642
City Treasurer	718
City Finance Department	37,549
General Government	<u>367,040</u>
Total General Government	<u>555,071</u>
Public Safety and Judiciary:	
Legal Services	80,148
Police	2,061,313
Police Dispatch	452,774
Animal Control	81,536
Fire	<u>499,389</u>
Total Public Safety and Judiciary	<u>3,175,160</u>
Transportation:	
Streets	<u>185,714</u>
Total Transportation	<u>185,714</u>
Cultural, Parks and Recreation	
Library	17,599
Theater	1,988
Parks and Recreation	<u>211,005</u>
Total Cultural, Parks and Recreation	<u>230,592</u>
Community/Economic Development:	
Economic Development	<u>21,500</u>
Total Community/Economic Development	<u>21,500</u>
Capital Outlay	<u>-</u>
Total Expenditures	<u>4,168,037</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,495)</u>
OTHER FINANCING SOURCES (USES)	
Transfers In	188,663
Transfers Out	<u>(23,727)</u>
Total Other Financing Sources and Uses	<u>164,936</u>
Net Change in Fund Balances	<u>160,441</u>
Fund Balance-Beginning as previously stated	793,588
Prior period Adjustment	<u>6,061</u>
Fund Balance-Beginning as restated	<u>799,649</u>
Fund Balance-Ending	<u>\$ 960,090</u>

See accompanying notes to
the basic financial statements.

CITY OF CORNING

Exhibit A-3

GENERAL FUND

**Comparative Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
For the Fiscal Years ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Resources (Inflows):				
Taxes				
Sales and Use Taxes	\$ 1,645,500	1,645,500	\$ 2,092,962	\$ 447,462
Property Taxes	496,100	496,100	488,151	(7,949)
Franchise Taxes	103,000	103,000	120,618	17,618
Vehicle License Fees	590,100	590,100	567,097	(23,003)
Transient Occupancy Tax	240,000	240,000	266,010	26,010
Other Taxes	28,000	28,000	18,858	(9,142)
Total Taxes	3,102,700	3,102,700	3,553,696	450,996
Intergovernmental Revenues	100,000	100,000	352,516	252,516
Interest	5,000	5,000	2,092	(2,908)
Licenses and Permits	82,000	82,000	84,929	2,929
Miscellaneous	86,230	86,230	170,310	84,080
Other Financing Sources:				
Operating Transfers In	188,662	188,662	188,662	-
Amount Available for Appropriation	3,564,592	3,564,592	4,352,205	787,613
Charges to Appropriations (Outflows):				
City Council				
Personnel Services	18,000	18,000	16,171	1,829
Material and Supplies	900	900	1,482	(582)
Other Services and Charges	6,000	6,000	4,291	1,709
Total City Council	24,900	24,900	21,944	2,956
City Administration				
Personnel Services	78,264	78,264	108,832	(30,568)
Material and Supplies	1,950	1,950	942	1,008
Other Services and Charges	1,500	1,500	2,404	(904)
Total City Administration	81,714	81,714	112,178	(30,464)
City Clerk				
Personnel Services	4,200	4,200	3,976	224
Material and Supplies	12,000	12,000	10,221	1,779
Other Services and Charges	100	100	1,445	(1,345)
Total City Clerk	16,300	16,300	15,642	658
City Treasurer				
Personnel Services	600	600	718	(118)
Total City Treasurer	600	600	718	(118)
City Finance Department				
Personnel Services	17,442	17,442	18,279	(837)
Material and Supplies	20,791	20,791	19,115	1,676
Other Services and Charges	-	-	155	(155)
Total City Finance Department	38,233	38,233	37,549	684
General Government				
Personnel Services	143,489	143,489	157,880	(14,391)
Material and Supplies	194,594	194,594	205,423	(10,829)
Other Services and Charges	3,983	3,983	3,737	246
Total General Government	342,066	342,066	367,040	(24,974)
Legal Services				
Personnel Services	-	-	156	(156)
Other Services and Charges	62,440	62,440	79,992	(17,552)

(Continued)

See accompanying footnotes to the basic financial statements.

**CITY OF CORNING
GENERAL FUND**

**Comparative Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget and Actual
For the Fiscal Years ended June 30, 2011**

**Exhibit A-3
(Continued)**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Total Legal Services	62,440	62,440	80,148	(17,708)
Police				
Personnel Services	1,798,489	1,798,489	1,960,022	(161,533)
Material and Supplies	26,650	26,650	38,229	(11,579)
Other Services and Charges	71,720	71,720	63,062	8,658
Total Police	1,896,859	1,896,859	2,061,313	(164,454)
Police Dispatch				
Personnel Services	420,028	420,028	397,244	22,784
Material and Supplies	62,200	62,200	52,078	10,122
Other Services and Charges	4,000	4,000	3,452	548
Total Police Dispatch	486,228	486,228	452,774	33,454
Animal Control				
Personnel Services	80,581	80,581	62,203	18,378
Material and Supplies	10,448	10,448	16,030	(5,582)
Other Services and Charges	5,900	5,900	3,303	2,597
Total Animal Control	96,929	96,929	81,536	15,393
Fire				
Personnel Services	396,175	396,175	438,629	(42,454)
Material and Supplies	45,350	45,350	47,879	(2,529)
Other Services and Charges	18,900	18,900	12,881	6,019
Total Fire	460,425	460,425	499,389	(38,964)
Streets				
Personnel Services	170,014	170,014	109,298	60,716
Material and Supplies	67,000	67,000	76,416	(9,416)
Other Services and Charges	-	-	-	-
Total Streets	237,014	237,014	185,714	51,300
Library				
Material and Supplies	17,100	17,100	16,949	151
Other Services and Charges	800	800	650	150
Total Library	17,900	17,900	17,599	301
Theater				
Other Services and Charges	3,200	3,200	1,988	1,212
Total Theater	3,200	3,200	1,988	1,212
Parks and Recreation				
Personnel Services	109,426	109,426	121,398	(11,972)
Material and Supplies	35,930	35,930	83,164	(47,234)
Other Services and Charges	2,000	2,000	6,443	(4,443)
Parks and Recreation	147,356	147,356	211,005	(63,649)
Economic Development				
Other Services and Charges	21,500	21,500	21,500	-
Total Economic Development	21,500	21,500	21,500	-
Capital Outlay	-	-	-	-
Operating Transfer Out	23,727	23,727	23,727	-
Total Charges to Appropriations	3,957,391	3,957,391	4,191,764	(234,373)
Excess (Deficiency) of Resources Over Appropriations	\$ (392,799)	(392,799) \$	160,441 \$	\$ 553,240

See accompanying footnotes to the basic financial statements.

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2011

Exhibit B-1

	<u>Rural Planning Fund (Fund 105)</u>	<u>STIP Projects Fund (Fund 107)</u>	<u>Federal TEA 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>Special Gas Tax Improvement #2107 Fund (Fund 111)</u>	<u>Subtotal (Carried forward to next page)</u>
ASSETS							
Cash and Cash Equivalents	\$ -	\$ -	\$ 27,319	\$ 40,416	\$ 46,826	\$ 105,208	\$ 219,769
Intergovernmental Receivable	20,000	-	-	3,558	2,731	4,827	31,116
Due from other funds	-	-	-	-	-	-	-
Notes Receivable (C.D.B.G)	-	-	-	-	-	-	-
Total Assets	\$ 20,000	\$ -	\$ 27,319	\$ 43,974	\$ 49,557	\$ 110,035	\$ 250,885
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts Payable	\$ 11,438	\$ -	\$ -	\$ -	\$ -	\$ 3,715	\$ 15,153
Accrued Wages/Payroll Taxes	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-
Total Liabilities	11,438	-	-	-	-	3,715	15,153
Fund Balances (Deficit):							
Unreserved, undesignated	8,562	-	27,319	43,974	49,557	106,320	235,732
Total Fund Balance (Deficit)	8,562	-	27,319	43,974	49,557	106,320	235,732
Total Liabilities and Fund Balances	\$ 20,000	\$ -	\$ 27,319	\$ 43,974	\$ 49,557	\$ 110,035	\$ 250,885

(Continued)

See accompanying notes to
the basic financial statements.

**CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2011**

Exhibit B-1
(Continued)

	Subtotal (Brought forward)	Special Gas Tax Improvement #2107.5 Fund (Fund 112)	Local Transportation Fund (Fund 114)	Traffic Congestion Fund (Fund 115)	Traffic Mitigation Fund (Fund 116)	Loleta Lighting Fund (Fund 117)	Subtotal (Carried forward to next page)
ASSETS							
Cash and Cash Equivalents	\$ 219,769	\$ 1,422	\$ 48,933	\$ 58,514	\$ 12,323	\$ 128	\$ 341,089
Intergovernmental Receivable	31,116	-	-	11,332	-	-	42,448
Due from other funds	-	-	-	-	118,421	-	118,421
Notes Receivable (C.D.B.G)	-	-	-	-	-	-	-
Total Assets	\$ 250,885	\$ 1,422	\$ 48,933	\$ 69,846	\$ 130,744	\$ 128	\$ 501,958
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts Payable	\$ 15,153	\$ -	\$ 74	\$ 22	\$ 35,904	\$ -	\$ 51,153
Accrued Wages/Payroll Taxes	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-
Total Liabilities	\$ 15,153	\$ -	\$ 74	\$ 22	\$ 35,904	\$ -	\$ 51,153
Fund Balances (Deficit):							
Unreserved, undesignated	235,732	1,422	48,859	69,824	94,840	128	450,805
Total Fund Balance (Deficit)	\$ 235,732	\$ 1,422	\$ 48,859	\$ 69,824	\$ 94,840	\$ 128	\$ 450,805
Total Liabilities and Fund Balances	\$ 250,885	\$ 1,422	\$ 48,933	\$ 69,846	\$ 130,744	\$ 128	\$ 501,958

(Continued)

See accompanying notes to
the basic financial statements.

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2011

Exhibit B-I
(Continued)

	<u>Subtotal (Brought forward)</u>	<u>Rogers Theater Restoration (Fund 130)</u>	<u>Energy Grant (Fund 131)</u>	<u>Planning Environmental Rev. (Fund 150)</u>	<u>Flood Mitigation FEMA (Fund 152)</u>	<u>OTS 2 Fund (Fund 164)</u>	<u>Subtotal (Carried forward to next page)</u>
ASSETS							
Cash and Cash Equivalents	\$ 341,089	\$ -	\$ -	\$ 13,043	\$ -	\$ 23,396	\$ 377,528
Intergovernmental Receivable	42,448	-	-	-	-	5,186	47,634
Due from other funds	118,421	-	-	-	-	-	118,421
Notes Receivable (C.D.B.G)	-	-	-	-	-	-	-
Total Assets	\$ 501,958	\$ -	\$ -	\$ 13,043	\$ -	\$ 28,582	\$ 543,583
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts Payable	\$ 51,153	\$ 15,501	\$ 3,517	\$ -	\$ 17,066	\$ 1,136	\$ 88,373
Accrued Wages/Payroll Taxes	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-
Total Liabilities	51,153	15,501	3,517	-	17,066	1,136	88,373
Fund Balances (Deficit):							
Unreserved, undesignated	450,805	(15,501)	(3,517)	13,043	(17,066)	27,446	455,210
Total Fund Balance (Deficit)	450,805	(15,501)	(3,517)	13,043	(17,066)	27,446	455,210
Total Liabilities and Fund Balances	\$ 501,958	\$ -	\$ -	\$ 13,043	\$ -	\$ 28,582	\$ 543,583

(Continued)

See accompanying notes to
the basic financial statements.

CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2011

Exhibit B-1
(Continued)

	Subtotal (Brought forward)	Abandoned Vehicles Fund (Fund 170)	SAFE Grant Fund (Fund 188)	Housing Element Fund (Fund 308)	08/09 CDBG Fund (Fund 322)	CDBG Program Inc. Unrestricted (Fund 323, 820)	Subtotal (Carried forward to next page)
ASSETS							
Cash and Cash Equivalents	\$ 377,528	\$ 55,466	\$ 11,142	\$ -	\$ 26,585	\$ 7,193	\$ 477,914
Intergovernmental Receivable	47,634	-	-	3,873	-	-	51,507
Due from other funds	118,421	-	-	-	-	-	118,421
Notes Receivable (C.D.B.G)	-	-	-	-	-	128,440	128,440
Total Assets	\$ 543,583	\$ 55,466	\$ 11,142	\$ 3,873	\$ 26,585	\$ 135,633	\$ 776,282
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts Payable	\$ 88,373	\$ -	\$ -	\$ 2,195	\$ 11,708	\$ 9,315	\$ 111,591
Accrued Wages/Payroll Taxes	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	128,440	128,440
Total Liabilities	88,373	-	-	2,195	11,708	137,755	240,031
Fund Balances (Deficit):							
Unreserved, undesignated	455,210	55,466	11,142	1,678	14,877	(2,122)	536,251
Total Fund Balance (Deficit)	455,210	55,466	11,142	1,678	14,877	(2,122)	536,251
Total Liabilities and Fund Balances	\$ 543,583	\$ 55,466	\$ 11,142	\$ 3,873	\$ 26,585	\$ 135,633	\$ 776,282

(Continued)

See accompanying notes to
the basic financial statements.

**CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2011**

Exhibit B-1
(Continued)

	Subtotal (Brought forward)	90/STBG/491 Grant Fund (Fund 324)	CDBG Economic Reuse (Fund 325, 823)	CDBG Housing Reuse (Fund 326, 821, 822, 824)	Housing Acquisition RLF Fund (Fund 327)	Housing Rehabilitation RLF Fund (Fund 328)	Subtotal (Carried forward to next page)
ASSETS							
Cash and Cash Equivalents	\$ 477,914	\$ 27,138	\$ 68,860	\$ 25,463	\$ 31,111	\$ 30,611	\$ 661,097
Intergovernmental Receivable	51,507	-	-	-	-	-	51,507
Due from other funds	118,421	-	-	-	-	-	118,421
Notes Receivable (C.D.B.G)	128,440	-	193,039	240,374	-	-	561,853
Total Assets	\$ 776,282	\$ 27,138	\$ 261,899	\$ 265,837	\$ 31,111	\$ 30,611	\$ 1,392,878
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts Payable	\$ 111,591	\$ -	\$ 4	\$ 525	\$ -	\$ 400	\$ 112,520
Accrued Wages/Payroll Taxes	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Deferred Revenue	128,440	-	193,039	240,374	-	-	561,853
Total Liabilities	240,031	-	193,043	240,899	-	400	674,373
Fund Balances (Deficit):							
Unreserved, undesignated	536,251	27,138	68,856	24,938	31,111	30,211	718,505
Total Fund Balance (Deficit)	536,251	27,138	68,856	24,938	31,111	30,211	718,505
Total Liabilities and Fund Balances	\$ 776,282	\$ 27,138	\$ 261,899	\$ 265,837	\$ 31,111	\$ 30,611	\$ 1,392,878

(Continued)

See accompanying notes to
the basic financial statements.

CITY OF CORNING
SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 June 30, 2011

Exhibit B-1
 (Continued)

	Subtotal (Brought forward)	New Construction Grant RLF (Fund 329)	SALADO Wall Fund (Fund 344)	Drainage Fund (Fund 345)	Yost Field Fund (Fund 352)	Prop 84 Park Bond Fund (Fund 354)	Subtotal (Carried forward to next page)
ASSETS							
Cash and Cash Equivalents	\$ 661,097	\$ 3,613	\$ 91,638	\$ 111,259	\$ 3,918	\$ -	\$ 871,525
Intergovernmental Receivable	51,507	-	-	-	-	2,920	54,427
Due from other funds	118,421	-	-	-	-	-	118,421
Notes Receivable (C.D.B.G)	561,853	-	-	-	-	-	561,853
Total Assets	\$ 1,392,878	\$ 3,613	\$ 91,638	\$ 111,259	\$ 3,918	\$ 2,920	\$ 1,606,226
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts Payable	\$ 112,520	\$ -	\$ -	\$ -	\$ -	\$ 43,644	\$ 156,164
Accrued Wages/Payroll Taxes	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Deferred Revenue	561,853	-	-	-	-	-	561,853
Total Liabilities	674,373	-	-	-	-	43,644	718,017
Fund Balances (Deficit):							
Unreserved, undesignated	718,505	3,613	91,638	111,259	3,918	(40,724)	888,209
Total Fund Balance (Deficit)	718,505	3,613	91,638	111,259	3,918	(40,724)	888,209
Total Liabilities and Fund Balances	\$ 1,392,878	\$ 3,613	\$ 91,638	\$ 111,259	\$ 3,918	\$ 2,920	\$ 1,606,226

(Continued)

See accompanying notes to
 the basic financial statements.

**CITY OF CORNING
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2011**

Exhibit B-1
(Continued)

	<u>Subtotal (Brought forward)</u>	<u>Houghton Trail Fund (Fund 356)</u>	<u>Curbs and Gutter Fund (Fund 365)</u>	<u>Lighting & Landscape Fund (Fund 701)</u>	<u>Lighting & Landscape Fund (Fund 703)</u>	<u>Lighting & Landscape Fund (Fund 704)</u>	<u>Total</u>
ASSETS							
Cash and Cash Equivalents	\$ 871,525	\$ 5,834	\$ 477	\$ 511	\$ 11,046	\$ 7,133	\$ 896,526
Intergovernmental Receivable	54,427	-	-	-	-	-	54,427
Due from other funds	118,421	-	-	-	-	-	118,421
Notes Receivable (C.D.B.G)	561,853	-	-	-	-	-	561,853
Total Assets	\$ 1,606,226	\$ 5,834	\$ 477	\$ 511	\$ 11,046	\$ 7,133	\$ 1,631,227
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts Payable	\$ 156,164	\$ -	\$ -	\$ 45	\$ -	\$ 973	\$ 157,182
Accrued Wages/Payroll Taxes	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Deferred Revenue	561,853	-	-	-	-	-	561,853
Total Liabilities	718,017	-	-	45	-	973	719,035
Fund Balances (Deficit):							
Unreserved, undesignated	888,209	5,834	477	466	11,046	6,160	912,192
Total Fund Balance (Deficit)	888,209	5,834	477	466	11,046	6,160	912,192
Total Liabilities and Fund Balances	\$ 1,606,226	\$ 5,834	\$ 477	\$ 511	\$ 11,046	\$ 7,133	\$ 1,631,227

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, 2011

	Rural Planning Fund (Fund 105)	STIP Projects Fund (Fund 107)	Federal TEA Fund (Fund 108)	Special Gas Tax Improvement #2105 Fund (Fund 109)	Special Gas Tax Improvement #2106 Fund (Fund 110)	Special Gas Tax Improvement #2106 Fund (Fund 111)	Subtotal (Carried forward to next page)
REVENUES:							
Intergovernmental Revenues	\$ 20,000	\$ -	\$ 32,288	\$ 38,460	\$ 30,785	\$ 51,377	\$ 172,910
Interest	48	95	274	174	226	767	1,584
Other Revenues	7,146	-	-	-	-	-	7,146
Total revenues	<u>27,194</u>	<u>95</u>	<u>32,562</u>	<u>38,634</u>	<u>31,011</u>	<u>52,144</u>	<u>181,640</u>
EXPENDITURES:							
Current:							
General Government:							
General Government	41,472	-	-	398	-	-	41,870
Total General Government	<u>41,472</u>	<u>-</u>	<u>-</u>	<u>398</u>	<u>-</u>	<u>-</u>	<u>41,870</u>
Public Safety and Judiciary:							
Police	-	-	-	-	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:							
Streets	-	48,635	29,637	25,901	20,964	76,199	201,336
Total Transportation	<u>-</u>	<u>48,635</u>	<u>29,637</u>	<u>25,901</u>	<u>20,964</u>	<u>76,199</u>	<u>201,336</u>
Cultural, Parks and Recreation							
Parks and Recreation	-	-	-	-	-	-	-
Total Cultural, Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<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>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay							
Total Expenditures	41,472	48,635	62,311	26,299	20,964	76,199	275,880
Excess (Deficiency) of Revenues Over Expenditures	(14,278)	(48,540)	(29,749)	12,335	10,047	(24,055)	(94,240)
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(14,278)	(48,540)	(29,749)	12,335	10,047	(24,055)	(94,240)
Fund Balances-Beginning of Year	22,840	48,540	57,068	31,639	39,510	130,375	329,972
Residual Equity Transfers In / Out	-	-	-	-	-	-	-
Fund Balances-Ending of Year	<u>\$ 8,562</u>	<u>\$ -</u>	<u>\$ 27,319</u>	<u>\$ 43,974</u>	<u>\$ 49,557</u>	<u>\$ 106,320</u>	<u>\$ 235,732</u>

(Continued)

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, 2011

Exhibit B-2
(Continued)

	Subtotal (Brought forward)	Special Gas Tax Improvement #2107.5 Fund (Fund 112)	Local Transportation Fund (Fund 114)	Traffic Congestion Fund (Fund 115)	Traffic Mitigation Fund (Fund 116)	Loleta Lighting Fund (Fund 117)	Subtotal (Carried forward to next page)
REVENUES:							
Intergovernmental Revenues	\$ 172,910	\$ 2,000	\$ -	\$ 71,172	\$ 24,556	\$ -	\$ 270,638
Interest	1,584	12	462	277	2,371	19	4,725
Other Revenues	7,146	-	-	-	-	-	7,146
Total revenues	<u>181,640</u>	<u>2,012</u>	<u>462</u>	<u>71,449</u>	<u>26,927</u>	<u>19</u>	<u>282,509</u>
EXPENDITURES:							
Current:							
General Government:							
General Government	41,870	-	2,763	-	-	-	44,633
Total General Government	<u>41,870</u>	<u>-</u>	<u>2,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,633</u>
Public Safety and Judiciary:							
Police	-	-	-	-	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:							
Streets	201,336	1,045	30,574	77,169	28,270	-	338,394
Total Transportation	<u>201,336</u>	<u>1,045</u>	<u>30,574</u>	<u>77,169</u>	<u>28,270</u>	<u>-</u>	<u>338,394</u>
Cultural, Parks and Recreation							
Parks and Recreation	-	-	-	-	-	-	-
Total Cultural, Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<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>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay	32,674	-	5,996	147	348,375	10,000	397,192
Total Expenditures	<u>275,880</u>	<u>1,045</u>	<u>39,333</u>	<u>77,316</u>	<u>376,645</u>	<u>10,000</u>	<u>780,219</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(94,240)</u>	<u>967</u>	<u>(38,871)</u>	<u>(5,867)</u>	<u>(349,718)</u>	<u>(9,981)</u>	<u>(497,710)</u>
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(94,240)</u>	<u>967</u>	<u>(38,871)</u>	<u>(5,867)</u>	<u>(349,718)</u>	<u>(9,981)</u>	<u>(497,710)</u>
Fund Balances-Beginning of Year	329,972	455	87,730	75,691	444,558	10,109	948,515
Residual Equity Transfers In / Out	-	-	-	-	-	-	-
Fund Balances-Ending of Year	<u>\$ 235,732</u>	<u>\$ 1,422</u>	<u>\$ 48,859</u>	<u>\$ 69,824</u>	<u>\$ 94,840</u>	<u>\$ 128</u>	<u>\$ 450,805</u>

(Continued)

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, 2011

Exhibit B-2
(Continued)

	Subtotal (Brought forward)	Rogers Theater Restoration (Fund 130)	Energy Grant (Fund 131)	Planning Environmental Rev. (Fund 150)	Flood Mitigation FEMA (Fund 152)	OTS 2 Fund (Fund 164)	Subtotal (Carried forward to next page)
REVENUES:							
Intergovernmental Revenues	\$ 270,638	\$ 182,271	\$ 31,658	\$ -	5,918	\$ 25,950	\$ 516,435
Interest	4,725	-	-	53	-	103	4,881
Other Revenues	7,146	-	-	-	-	-	7,146
Total revenues	<u>282,509</u>	<u>182,271</u>	<u>31,658</u>	<u>53</u>	<u>5,918</u>	<u>26,053</u>	<u>528,462</u>
EXPENDITURES:							
Current:							
General Government:							
General Government	44,633	-	-	-	-	-	44,633
Total General Government	<u>44,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,633</u>
Public Safety and Judiciary:							
Police	-	-	-	-	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:							
Streets	338,394	-	-	-	22,984	11,087	372,465
Total Transportation	<u>338,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,984</u>	<u>11,087</u>	<u>372,465</u>
Cultural, Parks and Recreation							
Parks and Recreation	-	-	-	-	-	-	-
Total Cultural, Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<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>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay	397,192	197,772	35,175	-	-	-	630,139
Total Expenditures	<u>780,219</u>	<u>197,772</u>	<u>35,175</u>	<u>-</u>	<u>22,984</u>	<u>11,087</u>	<u>1,047,237</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(497,710)</u>	<u>(15,501)</u>	<u>(3,517)</u>	<u>53</u>	<u>(17,066)</u>	<u>14,966</u>	<u>(518,775)</u>
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(497,710)</u>	<u>(15,501)</u>	<u>(3,517)</u>	<u>53</u>	<u>(17,066)</u>	<u>14,966</u>	<u>(518,775)</u>
Fund Balances-Beginning of Year	948,515	-	-	12,990	-	12,480	973,985
Residual Equity Transfers In / Out	-	-	-	-	-	-	-
Fund Balances-Ending of Year	<u>\$ 450,805</u>	<u>\$ (15,501)</u>	<u>\$ (3,517)</u>	<u>\$ 13,043</u>	<u>(17,066)</u>	<u>\$ 27,446</u>	<u>\$ 453,210</u>

(Continued)

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, 2011

	Subtotal (Brought forward)	Abandoned Vehicles Fund (Fund 170)	SAFE Grant Fund (Fund 188)	Housing Element Fund (Fund 308)	08/09 CDBG Fund (Fund 322)	CDBG Program Inc. Unrestricted (Fund 323, 820)	Subtotal (Carried forward to next page)
REVENUES:							
Intergovernmental Revenues	\$ 516,435	\$ 3,451	\$ 3,779	\$ 3,875	\$ -	\$ -	\$ 527,538
Interest	4,881	302	83	2	-	158	5,426
Other Revenues	7,146	-	-	-	-	2,600	9,746
Total revenues	<u>528,462</u>	<u>3,753</u>	<u>3,862</u>	<u>3,875</u>	<u>-</u>	<u>2,758</u>	<u>542,710</u>
EXPENDITURES:							
Current:							
General Government:							
General Government	44,633	-	-	-	-	-	44,633
Total General Government	<u>44,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,633</u>
Public Safety and Judiciary:							
Police	-	-	-	-	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:							
Streets	372,465	-	-	-	-	-	372,465
Total Transportation	<u>372,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>372,465</u>
Cultural, Parks and Recreation							
Parks and Recreation	-	-	-	-	-	-	-
Total Cultural, Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Community/Economic Development:							
Economic Development	-	-	-	2,404	27,953	-	30,357
Total Community/Economic Development	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,404</u>	<u>27,953</u>	<u>-</u>	<u>30,357</u>
Capital Outlay	630,139	-	-	-	-	-	630,139
Total Expenditures	<u>1,047,237</u>	<u>-</u>	<u>-</u>	<u>2,404</u>	<u>27,953</u>	<u>-</u>	<u>1,077,594</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(518,775)</u>	<u>3,753</u>	<u>3,862</u>	<u>1,471</u>	<u>(27,953)</u>	<u>2,758</u>	<u>(534,884)</u>
Transfers In	-	-	-	1,727	67,000	-	68,727
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,727</u>	<u>67,000</u>	<u>-</u>	<u>68,727</u>
Net Change in Fund Balances	<u>(518,775)</u>	<u>3,753</u>	<u>3,862</u>	<u>3,198</u>	<u>39,047</u>	<u>2,758</u>	<u>(466,157)</u>
Fund Balances-Beginning of Year	<u>973,985</u>	<u>51,713</u>	<u>7,280</u>	<u>(1,520)</u>	<u>(24,273)</u>	<u>(4,880)</u>	<u>1,002,305</u>
Residual Equity Transfers In / Out	-	-	-	-	103	-	103
Fund Balances-Ending of Year	\$ <u>455,210</u>	\$ <u>55,466</u>	\$ <u>11,142</u>	\$ <u>1,678</u>	\$ <u>14,877</u>	\$ <u>(2,122)</u>	\$ <u>536,251</u>

(Continued)

**CITY OF CORNING
SPECIAL REVENUE FUNDS**

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance
Year Ended June 30, 2011

Exhibit B-2
(Continued)

	Subtotal (Brought forward)	90/STBG/491 Grant Fund (Fund 324)	CDBG Economic Reuse (Fund 325, 823)	CDBG Housing Reuse (Fund 326, 821, 822)	Housing Acquisition RLF Fund (Fund 327)	Housing Rehabilitation RLF Fund (Fund 328)	Subtotal (Carried forward to next page)
REVENUES:							\$ 527,538
Intergovernmental Revenues	\$ 527,538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,936
Interest	5,426	176	454	762	59	59	42,473
Other Revenues	9,746	-	3,455	29,272	-	-	576,947
Total revenues	<u>542,710</u>	<u>176</u>	<u>3,909</u>	<u>30,034</u>	<u>59</u>	<u>59</u>	
EXPENDITURES:							
Current:							
General Government:							44,633
General Government	44,633	-	-	-	-	-	44,633
Total General Government	<u>44,633</u>	<u>-</u>	<u>-</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>	<u>-</u>	<u>-</u>	
Transportation:							372,465
Streets	372,465	-	-	-	-	-	372,465
Total Transportation	<u>372,465</u>	<u>-</u>	<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>	<u>-</u>	<u>-</u>	
Community/Economic Development:							34,607
Economic Development	30,357	-	-	3,350	-	900	34,607
Total Community/Economic Development	<u>30,357</u>	<u>-</u>	<u>-</u>	<u>3,350</u>	<u>-</u>	<u>900</u>	
Capital Outlay	630,139	-	-	-	-	-	630,139
Total Expenditures	<u>1,077,594</u>	<u>-</u>	<u>-</u>	<u>3,350</u>	<u>-</u>	<u>900</u>	1,081,844
Excess (Deficiency) of Revenues Over Expenditures	<u>(534,884)</u>	<u>176</u>	<u>3,909</u>	<u>26,684</u>	<u>59</u>	<u>(841)</u>	(504,897)
Transfers In	68,727	-	-	-	-	-	68,727
Transfers Out	-	-	-	(67,000)	-	-	(67,000)
Total Other Financing Sources and Uses	<u>68,727</u>	<u>-</u>	<u>-</u>	<u>(67,000)</u>	<u>-</u>	<u>-</u>	1,727
Net Change in Fund Balances	<u>(466,157)</u>	<u>176</u>	<u>3,909</u>	<u>(40,316)</u>	<u>59</u>	<u>(841)</u>	(503,170)
Fund Balances-Beginning of Year	<u>1,002,305</u>	<u>26,962</u>	<u>68,401</u>	<u>118,022</u>	<u>4,668</u>	<u>4,668</u>	1,225,026
Residual Equity Transfers In / Out	103	-	(3,454)	(52,768)	26,384	26,384	(3,351)
Fund Balances-Ending of Year	\$ <u>536,251</u>	\$ <u>27,138</u>	\$ <u>68,856</u>	\$ <u>24,938</u>	\$ <u>31,111</u>	\$ <u>30,211</u>	\$ <u>718,505</u>

(Continued)

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, 2011

	Subtotal (Brought forward)	New Construction Grant RLF (Fund 329)	SALADO Wall Fund (Fund 344)	Drainage Fund (Fund 345)	Yost Field Fund (Fund 352)	Prop 84 Park Bond Fund (Fund 354)	Subtotal (Carried forward to next page)
REVENUES:							
Intergovernmental Revenues	\$ 527,538	\$ -	\$ -	\$ 4,022	\$ -	\$ 3,919	\$ 535,479
Interest	6,936	5	594	746	18	-	8,299
Other Revenues	42,473	-	-	-	166	-	42,639
Total revenues	<u>576,947</u>	<u>5</u>	<u>594</u>	<u>4,768</u>	<u>184</u>	<u>3,919</u>	<u>586,417</u>
EXPENDITURES:							
Current:							
General Government:							
General Government	44,633	-	-	-	-	-	44,633
Total General Government	<u>44,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,633</u>
Public Safety and Judiciary:							
Police	-	-	-	-	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:							
Streets	372,465	-	-	10,437	-	-	382,902
Total Transportation	<u>372,465</u>	<u>-</u>	<u>-</u>	<u>10,437</u>	<u>-</u>	<u>-</u>	<u>382,902</u>
Cultural, Parks and Recreation							
Parks and Recreation	-	-	-	-	59	44,643	44,702
Total Cultural, Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59</u>	<u>44,643</u>	<u>44,702</u>
Community/Economic Development:							
Economic Development	34,607	-	-	-	-	-	34,607
Total Community/Economic Development	<u>34,607</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,607</u>
Capital Outlay	630,139	-	-	-	-	-	630,139
Total Expenditures	<u>1,081,844</u>	<u>-</u>	<u>-</u>	<u>10,437</u>	<u>59</u>	<u>44,643</u>	<u>1,136,983</u>
Excess (Deficiency) of Revenues Over Expenditures	(504,897)	5	594	(5,669)	125	(40,724)	(550,566)
Transfers In	68,727	-	-	-	-	-	68,727
Transfers Out	(67,000)	-	-	-	-	-	(67,000)
Total Other Financing Sources and Uses	<u>1,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,727</u>
Net Change in Fund Balances	(503,170)	5	594	(5,669)	125	(40,724)	(548,839)
Fund Balances-Beginning of Year	1,225,026	153	91,044	116,928	3,793	-	1,436,944
Residual Equity Transfers In / Out	(3,351)	3,455	-	-	-	-	104
Fund Balances-Ending of Year	<u>\$ 718,505</u>	<u>\$ 3,613</u>	<u>\$ 91,638</u>	<u>\$ 111,259</u>	<u>\$ 3,918</u>	<u>\$ (40,724)</u>	<u>\$ 888,209</u>

(Continued)

CITY OF CORNING
SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balance
 Year Ended June 30, 2011

	Subtotal (Brought forward)	Houghton Trail Fund (Fund 356)	Curbs and Gutter Fund (Fund 365)	Lighting & Landscape Fund (Fund 701)	Lighting & Landscape Fund (Fund 703)	Lighting & Landscape Fund (Fund 704)	Total
REVENUES:							
Intergovernmental Revenues	\$ 535,479	\$ -	\$ 240	\$ -	\$ -	\$ -	\$ 535,719
Interest	8,299	38	1	2	48	52	8,420
Other Revenues	42,639	-	-	883	4,263	4,773	52,558
Total revenues	<u>586,417</u>	<u>38</u>	<u>241</u>	<u>885</u>	<u>4,311</u>	<u>4,805</u>	<u>596,697</u>
EXPENDITURES:							
Current:							
General Government:							
General Government	44,633	-	-	-	-	-	44,633
Total General Government	<u>44,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,633</u>
Public Safety and Judiciary:							
Police	-	-	-	-	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:							
Streets	382,902	-	-	751	1,800	3,322	388,775
Total Transportation	<u>382,902</u>	<u>-</u>	<u>-</u>	<u>751</u>	<u>1,800</u>	<u>3,322</u>	<u>388,775</u>
Cultural, Parks and Recreation							
Parks and Recreation	44,702	-	-	-	-	-	44,702
Total Cultural, Parks and Recreation	<u>44,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,702</u>
Community/Economic Development:							
Economic Development	34,607	-	-	-	-	-	34,607
Total Community/Economic Development	<u>34,607</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,607</u>
Capital Outlay	630,139	-	-	-	-	-	630,139
Total Expenditures	<u>1,136,983</u>	<u>-</u>	<u>-</u>	<u>751</u>	<u>1,800</u>	<u>3,322</u>	<u>1,142,856</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(550,566)</u>	<u>38</u>	<u>241</u>	<u>134</u>	<u>2,511</u>	<u>1,483</u>	<u>(546,159)</u>
Transfers In	68,727	-	-	-	-	-	68,727
Transfers Out	(67,000)	-	-	-	-	-	(67,000)
Total Other Financing Sources and Uses	<u>1,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,727</u>
Net Change in Fund Balances	<u>(548,839)</u>	<u>38</u>	<u>241</u>	<u>134</u>	<u>2,511</u>	<u>1,483</u>	<u>(544,432)</u>
Fund Balances-Beginning of Year	1,436,944	5,796	236	332	8,535	4,677	1,456,520
Residual Equity Transfers In / Out	104	-	-	-	-	-	104
Fund Balances-Ending of Year	<u>\$ 888,209</u>	<u>\$ 5,834</u>	<u>\$ 477</u>	<u>\$ 466</u>	<u>\$ 11,046</u>	<u>\$ 6,160</u>	<u>\$ 912,192</u>

(Continued)

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, 2011

	Rural Planning Fund (Fund 105)			STIP Projects Fund (Fund 107)		
	Budget	Actual	Variance	Budget	Actual	Variance
			Favorable (Unfavorable)			Favorable (Unfavorable)
REVENUES:	\$ 29,000	\$ 30,000	\$ (9,000)	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	48	48	-	95	95
Interest	-	7,146	7,146	-	-	-
Other Revenues	-	-	-	-	95	95
Total revenues	29,000	27,194	(1,806)	-	95	95
EXPENDITURES:						
Current:						
General Government:						
General Government	32,241	41,472	(9,231)	-	-	-
Total General Government	32,241	41,472	(9,231)	-	-	-
Public Safety and Judiciary:						
Police	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-
Transportation:						
Streets	-	-	-	48,900	48,635	265
Total Transportation	-	-	-	48,900	48,635	265
Community/Economic Development:						
Economic Development	-	-	-	-	-	-
Total Community/Economic Development	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	32,241	41,472	(9,231)	48,900	48,635	265
Excess of Revenues Over (Under) Expenditures	(3,241)	(14,278)	(11,037)	(48,900)	(48,540)	360
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (3,241)	(14,278)	\$ (11,037)	\$ (48,900)	(48,540)	\$ 360
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		22,840			48,540	
Residual Equity Transfers In / Out		-			-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 8,562			\$ -	

(Continued)

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, 2011

	Federal TEA Fund (Fund 108)			Special Gas Tax Improvement #2105 (Fund 109)			Special Gas Tax 2106 (Fund 110)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:									
Intergovernmental Revenues	\$ -	\$ 32,288	\$ 32,288	\$ 38,355	\$ 38,460	\$ 105	\$ 30,092	\$ 30,785	\$ 693
Interest	500	274	(226)	200	174	(26)	200	226	26
Other Revenues	-	-	-	-	-	-	-	-	-
Total revenues	500	32,562	32,062	38,555	38,634	79	30,292	31,011	719
EXPENDITURES:									
Current:									
General Government:									
General Government	-	-	-	-	398	(398)	-	-	-
Total General Government	-	-	-	-	398	(398)	-	-	-
Public Safety and Judiciary:									
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
Transportation:									
Streets	7,000	29,637	(22,637)	56,222	25,901	30,321	46,443	20,964	25,479
Total Transportation	7,000	29,637	(22,637)	56,222	25,901	30,321	46,443	20,964	25,479
Community/Economic Development:									
Economic Development	-	-	-	-	-	-	-	-	-
Total Community/Economic Development	-	-	-	-	-	-	-	-	-
Capital Outlay	50,400	32,674	17,726	-	-	-	-	-	-
Total Expenditures	57,400	62,311	(4,911)	56,222	26,299	29,923	46,443	20,964	25,479
Excess of Revenues Over (Under) Expenditures	(56,900)	(29,749)	27,151	(17,667)	12,335	30,002	(16,151)	10,047	26,198
OTHER FINANCING SOURCES (USES):									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (56,900)	(29,749)	\$ 27,151	\$ (17,667)	12,335	\$ 30,002	\$ (16,151)	10,047	\$ 26,198
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		57,068			31,639			39,510	
Residual Equity Transfers In / Out		-			-			-	
FUND BALANCE (DEFICIT), AT END OF YEAR	\$ 27,319			\$ 43,974			\$ 49,557		

(Continued)

See accompanying notes to

**CITY OF CORNING
SPECIAL REVENUE FUNDS**

Combining Statement of Revenues, Expenditures,
and Changes in FUND BALANCE (DEFICIT) - Budget and Actual
Year Ended June 30, 2011

Exhibit B-3
(Continued)

	Special Gas Tax 2105 (Fund 111)			Special Gas Tax 2107.5 (Fund 112)			Local Transportation Fund (Fund 114)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:									
Intergovernmental Revenues	\$ 51,096	\$ 51,377	\$ 281	\$ 2,000	\$ 2,000	\$ -	\$ -	\$ -	\$ -
Interest	300	767	467	-	12	12	500	462	(38)
Other Revenues	-	-	-	-	-	-	-	-	-
Total revenues	51,396	52,144	748	2,000	2,012	12	500	462	(38)
EXPENDITURES:									
Current:									
General Government:									
General Government	-	-	-	-	-	-	2,500	2,763	(263)
Total General Government	-	-	-	-	-	-	2,500	2,763	(263)
Public Safety and Judiciary:									
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
Transportation:									
Streets	81,000	76,199	4,801	2,000	1,045	955	57,500	30,574	26,926
Total Transportation	81,000	76,199	4,801	2,000	1,045	955	57,500	30,574	26,926
Community/Economic Development:									
Economic Development	-	-	-	-	-	-	-	-	-
Total Community/Economic Development	-	-	-	-	-	-	-	5,996	(5,996)
Capital Outlay									
Total Expenditures	81,000	76,199	4,801	2,000	1,045	955	60,000	39,333	20,667
Excess of Revenues Over (Under) Expenditures	(29,604)	(24,055)	5,549	-	967	967	(59,500)	(38,871)	20,629
OTHER FINANCING SOURCES (USES):									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (29,604)	\$ (24,055)	\$ 5,549	\$ -	\$ 967	\$ 967	\$ (59,500)	\$ (38,871)	\$ 20,629
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		130,375			455			87,730	
Residual Equity Transfers In / Out		-			-			-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 106,320			\$ 1,422			\$ 48,859	

(Continued)

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, 2011

Exhibit B-3
(Continued)

	Traffic Congestion Fund (Fund 115)			Traffic Mitigation Fund (Fund 116)			Street Lighting Fund (Fund 117)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:									
Intergovernmental Revenues	\$ 71,959	\$ 71,172	\$ (787)	\$ 40,000	\$ 24,556	\$ (15,444)	\$ -	\$ -	\$ -
Interest	200	277	77	4,000	2,371	(1,629)	-	19	19
Other Revenues	-	-	-	-	-	-	-	-	-
Total revenues	72,159	71,449	(710)	44,000	26,927	(17,073)	-	19	19
EXPENDITURES:									
Current:									
General Government:									
General Government	-	-	-	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-	-	-	-
Public Safety and Judiciary:									
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
Transportation:									
Streets	68,200	77,169	(8,969)	18,370	28,270	(9,900)	-	-	-
Total Transportation	68,200	77,169	(8,969)	18,370	28,270	(9,900)	-	-	-
Community/Economic Development:									
Economic Development	-	-	-	-	-	-	-	-	-
Total Community/Economic Development	-	-	-	-	-	-	-	-	-
Capital Outlay	61,400	147	61,253	310,585	348,375	(37,790)	10,000	10,000	-
Total Expenditures	129,600	77,316	52,284	328,955	376,645	(47,690)	10,000	10,000	-
Excess of Revenues Over (Under) Expenditures	(57,441)	(5,867)	51,574	(284,955)	(349,718)	(64,763)	(10,000)	(9,981)	19
OTHER FINANCING SOURCES (USES):									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (57,441)	(5,867)	51,574	\$ (284,955)	(349,718)	(64,763)	\$ (10,000)	(9,981)	19
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		75,691			444,558			10,109	
Residual Equity Transfers In / Out		-			-			-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 69,824			\$ 94,840			\$ 128	

(Continued)

See accompanying notes to 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, 2011

Exhibit B-3
(Continued)

	Rogers Theater Restoration Fund (Fund 130)			Energy Grant (Fund 131)			Planning Environmental Rev. Fund (Fund 150)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:									
Intergovernmental Revenues	\$ 220,000	\$ 182,271	\$ (37,729)	\$ 40,604	\$ 31,658	\$ (8,946)	\$ -	\$ 53	\$ 53
Interest	-	-	-	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-	-	53	53
Total revenues	220,000	182,271	(37,729)	40,604	31,658	(8,946)	-	53	53
EXPENDITURES:									
Current:									
General Government:									
General Government	-	-	-	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-	-	-	-
Public Safety and Judiciary:									
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
Transportation:									
Streets	-	-	-	-	-	-	-	-	-
Total Transportation	-	-	-	-	-	-	-	-	-
Community/Economic Development:									
Economic Development	-	-	-	-	-	-	-	-	-
Total Community/Economic Development	-	-	-	-	-	-	-	-	-
Capital Outlay	226,157	197,772	28,385	40,603	35,175	5,428	-	-	-
Total Expenditures	226,157	197,772	28,385	40,603	35,175	5,428	-	-	-
Excess of Revenues Over (Under) Expenditures	(6,157)	(15,501)	(9,344)	1	(3,517)	(3,518)	-	53	53
OTHER FINANCING SOURCES (USES):									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (6,157)	\$ (15,501)	\$ (9,344)	\$ 1	\$ (3,517)	\$ (3,518)	\$ -	\$ 53	\$ 53
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR								12,990	
Residual Equity Transfers In / Out									
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ (15,501)		\$ (3,517)				\$ 13,043	

(Continued)

See accompanying notes to 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, 2011

Exhibit B-3
(Continued)

	Flood Mitigation FEMA (Fund 152)			OTS 2 Fund (Fund 164)			Abandoned Vehicles Fund (Fund 170)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:									
Intergovernmental Revenues	\$ -	\$ 5,918	\$ 5,918	\$ 26,100	\$ 25,950	\$ (150)	\$ 4,000	\$ 3,451	\$ (549)
Interest	-	-	-	-	103	103	300	302	2
Other Revenues	-	-	-	-	-	-	-	-	-
Total revenues	-	5,918	5,918	26,100	26,053	(47)	4,300	3,753	(547)
EXPENDITURES:									
Current:									
General Government	-	-	-	-	-	-	-	-	-
General Government	-	-	-	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-	-	-	-
Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
Transportation:									
Streets	50,580	22,984	27,596	24,285	11,087	13,198	7,000	-	7,000
Total Transportation	50,580	22,984	27,596	24,285	11,087	13,198	7,000	-	7,000
Community/Economic Development:									
Economic Development	-	-	-	-	-	-	-	-	-
Total Community/Economic Development	-	-	-	-	-	-	-	-	-
Capital Outlay	50,580	22,984	27,596	24,285	11,087	13,198	7,000	-	7,000
Total Expenditures	50,580	22,984	27,596	24,285	11,087	13,198	7,000	-	7,000
Excess of Revenues Over (Under) Expenditures	(50,580)	(17,066)	33,514	1,815	14,966	13,151	(2,700)	3,753	6,453
OTHER FINANCING SOURCES (USES):									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(50,580)	(17,066)	33,514	1,815	14,966	13,151	(2,700)	3,753	6,453
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR					12,480			51,713	
Residual Equity Transfers In / Out				\$	27,446		\$	55,466	
FUND BALANCE (DEFICIT), AT END OF YEAR		(17,066)							

(Continued)

See accompanying notes to

CITY OF CORNING
SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in FUND BALANCE (DEFICIT) - Budget and Actual
 Year Ended June 30, 2011

	SAFE Grant 188			Housing Element Fund (Fund 308)			08/09 CDBG Fund (Fund 322)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:									
Intergovernmental Revenues	\$ -	\$ 3,779	\$ 3,779	\$ -	\$ 3,873	\$ 3,873	\$ -	\$ -	\$ -
Interest	-	83	\$3	-	2	2	-	-	-
Other Revenues	-	-	-	-	-	-	-	-	-
Total revenues	-	3,862	3,862	-	3,875	3,875	-	-	-
EXPENDITURES:									
Current:									
General Government:									
General Government	-	-	-	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-	-	-	-
Public Safety and Judiciary:									
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
Transportation:									
Streets	-	-	-	-	-	-	-	-	-
Total Transportation	-	-	-	-	-	-	-	-	-
Community/Economic Development:									
Economic Development	-	-	-	-	2,404	(2,404)	800,000	27,953	772,047
Total Community/Economic Development	-	-	-	-	2,404	(2,404)	800,000	27,953	772,047
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	2,404	(2,404)	800,000	27,953	772,047
Excess of Revenues Over (Under) Expenditures	-	3,862	3,862	-	1,471	1,471	(800,000)	(27,953)	772,047
OTHER FINANCING SOURCES (USES):									
Operating Transfers In	-	-	-	-	1,727	1,727	67,000	67,000	-
Total Other Financing Sources (Over)	-	-	-	-	1,727	1,727	67,000	67,000	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 3,862	\$ 3,862	\$ -	\$ 3,198	\$ 3,198	\$ (733,000)	\$ 39,047	\$ 772,047
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		7,280			(1,520)			(24,273)	
Residual Equity Transfers In / Out		-			-			103	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 11,142			\$ 1,678			\$ 14,877	

(Continued)
See accompanying notes to 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, 2011

Exhibit B-3
(Continued)

	CDBG Program Unrestricted (Fund 323, 320)			90/STBG/491 Grant Fund (Fund 324)			CDBG Economic Reuse (Fund 325, 823)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:									
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	158	158	-	176	176	500	454	(46)
Other Revenues	-	2,600	2,600	-	-	-	1,000	3,455	2,455
Total revenues	-	2,758	2,758	-	176	176	1,500	3,909	2,409
EXPENDITURES:									
Current:									
General Government:									
General Government	-	-	-	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-	-	-	-
Public Safety and Judiciary:									
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
Transportation:									
Streets	-	-	-	-	-	-	-	-	-
Total Transportation	-	-	-	-	-	-	-	-	-
Community/Economic Development:									
Economic Development	-	-	-	-	-	-	-	-	-
Total Community/Economic Development	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	2,758	2,758	-	176	176	1,500	3,909	2,409
OTHER FINANCING SOURCES (USES):									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	2,758	2,758	\$ -	176	176	\$ 1,500	3,909	2,409
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		(4,880)			26,962			68,401	
Residual Equity Transfers In / Out		-			-			(3,454)	
FUND BALANCE (DEFICIT), AT END OF YEAR	\$	(2,122)		\$	27,138		\$	68,856	

(Continued)

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, 2011

Exhibit B-3
(Continued)

	CDBG Housing Reuse (Fund 326, 321, 322)			Housing Acquisition RLF Fund (Fund 327)			Housing Rehabilitation RLF Fund (Fund 328)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:									
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	500	762	262	-	59	59	-	59	59
Other Revenues	-	29,272	29,272	-	-	-	-	-	-
Total revenues	500	30,034	29,534	-	59	59	-	59	59
EXPENDITURES:									
Current:									
General Government:									
General Government	-	-	-	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-	-	-	-
Public Safety and Judiciary:									
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
Transportation:									
Streets	-	-	-	-	-	-	-	-	-
Total Transportation	-	-	-	-	-	-	-	-	-
Community/Economic Development:									
Economic Development	-	3,350	(3,350)	-	-	-	-	900	(900)
Total Community/Economic Development	-	3,350	(3,350)	-	-	-	-	900	(900)
Capital Outlay	-	-	-	-	-	-	-	900	(900)
Total Expenditures	-	3,350	(3,350)	-	-	-	-	900	(900)
Excess of Revenues Over (Under) Expenditures	500	26,684	26,184	-	59	59	-	(841)	(841)
OTHER FINANCING SOURCES (USES):									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	(67,000)	(67,000)	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (66,500)	\$ (40,316)	\$ 26,184	\$ -	\$ 59	\$ 59	\$ -	\$ (841)	\$ (841)
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		118,022			4,668			4,668	
Residual Equity Transfers In / Out		(52,768)			26,384			26,384	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 24,938			\$ 31,111			\$ 30,211	

(Continued)

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, 2011

Exhibit B-3
(Continued)

	New Construction RLF Fund (Fund 329)			SALADO Wall Fund (Fund 344)			Drainage Fund (Fund 345)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:									
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ 500	\$ 594	\$ 94	\$ 10,000	\$ 4,022	\$ (5,978)
Interest	-	5	5	-	-	-	1,000	746	(254)
Other Revenues	-	-	-	-	-	-	-	-	-
Total revenues	-	5	5	500	594	94	11,000	4,768	(6,232)
EXPENDITURES:									
Current:									
General Government:									
General Government	-	-	-	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-	-	-	-
Public Safety and Judiciary:									
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
Transportation:									
Streets	-	-	-	-	-	-	5,035	10,437	(5,402)
Total Transportation	-	-	-	-	-	-	5,035	10,437	(5,402)
Community/Economic Development:									
Economic Development	-	-	-	-	-	-	-	-	-
Total Community/Economic Development	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	5,035	10,437	(5,402)
Excess of Revenues Over (Under) Expenditures	-	5	5	500	594	94	5,965	(5,669)	(11,634)
OTHER FINANCING SOURCES (USES):									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 5	\$ 5	\$ 500	\$ 594	\$ 94	\$ 5,965	\$ (5,669)	\$ (11,634)
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		153			91,044			116,928	
Residual Equity Transfers In / Out		3,455			-			-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 3,613			\$ 91,638			\$ 111,259	

(Continued)
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, 2011

	Yost Field Fund (Fund 352)			Prop \$4 Park Bond Fund (Fund 354)			Houghton Trail Fund (Fund 356)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:									
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ 3,919	\$ 3,919	\$ -	\$ -	\$ -
Interest	-	18	18	-	-	-	-	38	38
Other Revenues	-	166	166	4,276,800	-	(4,276,800)	-	-	-
Total revenues	-	184	184	4,276,800	3,919	(4,272,881)	-	38	38
EXPENDITURES:									
Current:									
General Government:									
General Government	-	-	-	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-	-	-	-
Public Safety and Judiciary:									
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
Transportation:									
Streets	-	-	-	-	-	-	-	-	-
Total Transportation	-	-	-	-	-	-	-	-	-
Cultural, Parks and Recreation									
Parks and Recreation	-	59	(59)	-	44,643	(44,643)	-	-	-
Total Cultural, Parks and Recreation	-	59	(59)	-	44,643	(44,643)	-	-	-
Community/Economic Development:									
Economic Development	-	-	-	-	-	-	-	-	-
Total Community/Economic Development	-	-	-	-	-	-	-	-	-
Capital Outlay									
Capital Outlay	-	59	(59)	4,276,800	-	4,276,800	-	-	-
Total Expenditures	-	-	-	4,276,800	44,643	4,232,157	-	-	-
Excess of Revenues Over (Under) Expenditures	-	125	125	-	(40,724)	(40,724)	-	38	38
OTHER FINANCING SOURCES (USES):									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 125	\$ 125	\$ -	\$ (40,724)	\$ (40,724)	\$ -	\$ 38	\$ 38
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		3,793						5,796	
Residual Equity Transfers In / Out		-						-	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 3,918			\$ (40,724)			\$ 5,834	

See accompanying notes to

CITY OF CORNING
SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in FUND BALANCE (DEFICIT) - Budget and Actual
 Year Ended June 30, 2011

	Curbs and Gutter Fund (Fund 365)			Lighting & Landscape Fund (Fund 701)			Lighting & Landscape Fund (Fund 703)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:									
Intergovernmental Revenues	\$ -	\$ 240	\$ 240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	1	1	-	2	2	100	48	(52)
Other Revenues	-	-	-	1,090	883	(207)	2,900	4,263	1,363
Total revenues	-	241	241	1,090	885	(205)	3,000	4,311	1,311
EXPENDITURES:									
Current:									
General Government:									
General Government	-	-	-	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-	-	-	-
Public Safety and Judiciary:									
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
Transportation:									
Streets	-	-	-	900	751	149	3,800	1,800	2,000
Total Transportation	-	-	-	900	751	149	3,800	1,800	2,000
Community/Economic Development:									
Economic Development	-	-	-	-	-	-	-	-	-
Total Community/Economic Development	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	900	751	149	3,800	1,800	2,000
Total Expenditures	-	-	-	-	-	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	241	241	190	134	(56)	(800)	2,511	3,311
OTHER FINANCING SOURCES (USES):									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 241	\$ 241	\$ 190	\$ 134	\$ (56)	\$ (800)	\$ 2,511	\$ 3,311
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		236			332			8,535	
Residual Equity Transfers In / Out		-			-			-	
FUND BALANCE (DEFICIT), AT END OF YEAR	\$	\$ 477		\$	\$ 466		\$	\$ 11,046	

(Continued)
See accompanying notes to

CITY OF CORNING
SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in FUND BALANCE (DEFICIT) - Budget and Actual
 Year Ended June 30, 2011

	Lighting & Landscape Fund (Fund 704)			Total		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ 563,206	\$ 535,719	\$ (27,487)
Interest	50	32	(18)	8,850	8,420	(430)
Other Revenues	4,775	4,773	(2)	4,286,565	52,558	(4,234,007)
Total revenues	4,825	4,805	(20)	4,858,621	596,697	(4,261,924)
EXPENDITURES:						
Current:						
General Government:						
General Government	-	-	-	34,741	44,633	(9,892)
Total General Government	-	-	-	34,741	44,633	(9,892)
Public Safety and Judiciary:						
Police	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-
Transportation:						
Streets	4,300	3,322	978	481,535	388,775	92,760
Total Transportation	4,300	3,322	978	481,535	388,775	92,760
Cultural, Parks and Recreation						
Parks and Recreation	-	-	-	-	44,702	(44,702)
Total Cultural, Parks and Recreation	-	-	-	-	44,702	(44,702)
Community/Economic Development:						
Economic Development	-	-	-	800,000	34,607	765,393
Total Community/Economic Development	-	-	-	800,000	34,607	765,393
Capital Outlay						
Capital Outlay	-	-	-	4,975,945	630,139	4,345,806
Total Expenditures	4,300	3,322	978	6,292,221	1,142,856	5,149,365
Excess of Revenues Over (Under) Expenditures	525	1,483	958	(1,433,600)	(546,159)	887,441
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	-	-	-	67,000	68,727	1,727
Operating Transfers Out	-	-	-	(67,000)	(67,000)	-
Total Other Financing Sources (Over)	-	-	-	-	1,727	1,727
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 525	\$ 1,483	\$ 958	\$ (1,433,600)	\$ (544,432)	\$ 889,168
FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR		4,677			1,456,520	
Residual Equity Transfers In / Out		-			104	
FUND BALANCE (DEFICIT), AT END OF YEAR		\$ 6,160			\$ 912,192	

See accompanying notes to

CITY OF CORNING
CAPITAL PROJECTS FUNDS
 Combining Balance Sheet
 June 30, 2011

	Police Equipment Replacement Fund (Fund 071)	Animal Control Officer Replacement Fund (Fund 072)	Fire Equipment Replacement Fund (Fund 076)	Public Works Equipment Replacement Fund (Fund 078)	Park Acquisition Fund (Fund 341)	Park Improvement Fund (Fund 353)	Parkland Acquisition Fund (Fund 355)	Totals
ASSETS								
Cash and Cash Equivalents	\$ 1,232	\$ 143	\$ -	\$ 16,029	\$ 203,408	\$ -	\$ 174,084	\$ 394,896
Intergovernmental Receivable	-	-	4,012	-	-	-	-	4,012
Interfund Loans Receivables	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Other Assets:								
Restricted Cash; Loan Repayment	-	-	-	-	-	-	-	-
Total assets	\$ 1,232	\$ 143	\$ 4,012	\$ 16,029	\$ 203,408	\$ -	\$ 174,084	\$ 398,908
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts Payable	\$ -	\$ -	\$ 30,977	\$ -	\$ -	\$ -	\$ -	\$ 30,977
Accrued Interest	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-	-	-	-
Total liabilities	-	-	30,977	-	-	-	-	30,977
Fund Balances								
Unreserved, Undesignated	1,232	143	(26,965)	16,029	203,408	-	174,084	367,931
Total Fund Balances	1,232	143	(26,965)	16,029	203,408	-	174,084	367,931
Total Liabilities and Fund Balances	\$ 1,232	\$ 143	\$ 4,012	\$ 16,029	\$ 203,408	\$ -	\$ 174,084	\$ 398,908

(Continued)

**CITY OF CORNING
CAPITAL PROJECTS FUNDS**

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Year Ended June 30, 2011

	Police Equipment Replacement Fund (Fund 071)	Animal Control Officer Replacement Fund (Fund 072)	Fire Equipment Replacement Fund (Fund 076)	Public Works Equipment Replacement Fund (Fund 078)	Park Acquisition Fund (Fund 341)	Park Improvement Fund (Fund 353)	Parkland Acquisition Fund (Fund 355)	Totals
REVENUES:								
Intergovernmental Revenues	\$ -	\$ -	\$ 4,011	\$ -	\$ -	\$ -	\$ 2,300	\$ 6,311
Acquisition Charges and Fees	-	-	104	135	1,544	-	1,109	2,878
Interest	186	-	26,308	12,453	5,260	-	-	45,571
Other	-	1,550	-	12,588	6,604	-	3,409	54,760
Total Revenues	<u>186</u>	<u>1,550</u>	<u>30,423</u>	<u>12,588</u>	<u>6,604</u>	<u>-</u>	<u>3,409</u>	<u>54,760</u>
EXPENDITURES:								
Current:								
General Government:								
General Government	-	840	-	-	-	-	-	840
Total General Government	<u>-</u>	<u>840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>840</u>
Public Safety and Judiciary:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:								
Streets	-	-	47,308	-	-	-	-	47,308
Total Transportation	<u>-</u>	<u>-</u>	<u>47,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,308</u>
Cultural, Parks and Recreation								
Parks and Recreation	-	-	-	-	9,449	-	15	9,464
Total Cultural, Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,449</u>	<u>-</u>	<u>15</u>	<u>9,464</u>
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Other Charges	-	-	-	-	807	-	-	807
Capital Outlay	-	-	-	-	-	-	15	15
Total Expenditures	<u>-</u>	<u>840</u>	<u>47,308</u>	<u>-</u>	<u>10,256</u>	<u>-</u>	<u>15</u>	<u>58,419</u>
Excess of Revenues Over (Under) Expenditures	<u>186</u>	<u>710</u>	<u>(16,885)</u>	<u>12,588</u>	<u>(3,652)</u>	<u>-</u>	<u>3,394</u>	<u>(3,659)</u>
OTHER FINANCING SOURCES (USES):								
Operating Transfers In	-	-	22,000	-	-	-	-	22,000
Operating Transfers Out	(87,910)	-	(33,285)	(46,186)	-	(20,989)	-	(188,370)
Total Other Financing Sources (Over)	<u>(87,910)</u>	<u>-</u>	<u>(11,285)</u>	<u>(46,186)</u>	<u>-</u>	<u>(20,989)</u>	<u>-</u>	<u>(166,370)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(87,724)</u>	<u>710</u>	<u>(28,170)</u>	<u>(33,598)</u>	<u>(3,652)</u>	<u>(20,989)</u>	<u>3,394</u>	<u>(170,029)</u>
FUND BALANCE, AT BEGINNING OF YEAR	<u>88,957</u>	<u>(567)</u>	<u>1,205</u>	<u>49,627</u>	<u>207,060</u>	<u>20,989</u>	<u>170,690</u>	<u>537,961</u>
Residual Equity Transfers In	-	-	-	-	-	-	-	-
Residual Equity Transfers Out	-	-	-	-	-	-	-	-
FUND BALANCE, AT END OF YEAR	<u>\$ 1,233</u>	<u>143</u>	<u>\$ (26,965)</u>	<u>\$ 16,029</u>	<u>\$ 203,408</u>	<u>\$ -</u>	<u>\$ 174,084</u>	<u>\$ 367,932</u>

(Continued)

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, 2011

	Police Equipment Replacement Fund (Fund 071)			Animal Control Officer Replacement Fund (Fund 072)			Fire Equipment Replacement Fund (Fund 076)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:									
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition Charges and Fees	-	-	-	-	-	-	22,000	4,011	(17,989)
Interest	-	186	186	100	-	(100)	500	104	(396)
Other	-	-	-	3,000	1,550	(1,450)	26,308	26,308	-
Total Revenues	-	186	186	3,100	1,550	(1,550)	48,808	30,423	(18,385)
EXPENDITURES:									
Current:									
General Government	-	-	-	5,500	840	4,660	-	-	-
General Government	-	-	-	5,500	840	4,660	-	-	-
Total General Government	-	-	-	-	-	-	-	-	-
Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
Transportation:	-	-	-	-	-	-	47,375	47,308	67
Streets	-	-	-	-	-	-	47,375	47,308	67
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:	-	-	-	-	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-	-	33,285	33,285	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	5,500	840	4,660	80,660	80,593	67
Excess of Revenues Over (Under) Expenditures	-	186	186	(2,400)	710	3,110	(31,852)	(50,170)	(18,318)
OTHER FINANCING SOURCES (USES):									
Debt Proceeds	-	-	-	-	-	-	-	22,000	22,000
Operating Transfers In	-	-	-	-	-	-	-	-	-
Operating Transfers Out	(87,910)	(87,910)	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	(87,910)	(87,910)	-	-	-	-	-	22,000	22,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (87,910)	\$ (87,724)	\$ 186	\$ (2,400)	\$ 710	\$ 3,110	\$ (31,852)	\$ (28,170)	\$ 3,682
FUND BALANCE, AT BEGINNING OF YEAR		88,956			(567)			1,205	
FUND BALANCE, AT END OF YEAR		\$ 1,232			\$ 143			\$ (26,965)	

(Continued)
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, 2011

Exhibit C-3
(Continued)

	Public Works Equip. Replacement Fund (Fund 078)			Park Acquisition Fund (Fund 341)			Park Improvement Fund (Fund 353)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:									
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition Charges and Fees	-	-	-	-	-	-	-	-	-
Interest	-	135	135	1,000	1,344	344	-	-	-
Other	-	12,453	12,453	11,200	5,260	(5,940)	-	-	-
Total Revenues	-	12,588	12,588	12,200	6,604	(5,596)	-	-	-
EXPENDITURES:									
Current:									
General Government:									
General Government	-	-	-	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-	-	-	-
Transportation:									
Streets	-	-	-	-	-	-	-	-	-
Total Transportation	-	-	-	-	-	-	-	-	-
Cultural, Parks and Recreation									
Parks and Recreation	-	-	-	5,535	9,449	(3,914)	-	-	-
Total Cultural, Parks and Recreation	-	-	-	5,535	9,449	(3,914)	-	-	-
Community/Economic Development:									
Economic Development	-	-	-	-	-	-	-	-	-
Total Community/Economic Development	-	-	-	-	-	-	-	-	-
Debt Service:									
Interest and Other Charges	-	-	-	12,000	807	11,193	20,989	20,989	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	17,535	10,256	7,279	20,989	20,989	-
Excess of Revenues Over (Under) Expenditures	-	12,588	12,588	(5,335)	(3,652)	1,683	(20,989)	(20,989)	-
OTHER FINANCING SOURCES (USES):									
Debt Proceeds	-	-	-	-	-	-	-	-	-
Operating Transfers In	-	-	-	-	-	-	-	-	-
Operating Transfers Out	(46,186)	(46,186)	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	(46,186)	(46,186)	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (46,186)	\$ (33,598)	\$ 12,588	\$ (5,335)	\$ (3,652)	\$ 1,683	\$ (20,989)	\$ (20,989)	\$ -
FUND BALANCE, AT BEGINNING OF YEAR		49,627			207,060			20,989	
FUND BALANCE, AT END OF YEAR		\$ 16,029			\$ 203,408			\$ -	

(Continued)

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, 2011

	Parkland Acquisition Fund (Fund 355)			Capital Project Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition Charges and Fees	600	2,300	1,700	22,600	6,311	(16,289)
Interest	2,000	1,109	(891)	3,600	2,878	(722)
Other	-	-	-	40,508	45,571	5,063
Total Revenues	2,600	3,409	809	66,708	54,760	(11,948)
EXPENDITURES:						
Current:						
General Government:						
General Government	-	-	-	5,500	840	4,660
Total General Government	-	-	-	5,500	840	4,660
Transportation:						
Streets	-	-	-	47,375	47,308	67
Total Transportation	-	-	-	47,375	47,308	67
Cultural, Parks and Recreation						
Parks and Recreation	41,500	15	41,485	47,035	9,464	37,571
Total Cultural, Parks and Recreation	41,500	15	41,485	47,035	9,464	37,571
Community/Economic Development:						
Economic Development	-	-	-	-	-	-
Total Community/Economic Development	-	-	-	-	-	-
Debt Service:						
Interest and Other Charges	-	-	-	66,274	55,081	11,193
Capital Outlay	-	-	-	-	-	-
Total Expenditures	41,500	15	41,485	166,184	112,693	53,491
Excess of Revenues Over (Under) Expenditures	(38,900)	3,394	42,294	(99,476)	(57,933)	41,543
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	-	-	-	-	22,000	22,000
Total Other Financing Sources (Over)	-	-	-	(134,096)	(112,096)	22,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (38,900)	\$ 3,394	\$ 42,294	\$ (233,572)	\$ (170,029)	\$ 63,543
FUND BALANCE, AT BEGINNING OF YEAR		170,690			537,960	
FUND BALANCE, AT END OF YEAR		\$ 174,084			\$ 367,931	

See accompanying notes to
the basic financial statements.

**CITY OF CORNING
ENTERPRISE FUNDS**
Combining Balance Sheet
June 30, 2011

	Sewer Enterprise Fund (Fund 610, etc)	Solid Waste Enterprise Fund (Fund 615)	Airport Fund (Fund 620, 621)	Transportation Center Fund (Fund 625)	Water Enterprise Fund (Fund 630, etc)	Total
ASSETS						
Current Assets:						
Cash and Investments	\$ 680,107	\$ 83,296	\$ 4,857	\$ 14,045	\$ 1,054,355	\$ 1,836,660
Accounts Receivable	79,645	20,107	-	685	87,237	187,674
Inventories	14,966	-	-	-	56,182	71,148
Total Current Assets	<u>774,718</u>	<u>103,403</u>	<u>4,857</u>	<u>14,730</u>	<u>1,197,774</u>	<u>2,095,482</u>
Capital Assets:						
Construction in Progress	-	-	-	-	56,716	56,716
Property, Plant and Equipment	16,117,910	-	3,390,513	5,167	5,928,031	25,441,621
Accumulated Depreciation	(7,723,284)	-	(35,132)	-	(1,739,570)	(9,497,986)
Net Capital Assets	<u>8,394,626</u>	<u>-</u>	<u>3,355,381</u>	<u>5,167</u>	<u>4,245,177</u>	<u>16,000,351</u>
Other Assets:						
Loan Acquisition Costs	27,361	-	-	-	109,446	136,807
Accumulated Amortization	(7,462)	-	-	-	(29,669)	(37,131)
Net Loan Acquisition Costs	<u>19,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,777</u>	<u>99,676</u>
Restricted Cash:						
Loan Repayment	567,703	-	-	-	386,064	953,767
Total Other Assets	<u>567,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>386,064</u>	<u>953,767</u>
Total Assets	<u>9,786,946</u>	<u>103,403</u>	<u>3,360,238</u>	<u>19,897</u>	<u>5,908,792</u>	<u>19,149,276</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	16,544	104,260	257	421	4,410	125,892
Accrued Wages	2,126	-	-	-	3,159	5,285
Due to Other Funds	-	-	118,421	-	-	118,421
Interest Payable	71,943	-	-	-	52,803	124,746
Deposits	-	-	-	-	64,379	64,379
Current Portion of Long Term Debt	114,024	-	-	-	110,264	224,288
Total Current Liabilities	<u>204,637</u>	<u>104,260</u>	<u>118,678</u>	<u>421</u>	<u>235,015</u>	<u>663,011</u>
Long-Term Liabilities						
Accrued Compensation for Future Absences	25,274	-	-	-	25,274	50,548
Certificates of Participation Payable	6,081,414	-	-	-	3,813,386	9,894,800
Less: Current Portion	(93,180)	-	-	-	(89,420)	(182,600)
Total Long-Term Liabilities	<u>6,013,508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,749,240</u>	<u>9,762,748</u>
Total Liabilities	<u>6,218,145</u>	<u>104,260</u>	<u>118,678</u>	<u>421</u>	<u>3,984,255</u>	<u>10,425,759</u>
NET ASSETS						
Investment in capital assets, net	2,313,212	-	3,355,381	5,167	375,075	6,048,835
Retained Earnings, Restricted	1,283,757	-	-	-	839,060	2,122,817
Retained Earnings, Unrestricted	(58,168)	(857)	(113,821)	14,309	710,402	551,865
Total Net Assets	<u>\$ 3,538,801</u>	<u>\$ (857)</u>	<u>\$ 3,241,560</u>	<u>\$ 19,476</u>	<u>\$ 1,924,537</u>	<u>\$ 8,725,517</u>

See accompanying notes to
the basic financial statements.

**CITY OF CORNING
ENTERPRISE FUNDS**

Combining Statement of Revenues, Expenses
and Changes in Net Assets
Year Ended June 30, 2011

	Sewer Enterprise Fund (Fund 610, etc)	Solid Waste Enterprise Fund (Fund 615)	Airport Fund (Fund 620, 621)	Transportation Center Fund (Fund 625)	Water Enterprise Fund (Fund 630, etc)	Total
OPERATING REVENUES:						
Charges for Service	\$ 1,487,404	\$ 413,842	\$ -	\$ -	\$ 1,272,364	\$ 3,173,610
Connection fees	655	-	-	-	2,365	3,020
Lease and Rents	7,380	-	12,706	10,000	-	30,086
Other Revenue	18,568	-	38,721	10,070	4,596	71,955
Total Operating Revenues	<u>1,514,007</u>	<u>413,842</u>	<u>51,427</u>	<u>20,070</u>	<u>1,279,325</u>	<u>3,278,671</u>
OPERATING EXPENSES:						
Salaries and Benefits	286,220	-	6,568	-	436,599	729,387
Utilities	83,763	-	7,135	5,304	188,448	284,650
Depreciation	501,683	-	-	-	130,967	632,650
Amortization	1,244	-	-	-	4,975	6,219
Other Expenses	683,900	415,197	13,873	9,997	156,073	1,279,040
Total Operating Expenses	<u>1,556,810</u>	<u>415,197</u>	<u>27,576</u>	<u>15,301</u>	<u>917,062</u>	<u>2,931,946</u>
Operating Income (Loss)	<u>(42,803)</u>	<u>(1,355)</u>	<u>23,851</u>	<u>4,769</u>	<u>362,263</u>	<u>346,725</u>
NON-OPERATING REVENUE (EXPENSE)						
Investment Earnings	6,129	278	-	60	6,396	12,863
Interest Expense	(269,610)	-	-	-	(184,739)	(454,349)
Net Non-Operating Revenues (Expenses)	<u>(263,481)</u>	<u>278</u>	<u>-</u>	<u>60</u>	<u>(178,343)</u>	<u>(441,486)</u>
Income Before Transfers	<u>(306,284)</u>	<u>(1,077)</u>	<u>23,851</u>	<u>4,829</u>	<u>183,920</u>	<u>(94,761)</u>
Operating Transfers In	298,800	-	-	-	73,500	372,300
Operating Transfers Out	<u>(298,800)</u>	<u>(293)</u>	<u>-</u>	<u>-</u>	<u>(73,500)</u>	<u>(372,593)</u>
Changes in net assets	<u>(306,284)</u>	<u>(1,370)</u>	<u>23,851</u>	<u>4,829</u>	<u>183,920</u>	<u>(95,054)</u>
NET ASSETS, AT BEGINNING OF YEAR	<u>3,822,712</u>	<u>513</u>	<u>3,250,839</u>	<u>14,647</u>	<u>1,742,303</u>	<u>8,831,014</u>
As Previously Stated	-	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-
As Restated	<u>3,822,712</u>	<u>513</u>	<u>3,250,839</u>	<u>14,647</u>	<u>1,742,303</u>	<u>8,831,014</u>
Residual Equity Transfers In	22,373	-	2,532,111	-	2,000	2,556,484
Residual Equity Transfers Out	-	-	(2,565,241)	-	(3,686)	(2,568,927)
NET ASSETS, AT END OF YEAR	<u>\$ 3,538,801</u>	<u>\$ (857)</u>	<u>\$ 3,241,560</u>	<u>\$ 19,476</u>	<u>\$ 1,924,537</u>	<u>\$ 8,723,517</u>

See accompanying notes to
the basic financial statements.

**CITY OF CORNING
ENTERPRISE FUNDS**

Combining Statement of Cash Flows
Year Ended June 30, 2011

	Sewer Enterprise Fund (Fund 610, etc)	Solid Waste Enterprise Fund (Fund 615)	Airport Fund (Fund 620, 621)	Transportation Center Fund (Fund 625)	Water Enterprise Fund (Fund 630, etc)	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	1,499,186	413,288	296,132	-	1,268,881	3,477,487
Other Operating Cash Receipts	25,948	-	51,427	20,070	4,596	102,041
Payments to Suppliers	(802,347)	(414,226)	(286,655)	(17,470)	(374,727)	(1,895,425)
Payments to Employees	(299,927)	-	(6,568)	-	(453,021)	(759,516)
Net Cash Provided (Used) by Operating Activities	422,860	(938)	54,336	2,600	445,729	924,587
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers from (to) other funds	22,373	(293)	(33,130)	-	(1,686)	(12,736)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Interest Paid	(269,610)	-	-	-	(184,739)	(454,349)
Reallocation of Opening Cash Balances	-	-	-	-	-	-
Repayment of Certificates of Participation	(93,477)	-	-	-	(100,423)	(193,900)
Payments for capital acquisitions	(69,273)	-	(21,159)	-	(47,705)	(138,137)
Net cash (used for) capital and related financing activities	(432,360)	-	(21,159)	-	(332,867)	(786,386)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Receipts of interest	6,129	278	-	60	6,396	12,863
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>19,002</u>	<u>(953)</u>	<u>47</u>	<u>2,660</u>	<u>117,572</u>	<u>138,328</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>661,105</u>	<u>84,249</u>	<u>4,810</u>	<u>11,385</u>	<u>936,783</u>	<u>1,698,332</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 680,107</u>	<u>\$ 83,296</u>	<u>\$ 4,857</u>	<u>\$ 14,045</u>	<u>\$ 1,054,355</u>	<u>\$ 1,836,660</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Net Operating Income (Loss)	\$ (42,803)	\$ (1,355)	\$ 23,851	\$ 4,769	\$ 362,263	\$ 346,725
Adjustments to Reconcile Net Income to Net Cash From (Used For) Operating Activities:						
Depreciation and Amortization	502,927	-	-	-	135,942	638,869
Decrease (Increase) in Accounts Receivable	11,127	(554)	296,132	-	(12,309)	294,396
Decrease (Increase) in Inventory	(150)	-	-	-	(556)	(706)
Decrease (Increase) in Prepaid Assets	-	-	-	-	-	-
Decrease (Increase) in Other Assets	(24,415)	-	-	-	8	(24,407)
Increase (Decrease) in Accounts Payable	(9,032)	971	(215,755)	(2,169)	(28,551)	(254,536)
Increase (Decrease) in Wages Payable	(3,821)	-	-	-	(6,536)	(10,357)
Increase (Decrease) in Accrued Compensation	(9,886)	-	-	-	(9,886)	(19,772)
Increase (Decrease) in Due to Other Funds	-	-	(49,892)	-	-	(49,892)
Increase (Decrease) in Interest Payable	(1,087)	-	-	-	(1,107)	(2,194)
Increase (Decrease) in Deposits	-	-	-	-	6,461	6,461
Net cash from (used for) operating activities	<u>\$ 422,860</u>	<u>\$ (938)</u>	<u>\$ 54,336</u>	<u>\$ 2,600</u>	<u>\$ 445,729</u>	<u>\$ 924,587</u>

See accompanying notes to the basic financial statements.

CITY OF CORNING
EXPENDABLE TRUST FUNDS
 Combining Balance Sheet
 June 30, 2011

	J.T. Levy Trust Fund (Fund 401)	Rodgers Theater Trust (Fund 402)	Ridell Library Fund (Fund 403)	Totals
ASSETS:				
Cash and investments	\$ 27,854	\$ 21,965	\$ 265,648	\$ 315,467
Receivables:				
Intergovernmental	-	-	-	-
County	-	-	-	-
Deferred compensation plan assets				
	27,854	21,965	265,648	315,467
Total assets	\$ 27,854	\$ 21,965	\$ 265,648	\$ 315,467
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts payable	-	-	-	-
Total liabilities	-	-	-	-
Fund Balances:				
Held in trust for:				
Scholarships	27,854	-	-	27,854
Library System	-	21,965	265,648	265,648
Theater	-	-	-	-
Total fund balances	27,854	21,965	265,648	315,467
Total liabilities and fund balances	\$ 27,854	\$ 21,965	\$ 265,648	\$ 315,467

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, 2011

	J.T. Levy Trust Fund (Fund 401)	Rodgers Theater Trust (Fund 402)	Ridell Library Fund (Fund 403)	Totals
REVENUES:				
Intergovernmental	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	181	142	5,625	5,948
Total Revenues	181	142	5,625	5,948
EXPENDITURES:				
Scholarships	250	-	-	250
Capital Outlay	-	-	2,841	2,841
Other	-	-	-	-
Total Expenditures	250	-	2,841	3,091
Excess (Deficiency) of Revenues Over Expenditures	(69)	142	2,784	2,857
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Source (Uses)	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(69)	142	2,784	2,857
FUND BALANCE, BEGINNING OF YEAR	27,923	21,823	262,864	312,610
FUND BALANCE, END OF YEAR	27,854	21,965	265,648	315,467

CITY OF CORNING
EXPENDABLE TRUST FUNDS
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Year Ended June 30, 2011

	Totals		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES:			
Intergovernmental	-	-	-
Fines and Forfeitures	2,000	6,183	4,183
Interest	-	-	-
Total Revenues	<u>2,000</u>	<u>6,183</u>	<u>4,183</u>
Scholarships	500	250	250
Capital Outlay	27,192	-	27,192
Other	-	900	(900)
Total Expenditures	<u>27,692</u>	<u>1,150</u>	<u>26,542</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(25,692)</u>	<u>5,033</u>	<u>30,725</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>(25,692)</u>	<u>5,033</u>	<u>30,725</u>
FUND BALANCE, BEGINNING OF YEAR		307,577	
FUND BALANCE, END OF YEAR		<u>\$ 312,610</u>	

See accompanying notes to the basic financial statements.

SPECIAL REPORTS

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

Honorable 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, 2011, which collectively comprise the City's basic financial statements and have issued my report thereon dated January 31, 2012. 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

In planning and performing my audit, I considered the City of Corning's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report, financial data reliably in accordance with generally accepted accounting principles such that there is more than a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency or combination of significant deficiencies, that results in more than a remote likelihood that material misstatement of the financial statements will not be prevented or detected by the City's internal control.

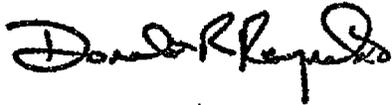
My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies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

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

Compliance

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. However, I noted certain immaterial instances of noncompliance that I have reported to management of the City of Corning in a separate letter dated January 31, 2012.

This report is intended solely for the information and use of the audit committee, management, City Council, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.



Donald R. Reynolds
Certified Public Accountant
January 31, 2012

CITY OF CORNING
SCHEDULES TO FOOTNOTES
 Budget and Appropriations
 Fiscal Year Ended June 30, 2011

NOTE 5 OTHER DISCLOSURES

SCHEDULE OF EXCESS EXPENDITURES:

Fund	Appropriations	Expenditures	Excess Expenditures	Additional Revenue Received
General Fund	\$ 3,957,391	\$ 4,191,764	\$ 234,373	\$ 976,275
Rural Planning Fund (Fund 105)	32,241	41,472	9,231	-
Federal TEA Fund (Fund 108)	57,400	62,311	4,911	32,062
Traffic Mitigation Fund (Fund 116)	328,955	376,645	47,690	-
Housing Element Fund (Fund 308)	-	2,404	2,404	3,875
CDBG Housing Reuse Funds	-	3,350	3,350	29,534
Housing Rehabilitation RLF Fund (Fund 328)	-	900	900	59
Drainage Fund (Fund 345)	5,035	10,437	5,402	-
Yost Field Fund	-	59	59	184
	\$ 4,375,987	\$ 4,672,192	\$ 296,205	\$ 1,008,337

SCHEDULE OF DEFICIT FUND BALANCES:

Fund	Deficit Fund Balance
Rogers Theater Restoration Fund	\$ (15,501)
CDBG Program Income Fund	(2,122)
Flood Mitigation FEMA Fund	(17,066)
Energy Grant Fund	(3,517)
Prop 84 Park Bond Fund	(40,724)
Solid Waste Enterprise Fund	(857)
Fire Equipment Replacement Fund	(26,965)
	\$ (106,752)

CITY OF CORNING
SEWER ENTERPRISE FUNDS

Combining Balance Sheet
 June 30, 2011

	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)	WWTP EXP. (Fund 385)	Fund (Fund 610)	1999 COP (673,611)	2005 COP (Fund 681)	2005 COP (Fund 683)	2005 Refunding Bond (Fund 692)	2005 Refunding Bond (Fund 693)	TOTAL Sewer Enterprise Fund
ASSETS												
Current Assets:												
Cash and Investments	\$ -	\$ (267,407)	\$ 171,709	\$ 103,505	\$ -	\$ 669,819	\$ 2,481	\$ -	\$ -	\$ -	\$ -	\$ 680,107
Accounts Receivable	-	-	-	-	-	79,645	-	-	-	-	-	79,645
Inventories	-	-	-	-	-	14,966	-	-	-	-	-	14,966
Total Current Assets	-	(267,407)	171,709	103,505	-	764,430	2,481	-	-	-	-	774,718
Capital Assets												
Property, Plant and Equipment	-	4,455,848	-	-	-	11,664,052	-	-	-	-	-	16,117,910
Accumulated Depreciation	-	(667,150)	-	-	-	(7,056,134)	-	-	-	-	-	(7,723,284)
Net Capital Assets	-	3,788,698	-	-	-	4,607,928	-	-	-	-	-	8,394,626
Loan Acquisition Costs	-	-	-	-	-	27,361	-	-	-	-	-	27,361
Accumulated Amortization	-	-	-	-	-	(7,462)	-	-	-	-	-	(7,462)
Net Loan Acquisition Costs	-	-	-	-	-	19,899	-	-	-	-	-	19,899
Other Assets:												
Restricted Cash:	-	-	-	-	-	-	405,826	-	38,822	2	123,053	567,703
Loan Repayment	-	-	-	-	-	-	405,826	-	38,822	2	123,053	567,703
Total Other Assets	-	-	-	-	-	-	405,826	-	38,822	2	123,053	567,703
Total Assets	\$ -	\$ 3,519,291	\$ 171,709	\$ 103,505	\$ -	\$ 5,392,257	\$ 408,307	\$ -	\$ 38,822	\$ 2	\$ 123,053	\$ 9,756,946
LIABILITIES												
Liabilities:												
Current Liabilities:												
Accounts Payable	\$ 13,926	\$ -	\$ -	\$ 27	\$ -	\$ 2,591	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,544
Accrued Wages	-	43,021	-	-	-	2,126	-	-	-	-	-	2,126
Interest Payable	-	46,000	-	-	-	28,922	-	-	-	-	-	71,943
Current Portion of Long Term Debt	-	46,000	-	-	-	68,024	-	-	-	-	-	114,024
Total Current Liabilities	13,926	(292,349)	-	27	-	483,033	-	-	-	-	-	204,637
Long-Term Liabilities												
Interfund Loan Payable	-	(381,370)	-	-	-	381,370	-	-	-	-	-	25,274
Accrued Compensation for Future Absences	-	-	-	-	-	25,274	-	-	-	-	-	6,081,414
Certificates of Participation Payable	-	4,050,000	-	-	-	2,031,414	-	-	-	-	-	(93,180)
Less: Current Portion	-	(46,000)	-	-	-	(47,180)	-	-	-	-	-	6,013,508
Total Long-Term Liabilities	-	3,622,630	-	-	-	2,390,878	-	-	-	-	-	6,218,145
Total Liabilities	13,926	3,330,281	-	27	-	2,873,911	-	-	-	-	-	6,218,145
Fund Equity:												
Contributed Capital	-	-	-	-	-	-	-	-	-	-	-	2,313,212
Retained Earnings:	-	(265,302)	-	-	-	2,576,514	-	-	38,822	2	123,053	1,283,757
Investment in Capital Assets	-	452,312	171,709	103,478	-	(58,168)	408,307	-	-	-	-	(58,168)
Restricted	(13,926)	-	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	189,010	171,709	103,478	-	2,518,346	408,307	-	38,822	2	123,053	3,538,801
Total Net Assets	(13,926)	189,010	171,709	103,478	-	2,518,346	408,307	-	38,822	2	123,053	3,538,801
Total Net Assets	\$ (13,926)	\$ 189,010	\$ 171,709	\$ 103,478	\$ -	\$ 2,518,346	\$ 408,307	\$ -	\$ 38,822	\$ 2	\$ 123,053	\$ 3,538,801

See accompanying notes to
 the basic financial statements.

CITY OF CORNING
SEWER ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
Year Ended June 30, 2011

	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)	WWTP EXP. (Fund 385)	Fund (Fund 610)	1999 COP (673.611)	2005 COP (Fund 681)	2005 COP (Fund 683)	2005 Refunding Bond (Fund 692)	2005 Refunding Bond (Fund 693)	TOTAL Sewer Enterprise Fund
OPERATING REVENUES:												
Charges for Service	\$ -	\$ -	\$ -	\$ -	\$ -	1,487,404	\$ -	\$ -	\$ -	\$ -	\$ -	1,487,404
Connection fees	-	-	-	-	-	655	-	-	-	-	-	655
Lease and Rents	-	-	-	-	-	7,380	-	-	-	-	-	7,380
Other Revenue	2,568	16,000	-	-	-	1,495,439	-	-	-	-	-	18,568
Total Operating Revenues	2,568	16,000	-	-	-	1,495,439	-	-	-	-	-	1,514,007
OPERATING EXPENSES:												
Salaries and Benefits	-	-	-	-	-	286,220	-	-	-	-	-	286,220
Utilities	-	-	-	-	-	83,763	-	-	-	-	-	83,763
Depreciation	-	156,323	-	-	-	345,360	-	-	-	-	-	501,683
Amortization	-	-	-	-	-	1,244	-	-	-	-	-	1,244
Other Expenses	858	408	7,446	2,354	-	672,803	15	-	-	1	15	683,900
Total Operating Expenses	858	156,731	7,446	2,354	-	1,389,390	15	-	-	1	15	1,556,810
Operating Income (Loss)	1,710	(140,731)	(7,446)	(2,354)	-	106,049	(15)	-	-	(1)	(15)	(42,803)
NON-OPERATING REVENUE (EXPENSE)												
Investment Earnings	-	904	1,587	573	-	966	2,071	-	8	8	12	6,129
Interest Expense	-	(175,433)	-	-	-	(94,168)	-	-	(6)	(5)	2	(269,610)
Net Non-Operating Revenues (Expenses)	-	(174,529)	1,587	573	-	(93,202)	2,071	-	2	3	14	(263,481)
Net Income Before Transfers	1,710	(315,260)	(5,859)	(1,781)	-	12,847	2,056	-	2	2	(1)	(306,284)
Operating Transfers In	-	225,000	55,000	18,800	-	-	-	-	-	-	-	298,800
Operating Transfers Out	-	-	(225,000)	-	-	(73,800)	-	-	-	-	-	(298,800)
Net Income	1,710	(90,260)	(175,859)	17,019	-	(60,953)	2,056	-	2	2	(1)	(306,284)
NET ASSETS, AT BEGINNING OF YEAR	(15,636)	279,270	347,568	86,459	-	2,579,299	406,251	-	38,820	-	100,681	3,822,712
As Previously Stated	-	-	-	-	-	-	-	-	-	-	22,373	22,373
Residual Equity Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Residual Equity Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
NET ASSETS, AT END OF YEAR	\$ (13,926)	\$ 189,010	\$ 171,709	\$ 103,478	\$ -	\$ 2,518,346	\$ 408,307	\$ -	\$ 38,822	\$ 2	\$ 123,053	\$ 3,538,801

See accompanying notes to
the basic financial statements.

CITY OF CORNING
WATER ENTERPRISE FUNDS

Combining Balance Sheet
 June 30, 2011

	Water Capital Improvement Fund (Fund 346)	Water Capital Replacement Fund (Fund 383)	Fund (Fund 630)	1999 COP Fund (674,675)	2005 COP Fund (682,684)	TOTAL Water Enterprise Funds
ASSETS						
Current Assets:						
Cash and Investments	\$ 130,237	\$ 267,557	\$ 656,561	\$ -	\$ -	\$ 1,054,355
Accounts Receivable	-	-	87,237	-	-	87,237
Inventories	-	-	56,182	-	-	56,182
Total Current Assets	<u>130,237</u>	<u>267,557</u>	<u>799,980</u>	<u>-</u>	<u>-</u>	<u>1,197,774</u>
Fixed Assets:						
Construction in Progress	56,716	-	-	-	-	56,716
Property, Plant and Equipment	-	-	5,928,031	-	-	5,928,031
Accumulated Depreciation	-	-	(1,739,570)	-	-	(1,739,570)
Net Property, Plant and Equipment	<u>56,716</u>	<u>-</u>	<u>4,188,461</u>	<u>-</u>	<u>-</u>	<u>4,245,177</u>
Loan Acquisition Costs	-	-	109,446	-	-	109,446
Accumulated Amortization	-	-	(29,669)	-	-	(29,669)
Net Loan Acquisition Costs	<u>-</u>	<u>-</u>	<u>79,777</u>	<u>-</u>	<u>-</u>	<u>79,777</u>
Other Assets:						
Restricted Cash:						
Loan Repayment	-	-	-	230,781	155,283	386,064
Total Other Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,781</u>	<u>155,283</u>	<u>386,064</u>
Total Assets	\$ <u>186,953</u>	\$ <u>267,557</u>	\$ <u>5,068,218</u>	\$ <u>230,781</u>	\$ <u>155,283</u>	\$ <u>5,908,792</u>
LIABILITIES						
Liabilities:						
Current Liabilities:						
Accounts Payable	\$ 1,500	\$ 14	2,896	-	-	4,410
Accrued Wages	-	-	3,159	-	-	3,159
Interest Payable	-	-	52,803	-	-	52,803
Deposits	-	-	64,379	-	-	64,379
Current Portion of Long Term Debt	-	-	110,264	-	-	110,264
Total Current Liabilities	<u>1,500</u>	<u>14</u>	<u>233,501</u>	<u>-</u>	<u>-</u>	<u>235,015</u>
Long-Term Liabilities						
Accrued Compensation for Future Absences	-	-	25,274	-	-	25,274
Certificates of Participation Payable	-	-	3,813,386	-	-	3,813,386
Less: Current Portion	-	-	(89,420)	-	-	(89,420)
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>3,749,240</u>	<u>-</u>	<u>-</u>	<u>3,749,240</u>
Total Liabilities	<u>1,500</u>	<u>14</u>	<u>3,982,741</u>	<u>-</u>	<u>-</u>	<u>3,984,255</u>
NET ASSETS						
Investment in Capital Assets	-	-	375,075	-	-	375,075
Restricted	185,453	267,543	-	230,781	155,283	839,060
Unrestricted	-	-	710,402	-	-	710,402
Total Net Assets	\$ <u>185,453</u>	\$ <u>267,543</u>	\$ <u>1,085,477</u>	\$ <u>230,781</u>	\$ <u>155,283</u>	\$ <u>1,924,537</u>

See accompanying notes to
 the basic financial statements.

**CITY OF CORNING
WATER ENTERPRISE FUNDS**

Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
Year Ended June 30, 2011

	Water Capital Improvement Fund (Fund 346)	Water Capital Replacement Fund (Fund 383)	Fund (Fund 630)	1999 COP Fund (674,675)	2005 COP Fund (682,684)	TOTAL Water Enterprise Funds
OPERATING REVENUES:						
Charges for Service	\$ -	\$ -	\$ 1,272,364	\$ -	\$ -	\$ 1,272,364
Connection fees	-	-	2,365	-	-	2,365
Lease and Rents	-	-	-	-	-	-
Other Revenue	2,836	-	1,760	-	-	4,596
Total Operating Revenues	<u>2,836</u>	<u>-</u>	<u>1,276,489</u>	<u>-</u>	<u>-</u>	<u>1,279,325</u>
OPERATING EXPENSES:						
Salaries and Benefits	-	-	436,599	-	-	436,599
Utilities	-	-	188,448	-	-	188,448
Depreciation	-	-	130,967	-	-	130,967
Amortization	-	-	4,975	-	-	4,975
Other Expenses	1,170	1,680	153,165	34	24	156,073
Total Operating Expenses	<u>1,170</u>	<u>1,680</u>	<u>914,154</u>	<u>34</u>	<u>24</u>	<u>917,062</u>
Operating Income (Loss)	<u>1,666</u>	<u>(1,680)</u>	<u>362,335</u>	<u>(34)</u>	<u>(24)</u>	<u>362,263</u>
NON-OPERATING REVENUE (EXPENSE)						
Investment Earnings	1,062	1,554	3,708	42	30	6,396
Interest Expense	-	-	(184,717)	(18)	(4)	(184,739)
Net Non-Operating Revenues (Expenses)	<u>1,062</u>	<u>1,554</u>	<u>(181,009)</u>	<u>24</u>	<u>26</u>	<u>(178,343)</u>
Net Income Before Transfers	<u>2,728</u>	<u>(126)</u>	<u>181,326</u>	<u>(10)</u>	<u>2</u>	<u>183,920</u>
Operating Transfers In	-	73,500	-	-	-	73,500
Operating Transfers Out	-	-	(73,500)	-	-	(73,500)
Net Income	<u>2,728</u>	<u>73,374</u>	<u>107,826</u>	<u>(10)</u>	<u>2</u>	<u>183,920</u>
NET ASSETS, AT BEGINNING OF YEAR	<u>180,725</u>	<u>197,855</u>	<u>977,651</u>	<u>230,791</u>	<u>155,281</u>	<u>1,742,303</u>
Residual Equity Transfers In	2,000	-	-	-	-	2,000
Residual Equity Transfers Out	-	(3,686)	-	-	-	(3,686)
NET ASSETS, AT END OF YEAR	<u>\$ 185,453</u>	<u>\$ 267,543</u>	<u>\$ 1,085,477</u>	<u>\$ 230,781</u>	<u>\$ 155,283</u>	<u>\$ 1,924,537</u>

See accompanying notes to
the basic financial statements.

ITEM NO: J-9
APPLICATION FOR AN OFF-SALE BEER
AND WINE LICENSE (TYPE 20) AND ON-
SALE BEER AND WINE LICENSE (TYPE
42) AND FINDING OF PUBLIC
CONVENIENCE OR NECESSITY FOR
THE OLIVE PIT, LOCATION: 2156
SOLANO STREET

FEBRUARY 28, 2011

TO: HONORABLE MAYOR AND COUNCILMEMBERS
OF THE CITY OF CORNING

FROM: STEPHEN J. KIMBROUGH, CITY MANAGER
JOHN STOUFER, PLANNING DIRECTOR



SUMMARY:

The Olive Pit has applied with the California Department of Alcoholic Beverage Control (ABC) for a Type 20 Off-Sale Beer and Wine License and a Type 42 On-Sale Beer and Wine License. On December 20, 2011 the Planning Commission approved Use Permit 2011-263 allowing the Olive Pit to sell Beer and Wine, including tasting within the existing sales area of the Store and Restaurant.

ABC keeps track of Alcohol Licenses within individual Census Tracts (a geographic polygon used by the Census Bureau and others). This site is within Census Tract No. 0011. According to ABC there are currently 14 Off Sale Licenses, 6 – Type 21 Off-Sale General Licenses, and 8- Type 20 Off-Sale Beer & Wine Licenses existing within Census Tract 0011. Of these 14 licenses, 13 of them are located within the City of Corning west of the railroad tracks. The breakdown of current Off-Sale Licenses is as follows:

Type 21

Safeway Store, 600 Edith Ave.
Payless Drug Store, 640 Edith Ave.
99 Cents Plus Grocery, 2013 Solano St.
Rolling Hills Chevron, 2635 Barham Ave.
Liquor Cabinet, 2185 Solano St.
Liquor Cabinet 2, 3090 Hwy 99-W

Type 20

Corning Food Mart, 790 Edith Ave.
Cross Country Travel Center, 820 Hwy 99-W
7 Eleven Store, 1425 Solano St.
Spirit Gas & Food Mart, 2015 Solano St.
TA Corning Travel Center, 3524 S. Hwy 99-W
Carniceria MI Pueblo, 1321 Solano St.
Corning Shell, 2176 Solano St.
Love's Truck Stop, 2120 South Ave.

Pursuant to previous application packets, ABC indicates that 8 Off-Sale Licenses are allowed pursuant to the population of 6871 in this Census Tract. So, the applicant must seek a "Finding of Convenience or Necessity" prior to ABC issuing one of the desired licenses.

BACKGROUND:

Following the Los Angeles riots in the 90's, the State Legislature, at the urging of local government, amended the State Law pertaining to the sale of alcohol. As a result, ABC is not issuing licenses in areas "with an undue concentration" of alcohol vendors without first referring it to the City for the City's "recommendation". State Law allows that the local governing body, or its designated subordinate officer, can make determination for approval.

Under the Law, the Council has three options:

- First, the City can make no determination and the ABC will issue the License after 90 days.
- Second, the City can determine that "the public convenience or necessity would not be served by the issuance" and ABC will deny the License; or

- Third, the City Council can make the determination that the “public convenience and necessity would be served by the issuance”.

RECOMMENDATION:

MAYOR AND COUNCIL CONSIDER TYPE 20, OFF-SALE BEER AND WINE LICENSE AND TYPE 42, ON-SALE BEER AND WINE LICENSE AT THE OLIVE PIT, 2156 SOLANO STREET, AND HAVING CONSIDERED ANY PUBLIC AND STAFF INPUT, FIND THAT THE “PUBLIC CONVENIENCE OR NECESSITY” WILL BE SERVED, AS REQUIRED UNDER BUSINESS AND PROFESSIONS CODE SECTION 23958.5(B)(2), AND DIRECT STAFF TO COMPLETE THE ABC FORM AND RETURN IT TO THE STATE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL.

OR;

DETERMINE THAT THE ISSUANCE OF TYPE 20, OFF-SALE BEER AND WINE LICENSE AND TYPE 42, ON-SALE BEER AND WINE LICENSE AT OLIVE PIT, 2156 SOLANO STREET WILL NOT SERVE AS A PUBLIC CONVEYANCE AND IS NOT A NECESSITY.

OR;

TAKE NO ACTION OR DETERMINATION AS TO WHETHER THE ISSUANCE OF THESE LICENSES WILL SERVE THE “PUBLIC CONVENIENCE OR NECESSITY”. STAFF WILL INFORM ABC OF THE HEARING AND THE COUNCIL’S NO DETERMINATION.

ATTACHMENTS:

EXHIBIT “A”: APPLICANTS LETTER

Request for Public Convenience or Necessity Approval

In making our application for a Type 20 -- Off-Sale Beer and Wine and a Type 42 -- On-Sale Beer and Wine license, we believe that the public convenience or necessity will be served by the issuance of the applied-for licenses and will satisfy the need for quality beers and wines in this area. It is our intent to carry a wide variety of local and California wines as well as craft and micro brews in our store as well as offer tasting. We cater to a large tourist trade and feel that the addition of local beers and wines would enhance the line of gourmet foods we carry.

We feel confident that our operations will in no way contribute to or aggravate police problems in this area. We will abide by all applicable ABC rules and regulations concerning operation.

Our pertinent experience follows. We

- are an experienced Gourmet food store operator with over 45 years experience in the business, owning this store and restaurant that is a proven asset to the community,
- will provide constant oversight of the development of and day-to-day operations of our store.

To insure the quiet enjoyment of the surrounding community, the applicants will operate under the following conditions:

- That "No Loitering" and "No Public Drinking of Alcoholic Beverages" signs will be posted at the front, side and rear of the site's exterior. These signs will be in English and the predominant foreign language of the neighborhood, if any.
- That the herein-authorized use will be conducted at all times with due regard for the character of the surrounding district.
- That all graffiti on the site will be removed or painted over in the same color as the surface to which it is applied, within 48 hours of its occurrence.
- That the subject facility, including any associated parking, will be maintained in an attractive condition and will be kept free of trash and debris.
- That alcoholic beverages sales will be by persons twenty-one years of age, or older.
- That all exterior public spaces - front, side and rear - will be illuminated with sufficient lighting for the police to identify all persons standing outdoors at night.
- That a security guard or an employee of the site will, hourly, observe the exterior of the site to ensure that no loitering occurs. Loiterers will be asked to leave the site.
- That signs will be posted stating that California State Law prohibits the sale of alcoholic beverages to persons who are under twenty-one years of age.
- That the herein-authorized approval shall be confined to premises having the common address of 2156 Solano Street, Corning, CA 96021. That these conditions of approval must be retained on the property at all times and be produced immediately upon request by the Police Department, or Fire Department or the Fire Marshal.

**ITEM NO: J-10
POLICE CHIEF REPLACEMENT**

February 28, 2012

**TO: HONORABLE MAYOR AND COUNCIL MEMBERS
OF THE CITY OF CORNING**

**FROM: MIKE FITZPATRICK, CITY ATTORNEY, JODY BURGESS, ASSISTANT CITY
ATTORNEY, STEPHEN J. KIMBROUGH, CITY MANAGER AND ANTHONY
CARDENAS, POLICE CHIEF**

BACKGROUND:

With the downturn in the economy and the adverse effect it had upon City finances, the City implemented furloughs in July 2010 with the full cooperation of its employees as a means of saving money. As a further means of saving money, the City Council then accepted the recommendation of the City Manager that both he and Police Chief Tony Cardenas be allowed to retire under the Public Employees Retirement System (PERS) but continue to work in their current positions as employees of the City on a part-time basis until July 2013. These measures combined thereby reduced City expenses by close to \$532,000 annually.

As explained at the Council meeting of February 14, 2012, the passage of Assembly Bill 1028 on January 1, 2012 prohibited the City of Corning from continuing to employ Mr. Kimbrough as its City Manager beyond the end of February 2012 (the initial one year contracted term) because he had become a "retired annuitant" under PERS.

Also on the agenda that night was a proposed Resolution which would have attempted to clarify that this same one year limitation did not apply to our Police Chief Tony Cardenas (also a "retired annuitant") because he had been appointed to his position by the City Manager (as provided in our Municipal Code) rather than by the City Council. (The one year limitation only applies to persons appointed by the Council).

The Chief requested that the proposed Resolution be pulled from agenda on February 14, 2012 to allow him time to discuss it with a PERS representative and ensure that the City was proceeding in accordance with PERS regulations and laws.

OPTIONS:

Police Chief Cardenas has since been in contact with PERS representatives and has explained to them that the City might:

1. Adopt a Resolution allowing him to continue to be employed as its Chief for a longer period and clarifying that his appointment was made by the City Manager and not by the Council (despite the Council's approval of the terms of his contract) or;
2. The City might allow him to resign as its Chief and return on a temporary basis as an independent contractor to help train his replacement.

There is some possibility that PERS could tell our Chief that his current contract does not constitute a Council "appointment" to his position, thus leaving open the option of the Council continuing to employ him as its Chief for several more months while training or recruiting his successor.

More likely, PERS will determine that the one year time limit for employment does apply to the Chief just as it did to our City Manager, leaving the option open for Chief Cardenas to then work for the City as a contracted independent Public Safety Consultant to provide training/administrative support to his successor.

TIMING OF RESPONSE FOR EACH OPTION:

The PERS representative to whom Chief Cardenas spoke explained that she might be able to provide a response in the near future as to whether or not he could continue to be employed as our Police Chief on a temporary basis, but that it may take up to two months to review the proposed independent Public Safety Consultant contract and approved it.

Until Chief Cardenas receives a determination from PERS on his current agreement, he will discontinue his part-time employment on February 29, 2012 to ensure he does not put his retirement income or the City in jeopardy.

FINANCIAL IMPACTS OF EACH OPTION:

- If Chief Cardenas continues to work for the City as its Chief under the contract approved by the Council a year ago, he would continue to be paid \$44.17 per hour but would receive no vacation time, sick leave or administrative leave. He would have \$541.75/mo. paid toward his health, dental and optical coverage, he would continue to participate in the City's group life insurance (\$24.50/mo.) and he would still have State Disability Insurance coverage (\$6.60/mo.). This agreement saves the City approximately \$106,619 annually in salary and benefits.
- As a contracted Public Safety Consultant, he proposes to work approximately 80 hours per month for a flat fee of \$4500 per month through the end of the current fiscal year (June 30, 2012). He may, however, wait until he hears back from PERS before doing any contractual work for the City to ensure that he does not put his retirement income in jeopardy.

SOLUTION:

If Chief Cardenas is not able to continue employment under his current Agreement, the City must appoint a new Police Chief.

Sgt. Don Atkins, a senior Police Sergeant and 25 year veteran with the department possesses the qualifications to be Police Chief. Chief Cardenas has stated that Sergeant Don Atkins has the years of experience and qualifications to step into the position of Police Chief and not only has his support, but also that of the entire department. Both the incoming City Manager John Brewer and retiring City Manager Steve Kimbrough recognize Sgt. Atkins' qualifications and have expressed a willingness to appoint him to Chief upon the position becoming vacant.

The City has a history of identifying and developing employees with the potential to fill key leadership positions, and acknowledges that promoting an experienced and capable individual from within the organization facilitates a smooth leadership transition.

The City Personnel Rules govern Promotions and allow the City Manager the latitude to determine if a competitive examination is necessary. In this case, Sergeant Atkins has demonstrated his capabilities over many years and is the best qualified to succeed Chief Cardenas. An Open Competitive Examination will not save money.

Retired Chief Cardenas should return as an independent contractor to train and provide administrative support to Sgt. Atkins in his new role. City Staff believes it is essential to retain his help during this transition period.

COST IMPACT ON CITY:

Even though this is the most cost effective solution, the cost impact to the City Budget must be understood. The annual cost of Chief Cardenas' full time employment prior to retirement was \$158,846 in 2010 prior to his retirement. The cost of the Chief's part-time employment is \$52,824, per year. This is an annual savings of \$106,022, a major component of the Plan to reduce City operating costs while weathering this recession.

Sergeant Don Atkins is currently at Step E of his salary range, (\$5,322 per month), and will be appointed to Police Chief Step A at \$5,938, an 11.6% increase in pay. The Promotion of Sergeant Atkins to Chief at Step A of the Chief's full time Salary Range would increase his "total compensation" cost (total salary and benefits) to the City by \$1,093 per month or \$13,116 per year.

Here is how it pencils out annually:

Current cost for Part-Time Chief	\$ 52,824	Annual Savings	\$106,022
Cost of Sergeant (total comp)	<u>\$128,709</u>		
Current Cost	\$181,533		
New Full time Chief Cost (total comp)	\$141,822	Hold Sergeant Position Vacant	
Cost of Public Safety Consultant	<u>\$ 18,000</u>		
New Cost	\$159,822	Total Savings:	\$127,733

RECOMMENDED ACTION:

- MOVE TO APPROVE THE PROPOSED CONTRACT FOR CHIEF CARDENAS TO WORK FOR THE CITY OF CORNING AS AN INDEPENDENT CONTRACTOR AND PUBLIC SAFETY CONSULTANT EFFECTIVE MARCH 1, 2012 AND AUTHORIZE THE CITY MANAGER TO SIGN THE CONTRACT ON BEHALF OF THE CITY.
- CONCUR WITH THE CITY MANAGER'S APPOINTMENT OF SERGEANT DON ATKINS AS POLICE CHIEF EFFECTIVE MARCH 1, 2012

**CITY OF CORNING
AGREEMENT FOR
SAFETY CONSULTANT SERVICES**

THIS AGREEMENT, made and entered into this 1st day of March, 2012 is by and between the **City of Corning**, hereinafter referred to as “**CITY**” and **ANTHONY CARDENAS**, an individual doing business as “**Cardenas Public Safety Consultant Services**”, hereinafter referred to as “**SAFETY CONSULTANT**”.

RECITALS

WHEREAS, CITY desires to use the professional services of a qualified consultant to assist it in planning, organizing and directing public safety services for the City of Corning; and

WHEREAS, CITY knowing that SAFETY CONSULTANT is qualified and experienced, and has the specialized skills to perform these particular services needed by the CITY, now wants to proceed with contracting with SAFETY CONSULTANT, and such person is ready, willing and able to perform such services for the CITY;

TERMS AND CONDITIONS

NOW THEREFORE, in consideration of the mutual promises, covenants, and conditions set forth herein the parties agree as follows:

SERVICES: SAFETY CONSULTANT will provide to the CITY all necessary professional services to perform the following duties for the City:

- Consult and coordinate with CITY MANAGER and CITY departments in reviewing and determining the public safety needs of the CITY OF CORNING during the new POLICE CHIEF’S transition;
- Work closely with the new POLICE CHIEF and all personnel within the CITY Police Department to ensure that police and dispatch services of the CITY are being handled in an efficient and effective manner during said transition;
- Provide instruction and training to the new POLICE CHIEF as needed.

SAFETY CONSULTANT will not perform managerial activities nor participate directly in the decision making process for the CITY Police Department. Personnel within the Police Department of the CITY will be under the authority of the new POLICE CHIEF and not that of the SAFETY CONSULTANT. CITY will not direct or supervise the work of SAFETY CONSULTANT in regard to anything he is working on but will expect the end product to be completed to CITY’S satisfaction.

WORK DAYS AND HOURS: SAFETY CONSULTANT will work for CITY on days and hours of his choosing as dictated by the need to accomplish the tasks provided to him and such work will be performed at various locations in City Hall and in SAFETY CONSULTANT’S private residence or at other locations of SAFETY CONSULTANT’S choosing.

COMPENSATION: CITY, for and in consideration of the promises, covenants, conditions and stipulations of SAFETY CONSULTANT set forth herein, hereby agrees to provide, as total compensation to SAFETY CONSULTANT, the following:

- SAFETY CONSULTANT will provide the foregoing services for a fixed sum of four thousand five hundred dollars (\$4500.00) per month; and

- Reimbursement shall be made for all reasonable out of pocket expenses, such as long distance phone charges and the cost of any stationary or other such materials provided by SAFETY CONSULTANT.

TERM: This agreement shall be for an initial term of four months (March 2012 through June 2012) unless either party provides the other with notice of termination. Either party may terminate the Agreement by providing the other party not less than thirty (30) calendar days written notice of termination. The termination shall become effective upon the 30th or later designated day following delivery of written notice thereof. SAFETY CONSULTANT shall be compensated for all services performed to the effective date of termination.

PERFORMANCE STANDARDS: SAFETY CONSULTANT agrees that he will at all times faithfully, industriously, and to the best of his ability, experience and talent, perform all of the duties and functions that maybe required of or from him pursuant to all terms of this Agreement in a manner reasonably satisfactory to the CITY, and in accordance with the standards reasonably expected of a professional person so engaged.

SAFETY CONSULTANT AS INDEPENDENT CONTRACTOR: It is understood that SAFETY CONSULTANT is an independent contractor. SAFETY CONSULTANT may maintain an office separate from the CITY and may perform SAFETY consultant services for other clients in addition to CITY. CITY does not specify how SAFETY CONSULTANT is to work but does specify the functions to be performed and approves or disapproves the final work product requested of SAFETY CONSULTANT.

ENTIRE AGREEMENT; MODIFICATION: This Agreement embodies the whole Agreement between the parties hereto and there are no inducements, promises, terms, conditions or obligations made or entered into by CITY or SAFETY CONSULTANT other than those contained herein. No modification, alterations, or variation in the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

Any notices required to be given, pursuant to this Agreement shall be deemed to have been given by their deposit, postage prepaid, in the United States Postal Service, addressed to the parties as follows:

1. **CITY: City Manager**
794 Third Street
Corning, CA 96021

2. **SAFETY CONSULTANT: Anthony Cardenas**
P.O. Box 504
Corning, CA 96021

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CITY OF CORNING:

SAFETY CONSULTANT:

Gary Strack, Mayor

ANTHONY CARDENAS

ITEM NO: J-11
MID-YEAR BUDGET REVIEW
AND GENERAL DISCUSSION
FEBRUARY 28, 2012

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: STEPHEN J. KIMBROUGH, CITY MANAGER



SUMMARY:

The City has been fortunate in past years to have maintained strong retail sales in the traveler services market and the auto and truck market. The three large travel centers along with three freeway sited service stations and four local fuel and food marts gave the City a huge income from fuel and fuel related sales. In addition the City is fortunate to be a regional auto and truck sales center providing another huge income source. Corning Ford and now Dodge and Corning Chevrolet attract buyers from all over the State.

The City is proceeding cautiously in this economy by reducing expenditures wherever possible. These reductions were explained in detail in the Adopted Budget presented in June 2011.

It is the General Fund that is suffering the effects of the economic recession. Eighty six percent (86%) of the expected General Fund revenues go to support essential Public Safety services. Water and Sewer Enterprises are stable.

BACKGROUND:

As explained in the annual audit section named "Management Discussion and Analysis", total retail sales tax are slowly recovering. The sales tax misallocated to another jurisdiction were identified last June, but the City is still waiting for the return of the funds expected to total \$159,660.

The sales tax income includes the adjustments through the State "triple flip" mentioned later in this analysis. Even with this decline in sales from 2007-2008, Corning has one of, if not, the highest per capita sales tax incomes in the north state. In other words, Corning has more sales tax income per resident to spend on services.

Other City operations remain in good financial shape. The Water Enterprise is earning enough net revenue to invest in the new Clark Park well. City Council enacted a five year series of annual rate increases intended to maintain a stable cash flow and to assure investors of the stability of the City; the last in this series of increases is scheduled for April 1, 2014.

The Sewer Enterprise is setting aside net revenues to fund future repairs and facility replacement. The decline in home building leaves the Sewer Capital Fund short of funds for debt service on the plant expansion bonds, but sufficient reserves currently exist to cover the debt service. The Sewer Rates are increased annually through a long range plan adopted by the City Council to protect Bond Holders who financed the City's major sewer line replacement in 1997 and the wastewater treatment plant expansion in 2005. There are two more scheduled sewer rate increases scheduled for April 1, 2012 and 2013.

One impact of the recession hits Street Maintenance which is funded by State gas taxes and the City General Fund. Street rehabilitation through overlays has been curtailed but not eliminated until the City once again has sufficient funds.

Even in these economic times, the City is pursuing an aggressive Park development program and planning for the future. The City Council and Staff are deeply involved in seeking State Proposition 84 Grant funds for a major new park in the southeast "quadrant" of the City. In 2011, the City was awarded a \$4,276,800 State Park Development Grant; the City will add 17 new acres of developed parks. The City is positioning itself to purchase additional land for future development in order to meet the needs of future population growth. This is possible, because the city has carefully saved Park Development Funds received from new development.

Budgetary Cuts Made And Continuing

The City continues personnel cost reductions through the "Furlough" of all City Employees every other Friday, a savings of 10% of employee costs. Capital Improvements routinely funded from the City General Fund in the past are postponed.

The City Management Team moved quickly to reduce spending as soon as the lower sales Tax figures were revealed in January 2009. Four Public Works vacancies were left unfilled. By June, the City Council and management were reviewing reductions in personnel costs through a cycle of one day per pay period furloughs of all city employees. These "Furloughs", as people like to call them, began in October 2009 as soon as the City had firm financial information to share with the City Employees who all agreed to the Plan to reduce employee costs.

There are only 46 full-time and one part time City Employees, and the City has a huge investment in them. This makes the Employees the greatest asset of the City, a Service Company, and well worth retaining by maintaining stable employment. A Police Officer, for example costs the City between \$150,000 and \$200,000 in training and on the job experience. Most people do not realize the City of Corning operates with very little overhead. The Police Department leads through the Chief and three Sergeants; there are no Captains or Lieutenants. The Fire Department, an ISO Class 4 rated agency, is Volunteer with no full time firefighters, saving the City over \$1 million per year. The entire Public Works Department has seven Maintenance Workers and a field supervisor. Only the Director and the Public Works Secretary are in the office. All City Employees have direct service contact with the public.

So what are our future expectations? *(Updated from June 2011 Budget Report on 2-23-12)*

This is a continuation of the Plan for Financial Recovery adopted in 2010.

- The General Fund, without the additional costs of projects and equipment purchases, was projected last June to have a shortfall (deficit) of \$289,328 this year. This shortfall must be overcome by growing retail sales in order to benefit from sales tax growth.
- Next, the City must receive an additional \$264,058 in today's dollars in order to end furloughs and end the 10% cut in pay; we do this by continuing to encourage retail sales and also hotel occupancy in order to benefit from increased sales tax and hotel occupancy tax.
- Salary rates for all employees must continue to be frozen without any inflationary adjustments with the exception of a few newer employees who may still earn merit step increases.
- Now that a new City Manager has been appointed, the City will need to fill the Public Works Director's position at a cost of \$113,662 less the cost of the Budget Consultant, \$45,000 who will no longer be needed; net cost is \$68,662.
- Filling four Public Works vacant Maintenance Worker positions will require another \$245,268, \$61,317 per position.
- Now that a new Police Chief is being appointed, the City will need to fill the vacant Police Sergeant Position at a cost of \$137,000 less the cost of the cost of the Public Safety Consultant, \$18,000; net cost is \$119,000.

In Summary, here is the funding needed to restore the past level of service:

To Eliminate shortfall:	\$289,328 in revenue growth needed	Target: \$289,328
To End Furloughs:	\$264,058 more revenue	Cumulative growth: \$553,386
Hire Public Works Director:	\$ 68,662 more revenue	Cumulative growth: \$622,048

(None of these actions include any across-the-board salary increases or CPI adjustments)

Fill 1 vacant Public Works Job:	\$ 61,317 more revenue	Cumulative growth: \$752,836
Fill 2 nd Public Works Job:	\$ 61,317 more revenue	Cumulative growth: \$683,365
Fill vacant Sergeant Job:	\$119,000 more revenue	Cumulative growth: \$802,365
Fill 3 rd Public Works Job:	\$ 61,317 more revenue	Cumulative growth: \$863,682
4 th Public Works Job is Inspector and will not be filled until new development begins again		

This Plan requires Capital Improvements and equipment purchases to be funded with Available Reserve unless Council decides to further delay the filling of vacant positions.

Any increases in employee compensation will also require modification of this Plan.

GENERAL FUND:

The “**General Fund Summary**” on page 6 of this report provides an overview of last year and how this year was projected to end on June 30, 2012. Another report titled “**SALES TAX HISTORY IN CORNING** February 21, 2011” projects that Sales Tax income per quarter has already exceeded past quarters. Note the large triple flip payment scheduled for this year. This large amount totaling net revenue of \$742,348 includes one-time added revenue to make up for past State estimates that were lower than the actual due.

Finance Department Accounting Assistant Mary Ramirez estimates the City’s average Transient Occupancy Tax (TOT) has been about \$225,000. This year through January 31, 2012, the TOT received is \$204,480 up from the same period last year (\$196,118) with one quarter remaining to be collected this Fiscal Year. There are no delinquent hotel accounts this year.

“VLF” (**Vehicle License Fees**) are now determined by a State formula; no funds come from the actual License fees paid, but now comes from the State mandated “ERAF” property tax fund; that “tax game” is a story in itself! The City Budget projects the “Property Tax In Lieu of Motor Vehicle License Fees” to be \$475,000 this year. In January 2012, the first of two payments of \$277,612 was forwarded by the County Auditor, down from \$282,621 last year.

The City should receive a small amount of **State Gaming Funds** (collected from Indian casinos) this year to offset the cost of Law Enforcement.

Below is a summary of the **General Fund** for the first seven months of the current and four past fiscal years.

REVENUE	Totals for First Seven (7) Months							Current Year 12 mo. Budget
	through 1-31-06	through 1-31-07	through 1-31-08	through 1-31-09	through 1-31-10	through 1-31-11	through 1-31-12	
Sales Tax	\$1,100,366	\$1,423,993	\$1,454,814	\$1,128,471	\$916,164	\$916,164	\$1,582,440	\$2,000,000
TOT	\$ 143,848	\$ 213,943	\$ 346,368	\$ 200,911	\$165,419	\$165,419	\$204,479 <i>3 Qtrs paid</i>	\$ 260,000
Property Tax	-0-	\$ 298,753	\$309,457	\$ 314,004	\$276,918	\$276,918	\$263,408	\$ 496,100
VLF	\$ 361,997	\$ 276,544	\$ 293,661	\$ 14,737	\$237,849	\$237,849	\$277,612	\$ 500,000
General Fund Rev. Total	\$2,177,512	\$2,623,741	\$2,760,518	\$1,939,726	\$1,838,619	\$1,838,619	\$2,707,604	\$3,375,930
General Fund Expend Total	\$2,252,522	\$2,451,858	\$2,910,718	\$3,168,593	\$2,658,079	\$2,658,079	\$2,633,788	\$4,912,078

OTHER CITY FUNDS

The impact of the recession also hits **Street Maintenance** which is funded by State gas taxes and the City General Fund. Street rehabilitation through overlays has been curtailed until the City once again has sufficient funds. The "**STREET MAINTENANCE FUND STATUS**" spread sheet reflects the actual revenue and expenditures for the past fiscal year and February 2012 estimates for this year and next year. Gas Taxes are collected by the State and apportioned on the basis of population to the cities.

For Street Maintenance this current year, the State should pass on these Gas Taxes to Corning:

- **\$200,000**, up from \$195,714 last year (**that's it; \$26 per resident per year¹**);
- Again this year the County Local Transportation Fund shown in fund 114 on the attached spread sheet is unable to pass any LTF funds on to Corning because the State took away other taxes previously mandated to fund public transit.

The City has added \$269,157 from the General Fund to support street maintenance this current year, and another \$71,000 comes from the General Fund to pay for all street lighting and signals.

Back in Fiscal Year 2004-2005 the City **Sewer "Enterprise"** lost the sewer treatment income from Bell Carter Olive Company after the Company developed its own waste water treatment capability. The impact on the Sewer Enterprise Fund from the withdrawal of Bell Carter from City wastewater treatment forced the City to incrementally increase the monthly Sewer Service Charge over several years to make up for the loss.

The Sewer Enterprise earned its first positive balance of \$184,898 in fiscal Year 2008-2009. Last year in 2009-2010, the net income was \$195,776 and this year it is projected to be \$195,179. The City has now started to grow an operating reserve expected to total \$571,760 by the end of

¹ Population estimate from state is 7,700

this year. The spreadsheet at the end of this report projects that the City must approve a 3% inflationary increase annually after 2013 in order to continue to hold a positive cash flow.

This long term plan of sewer rate increases and the creation of a "Sewer Rate Stabilization Fund" currently totaling \$400,000, made it possible for the City to still qualify for a \$4 million bond issue to expand the Wastewater Treatment Plant (WWTP) in order to provide sufficient capacity for 20 years (about 1,700 more homes by 2025). The Sewer Enterprise is setting aside net revenues to fund future repairs and facility replacement.

The decline in home building leaves the Sewer Capital Fund short of funds for debt service on the plant expansion bonds. The bonds are guaranteed by the Sewer Enterprise Revenues, which means that this year the Enterprise Fund must provide about \$200,000 of the Sewer Reserve to cover the Debt Service.

The **Water Enterprise Fund** spreadsheet shows the history and future projections of income and expense. The water revenues and expenditures are in-line with our plan to only increase water rate revenues annually by a nominal inflation rate of 3% and to limit expenditures to 3%.

The **Water Enterprise** is earning enough net revenue to to fund the debt service on the Clark Park well and possibly refurbish another well the this year.

State's Continued Failure To Resolve State Finances

As noted last year and the prior year, the State of California's continued budget problems still impact the positive trends in local revenue growth. Lingering State revenue/expenditure imbalances will continue to adversely affect the City.

Between 1992 and 2010, the State has diverted (taken) \$1,884,585 in local property tax from the City of Corning for other State purposes.

While the passage of Proposition 1A in November 2007 constitutionally protects local government revenues better from future State revenue raids, the State still takes one quarter of the City share of Sales Tax, this year over one half million dollars and replaces it with previously taken Property Tax. This infamous deal is called the "Triple Flip".

The state also reduced the "Motor Vehicle in lieu Tax" also known as Vehicle License Fees or "VLF", a traditional local tax. Fortunately local governments pressured the State into making up this loss and the State established a formula to provide local government a share of the previously taken Property Tax equal to the loss plus a portion of the VLF collected by the State. In 2011, the State Legislature and Governor stopped returning any State collected VLF to Cities and Counties, a loss to Corning of about \$50,000 per year.

All of these flips and replacements of funds have made it difficult for the citizen to understand the sources of revenues. It also requires the cities in California to be forever vigilant of the State Legislature.

RECOMMENDATION:

MAYOR AND CITY COUNCIL RECEIVE THE MID-YEAR BUDGET REPORT FOR INFORMATION AND DISCUSSION.

General Fund Summary

February 21, 2012

Here is last year's **2010 - 2011 Budget** as amended during the year.

	Approved Budget	June 1 Actual	June 2011 Year End "Guess"	Actual Year End
Budgeted Revenue	\$3,543,311	\$3,798,922	\$4,000,000	\$4,352,205
Budgeted Expenditures	<u>3,955,664</u>	<u>3,753,746</u>	<u>4,125,000</u>	<u>\$4,191,764</u>
Budget Net	\$ (412,353)	\$ 45,175	\$ (125,000)	\$ 160,441 ²

General Fund <u>Beginning</u> Balance July 1, 2010³	\$ 799,649
Plus Actual Revenue for Year End	\$ 160,441
Actual Reserve at Year End June 30, 2011	\$ 960,090
Set-aside Operating Reserve of \$500,000 leaves a balance available of	\$ 460,090

Current Year's 2011 - 2012 Annual Budget

Projected Revenue	\$3,828,430
Adopted Expenditures <i>Includes Furlough savings, full-time Planning Director, part-time City Manager and Police Chief and added Projects approved by the City Council⁴</i>	\$4,269,500
General Fund Operating Deficit with Capital Appropriations	\$ (441,070)
Known but not received Funds to support the Budget	
Planning Director County Contract Income ⁵	\$ 25,675
Recovery of Sales Tax Annual Income ⁶	\$ 159,660
Total one-time Funds	\$ <u>185,335</u>
Net Funds Needed from Available Reserve	\$ (255,735)
Total General Fund Reserve at Beginning, July 1, 2011	\$ 960,090
Estimated Total Reserve at Year End June 30, 2012 <i>Including the \$500,000 Operating Reserve.</i>	\$ 704,355
Estimated Available Reserve at Year End June 30, 2012	\$ 204,355

² Don't get carried away with joy yet; this includes the one-time Insurance dividend of NCCSIF Insurance Rebate of \$132,839 which arrived in June 2011 and Planning Director County Contract Income of \$25,675.

³ Source: Annual Audit ending June 30, 2010.

⁴ Projects Added on June 23, 2011 by City Council and during year to date:

Public Works Truck <i>no cost to General Fund</i>		Police Dispatch Software and Server	\$31,719
Fire Hall Painting and Floor	\$18,000	Fire Regional Haz-Mat Team	\$ 1,000
Police Radio Repeater	\$ 8,000	Fire Turn-outs Grant match	<u>\$ 7,465</u>
Police Vehicle	\$15,000	Total	<u>\$81,184</u>

⁵ \$25,675 is 44.7% of the City General Fund share of half of the Planning Director cost. The City provides Tehama County with half-time Planning Director services through contract during the economic recession.

⁶ The projected additional Sales Tax income returning to the City after misallocation is estimated to average \$50,000 per Tax Quarter for the 4th Qtr. 2009, 1st & 2nd Qtr. 2010.

SALES TAX HISTORY IN CORNING

February 21, 2011

The trend is continuing up, but we still have a long way to return to the "base year" revenues of 2007-2008. Caution: the year end total may not be the sum of the amounts reported to the left due to adjustments at year end (i.e. don't waste your time checking the math)

Sales Tax Calendar Quarter	2nd Quarter Sales	3rd Quarter Sales	State Triple Flip	4th Quarter Sales	1st Quarter Sales	State Triple Flip	Fiscal Year Total
	<i>Paid in July, Aug. Sep.</i>	<i>Paid in Oct. Nov. Dec.</i>	<i>Paid in January</i>	<i>Paid in Jan. Feb. Mar.</i>	<i>Paid in Apr. May, Jun</i>	<i>Paid in June</i>	
2011-2012	\$502,205	\$521,142	\$371,174 ⁷	<i>estimated at \$514,322</i>	<i>reported in June</i>	\$371,174	\$2,000,000⁸ <i>budgeted</i>
2010-2011	\$329,519	\$404,167	\$178,716	\$494,875	\$492,568	\$179,724	\$2,092,962
2009-2010	\$336,468	\$335,130	\$165,466	\$294,761	\$281,936	\$184,412	\$1,598,173 <i>adjusted</i>
2008-2009	510,250	478,921	275,796	292,000	\$292,959	\$294,854	\$2,144,780
Base Year 2007-2008	498,975	470,075	370,764	535,437	698,426	133,220	\$2,706,898
2006-2007	498,541	522,422	294,730	429,388	510,576	304,990	\$2,560,647
2005-2006	370,064	443,116	186,386	369,108	443,626	197,028	\$2,009,328
2004-2005	432,840	365,858	214,009	348,883	340,517	212,705	\$1,914,812

⁷ Triple-Flip payments are Property Tax paid in lieu of Sales tax taken by State. 2011-2012, includes an additional \$158,637 adjustment from past State estimates. which means the amount will not be repeated in the next year. The gross annual allocation for the year is \$780,055.91 less 10% dedicated to the County.

⁸ The \$2,000,000 estimate takes into account that Corning could lose a Car Dealership to Red Bluff in 2011-2012. The sum of the sales tax already shown plus the Triple Flip payment already exceeds the budget amount. The total is \$2,280,017.

STREET MAINTENANCE FUNDS STATUS: 2-18-12

FUND	GAS TAX	Three Years Ago 2008-2009 (1)			Two Years Ago 2009-2010			Last Year 2010-11			Current Year, 2011-12			2012-13 (11)		
		Audited Balance	Actual (9)	Actual	Audited Balance	Actual	Actual	Year-End	Actual	Actual	Projected	Revised (10)	Budgeted	Projected	Expected	
		6/30/2008	Revenues	Expenditures	6/30/2009	Revenues	Expenditures	Balance	Revenues	Expenses	Balances	Revenues	Expenses	Balances	Revenues	
109	2105	\$55,055	\$39,729	\$53,646	\$41,138	\$40,567	\$50,066	\$31,639	\$38,635	\$26,299	\$43,975	\$39,500	\$50,106	\$33,369	\$36,811	
110	2106	\$33,820	\$30,913	\$26,434	\$38,299	\$32,167	\$30,956	\$39,510	\$31,011	\$20,963	\$49,558	\$29,017	\$64,988	\$13,587	\$28,752	
111	2107	\$87,270	\$53,531	\$34,298	\$106,503	\$54,483	\$30,611	\$130,375	\$52,144	\$76,199	\$106,320	\$51,353	\$156,300	\$1,373	\$51,394	
112	2107.5	\$51	\$2,000	\$2,020	\$31	\$2,008	\$1,584	\$455	\$2,012	\$1,044	\$1,423	\$2,000	\$2,000	\$1,423	\$2,000	
114	LTF (2)	\$34,852	\$131,892	\$85,193	\$81,551	\$59,420	\$53,241	\$87,730	\$462	\$39,333	\$48,859	\$0	\$32,500	\$16,359	0	
115	Now called 2103 (3)	\$217	\$61,675	\$38,367	\$23,525	\$67,100	\$14,934	\$52,166	\$71,450	\$77,316	\$46,300	\$78,130	\$101,600	\$22,830	\$80,422	
								Sub Total	\$341,875	\$195,714	\$241,154	\$296,435	\$200,000	\$407,494	\$88,941	\$199,379
SPECIAL PURPOSE FUNDS																
105	Rural Planning-Roads (5)	\$16,050	\$29,338	\$26,651	\$18,737	\$29,104	\$25,001	\$22,840	\$27,193	\$41,472	\$8,561	\$29,000	\$34,850	\$2,711		
107	Prop 1B	\$60,648	\$1,245	\$9,764	\$52,129	\$479	\$4,068	\$48,540	\$94	\$48,634	\$0	\$0	\$0	\$0		
108	Fed. TEA & RSTP (6)	\$61,259	\$1,277	\$0	\$62,531	\$547	\$6,010	\$57,068	\$32,562	\$62,310	\$27,320	\$500	\$29,300	(\$1,480)		
118	Safe Routes to School	\$0	\$281,340	\$281,340	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
120	Fed. TEA for Downtown (7)	\$622	\$9,000	\$9,622	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
365	Curb & Gutter Revolving (4)	\$17,838	\$396	\$18,000	\$234	\$2	\$0	\$236	\$241	\$0	\$477	\$0	\$0	\$477		
345	Drainage Improvements	\$114,963	\$14,243	\$1,117	\$128,089	\$9,931	\$21,092	\$116,928	\$4,769	\$10,437	\$111,260	\$11,000	\$10,263	\$111,997		
116	Traffic Mitigation Less Loan to Airport Ent. Fund	\$477,505	\$78,401	\$132,691	\$423,215	\$51,590	\$30,247	\$444,558	\$26,927	\$376,645	\$94,840 (\$118,421)	\$20,000	\$24,618	\$90,222 (\$118,421)		
117	Lolita Overlay							\$10,109	\$20	\$10,000	\$129	\$0	\$0	\$0		
001	Gen Fund Spt. of Maint. (8)	\$0	\$308,318	\$308,318	\$0	\$167,147	\$167,147	\$0	\$109,715	\$109,715	\$0	\$269,157	\$269,157	\$0		
001	Gen Fund Spt. of Street & Traffic Lights	\$0	\$67,000	\$67,000	\$0	\$65,386	\$65,386	\$0	\$65,001	\$65,001	\$0	\$71,000	\$71,000	\$0		
ANNUAL STREET EXPENDITURES																
				<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>
				\$1,094,461	\$975,982	\$579,931	\$500,343	\$1,042,154	\$657,950	\$1,206,522	\$717,036	\$800,657	\$1,254,176	\$263,388		

1-

2- Local Transportation Funds come to the City through the County; they are generated by a Statewide transportation sales tax (special quarter cent gas tax) approved by the Voters as the Transportation Development Act or TDA. Est. 08-09 \$126,189 (5-8-09 Moses) Cut to \$64,000 in 09-10, and 0 in 2010-2011 due to State TAKING of Statewide transit funds.

3- Prop.42 Gas Sales Tax Monies for Maintenance. State Budget includes funding for 09-10 and 10-11, BUT State wants to take all.

4- Curb & Gutter Revolving Fund makes loans to property owners who install curb & gutter where there were none. Fund balance exceeds needs and \$18238 will be returned to the General Fund in FY 2008-2009.

5- Restricted for Transportation Planning Activities. OWP monies: for FY 07-08; 10-16-07 est. R/STIP \$20,000; Aviation \$8,000; GIS \$3,000. For 06-07 \$18,000; \$8,000;\$3,000.

6- RSTP and TEA funding ended 6-30-02, \$15,181 R/STIP & \$20,323 TEA, received per TCTC Final Budget 02/03 Total \$35,504; Received from County in FY 07-08 \$30,240.54 special, but City continued to receive a distribution, the TCTC distributed an additional \$35,530.04 to Corning from its funds and in 2010 - 11 \$31,788.

7- Revenue includes \$1012 transfer from the General fund to make up the deficit fund balance. The City received approval for funding of the downtown streetscape and lighting improvements from Federal Transportation Enhancement Act restricted to this type of project and not available for street maintenance. The initial funding is for the project study and engineering report called a "PS&E".

8- State Traffic Congestion Relief Act requires a General Fund Maintenance of Effort in the amount of \$164,337. Includes General Fund support in Streets, Street Projects, Public Works Administration and Engineering including Development f

9- State withheld 25% of Gas Tax Revenue in FY 07-08 and is repaying it in September 2008 (FY 08-09). Revenue = annual expected + 25% more in repayment.

10- Estimate, California City Finance

11- 2-15-12 Estimate from Michael Coleman through the League of California Cities.

SEWER ENTERPRISE SYSTEM

Amended 01-05-12 (Fund 610)

The Following Table Illustrates the Effects of Bell Carter withdrawing as a Sewer Service Customer. A Nominal 3% Inflation rate is built into both Revenue & Expenditures of the Sewer Enterprise System.

	ORICAL (ACTUAL)								ACTUAL CURRENT PROJECTED											
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Sewer System Revenues																				
Service Charges (1)	980,023	1,018,176	1,036,819	1,051,670	932,698	1,054,360	1,169,717	1,257,948	1,385,313	1,449,335	1,485,644	1,537,600	1,583,728	1,631,240	1,680,177	1,730,582	1,782,500	1,835,975	1,891,054	1,947,786
Annual Rate Change	3%	3%	3%	3%	9%	9%	9%	9%	9%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Connection Fees	2,620	2,965	5,020	13,861	26,449	2,620	8,030	1,952	2,620	0	655	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Interest Income	14,857	4,099	6,019	3,266	2,159	0	0	0	0	85	966	5,000	3,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other Revenues	6,807	7,000	3,676	4,912	11,037	0	7,154	0	20,555	18,043	9,139	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Total Revenues	1,004,300	1,039,813	1,051,534	1,073,709	972,343	1,056,980	1,184,901	1,259,900	1,408,488	1,467,463	1,496,404	1,549,200	1,595,328	1,642,840	1,691,777	1,742,182	1,794,100	1,847,575	1,902,654	1,959,386
Sewer System Operation and Maintenance Expenses (2) (Exclusive of Capital Expenditures and Depreciation)	823,537	909,055	856,642	939,926	971,199	1,005,577	1,113,426	1,105,433	1,018,652 (7)	1,119,064	1,089,686	1,143,104	1,200,259	1,260,272	1,323,286	1,389,450	1,458,923	1,531,869	1,608,462	1,688,885
Net Revenues from Sewer Enterprise System (Total Net Revenues Available for Installment Payments)	180,763	130,758	194,892	133,783	1,144	51,403	71,475	154,467	389,836	348,399	406,718	406,096	395,069	382,568	368,491	352,732	335,177	315,706	294,192	270,500
1997 COP (3)	39,617	40,234	39,810	39,370	39,370	Paid Off														
1999 COP - USDA (4)	98,804	98,779	98,804	98,749	98,742	98,696	98,694	99,220	98,644	99,211	99,220	99,195	99,211	99,211	99,211	99,211	99,211	99,211	99,211	99,211
2005 COP- SERIES A (&) Wedbush Estimated Installment Payments						47,443	37,820	37,435	37,994	38,482	37,922	37,322	37,653	37,653	37,653	37,653	37,653	37,653	37,653	37,653
2005 COP Series B, USDA (WWTP Exp Ln)													220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
Sewer & Equip Replacement Trnsfr (5)		0	0	0	15,800	16,300	16,800	17,300	18,300	18,300	18,800	19,400	19,982	20,581	21,199	21,835	22,490	23,165	23,860	24,575
WWTP Repl. Fund Transfer	30,000	30,000	35,000	35,000	40,000	40,000	45,000	45,000	50,000	50,000	55,000	55,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Annual Net Income * Required Adjustments (6)	12,342	(38,255)	21,278	(39,336)	(192,768)	(151,036)	(89,019)	(44,488)	184,898	142,406	195,776	195,179	(41,777)	(54,878)	(69,572)	(85,966)	(104,177)	(124,322)	(146,532)	(170,939)
Net Operating Reserve **	417,409	366,820	365,504	313,758	149,950	(7,098)	(72,567)	(159,592)	5,928	155,165	336,581	531,760	489,983	435,105	365,533	279,567	175,390	51,068	(95,464)	(266,402)
Sewer Stabilization Fund Reserve	71,916	73,734	75,101	76,146	403,500	417,444	438,374													
Sewer Capital Improvement (347)	4,921	10,303	11,255	55,742	82,845	107,978	132,279	185,647	207,420	(15,636)										
Sewer Capital Replacement (381)	199,398	94,202	67,227	53,245	42,173	59,876	49,753	53,447	67,972	86,459										
WWTP Expansion Fund (Net of Loan)(348)	384,225	428,496	245,736	85,282	(17,194)	(33,200)	145,051	194,020	90,443	77,253										
WWTP Capital Replacement Fund (380)	247,770	237,590	171,756	206,547	246,138	271,199	327,375	364,142	352,053	347,567										

- 1) First rate change funding the sewer line Replacement Project occurred 04/01/97 (decrease by 5%) and appeared in the 1996-97 column and continues through 4/1/03 (+3%) in seven year rate plan ending in the 2002-2003 column. Three percent (3%) inflationary rate increases are forecasted beginning 4/1/04 and continuing. First yr of Bell Carter Withdrawal is 2004-2005; loss will be \$240,000 per yr; Revenue - 1,068,000 - 240,000 X 1.09= 902,250 income after loss. Beginning with Council approval, add 6%(total 9%) will offset the loss of Bell-Carter as a customer and implemented an 11 yr series of rate increases.
- 2) Operation & Maintenance is projected to increase at an inflationary rate of 5% per year
- 3) 1997 COP for 3,500,000 Wedbush Morgan through the City of Corning Public Finance Corporation funded Phase 1 of the Water and Sewer Line Replacement 80% Water - 20% Sewer
- 4) Total Debt \$2,042,000 Including H99 Sewer (322,000) at 4.375% Interest
- 5) Sewer & Equipment Replacement is set aside for Equipment Replacement, annual construction cost index increase of 3%.
- 6) Adjustment required to bring reserves to its modified balance due to prior period adjustments, and interfund activity.

* Net Income per General Ledger less principal loan payments
 ** Net Operating Reserve will not equal Fund Balance. Consists of Operating Fund (610) Cash and Accounts Receivable. Less Accounts Payable and Interest Payable only. All other Assets and Liabilities not included.

WATER ENTERPRISE SYSTEM

(With rate increase beginning April 1, 2010)

The Following Table Illustrates the History and the Revenue, Expenditures and Coverage of the Debt Service for the Water Enterprise System

Amended 01-05-12 (Fund 630)	HISTORICAL (ACTUAL)										CURRENT BUDGET	PROJECTED						
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Water System Revenues																		
Service Charges (1)	953,811	1,051,970	1,061,576	1,119,836	1,084,370	1,208,862	1,283,521	1,186,044	1,272,364	1,258,274	1,296,022	1,334,903	1,374,950	1,416,198	1,458,684	1,502,445	1,547,518	1,593,944
Annual Rate Change	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Connection Fees	3,380	9,608	7,658	2,408	1,742	4,238	1,092	1,855	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Interest Income	0	0	1,345	1,141	1,928	2,873	6,886	3,924	3,708	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Other Revenues	3,930	3,585	1,106	1,654	1,061	1,992	4,748	10,727	4,125	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Total Revenues	961,121	1,065,163	1,071,685	1,125,039	1,089,101	1,217,965	1,296,247	1,202,550	1,280,197	1,262,274	1,300,022	1,338,903	1,378,950	1,420,199	1,462,684	1,506,445	1,551,518	1,597,944
Water System Operation & Maintenance Expenses																		
Exclusive of Capital Expen. & Depreciation (2A)	582,071	698,302	719,214	691,667	748,376	745,004	784,707	787,277	778,032	840,803	874,435	909,413	945,789	983,621	1,022,965	1,063,884	1,106,439	1,150,697
Net Revenues from Water Enterprise System	379,050	366,861	352,471	433,372	340,725	472,961	511,540	415,273	502,165	421,471	425,587	429,490	433,161	436,578	439,719	442,561	445,079	447,247
(Total Net Revenues Avail. for Installment Payments)																		
1997 COP (2)																		
Est. Installment Pmts.	159,238	157,478	159,538	61,247														
1999 COP's USDA (3) Est. Installment Pymts.	130,972	129,249	130,891	130,829	130,828	131,525	131,491	131,512	131,512	130,696	130,649	130,586	130,504	130,512	130,435	130,385	130,356	130,344
2005 Series A (2) Est. Installment Pymts.																		
March				151,221	104,007	103,272	106,467	109,507	108,419	107,267	110,019	112,591	115,007	117,297	115,437	117,517	123,459	121,159
September				48,007	47,272	46,467	45,507	44,419	43,267	42,019	40,591	39,007	37,297	35,437	33,517	31,459	29,159	26,698
Combined total of March & September				199,228	151,279	149,739	151,974	153,926	151,686	149,286	150,610	151,598	152,304	152,734	148,954	148,976	152,618	147,857
Water Well Debt Service											30,000	30,000	30,000	60,000	60,000	60,000	60,000	60,000
Water & Equipment Replacement Transfer - to Fund 383	35,000	20,000	25,000	25,000	51,500	53,045	100,000	70,000	73,500	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677	130,477
Annual Net Income *	53,840	60,134	37,042	17,068	7,118	138,652	128,075	59,835	145,467	8,489	8,238	8,034	(22,198)	(22,595)	(19,075)	(19,787)	(24,572)	(21,431)
Required Adjustments (4)	(54,496)	(17,204)	(73,495)	16,195	(42,776)	(27,150)	(1,467)	(7,118)	(12,636)									
Cum. Net Operating Reserve **	(11,263)	31,667	142,204	143,077	192,971	358,773	488,315	555,268	688,099	696,588	704,826	712,860	690,662	668,066	648,991	629,204	604,632	583,200
Water Capital Improvement Fund 346	13,686	88,287	100,551	114,914	117,461	160,564	185,723	171,714	185,452									
Water Capital Replacement Fund 383	45,754	41,199	67,315	68,239	84,315	54,154	126,728	197,855	267,557									
Water Stabilization Balance (5)	316,963	321,370	Released															

- 1) First rate change occurred 4/1/97 continuing through 4/1/03; beginning 2003/04 (April 2004) increase was only 3% to cover inflation; no increase on April 1, 2009, then with adoption of new Resolution (12-08-09-02) set annual increase at 3% through 4/1/2014.
- 2) "Refunded" 1997 COP on 7-1-05 and replaced with 2005 COP Series A for 3,500,000 by Wedbush Morgan through the City of Corning Public Finance Corporation which funded Phase 1 of the Water & Sewer Line Replacement at 80% Water and 20% Sewer.
- 2A) Operation & Maintenance is projected to increase at an inflationary rate of 5% per year.
- 3) Total Debt \$2,280,000 @ 4.375% interest.
- 4) Adjustment required to bring reserves to its modified balance due to prior period adjustments and Interfund activity.
- 5) Water Stabilization Fund established April 10, 1997 to insure the adequacy of the net revenues pledged to Debt Service. See page 20 of the Official Statement 1997 Series A - Fund Closed June 30, 2005.

* Net Income per General Ledger less principal loan payment.

** Net Operating Reserve will be equal Fund Balance. Consists of Operating Fund (630), Cash and Accounts Receivable less Accounts Payable and Interest Payable only. All other assets and liabilities not included.

General Fund Revenue Detail

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CITY OF CORNING
OTHER FUNDS
MID YEAR 2011-2012

	2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
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POLICE EQUIPMENT REPLACEMENT FUND #071

Indian Gaming #4160	22,741-							
Equipment Fund #4527	6,595-	2,453-	13,878-	1,624-				23,985-
Interest #4661	5,825-	5,927-	5,562-	827-		186-		19-
Operating Transfers in Revenue #4680	37,500-	60,000-	150,000-	53,280-			15,000-	15,000-

ACO F&A RESTRICTED FUND #072

ACO - F&A Fee #4412	2,345-	3,120-	2,815-	2,916-	3,000-	1,550-	3,000-	2,335-
Interest #4661		139-	112-	13-	100-		100-	1-

FIRE EQUIPMENT REPLACEMENT FUND #076

Indian Gaming #4160			26,308					
Paskenta Tribe Revenue #4162		26,308-	52,616-	26,308-	26,308-	26,308-	26,308-	
Equipment Fund #4527	3,316-							
Interest #4661	879-	675-	1,146-	529-	500-	104-	500-	
Reimbursement: Dispatch # 4671			19,425-	19,908-		4,011-		
Operating Transfers in Revenue #4680	25,500-	60,760-	50,000-	22,000-	22,000-	22,000-	22,000-	22,000-

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CITY OF CORNING
OTHER FUNDS
MID YEAR 2011-2012

	2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
PUBLIC WORKS EQUIPMENT REPLACEMENT FUND #078 -----								
Equipment Fund #4527	27,764-	11,261-	14,588-	12,567-		12,453-		13,048-
Interest #4661	3,964-	3,279-	1,586-	396-		135-		35-
Operating Transfers in Revenue #4680			12,500-					
RURAL PLANNING FUND #105 -----								
Rural Planning Funds #4141	29,000-	29,000-	29,000-	29,000-	29,000-	20,000-	29,000-	1,000-
Interest #4661	72-	294-	211-	104-		48-		10-
PROP ONE B #107 -----								
Prop One B #4132		400,000-						
Interest #4661		3,719-	1,245-	479-		95-		
FED TRANS FUND #108 -----								
FEDERAL TRANS #4529	33,491-	30,241-				32,288-		44,631-
INTEREST #4661	1,489-	1,315-	1,272-	547-	500-	274-	500-	84-

CITY OF CORNING
OTHER FUNDS
MID YEAR 2011-2012

	2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
GAS TAX FUND #109 - #113 -----								
GAS TAX #2105	43,794-	42,645-	38,851-	40,334-	38,355-	38,460-	39,300-	24,831-
GAS TAX #2106	32,970-	32,145-	30,247-	31,867-	30,092-	30,785-	39,800-	17,923-
GAS TAX # 2107	58,541-	57,067-	51,709-	53,757-	51,096-	51,377-	53,000-	30,982-
GAS TAX #2107.5	2,000-	2,000-	2,000-	2,000-	2,000-	2,000-	2,000-	2,000-
INTEREST #4661	4,657-	5,260-	3,366-	1,268-	700-	1,179-	900-	3,086
GAS TAX TOTAL ----->	141,962-	139,117-	126,173-	129,226-	122,243-	123,801-	135,000-	72,650-
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LOCAL TRANSPORTATION FUND #114 -----								
LOCAL TRANSPORTATION SALES TAX #4120	119,510-	126,669-	131,500-	58,850-				
INTEREST #4661	1,876-	1,117-	392-	570-	500-	462-		75-
TRAFFIC CONGESTION FUND #115 -----								
TRAFFIC CONGESTION RELIEF #4142	50,767-		61,483-	66,915-	71,959-	71,172-	82,000-	52,331-
Interest #4661	2,215-	1,358-	192-	184-	200-	277-	500-	104-
TRAFFIC MITIGATION FUND #116 -----								
Traffic Mitigation Fees #4634	91,320-	344,077-	67,466-	47,451-	40,000-	19,276-	19,000-	5,306-
Interest #4661	2,612-	8,931-	10,935-	4,140-	4,000-	2,371-	1,000-	
SAFE ROUTES TO SCHOOL FUND #118 -----								
Safe Routes to School #4145	174,163-	56,237-	281,340-					

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CITY OF CORNING
OTHER FUNDS
MID YEAR 2011-2012

	2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
TEA DOWNTOWN FUND #120 -----								
TEA #4161	20,000-	20,677-	9,000-					
RODGERS RESTORATION FUND #130 -----								
Theatre Restoration #4138				6,157-				
2002 Park Bond Act #4163					220,000-	182,271-	25,000-	
ENERGY GRANT FUND #131 -----								
Energy Grant #4665					40,604-	31,658-	8,946-	
PLNG ENV. REV. FUND #150 -----								
Interest # 4661	493-	457-	360-	121-		53-		22-
FLOOD MIT FEMA #152 -----								
Federal Grant Proceeds #4702 OTS FUND #161						5,918-	50,580-	21,018-

OTS #4572		14,169-	11,177-					
OTS FUND #164 -----								
OTS #4572			7,678-	28,508-	26,100-	25,950-	24,285-	6,559-
Interest # 4661				38-		103-		44-
ABANDONED VEHICLE FUND #170 -----								
Abandoned Vehicle #4546	27,494-	13,084-	16,344-	20,140-	4,000-	3,451-	4,000-	
Interest #4661	439-	1,193-	639-	307-	300-	302-	300-	90-
SAFE GRANT #188 -----								
Interest # 4661		110-	28-	40-		83-		19-
Safe Grant (Police) #4701		7,842-	6,913-	10,299-		3,779-		

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CITY OF CORNING
OTHER FUNDS
MID YEAR 2011-2012

	2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
FLOOD PREVENTION FUND #303 -----								
Operating Transfers in Rev #4680		8,750-						
Grant Proceeds #4700			39,339-					
GIS PLANNING FUND #304 -----								
Interest #4661		106-		10-				
Operating Transfers in Revenue #4680		8,750-						
Grant Proceeds #4700			28,818-	5,562-				
HOUSING ELEMENT PROJ #308 -----								
Housing Element 2003 # 4567				31,127-		3,873-		
SALADO HOME #321 -----								
Interest # 4661		7-	3-					
Salado Home Grant # 4663		3,916,219-	6,565-	2,390-				
CDBG FY 08/09 #322 -----								
Interest # 4661				51-		29		48-
Blackburn Improve. Grant #4802							800,000-	
PROG. INC-UNRES FUND # 323 -----								
Interest #4661	391-	44-	70-	117-		158-		15

CDBG Program Income #4668

1,100-

1,600-

1,200-

1,480-

2,600-

1,250-

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CITY OF CORNING
OTHER FUNDS
MID YEAR 2011-2012

2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
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CITY OF CORNING
OTHER FUNDS
MID YEAR 2011-2012

	2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
1990 CDBG FUND #324 -----								
Interest # 4661		281-	594-	281-		176-		45-
REUSE FUNDS-ECN FUND #325 -----								
Loan Payments #4568	533-	913-	913-	913-	1,000-	913-	1,000-	609-
Interest #4661	3,047-	2,465-	1,384-	620-	500-	454-	500-	111-
CDBG Program Income #4668	788-		1,825-	2,542-		2,542-		1,483-
REUSE FUNDS HOUSING FUND #326 -----								
Interest #4661	894-	801-	1,265-	992-	500-	762-	500-	35-
CDBG Program Income #4668	1,238-	41,949-	27,668-	52,768-		29,272-		26,868-
HOUSING ACQ, RLF #327 -----								
Interest # 4661				28-		59-		67-
HOUSING REHAB. RLF #328 -----								
Interest # 4661				28-		59-		65-
NEW CONSTRUCTION RLF #329 -----								
Interest # 4661				1-		5-		12-
PARK ACQUISITION/CONSTRUCTION FUND #341 -----								
PARK ACQUISITION/CONSTRUCTION #4127	26,006-	62,875-	13,450-	10,268-	11,200-	3,500-	11,200-	13,991-
INTEREST #4661	5,374-	6,897-	4,647-	1,901-	1,000-	1,344-	1,000-	345-

CITY OF CORNING
OTHER FUNDS
MID YEAR 2011-2012

	2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
SALADO WALL DEPOSIT FUND #344 -----								
Interest # 4661			2,175-	848-	500-	594-	500-	153-
DRAINAGE FEES FUND #345 -----								
DRAINAGE FEES #4636	27,523-	32,197-	11,532-	8,827-	10,000-	2,262-	10,000-	12,472-
INTEREST #4661	2,709-	3,461-	2,711-	1,104-	1,000-	746-	1,000-	188-
WATER CAPITAL IMPROVEMENT FUND #346 -----								
WATER CAPITAL IMPROVEMENT #4530	26,260-	55,111-	25,524-	6,027-	5,000-	2,836-	5,000-	1,429-
INTEREST #4661	4,828-	4,789-	3,864-	1,652-	1,500-	1,062-	1,500-	179-
SEWER CAPITAL IMPROVEMENT FUND #347 -----								
SEWER CAPITAL IMPROVEMENT #4642	23,082-	47,804-	17,976-	3,210-	2,500-	2,568-	2,500-	1,605-
INTEREST #4661	5,036-	5,575-	4,373-					
WWTP EXPANSION FUND #348 -----								
MISC INCOME, ETC... #4618	141,526-	292,000-	116,000-	8,000-	8,000-	16,000-	233,000-	10,000-
INTEREST #4661	3,973-	3,634-	2,845-	2,141-	1,000-	904-	1,000-	65-
Operating Transfers in Rev. # 4680				225,000-	225,000-	225,000-		
YOST FIELD FUND #352 -----								
BASEBALL FEES #4654				870-		166-		286-
Interest # 4661			10-	29-		18-		7-

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CITY OF CORNING
OTHER FUNDS
MID YEAR 2011-2012

	2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
PARK VOL. FUND #353 -----								
Recycling Grant #4157		5,000-		5,000-				
Interest #4661	554-	545-	428-	151-				
PROP 84 PARK BOND #354 -----								
Bond Proceeds #4552					4,276,800-		4,276,800-	73,930-
Misc Income, Etc. #4618						3,919-		
PARKLAND ACQUISITION FUND #355 -----								
Bedroom Tax #4605	16,300-	26,300-	7,800-	1,100-	600-	2,300-	600-	
Misc. Income, Etc. #4618				124,416-				
Interest #4661	5,925-	6,082-	4,216-	1,555-	2,000-	1,109-	2,000-	290-
TRAIL DEVELOPMENT FUND #356 -----								
Interest #4661	221-	205-	125-	54-		38-		10-
CURB AND GUTTER FUND #365 -----								
CURB AND GUTTER #4635						240-		
INTEREST #4661	703-	652-	397-	2-		1-		1-
CAPITAL REPLACEMENT WWTP FUND #380 -----								
Interest #4661	13,154-	9,433-	5,320-	2,977-	5,000-	1,587-	5,000-	349-
Operating Transfers in Revenue #4680	61,800-	45,000-	50,000-	50,000-	55,000-	55,000-	55,000-	55,000-

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CITY OF CORNING
OTHER FUNDS
MID YEAR 2011-2012

2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
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ID: RVOTH-----FEB 21 2012

CITY OF CORNING
OTHER FUNDS
MID YEAR 2011-2012

	2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
SEWER CAPITAL REPLACEMENT FUND #381 -----								
Interest #4661	2,195-	1,619-	1,176-	690-	1,000-	573-	1,000-	173-
Operating Transfers in Rev #4680		17,300-	18,300-	18,300-	18,800-	18,800-	19,400-	19,400-
WATER CAPITAL REPLACEMENT FUND #383 -----								
Interest #4661	4,047-	2,449-	3,049-	1,845-	2,000-	1,554-	2,000-	548-
Operating Transfers in Revenue #4680	51,500-	53,045-	100,000-	70,000-	73,500-	73,500-	103,000-	103,000-
CLARK PARK WELL #384 -----								
Clark Park Well WtrCapImp #9275							613,000	348,173
JT LEVY TRUST FUND #401 -----								
Interest #4661	1,098-	1,008-	608-	260-	500-	181-	500-	46-
RODGERS, FMW&D FUND #402 -----								
Interest #4661	2,229-	1,561-	501-	210-	500-	142-	500-	36-
RIDELELL LIBRARY TRUST FUND #403 -----								
Interest #4661	11,067-	10,787-	8,198-	5,712-	1,000-	5,625-	500-	137-

ID: RVOTH-----FEB 21 2012

CITY OF CORNING
OTHER FUNDS
MID YEAR 2011-2012

	2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
SEWER ENTERPRISE FUND #610 -----								
SEWER SERVICE #4640	1,169,717-	1,257,948-	1,385,313-	1,449,335-	1,448,582-	1,485,644-	1,537,600-	895,615-
SEWER CONNECTION FEE #4641	8,030-	1,952-	2,620-		3,000-	655-	3,000-	
INDUSTRIAL WWTP LAND LEASE #4643	6,427-		20,555-	7,316-		7,380-		7,608-
MISCELLANEOUS #4618	726-				3,600-		3,600-	
INTEREST #4661				85-	5,000-	966-	5,000-	412-
FUND TOTAL ----->	1,184,900-	1,259,900-	1,408,488-	1,456,736-	1,460,182-	1,494,645-	1,549,200-	903,635-
=====								
SOLID WASTE FUND #615 -----								
Solid Waste #4639	352,052-	367,628-	391,289-	407,216-	300,000-	413,842-	400,000-	242,934-
Interest #4661	2,191-	1,605-	1,064-	559-	5,000-	278-	6,000-	76-
AIRPORT ENTERPRISE FUND #620 -----								
AIRPORT GRANT #4536	20,000-	10,000-	10,000-		10,000-	20,000-	10,000-	10,000-
Misc, Income, Etc. # 4618	407-	466-	411-	2,579-	2,579-	229-	2,579-	80-
RENT BLACKBURN #4658	7,349-	7,980-	7,980-	7,275-	8,400-	7,911-	8,400-	5,600-
RENTS/LEASES #4660	1,315-	1,630-	3,210-	3,210-	1,000-	4,795-	3,000-	2,109-
INTEREST #4661				28-				
AIRPOT IMPROVEMENTS #621 -----								
Airport Land Acquisition Grant #4558	207,776-							
FAA Grant Construction #4564			185,844-	2,331,801-	1,215,000-	18,492-		

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CITY OF CORNING
OTHER FUNDS
MID YEAR 2011-2012

2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012	2011-2012
YEAR END	YEAR END	YEAR END	YEAR END	BUDGET	ACTUAL	BUDGET	ACTUAL

ID: RVOTH-----FEB 21 2012

CITY OF CORNING
OTHER FUNDS
MID YEAR 2011-2012

	2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
TRANSPORTATION CENTER FUND #625 -----								
TRANS. SALES TAX #4120				15,755-	8,220-	8,015-	8,220-	
Lease-Commercial Park #4659				5,000-	5,000-	5,000-	5,000-	5,000-
RENTS/LEASES #4660				5,000-	5,000-	5,000-	5,000-	
OPERATING TRANSFERS IN REVENUE #4680			10,000-					
INTEREST #4661	285-			28-		60-		26-
FUND TOTAL ----->	285-		10,000-	25,783-	18,220-	18,075-	18,220-	5,026-
=====								
WATER ENTERPRISE FUND #630 -----								
MISC INCOME, ETC. #4618			3,001-					12-
WATER SALES #4630	1,084,370-	1,208,863-	1,283,521-	1,186,044-	1,260,385-	1,272,364-	1,258,274-	793,860-
WATER CONNECTION FEE #4631	1,742-	4,238-	1,092-		1,000-		1,000-	
METER READING/TURN ON #4632	1,061-	1,992-	1,747-	1,855-	2,000-	2,365-	2,000-	1,200-
INTEREST #4661	1,928-	2,874-	6,886-	3,924-	1,000-	3,708-	1,000-	952-

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CITY OF CORNING
OTHER FUNDS
MID YEAR 2011-2012

	2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
L&L DIST 1 ZN 1 #701 -----								
Lighting & Landscaping Assess #4649	883-	883-	852-	919-	1,090-	883-	1,090-	505-
Interest # 4661		35-	6-	1-		2-		
L&L DIST 1 ZN 3 #703 -----								
Lighting & Landscaping Assess #4649		4,299-	4,263-	4,263-	2,900-	4,263-	2,900-	2,060-
Interest # 4661		56-	92-	62-	100-	48-	100-	18-
L&L DIST 1 ZN 4 #704 -----								
Lighting & Landscaping Assess #4649			4,773-	4,773-	4,775-	4,773-	4,775-	2,386-
Interest # 4661			20-	32-	50-	31-	50-	9-
FUND TOTAL ----->	1,089,101-	1,217,967-	1,296,247-	1,191,823-	1,264,385-	1,278,437-	1,262,274-	796,024-
=====								
GRAND TOTAL OF NON GEN FUNDS ----->	4,144,692-	8,923,192-	4,900,676-	6,631,563-	9,610,395-	4,319,496-	8,637,607-	2,226,873-
=====								

Other Fund Revenue Detail

CITY OF CORNING
ANNUAL BUDGET
MID YEAR 2011-2012
DEPARTMENT HISTORY BY FISCAL YEAR

	2006-2007 ACTUAL -----	2007-2008 ACTUAL -----	2008-2009 ACTUAL -----	2009-2010 ACTUAL -----	2010-2011 BUDGET -----	2010-2011 ACTUAL -----	2011-2012 BUDGET -----	2011-2012 ACTUAL -----
GENERAL CITY -----								
City Council #1100	31,290	33,339	34,822	23,979	25,400	22,183	25,400	16,865
City Clerk #1300	21,274	21,005	13,636	10,741	16,300	15,642	16,300	4,804
City Treasurer #1900	646	592	592	538	600	718	600	377
City Administration #1200	193,854	196,432	206,375	202,056	135,088	185,197	116,209	69,503
Legal Services #1400	77,454	85,338	88,889	133,840	74,800	81,885	74,800	53,912
Recreation #3300		18,403	82,006	92,006		17,563		4,291
Building & Safety #4300	139,192	175,105	98,938	88,322	95,342	103,841	100,496	64,503
Planning Dept #4100	97,579	125,152	107,010	110,745	110,096	116,211	122,945	66,175
Economic Development #4010	50,340	144,986	148,526	22,600	21,500	21,500	22,000	15,958
Housing Element #3181			14,515	26,890		2,099		
First Time Homebuyers #4700			61	41				
Flood Mitigation #2310					50,580	10,627	50,580	
Flood Planning #4006	170	4,688	38,710					
GIS Planning #4007	170	10,489	38,962					
Retail Planning #4008		45,821	860					
Housing Rehab #4020	245,900	1,615	66	2,130	67,000	71,250	16,000	1,138
Finance Dept #1500	235,468	257,572	268,246	259,947	282,875	263,879	287,093	151,678
Solid Waste #8000	352,052	367,722	382,161	417,157	304,000	413,842	405,000	208,174
General City #1600	477,986	441,448	431,235	381,228	373,904	350,812	348,686	295,166

GENERAL CITY TOTAL	1,923,375	1,929,707	1,955,610	1,772,220	1,557,485	1,677,249	1,586,109	952,544

CITY OF CORNING
ANNUAL BUDGET
MID YEAR 2011-2012
DEPARTMENT HISTORY BY FISCAL YEAR

2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2010-2011	2011-2012	2011-2012
ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
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CITY OF CORNING
ANNUAL BUDGET
MID YEAR 2011-2012
DEPARTMENT HISTORY BY FISCAL YEAR

	2006-2007 ACTUAL -----	2007-2008 ACTUAL -----	2008-2009 ACTUAL -----	2009-2010 ACTUAL -----	2010-2011 BUDGET -----	2010-2011 ACTUAL -----	2011-2012 BUDGET -----	2011-2012 ACTUAL -----
PUBLIC SAFETY -----								
Fire Department #2300	446,626	566,867	497,154	526,694	469,799	388,352	217,955	125,209
Fire Cap Replacement #2301	61,262	69,203	78,908	70,070	47,375	47,308	62,305	12,477
Fire Dispatch #2302					3,000	134,551	303,233	189,133
Police Department #2114	1,794,751	1,857,911	1,954,170	2,012,447	1,891,759	2,061,337	1,987,869	1,190,110
Animal Control #2200	109,191	114,675	132,567	123,861	143,535	87,043	145,460	76,024
Police Dispatch #2119	418,148	382,566	448,356	446,965	486,228	452,774	480,901	278,010
Police Cap Replacement #2116	18,160	75,573	127,387	3,638			77,719	47,472
PAL Program #2201	14,082	13,762	15,091	5,038	5,100	5,000	5,100	5,000
2001 CAL COPS #2107								
OTS Drunk Driving #2100	40,671	15,868	10,550	17,155	24,285	11,087	24,285	3,509
LLEBG 2002 #2109								

PUBLIC SAFETY TOTAL	2,902,891	3,096,425	3,264,183	3,205,868	3,071,081	3,187,452	3,304,827	1,926,944
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CITY OF CORNING
ANNUAL BUDGET
MID YEAR 2011-2012
DEPARTMENT HISTORY BY FISCAL YEAR

	2006-2007 ACTUAL -----	2007-2008 ACTUAL -----	2008-2009 ACTUAL -----	2009-2010 ACTUAL -----	2010-2011 BUDGET -----	2010-2011 ACTUAL -----	2011-2012 BUDGET -----	2011-2012 ACTUAL -----
PUBLIC WORKS								
Public Works Admin #3800	194,556	225,531	192,272	182,332	192,206	192,399	217,584	117,325
Engineering #4200	52,492	48,088	23,555	33,765	36,566	29,792	14,300	12,043
Library #1700	23,480	20,673	18,767	13,643	21,742	20,439	28,900	10,755
Streets #3000	424,091	467,856	364,850	249,630	450,329	308,123	450,351	234,794
Street Projects #3001	194,420	919,898	239,510	94,798	536,085	491,749	305,500	222,164
Blackburn Improvements #4600			24,136	85	800,000	35,494	867,000	1,359
Street and Traffic Lights #3100	67,058	65,648	63,902	65,861	67,000	75,924	71,000	38,147
Parks Maintenance #6100	161,831	177,804	210,734	70,370	88,951	107,514	110,423	72,922
Pool #6200				63,858	68,605	74,763	70,819	42,975
Prop 84 Park Non-Construct #9020				152,595	40,000	15	501,000	111,685
Prop 84 Park Acquisition #9024					800,000	44,235		186
Prop 84 Park Construction #9025					3,476,800		3,254,800	443
Community Events #3190	10,222	7,377	16,782	7,169	1,800	7,031	3,000	7,011
Building Maintenance #3600	34,716	38,845	54,972	28,349	35,800	43,129	35,800	23,653
Mechanical Maintenance #3700	19,184	7	3,391	1,083	9,070	4,280	9,070	2,508
Rodgers Theatre #6125	6,728	33,788	4,722	2,732	252,707	199,761	50,200	24,989
Energy Grant #6126					40,603	35,175	8,946	
L&L 1 #3901		936	1,613	698	900	751	900	400
L&L 3 #3903		1,350	1,800	1,350	3,800	1,800	3,800	471
L&L 4 #3904			1,488	3,433	4,300	3,322	4,300	2,175

CITY OF CORNING
 ANNUAL BUDGET
 MID YEAR 2011-2012
 DEPARTMENT HISTORY BY FISCAL YEAR

	2006-2007 ACTUAL -----	2007-2008 ACTUAL -----	2008-2009 ACTUAL -----	2009-2010 ACTUAL -----	2010-2011 BUDGET -----	2010-2011 ACTUAL -----	2011-2012 BUDGET -----	2011-2012 ACTUAL -----
ENTERPRISE FUNDS								
Corning Airport #3500	221,022	22,954	208,139	2,430,396	1,232,500	27,613	22,500	19,133
Transportation Center #3160	13,239	11,809	12,596	16,966	15,300	15,376	16,500	10,068
Sewer Maintenance #5000	156,224	115,761	113,711	104,529	158,792	96,305	108,368	70,398
Sewer Improvements #5250	311,899	293,729	343,663	325,746	470,302	277,065	470,302	246,222
WWTP #5200	559,610	656,862	576,816	662,749	682,350	654,147	685,850	380,236
Water Department #7100	436,231	431,599	421,188	425,877	474,235	435,404	428,985	283,344
Water Improvements #7420	210,971	279,047	226,656	207,624	899,200	235,302	958,182	584,432
ENTERPRISE FUNDS TOTALS	1,909,196	1,811,761	1,902,769	4,173,887	3,932,679	1,741,212	2,690,687	1,593,833

GRAND TOTALS	7,924,240	8,845,694	8,345,056	10,123,726	15,488,509	8,281,609	13,589,316	5,399,326
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Dept. Summaries by Fiscal Year

Department Summaries by Fiscal Year

This section of the Budget Book provides a summary by year of the actual expenditures of each City Department or operating division of a Department.

These expenditures are supported by the revenues explained in the prior sections of the Book.

These spread sheets pull the information from the actual computerized accounting records of the City.

The reader should appreciate that the four pages in this section represent computer commands taking up over sixteen feet of ledger size computer paper! The detail of this Book is possible through the combined efforts and talent of the City Staff.

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CITY OF CORNING
 GENERAL FUND REVENUE
 MID YEAR 2011-2012

	2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
=====								
GENERAL FUND 001 -----								
PROPERTY TAXES -----								
PROP TAX/CURRENT/SEC #4110	436,465-	487,916-	523,942-	350,100-	446,600-	463,200-	446,600-	263,408-
PROPERTY TAX/CURRENT/UNSECURED # 4111	15,634-	15,277-	16,362-	15,694-	15,000-	15,645-	15,000-	15,647-
PROPERTY TAX PRIOR/UNSECURED #4113	1,014-	1,025-	665-	693-	800-	1,868-	800-	1,856-
PROP TAX SUPP/CURRENT #4114	100,171-	49,065-	13,837-	7,869-	25,000-	3,108-	25,000-	503-
PROPERTY TAX PROP 1A #4116				138,130-				
PROPERTY TAX UNITARY #4117	21,168-	23,004-	29,271-	35,958-	20,000-	24,400-	20,000-	13,310-
COUNTY PROP ADMIN FEE #4118	15,941	17,078	18,718	22,056	18,700	21,381	18,700	21,956
REAL PROP TRANS TAX #4126	26,845-	8,818-	6,325-	10,320-	7,400-	11,359-	7,400-	4,598-

SUBTOTAL ----->	585,356-	568,027-	571,684-	536,708-	496,100-	498,199-	496,100-	277,366-

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CITY OF CORNING
GENERAL FUND REVENUE
MID YEAR 2011-2012

	2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
OTHER TAXES -----								
AIRPORT TAX #4115	356-	1,002-	1,780-	1,194-	1,500-	1,311-	1,500-	1,085-
SALES-USE TAX #4121	2,573,697-	2,706,898-	2,144,780-	1,598,173-	1,600,000-	2,092,962-	2,000,000-	1,582,440-
SAFETY SALES TAX/SB 509 #4122	22,944-	32,946-	21,085-	21,303-	26,000-	18,857-	26,000-	11,422-
TRANSIENT OCCUPANCY TAX #4128	310,450-	432,963-	277,975-	358,736-	240,000-	266,010-	260,000-	204,519-
FISH& WILDLIFE/REFUGE, REV. SH #4129	567-	571-	200-	187-				
BUSINESS LICENSE FEE #4400	15,433-	20,948-	19,762-	18,891-	18,000-	18,802-	18,000-	9,147-

SUBTOTAL ----->	2,923,447-	3,195,328-	2,465,582-	1,998,484-	1,885,500-	2,397,942-	2,305,500-	1,808,613-
FRANCHISES -----								
GAS/ELECTRIC/FRANCHISE #4123	68,195-	65,837-	69,677-	60,051-	60,000-	59,939-	60,000-	299-
CABLE TV FRANCHISE #4124	6,474-	6,684-	7,333-	7,766-	7,000-	13,320-	12,000-	10,487-
DISPOSAL FRANCHISE #4125	36,000-	36,000-	36,000-	36,000-	36,000-	36,000-	36,000-	24,000-
DELINQUENT DISPOSAL #4137	685-		988-					

SUBTOTAL ----->	111,354-	108,521-	113,998-	103,817-	103,000-	109,259-	108,000-	34,786-

CITY OF CORNING
 GENERAL FUND REVENUE
 MID YEAR 2011-2012

	2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
SUBVENTIONS AND GRANTS -----								
MOTOR VEHICLE IN LIEU TAX #4511	539,698-	582,333-	576,764-	494,587-	475,000-	567,097-	500,000-	277,612-
INDIAN GAMING #4160			22,505-			19,320-		
HOME OWNERS EXEMPTION #4515	10,286-	10,558-	5,351-		10,200-	10,599-	10,200-	5,207-
MANDATED COST REIMBURSEMENT #4519	32,644-	2,301-	13,569-	4,614-	4,000-	3,641-	4,000-	3,459-
POST REIMBURSEMENT #4521	6,032-	4,658-	12,685-	2,274-	8,000-	5,344-	8,000-	4,344-
TIDE REIMBURSEMENT #4522	16,800-	3,600-	14,460-		14,400-	31,531-	14,400-	6,982-
SOBRIETY FUNDS #4523	1,619-		3,931-	1,609-	3,500-	1,621-	2,000-	1,028-
POLICE/SCHOOL PROGRAMS #4623				75,000-	75,000-	75,000-	75,000-	50,000-
SUBTOTAL ----->	607,079-	603,450-	649,265-	578,084-	590,100-	714,153-	613,600-	348,632-
LICENSES AND PERMITS -----								
ACO LICENSE/FEE/SERVICES #4410	8,513-	7,235-	7,717-	7,056-	8,000-	6,273-	7,000-	5,032-
BICYCLE LICENSE #4420	33-	36-	30-	57-		27-		45-
BUILDING PERMIT #4430	92,755-	91,286-	45,738-	33,403-	45,000-	37,427-	40,000-	12,839-
BLDG INSPECTIONS FEES #4633	851-	1,518-	545-	228-	3,000-	297-	3,000-	25-
BOOKING FEES #4524	16,128-	350-	50-					
POLICE PARKING VIOLATION TICKETS #4525	3,025-	1,900-	938-	425-	1,500-	508-	1,500-	148-
ACO NEW ADOPTION FEE #4411	3,680-	2,880-	3,080-	2,440-	3,000-	3,080-	3,000-	1,800-
SALARY REIMBURSEMENT #4526	21,319-	11,755-	17,903-	70,638-	20,000-	29,688-	20,000-	46,976-
POLICE MISC. DONATIONS, ETC. #4528	1,378-	718-	83-	1,681-	1,500-	2,290-	1,500-	703-
SUBTOTAL ----->	147,682-	117,678-	76,084-	115,928-	82,000-	79,590-	76,000-	67,568-

ID: RVFUND----FEB 21 2012

CITY OF CORNING
GENERAL FUND REVENUE
MID YEAR 2011-2012

	2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
RECREATION PROGRAMS -----								
REC/LESSONS/PROG/GATE/ETC #4650	16,795-	16,156-	20,498-	22,618-	18,000-	23,061-	18,000-	9,894-
RECREATION PROGRAMS/DESIGNATED/SPLIT #4652		4,890-	11,791-	15,625-		10,308-	10,000-	8,279-
PARK LIGHTS #4655	288-	288-	154-			88-		

SUBTOTAL ----->	17,083-	21,334-	32,443-	38,243-	18,000-	33,457-	28,000-	18,173-
FINES AND FORFEITURES -----								
GENERAL FINES AND FORFEITURES # 4670	27,491-	38,564-	25,909-	30,120-	30,000-	17,948-	30,000-	6,547-
USE OF MONEY AND PROPERTY -----								
RENT INCOME #4660	1,200-	18-	12-					
INTEREST #4661	25,552-	44,154-	7,213-	5,336-	5,000-	2,092-	5,000-	619

SUBTOTAL ----->	54,243-	82,736-	33,134-	35,456-	35,000-	20,040-	35,000-	5,928-
CURRENT SERVICES CHARGES -----								
BUILDING PLAN CHECK #4610	34,727-	7,950-	15,268-	6,107-	10,000-	13,961-	10,000-	4,659-
SALES/MAPS AND PUBLICATIONS #4611	598-	233-	475-	10-		1,486-		209-
PLANNING ENVIRON. SERVICES # 4708	10,987							

SUBTOTAL ----->	24,338-	8,183-	15,743-	6,117-	10,000-	15,447-	10,000-	4,868-

ID: RVFUND----FEB 21 2012

CITY OF CORNING
GENERAL FUND REVENUE
MID YEAR 2011-2012

	2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
OTHER FEES/PERMITS -----								
REPOSSESSION FEE/POLICE DEPT #4520	45-	135-	165-	60-	60-	90-	60-	45-
PERMITS & APPLICATIONS #4612	28,444-	10,895-	4,885-	3,491-	3,000-	2,880-	3,000-	1,295-
ENCROACHMENT FEES #4619	390-	300-	450-	165-	100-	180-	100-	75-
WEED CONTROL #4621				337-				
FINGERPRINT FEE #4622	3-	21-	48-	45-		72-		75-
CONCEALED WEAPON PERMIT #4625	304-	587-	740-	304-	750-	1,194-	750-	512-
POLICE IMPOUND FEE #4628	1,217-	1,634-	1,938-	1,463-	2,500-	988-	2,500-	741-
PUBLIC WORKS PLAN CHECK FEE #4710	137,295-	11,814-						
SUBTOTAL ----->	167,698-	25,386-	8,226-	5,865-	6,410-	5,404-	6,410-	2,743-

CITY OF CORNING
 GENERAL FUND REVENUE
 MID YEAR 2011-2012

	2006-2007 YEAR END	2007-2008 YEAR END	2008-2009 YEAR END	2009-2010 YEAR END	2010-2011 BUDGET	2010-2011 ACTUAL	2011-2012 BUDGET	2011-2012 ACTUAL
MISCELLANEOUS -----								
DEVELOPER REIMBURSEMENT #4158			1,320-	1,320-	1,320-		1,320-	
MISC INCOME/LIBRARY #4617		99-		223-		120-		73-
MISCELLANEOUS INCOME #4618	117,592-	156,942-	425,495-	171,209-	21,000-	170,310-	21,000-	85,209-
CAL COPS #4553	100,282-	99,931-	99,944-	99,963-	100,000-	99,916-	100,000-	78,462-
REIMBURSEMENT/DISPATCH #4671					22,500-	19,186-	22,500-	12,054-
OPERATING TRANSFERS IN REVENUE #4680	7,000-	3,000-	264,947-	4,154-	188,663-	188,663-	5,000-	800-
SUBTOTAL ----->	224,874-	259,972-	791,706-	276,869-	333,483-	478,195-	149,820-	176,598-
FUND TOTAL ----->	4,863,154-	4,990,615-	4,757,865-	3,695,571-	3,559,593-	4,351,686-	3,828,430-	2,745,275-
=====								

General City Services

DATE RAN: FEB 21 2012

CITY OF CORNING
MONTHLY BUDGET REPORT
FOR PERIOD ENDING

YEAR REMAINING
42
JANUARY 31, 20

ID: REPORT 00004
ACCOUNT DESCRIPTION

JANUARY
ACTUAL

YEAR TO DATE
ACTUAL

ANNUAL
BUDGET

REMAINING
BUDGET

PERCENTAGE
REMAINING

CITY COUNCIL #1100

5100 Salaries	1,380	9,660	18,000	8,340	46%
5900 Benefits	106	739	0	(739)	%
TOTAL SALARIES & BENEFITS ----->	1,486	10,399	18,000	7,601	42%
001-6100 Office Supplies	0	0	100	100	100%
001-6150 Mat/Supplies	634	1,134	800	(334)	- 42%
001-7000 Assoc.Dues	3,953	3,953	4,000	47	1%
001-7200 Conf/Meetings	680	880	2,000	1,120	56%
401-7600 Scholarship	0	500	500	0	%
TOTAL OTHER OPERATING EXPENSES ----->	5,267	6,467	7,400	933	13%
TOTAL FOR DEPARTMENT ----->	6,753	16,866	25,400	8,534	34%

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CITY OF CORNING
MONTHLY BUDGET REPORT
FOR PERIOD ENDING

YEAR REMAINING
42
JANUARY 31, 20

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JANUARY
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REMAINING

CITY CLERK #1300

5100 Salaries	291	2,181	4,200	2,019	48%
5900 Benefits	22	167	0	(167)	%
TOTAL SALARIES & BENEFITS ----->	313	2,348	4,200	1,852	44%
001-6100 Office Supplies	0	48	200	152	76%
001-6150 Mat/Supplies	0	261	800	539	67%
001-6300 ProfServices	0	164	3,000	2,836	95%
001-6310 Elections	0	0	5,000	5,000	100%
001-6500 Print/Advert.	114	1,824	3,000	1,176	39%
001-7000 Assoc.Dues	0	160	100	(60)	- 60%
TOTAL OTHER OPERATING EXPENSES ----->	114	2,457	12,100	9,643	80%
TOTAL FOR DEPARTMENT ----->	427	4,805	16,300	11,495	71%

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CITY OF CORNING
MONTHLY BUDGET REPORT
FOR PERIOD ENDING

YEAR REMAINING
42
JANUARY 31, 20

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ACCOUNT DESCRIPTION

	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
TREASURER #1900					
5100 Salaries	50	350	600	250	42%
5900 Benefits	4	27	0	(27)	%
TOTAL SALARIES & BENEFITS ----->	54	377	600	223	37%
TOTAL FOR DEPARTMENT ----->	54	377	600	223	37%

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CITY OF CORNING
MONTHLY BUDGET REPORT
FOR PERIOD ENDING

YEAR REMAINING
42
JANUARY 31, 20

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JANUARY
ACTUAL

YEAR TO DATE
ACTUAL

ANNUAL
BUDGET

REMAINING
BUDGET

PERCENTAGE
REMAINING

ADMINISTRATION #1200

5100 Salaries	6,228	49,443	111,559	62,116	56%
5900 Benefits	4,387	18,512	0	(18,512)	%
TOTAL SALARIES & BENEFITS ----->	10,615	67,955	111,559	43,604	39%
001-6100 Office Supplies	93	190	1,000	810	81%
610-6100 Office Supplies	0	35	300	265	88%
630-6100 Office Supplies	0	35	300	265	88%
001-6150 Mat/Supplies	275	275	0	(275)	%
001-6350 Communications	31	176	350	174	50%
610-6350 Communications	28	159	300	141	47%
630-6350 Communications	28	159	300	141	47%
001-7000 Assoc.Dues	0	30	600	570	95%
001-7200 Conf/Meetings	95	488	1,500	1,012	67%
TOTAL OTHER OPERATING EXPENSES ----->	550	1,547	4,650	3,103	67%
TOTAL FOR DEPARTMENT ----->	11,165	69,502	116,209	46,707	40%

DATE RAN: FEB 21 2012

CITY OF CORNING
MONTHLY BUDGET REPORT
FOR PERIOD ENDING

YEAR REMAINING
42
JANUARY 31, 20

ID: REPORT 00004
ACCOUNT DESCRIPTION

LEGAL SERVICES #1400

	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
001-6300 ProfServices	0	0	5,000	5,000	100%
001-6301 Consulting Serv	4,480	32,839	45,440	12,601	28%
610-6301 Consulting Serv	560	5,399	5,680	281	5%
630-6301 Consulting Serv	560	5,399	5,680	281	5%
001-6304 EE Relations	3,999	10,094	10,000	(94)	- 1%
001-8001 Books/Perodic.	0	136	2,000	1,864	93%
610-8001 Books/Perodic.	0	23	500	477	95%
630-8001 Books/Perodic.	0	23	500	477	95%
TOTAL OTHER OPERATING EXPENSES ----->	9,599	53,913	74,800	20,887	28%
TOTAL FOR DEPARTMENT ----->	9,599	53,913	74,800	20,887	28%

DATE RAN: FEB 21 2012

CITY OF CORNING
MONTHLY BUDGET REPORT
FOR PERIOD ENDING

YEAR REMAINING
42
JANUARY 31, 20

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JANUARY
ACTUAL

YEAR TO DATE
ACTUAL

ANNUAL
BUDGET

REMAINING
BUDGET

PERCENTAGE
REMAINING

RECREATION #3300

ACCOUNT DESCRIPTION	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
001-6150 Mat/Supplies	158	158	0	(158)	%
001-6348 Rec Refunds	25	25	0	(25)	%
001-6349 RECREATION INST	868	4,108	0	(4,108)	%
TOTAL OTHER OPERATING EXPENSES ----->	1,051	4,291	0	(4,291)	%
TOTAL FOR DEPARTMENT ----->	1,051	4,291	0	(4,291)	%

DATE RAN: FEB 21 2012

CITY OF CORNING
MONTHLY BUDGET REPORT
FOR PERIOD ENDING

YEAR REMAINING
42
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ACCOUNT DESCRIPTION

	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
=====					
BUILDING & SAFETY #4300					
5100 Salaries	4,774	39,129	94,713	55,584	59%
5900 Benefits	2,520	18,252	0	(18,252)	%
TOTAL SALARIES & BENEFITS ----->	7,294	57,381	94,713	37,332	39%
=====					
001-6100 Office Supplies	0	199	600	401	67%
001-6300 ProfServices	76	5,601	1,000	(4,601)	-460%
001-6350 Communications	122	505	1,200	695	58%
001-6700 Equip.Maint.	0	0	500	500	100%
001-7000 Assoc.Dues	0	125	200	75	38%
001-7200 Conf/Meetings	0	0	1,000	1,000	100%
001-7500 Veh Opr/Maint	0	571	1,000	429	43%
TOTAL OTHER OPERATING EXPENSES ----->	198	7,001	5,500	(1,501)	- 27%
=====					
001-9200 SB1473	24	77	133	56	42%
001-9201 StrongMotion	16	45	150	105	70%
TOTAL CAPITAL EXPENDITURES ----->	40	122	283	161	57%
=====					
TOTAL FOR DEPARTMENT ----->	7,532	64,504	100,496	35,992	36%
=====					

DATE RAN: FEB 21 2012

CITY OF CORNING
MONTHLY BUDGET REPORT
FOR PERIOD ENDING

YEAR REMAINING
42
JANUARY 31, 20

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ACCOUNT DESCRIPTION

	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
PLANNING #4100					
5100 Salaries	5,874	44,572	113,545	68,973	61%
5900 Benefits	2,832	20,696	0	(20,696)	%
TOTAL SALARIES & BENEFITS ----->	8,706	65,268	113,545	48,277	43%
001-6100 Office Supplies	0	96	400	304	76%
001-6150 Mat/Supplies	0	0	200	200	100%
001-6300 ProfServices	0	0	100	100	100%
105-6300 ProfServices	0	0	4,000	4,000	100%
105-6331 GIS Support	0	0	3,000	3,000	100%
001-6350 Communications	54	614	500	(114)	- 23%
001-6700 Equip.Maint.	0	195	200	5	3%
001-7000 Assoc.Dues	0	0	500	500	100%
001-7200 Conf/Meetings	0	0	500	500	100%
TOTAL OTHER OPERATING EXPENSES ----->	54	905	9,400	8,495	90%
TOTAL FOR DEPARTMENT ----->	8,760	66,173	122,945	56,772	46%

DATE RAN: FEB 21 2012

CITY OF CORNING
MONTHLY BUDGET REPORT
FOR PERIOD ENDING

YEAR REMAINING
42
JANUARY 31, 20

ID: REPORT 00004
ACCOUNT DESCRIPTION

JANUARY
ACTUAL

YEAR TO DATE
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ANNUAL
BUDGET

REMAINING
BUDGET

PERCENTAGE
REMAINING

ECONOMIC DEVELOPMENT #4010

ACCOUNT DESCRIPTION	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
001-6312 CngChamberComm.	5,000	11,000	16,000	5,000	31%
001-6314 Tehama EDC	208	1,458	2,500	1,042	42%
001-7408 TriCo EDC	0	3,500	3,500	0	%
TOTAL OTHER OPERATING EXPENSES ----->	5,208	15,958	22,000	6,042	27%
TOTAL FOR DEPARTMENT ----->	5,208	15,958	22,000	6,042	27%

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CITY OF CORNING
MONTHLY BUDGET REPORT
FOR PERIOD ENDING

YEAR REMAINING
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JANUARY 31, 20

ID: REPORT 00004
ACCOUNT DESCRIPTION

HOUSING REHAB #4020

	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
325-7727 Prof Serv Admin	0	0	3,000	3,000	100%
327-7727 Prof Serv Admin	0	350	3,000	2,650	88%
328-7727 Prof Serv Admin	0	788	3,000	2,212	74%
329-7727 Prof Serv Admin	0	0	3,000	3,000	100%
TOTAL OTHER OPERATING EXPENSES ----->	0	1,138	12,000	10,862	91%
327-9480 HOUSING	0	0	1,000	1,000	100%
328-9481 HOUSING REHAB	0	0	1,000	1,000	100%
329-9482 HOUSING CONST.	0	0	1,000	1,000	100%
325-9483 INFRASTRUCTURE	0	0	1,000	1,000	100%
TOTAL CAPITAL EXPENDITURES ----->	0	0	4,000	4,000	100%
TOTAL FOR DEPARTMENT ----->	0	1,138	16,000	14,862	93%

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CITY OF CORNING
MONTHLY BUDGET REPORT
FOR PERIOD ENDING

YEAR REMAINING
42
JANUARY 31, 20

ID: REPORT 00004
ACCOUNT DESCRIPTION

FINANCE #1500

	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
5100 Salaries	9,944	69,054	179,442	110,388	62%
5200 Overtime	0	24	0	(24)	%
5900 Benefits	4,856	35,646	0	(35,646)	%
TOTAL SALARIES & BENEFITS ----->	14,800	104,724	179,442	74,718	42%
001-6100 Office Supplies	30	2,802	651	(2,151)	-330%
610-6100 Office Supplies	133	1,584	4,000	2,416	60%
615-6100 Office Supplies	0	740	1,000	260	26%
630-6100 Office Supplies	133	1,570	4,000	2,430	61%
001-6150 Mat/Supplies	228	307	500	193	39%
001-6300 ProfServices	6,351	11,731	18,000	6,269	35%
610-6300 ProfServices	1,356	5,070	12,000	6,930	58%
630-6300 ProfServices	1,356	5,070	12,000	6,930	58%
001-6350 Communications	46	244	840	596	71%
610-6350 Communications	46	240	830	590	71%
630-6350 Communications	46	240	830	590	71%
001-6600 Rents/Leases	33	230	500	270	54%
610-6600 Rents/Leases	64	446	1,000	554	55%
630-6600 Rents/Leases	96	675	1,500	825	55%
610-6700 Equip.Maint.	343	3,100	5,000	1,900	38%
630-6700 Equip.Maint.	387	3,407	8,000	4,593	57%
610-6950 Uncollectibles	564	3,931	15,000	11,069	74%
630-6950 Uncollectibles	(188)	1,829	6,000	4,171	70%
610-7200 Conf/Meetings	0	30	500	470	94%
630-7200 Conf/Meetings	0	30	500	470	94%
001-7985 Cash-Over Under	0	138	0	(138)	%
TOTAL OTHER OPERATING EXPENSES ----->	11,024	43,414	92,651	49,237	53%
001-9300 Mach/Equip.	0	73	324	251	77%
610-9300 Mach/Equip.	0	1,198	4,896	3,698	76%
630-9300 Mach/Equip.	0	2,360	9,780	7,420	76%
TOTAL CAPITAL EXPENDITURES ----->	0	3,631	15,000	11,369	76%
TOTAL FOR DEPARTMENT ----->	25,824	151,769	287,093	135,324	47%

DATE RAN: FEB 21 2012

CITY OF CORNING
MONTHLY BUDGET REPORT
FOR PERIOD ENDING

YEAR REMAINING
42
JANUARY 31, 20

ID: REPORT 00004
ACCOUNT DESCRIPTION

GENERAL CITY #1600

ACCOUNT DESCRIPTION	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
5900 Benefits	29,295	149,837	118,156	(31,681)	- 27%
TOTAL SALARIES & BENEFITS ----->	29,295	149,837	118,156	(31,681)	- 27%
001-6150 Mat/Supplies	387	579	400	(179)	- 45%
001-6300 ProfServices	0	1,500	0	(1,500)	%
001-6313 Senior Center	2,700	2,700	2,700	0	%
001-6350 Communications	575	14,969	25,000	10,031	40%
001-6410 Electricity	3,372	33,732	47,000	13,268	28%
001-6430 Natural Gas	987	2,182	8,000	5,818	73%
001-6600 Rents/Leases	2,664	5,409	7,000	1,591	23%
610-6600 Rents/Leases	961	1,951	2,500	549	22%
630-6600 Rents/Leases	743	1,508	2,000	492	25%
001-6700 Equip.Maint.	406	3,135	6,000	2,865	48%
610-6700 Equip.Maint.	487	3,721	1,000	(2,721)	-272%
630-6700 Equip.Maint.	598	4,472	9,000	4,528	50%
001-6800 Gen.Insurance	0	22,910	25,600	2,690	11%
610-6800 Gen.Insurance	0	13,447	15,000	1,553	10%
630-6800 Gen.Insurance	0	13,447	15,000	1,553	10%
001-6810 Liability Ins.	0	0	30,988	30,988	100%
610-6810 Liability Ins.	0	0	15,494	15,494	100%
630-6810 Liability Ins.	0	0	15,494	15,494	100%
001-6815 UNEMPLYMNT INS	0	19,667	2,354	(17,313)	-735%
TOTAL OTHER OPERATING EXPENSES ----->	13,880	145,329	230,530	85,201	37%
TOTAL FOR DEPARTMENT ----->	43,175	295,166	348,686	53,520	15%

Fire Services

DATE RAN: FEB 21 2012

CITY OF CORNING
MONTHLY BUDGET REPORT
FOR PERIOD ENDING

YEAR REMAINING
42
JANUARY 31, 20

ID: REPORT 00004
ACCOUNT DESCRIPTION

FIRE DEPT #2300

ACCOUNT DESCRIPTION	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
5100 Salaries	5,734	47,547	134,290	86,743	65%
5900 Benefits	4,812	38,714	4,300	(34,414)	-800%
TOTAL SALARIES & BENEFITS ----->	10,546	86,261	138,590	52,329	38%
001-6100 Office Supplies	0	166	450	284	63%
001-6150 Mat/Supplies	147	2,219	2,000	(219)	- 11%
001-6240 AnnualFire/Fee	0	0	9,500	9,500	100%
001-6300 ProfServices	159	1,673	4,000	2,327	58%
001-6350 Communications	0	735	0	(735)	%
001-6410 Electricity	806	7,009	12,000	4,991	42%
001-6430 Natural Gas	411	911	3,000	2,089	70%
001-6550 HealthDeptSrv.	34	68	100	32	32%
001-6551 Emp Physicals	0	195	150	(45)	- 30%
001-6552 Safety Items	0	446	10,465	10,019	96%
001-6700 Equip.Maint.	0	546	3,000	2,454	82%
001-6750 Bldg.Maint.	9,918	11,936	21,000	9,064	43%
001-7100 Traing/Educ.	0	941	3,000	2,059	69%
001-7200 Conf/Meetings	0	0	400	400	100%
001-7405 Weed Abatement	0	450	800	350	44%
001-7406 Comp/Equip/Soft	0	1,417	1,000	(417)	- 42%
001-7500 Veh Opr/Maint	1,174	10,235	8,500	(1,735)	- 20%
TOTAL OTHER OPERATING EXPENSES ----->	12,649	38,947	79,365	40,418	51%
TOTAL FOR DEPARTMENT ----->	23,195	125,208	217,955	92,747	43%

DATE RAN: FEB 21 2012

CITY OF CORNING
MONTHLY BUDGET REPORT
FOR PERIOD ENDING

YEAR REMAINING
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JANUARY
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REMAINING

FIRE CAP REPLACEMENT #2301

001-9301 EquipReplacemnt	0	12,477	7,465	(5,012)	- 67%
076-9301 EquipReplacemnt	0	0	7,465	7,465	100%
076-9315 Fire Engine#114	0	0	47,375	47,375	100%
TOTAL CAPITAL EXPENDITURES ----->	0	12,477	62,305	49,828	80%
TOTAL FOR DEPARTMENT ----->	0	12,477	62,305	49,828	80%

DATE RAN: FEB 21 2012

CITY OF CORNING
MONTHLY BUDGET REPORT
FOR PERIOD ENDING

YEAR REMAINING
42
JANUARY 31, 20

ID: REPORT 00004
ACCOUNT DESCRIPTION

JANUARY
ACTUAL

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FIRE DISPATCH #2302

5100 Salaries	12,781	108,295	285,633	177,338	62%
5200 Overtime	2,389	15,913	11,000	(4,913)	- 45%
5900 Benefits	7,116	62,658	2,100	(60,558)	-999%
TOTAL SALARIES & BENEFITS ----->	22,286	186,866	298,733	111,867	37%
001-6350 Communications	509	1,958	2,500	542	22%
001-6700 Equip.Maint.	45	309	2,000	1,691	85%
TOTAL OTHER OPERATING EXPENSES ----->	554	2,267	4,500	2,233	50%
TOTAL FOR DEPARTMENT ----->	22,840	189,133	303,233	114,100	38%

Police Services

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POLICE DEPARTMENT #2114					
5100 Salaries	81,356	665,128	1,854,499	1,189,371	64%
5200 Overtime	298	35,725	40,000	4,275	11%
5900 Benefits	59,166	442,529	0	(442,529)	%
TOTAL SALARIES & BENEFITS ----->	140,820	1,143,382	1,894,499	751,117	40%
001-6150 Mat/Supplies	577	1,869	4,500	2,631	58%
001-6250 Small Tools	0	0	500	500	100%
001-6260 Uniform/Cloth.	0	2,070	1,000	(1,070)	-107%
001-6300 ProfServices	1,592	5,590	8,500	2,910	34%
001-6303 PkngCiteToCnty	38	63	150	87	58%
001-6311 Cadet Program	0	0	500	500	100%
001-6316 Pol/School Prog	0	473	500	27	5%
001-6552 Safety Items	1,440	2,104	8,000	5,896	74%
001-7000 Assoc.Dues	120	440	700	260	37%
001-7100 Traing/Educ.	1,600	5,521	10,000	4,479	45%
001-7403 Secret Witness	0	0	1,020	1,020	100%
001-7500 Veh Opr/Maint	5,173	22,687	50,000	27,313	55%
TOTAL OTHER OPERATING EXPENSES ----->	10,540	40,817	85,370	44,553	52%
001-9302 K9-Program	883	5,912	8,000	2,088	26%
TOTAL CAPITAL EXPENDITURES ----->	883	5,912	8,000	2,088	26%
TOTAL FOR DEPARTMENT ----->	152,243	1,190,111	1,987,869	797,758	40%

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ACO/CSO #2200					
5100 Salaries	4,889	36,668	109,412	72,744	66%
5200 Overtime	0	735	200	(535)	-268%
5900 Benefits	3,715	26,756	0	(26,756)	%
TOTAL SALARIES & BENEFITS ----->	8,604	64,159	109,612	45,453	41%
001-6100 Office Supplies	0	0	848	848	100%
001-6150 Mat/Supplies	0	1,864	4,000	2,136	53%
001-6300 ProfServices	677	4,229	7,000	2,771	40%
072-6300 ProfServices	420	980	5,500	4,520	82%
170-6306 Vehicle Abate	0	25	7,000	6,975	100%
001-6324 Nuisance Abate	0	560	5,000	4,440	89%
001-6430 Natural Gas	0	69	600	531	89%
001-7100 Traing/Educ.	0	1,453	500	(953)	-191%
001-7500 Veh Opr/Maint	348	2,685	5,400	2,715	50%
TOTAL OTHER OPERATING EXPENSES ----->	1,445	11,865	35,848	23,983	67%
TOTAL FOR DEPARTMENT ----->	10,049	76,024	145,460	69,436	48%

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POLICE DISPATCH #2119

	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
5100 Salaries	20,027	145,344	406,201	260,857	64%
5200 Overtime	2,026	10,875	10,000	(875)	- 9%
5900 Benefits	12,190	83,154	0	(83,154)	%
TOTAL SALARIES & BENEFITS ----->	34,243	239,373	416,201	176,828	42%

001-6100 Office Supplies	620	3,058	8,000	4,942	62%
001-6300 ProfServices	0	852	1,200	348	29%
001-6350 Communications	1,972	12,592	22,000	9,408	43%
001-6351 CletsUserFees	0	5,480	6,000	520	9%
001-6500 Print/Advert.	150	1,939	3,500	1,561	45%
001-6700 Equip.Maint.	2,842	14,707	20,000	5,293	26%
001-6750 Bldg.Maint.	0	10	0	(10)	%
001-7100 Training/Educ.	0	0	4,000	4,000	100%
TOTAL OTHER OPERATING EXPENSES ----->	5,584	38,638	64,700	26,062	40%

TOTAL FOR DEPARTMENT ----->	39,827	278,011	480,901	202,890	42%
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POLICE CAP REPLACEMENT #2116					
001-7406 Comp/Equip/Soft	0	0	31,719	31,719	100%
TOTAL OTHER OPERATING EXPENSES ----->	0	0	31,719	31,719	100%
001-9160 Computer	0	13,362	0	(13,362)	%
001-9301 EquipReplacmnt	0	0	8,000	8,000	100%
001-9500 Vehicle/Replace	0	402	0	(402)	%
071-9500 Vehicle/Replace	0	33,708	38,000	4,292	11%
TOTAL CAPITAL EXPENDITURES ----->	0	47,472	46,000	(1,472)	- 3%
TOTAL FOR DEPARTMENT ----->	0	47,472	77,719	30,247	39%

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PAL PROGRAM # 2201

ACCOUNT DESCRIPTION	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
001-6150 Mat/Supplies	0	0	100	100	100%
001-6600 Rents/Leases	0	5,000	5,000	0	%
TOTAL OTHER OPERATING EXPENSES ----->	0	5,000	5,100	100	2%
TOTAL FOR DEPARTMENT ----->	0	5,000	5,100	100	2%

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OTS #2100

ACCOUNT DESCRIPTION	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
164-6161 Cont. Serv: PD	0	3,509	17,966	14,457	80%
164-7100 Traing/Educ.	0	0	2,600	2,600	100%
164-8009 OTS: Other Dir	0	0	3,719	3,719	100%
TOTAL OTHER OPERATING EXPENSES ----->	0	3,509	24,285	20,776	86%
TOTAL FOR DEPARTMENT ----->	0	3,509	24,285	20,776	86%

Public Works Services

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PW ADMINISTRATION #3800					
5100 Salaries	9,403	76,465	197,684	121,219	61%
5900 Benefits	4,220	31,436	0	(31,436)	%
TOTAL SALARIES & BENEFITS ----->	13,623	107,901	197,684	89,783	45%
001-6100 Office Supplies	0	94	400	306	77%
610-6100 Office Supplies	0	125	500	375	75%
630-6100 Office Supplies	0	125	500	375	75%
610-6300 ProfServices	0	89	2,000	1,911	96%
630-6300 ProfServices	0	89	500	411	82%
001-6350 Communications	193	1,773	2,340	567	24%
610-6350 Communications	193	1,756	2,330	574	25%
630-6350 Communications	193	1,756	2,330	574	25%
109-6551 Emp Physicals	65	332	600	268	45%
114-6552 Safety Items	0	1,813	2,500	687	27%
001-6700 Equip.Maint.	0	19	460	441	96%
610-6700 Equip.Maint.	0	0	720	720	100%
630-6700 Equip.Maint.	0	0	720	720	100%
105-7200 Conf/Meetings	441	441	1,500	1,059	71%
630-7200 Conf/Meetings	220	360	1,500	1,140	76%
610-7381 DATCO Dg&AlcTst	651	651	1,000	349	35%
TOTAL OTHER OPERATING EXPENSES ----->	1,956	9,423	19,900	10,477	53%
TOTAL FOR DEPARTMENT ----->	15,579	117,324	217,584	100,260	46%

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ENGINEERING #4200

105-6300	ProfServices	0	1,143	3,300	2,157	65%
112-6300	ProfServices	488	7,830	2,000	(5,830)	-292%
116-6300	ProfServices	0	0	3,000	3,000	100%
345-6300	ProfServices	0	805	0	(805)	%
347-6300	ProfServices	0	618	2,000	1,382	69%
348-6300	ProfServices	0	543	1,000	457	46%
630-6300	ProfServices	0	768	1,000	232	23%
001-6340	DEV ENGINEERING	0	188	2,000	1,812	91%
TOTAL OTHER OPERATING EXPENSES ----->		488	11,895	14,300	2,405	17%
116-9254	Signal Improv.	0	150	0	(150)	%
TOTAL CAPITAL EXPENDITURES ----->		0	150	0	(150)	%
TOTAL FOR DEPARTMENT ----->		488	12,045	14,300	2,255	16%

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LIBRARY #1700					
001-6150 Mat/Supplies	2	24	100	76	76%
001-6320 Janitorial Srv.	417	2,917	5,000	2,083	42%
001-6340 DEV ENGINEERING	0	32	0	(32)	%
001-6410 Electricity	460	6,414	9,000	2,586	29%
001-6430 Natural Gas	441	918	2,200	1,282	58%
001-6750 Bldg.Maint.	60	117	800	683	85%
001-8001 Books/Perodic.	71	333	800	467	58%
TOTAL OTHER OPERATING EXPENSES ----->	1,451	10,755	17,900	7,145	40%
403-9101 Painting/Repair	0	0	1,000	1,000	100%
403-9300 Mach/Equip.	0	0	10,000	10,000	100%
TOTAL CAPITAL EXPENDITURES ----->	0	0	11,000	11,000	100%
TOTAL FOR DEPARTMENT ----->	1,451	10,755	28,900	18,145	63%

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=====					
STREETS #3000					
5100 Salaries	4,983	50,627	241,951	191,324	79%
5200 Overtime	0	158	0	(158)	%
5900 Benefits	4,812	40,911	0	(40,911)	%

TOTAL SALARIES & BENEFITS ----->	9,795	91,696	241,951	150,255	62%
=====					
001-6150 Mat/Supplies	0	24,287	0	(24,287)	%
111-6150 Mat/Supplies	6,991	19,012	54,000	34,988	65%
115-6150 Mat/Supplies	7,039	45,141	65,200	20,059	31%
108-6175 Weed/Tree Spray	0	2,940	7,000	4,060	58%
110-6175 Weed/Tree Spray	0	2,100	5,000	2,900	58%
111-6175 Weed/Tree Spray	0	2,940	7,000	4,060	58%
114-6175 Weed/Tree Spray	0	3,920	9,000	5,080	56%
610-6175 Weed/Tree Spray	0	700	0	(700)	%
114-6250 Small Tools	0	227	5,700	5,473	96%
114-6321 USA Serv Alerts	0	150	500	350	70%
110-7364 Sign Replacemnt	0	120	5,000	4,880	98%
114-7500 Veh Opr/Maint	567	3,043	8,000	4,957	62%

TOTAL OTHER OPERATING EXPENSES ----->	14,597	104,580	166,400	61,820	37%
=====					
115-9101 Painting/Repair	0	816	1,000	184	18%
381-9208 Vehicle Replmnt	0	16,863	17,500	637	4%
383-9208 Vehicle Replmnt	0	16,863	17,500	637	4%
114-9220 Thermo Plastic	3,975	3,975	6,000	2,025	34%

TOTAL CAPITAL EXPENDITURES ----->	3,975	38,517	42,000	3,483	8%
=====					
TOTAL FOR DEPARTMENT ----->	28,367	234,793	450,351	215,558	48%
=====					

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STREET PROJECTS #3001					
001-6150 Mat/Supplies	0	68,400	108,900	40,500	37%
111-8002 Tree Pruning	3,500	3,500	30,000	26,500	88%
111-8004 CG&SReplacement	0	19,737	25,000	5,263	21%
610-8011 Cleaning/Cntrct	5,920	12,726	20,000	7,274	36%
TOTAL OTHER OPERATING EXPENSES ----->	9,420	104,363	183,900	79,537	43%
115-9112 TrafCntrlImprov	0	0	3,000	3,000	100%
114-9126 Street Barricds	0	0	800	800	100%
001-9467 A/C Citywide	0	10,000	10,000	0	%
108-9467 A/C Citywide	0	22,300	22,300	0	%
110-9467 A/C Citywide	0	12,800	12,800	0	%
111-9467 A/C Citywide	0	40,300	40,300	0	%
115-9467 A/C Citywide	0	32,400	32,400	0	%
TOTAL CAPITAL EXPENDITURES ----->	0	117,800	121,600	3,800	3%
TOTAL FOR DEPARTMENT ----->	9,420	222,163	305,500	83,337	27%

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STREET & TRAFFIC LIGHTS #3100

001-6410 Electricity
001-6700 Equip.Maint.

5,202
0

36,699
1,448

63,000
8,000

26,301
6,552

42%
82%

TOTAL OTHER OPERATING EXPENSES ----->

5,202

38,147

71,000

32,853

46%

TOTAL FOR DEPARTMENT ----->

5,202

38,147

71,000

32,853

46%

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ACCOUNT DESCRIPTION	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
=====					
PARKS #6100					
5100 Salaries	565	20,026	53,823	33,797	63%
5900 Benefits	1,112	15,718	0	(15,718)	%
TOTAL SALARIES & BENEFITS ----->	1,677	35,744	53,823	18,079	34%
=====					
001-6150 Mat/Supplies	683	7,724	9,000	1,276	14%
001-6187 LGRD CERT&TEST	0	320	0	(320)	%
001-6315 Landscape Maint	639	4,475	8,500	4,025	47%
001-6320 Janitorial Srv.	550	3,850	6,600	2,750	42%
001-6410 Electricity	538	9,426	18,000	8,574	48%
001-6750 Bldg.Maint.	90	110	1,000	890	89%
001-7500 Veh Opr/Maint	0	337	1,500	1,163	78%
TOTAL OTHER OPERATING EXPENSES ----->	2,500	26,242	44,600	18,358	41%
=====					
341-9170 ADA Fountains	10,935	10,935	12,000	1,065	9%
TOTAL CAPITAL EXPENDITURES ----->	10,935	10,935	12,000	1,065	9%
=====					
TOTAL FOR DEPARTMENT ----->	15,112	72,921	110,423	37,502	34%
=====					

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=====

POOL #6200

5100 Salaries	0	25,794	58,789	32,995	56%
5200 Overtime	0	3,159	0	(3,159)	%
5900 Benefits	0	2,772	0	(2,772)	%
TOTAL SALARIES & BENEFITS ----->	0	31,725	58,789	27,064	46%

001-6150 Mat/Supplies	635	11,251	10,000	(1,251)	- 13%
001-6187 LGRD CERT&TEST	0	0	830	830	100%
001-6551 Emp Physicals	0	0	1,200	1,200	100%
TOTAL OTHER OPERATING EXPENSES ----->	635	11,251	12,030	779	6%

TOTAL FOR DEPARTMENT ----->	635	42,976	70,819	27,843	39%
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COMMUNITY EVENTS #3190

5100 Salaries	1,490	3,714	0	(3,714)	%
5900 Benefits	1,057	1,957	0	(1,957)	%
TOTAL SALARIES & BENEFITS ----->	2,547	5,671	0	(5,671)	%
001-6150 Mat/Supplies	1,110	1,342	1,500	158	11%
001-6600 Rents/Leases	0	0	1,500	1,500	100%
TOTAL OTHER OPERATING EXPENSES ----->	1,110	1,342	3,000	1,658	55%
TOTAL FOR DEPARTMENT ----->	3,657	7,013	3,000	(4,013)	-134%

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=====					
BUILDING MAINTENANCE #3600					
5100 Salaries	0	862	0	(862)	%
5900 Benefits	0	389	0	(389)	%

TOTAL SALARIES & BENEFITS ----->	0	1,251	0	(1,251)	%
=====					
001-6150 Mat/Supplies	1,660	13,076	20,000	6,924	35%
001-6250 Small Tools	0	16	200	184	92%
001-6320 Janitorial Srv.	600	4,200	7,200	3,000	42%
610-6320 Janitorial Srv.	333	2,333	4,000	1,667	42%
630-6320 Janitorial Srv.	333	2,333	4,000	1,667	42%
001-6750 Bldg.Maint.	0	114	0	(114)	%
001-7418 Cert of Extng	0	329	400	71	18%

TOTAL OTHER OPERATING EXPENSES ----->	2,926	22,401	35,800	13,399	37%
=====					

=====					
TOTAL FOR DEPARTMENT ----->	2,926	23,652	35,800	12,148	34%
=====					

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MECH MAINT #3700

ACCOUNT DESCRIPTION	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
610-6150 Mat/Supplies	0	127	150	23	15%
630-6150 Mat/Supplies	0	229	150	(79)	- 53%
381-6250 Small Tools	0	1,579	4,500	2,921	65%
383-6250 Small Tools	0	541	2,500	1,959	78%
610-6250 Small Tools	0	16	100	84	84%
630-6250 Small Tools	0	16	100	84	84%
610-6461 Req. Pmts/Cnty.	0	0	85	85	100%
630-6461 Req. Pmts/Cnty.	0	0	85	85	100%
610-6700 Equip.Maint.	0	0	500	500	100%
630-6700 Equip.Maint.	0	0	500	500	100%
610-6750 Bldg.Maint.	0	0	100	100	100%
630-6750 Bldg.Maint.	0	0	100	100	100%
610-7500 Veh Opr/Maint	0	0	100	100	100%
630-7500 Veh Opr/Maint	0	0	100	100	100%
TOTAL OTHER OPERATING EXPENSES ----->	0	2,508	9,070	6,562	72%
TOTAL FOR DEPARTMENT ----->	0	2,508	9,070	6,562	72%

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CITY OF CORNING
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YEAR REMAINING
42
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ID: REPORT 00004
ACCOUNT DESCRIPTION

MECH MAINT #3700

ACCOUNT DESCRIPTION	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
610-6150 Mat/Supplies	0	127	150	23	15%
630-6150 Mat/Supplies	0	229	150	(79)	- 53%
381-6250 Small Tools	0	1,579	4,500	2,921	65%
383-6250 Small Tools	0	541	2,500	1,959	78%
610-6250 Small Tools	0	16	100	84	84%
630-6250 Small Tools	0	16	100	84	84%
610-6461 Req.Pmts/Cnty.	0	0	85	85	100%
630-6461 Req.Pmts/Cnty.	0	0	85	85	100%
610-6700 Equip.Maint.	0	0	500	500	100%
630-6700 Equip.Maint.	0	0	500	500	100%
610-6750 Bldg.Maint.	0	0	100	100	100%
630-6750 Bldg.Maint.	0	0	100	100	100%
610-7500 Veh Opr/Maint	0	0	100	100	100%
630-7500 Veh Opr/Maint	0	0	100	100	100%
TOTAL OTHER OPERATING EXPENSES ----->	0	2,508	9,070	6,562	72%
TOTAL FOR DEPARTMENT ----->	0	2,508	9,070	6,562	72%

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ID: REPORT 00004
ACCOUNT DESCRIPTION

RODGERS THEATRE #6125

ACCOUNT DESCRIPTION	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
001-6150 Mat/Supplies	0	0	50	50	100%
001-6410 Electricity	143	1,033	3,000	1,967	66%
001-6430 Natural Gas	8	55	150	95	63%
TOTAL OTHER OPERATING EXPENSES ----->	151	1,088	3,200	2,112	66%
130-9116 Theatre Restore	0	21,638	25,000	3,362	13%
402-9116 Theatre Restore	0	31	20,000	19,969	100%
402-9147 Marquee	485	2,232	2,000	(232)	- 12%
TOTAL CAPITAL EXPENDITURES ----->	485	23,901	47,000	23,099	49%
TOTAL FOR DEPARTMENT ----->	636	24,989	50,200	25,211	50%

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ACCOUNT DESCRIPTION

L & L Z1 D1 (N.ALEX) #3901

ACCOUNT DESCRIPTION	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
701-6150 Mat/Supplies	0	0	225	225	100%
701-6315 Landscape Maint	19	131	225	94	42%
701-6410 Electricity	45	268	450	182	40%
TOTAL OTHER OPERATING EXPENSES ----->	64	399	900	501	56%
TOTAL FOR DEPARTMENT ----->	64	399	900	501	56%

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ACCOUNT DESCRIPTION

L & L Z1 D3 (BLOSSOM AVE) #3903

	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
703-6150 Mat/Supplies	0	0	1,000	1,000	100%
703-6315 Landscape Maint	0	0	1,000	1,000	100%
703-6410 Electricity	117	471	1,800	1,329	74%
TOTAL OTHER OPERATING EXPENSES ----->	117	471	3,800	3,329	88%
TOTAL FOR DEPARTMENT ----->	117	471	3,800	3,329	88%

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ID: REPORT 00004
ACCOUNT DESCRIPTION

L & L Z1 D4 (SALADO APTS) #3904

ACCOUNT DESCRIPTION	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
704-6150 Mat/Supplies	0	112	1,000	888	89%
704-6315 Landscape Maint	175	1,225	2,100	875	42%
704-6410 Electricity	140	838	1,200	362	30%
TOTAL OTHER OPERATING EXPENSES ----->	315	2,175	4,300	2,125	49%
TOTAL FOR DEPARTMENT ----->	315	2,175	4,300	2,125	49%

Enterprise Fund Operations

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ID: REPORT 00004 ACCOUNT DESCRIPTION =====	JANUARY ACTUAL =====	YEAR TO DATE ACTUAL =====	ANNUAL BUDGET =====	REMAINING BUDGET =====	PERCENTAGE REMAINING =====
AIRPORT #3500					
5100 Salaries	460	1,471	0	(1,471)	%
5900 Benefits	384	714	0	(714)	%
TOTAL SALARIES & BENEFITS ----->	844	2,185	0	(2,185)	%
620-6150 Mat/Supplies	135	2,454	5,000	2,546	51%
620-6186 Taxes	0	316	0	(316)	%
620-6300 ProfServices	0	6,000	0	(6,000)	%
620-6410 Electricity	198	2,390	2,000	(390)	- 20%
620-6420 Propane	894	1,668	3,000	1,332	44%
620-6462 ReqPmts.State	0	0	500	500	100%
620-6750 Bldg.Maint.	0	24	1,000	976	98%
620-6810 Liability Ins.	0	4,096	6,000	1,904	32%
TOTAL OTHER OPERATING EXPENSES ----->	1,227	16,948	17,500	552	3%
620-9823 Debt Service	0	0	5,000	5,000	100%
TOTAL CAPITAL EXPENDITURES ----->	0	0	5,000	5,000	100%
TOTAL FOR DEPARTMENT ----->	2,071	19,133	22,500	3,367	15%

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CITY OF CORNING
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JANUARY 31, 20

ID: REPORT 00004
ACCOUNT DESCRIPTION

JANUARY
ACTUAL

YEAR TO DATE
ACTUAL

ANNUAL
BUDGET

REMAINING
BUDGET

PERCENTAGE
REMAINING

TRANSPORTATION FACILITY #3160

ACCOUNT DESCRIPTION	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
625-6410 Electricity	755	2,938	6,500	3,562	55%
625-6430 Natural Gas	47	644	1,500	856	57%
625-6750 Bldg.Maint.	622	5,668	8,000	2,332	29%
625-7365 Landscaping	117	819	500	(319)	- 64%
TOTAL OTHER OPERATING EXPENSES ----->	1,541	10,069	16,500	6,431	39%
TOTAL FOR DEPARTMENT ----->	1,541	10,069	16,500	6,431	39%

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CITY OF CORNING
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YEAR REMAINING
 42
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ID: REPORT 00004 ACCOUNT DESCRIPTION =====	JANUARY ACTUAL =====	YEAR TO DATE ACTUAL =====	ANNUAL BUDGET =====	REMAINING BUDGET =====	PERCENTAGE REMAINING =====
SEWER #5000					
5100 Salaries	3,806	30,026	33,488	3,462	10%
5900 Benefits	1,495	10,797	0	(10,797)	%
TOTAL SALARIES & BENEFITS ----->	5,301	40,823	33,488	(7,335)	- 22%
610-6100 Office Supplies	0	1,324	500	(824)	-165%
610-6150 Mat/Supplies	253	5,415	27,380	21,965	80%
610-6250 Small Tools	0	589	500	(89)	- 18%
610-6410 Electricity	451	3,190	5,000	1,810	36%
610-6700 Equip.Maint.	78	215	500	285	57%
610-7100 Traing/Educ.	0	0	5,000	5,000	100%
610-7365 Landscaping	2,696	2,696	0	(2,696)	%
610-7368 PreTreat.Prog	0	13,482	30,000	16,518	55%
610-7500 Veh Opr/Maint	577	2,664	6,000	3,336	56%
TOTAL OTHER OPERATING EXPENSES ----->	4,055	29,575	74,880	45,305	61%
TOTAL FOR DEPARTMENT ----->	9,356	70,398	108,368	37,970	35%

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ACCOUNT DESCRIPTION

SEWER IMPROVEMENTS #5250

	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
381-9135 SWR Line Rplcmt	0	0	50,000	50,000	100%
380-9206 CapReplacement	2,448	2,448	50,000	47,552	95%
348-9812 Sewer Debt Serv	2,790	152,039	233,160	81,121	35%
610-9812 Sewer Debt Serv	0	91,735	137,142	45,407	33%
TOTAL CAPITAL EXPENDITURES ----->	5,238	246,222	470,302	224,080	48%
TOTAL FOR DEPARTMENT ----->	5,238	246,222	470,302	224,080	48%

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 ACCOUNT DESCRIPTION

WWTP #5200

ACCOUNT DESCRIPTION	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
610-6175 Weed/Tree Spray	0	1,400	5,000	3,600	72%
610-6300 ProfServices	49,223	292,720	581,000	288,280	50%
610-6322 CA Toxic Testng	0	0	4,000	4,000	100%
610-6410 Electricity	12,975	56,482	68,000	11,518	17%
610-6461 Req.Pmts/Cnty.	0	0	350	350	100%
610-7376 Annual Permit	0	9,634	7,500	(2,134)	- 28%
TOTAL OTHER OPERATING EXPENSES ----->	62,198	360,236	665,850	305,614	46%
380-9262 Mixing Zone Sty	20,000	20,000	20,000	0	%
TOTAL CAPITAL EXPENDITURES ----->	20,000	20,000	20,000	0	%
TOTAL FOR DEPARTMENT ----->	82,198	380,236	685,850	305,614	45%

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ACCOUNT DESCRIPTION

	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
=====	=====	=====	=====	=====	=====
WATER #7100					
5100 Salaries	14,560	78,407	109,874	31,467	29%
5900 Benefits	6,041	33,006	0	(33,006)	%
TOTAL SALARIES & BENEFITS ----->	20,601	111,413	109,874	(1,539)	- 1%
=====	=====	=====	=====	=====	=====
630-6100 Office Supplies	0	1,324	461	(863)	-187%
001-6150 Mat/Supplies	0	468	0	(468)	%
630-6150 Mat/Supplies	6,510	29,639	80,650	51,011	63%
630-6250 Small Tools	74	560	500	(60)	- 12%
630-6300 ProfServices	6,988	11,068	10,000	(1,068)	- 11%
630-6410 Electricity	7,767	117,652	200,000	82,348	41%
630-6462 ReqPmts.State	0	7,582	5,500	(2,082)	- 38%
630-6700 Equip.Maint.	362	959	7,000	6,041	86%
630-7100 Traing/Educ.	0	0	5,000	5,000	100%
630-7500 Veh Opr/Maint	426	2,680	10,000	7,320	73%
TOTAL OTHER OPERATING EXPENSES ----->	22,127	171,932	319,111	147,179	46%
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=====	=====	=====	=====	=====	=====
TOTAL FOR DEPARTMENT ----->	42,728	283,345	428,985	145,640	34%
=====	=====	=====	=====	=====	=====

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ACCOUNT DESCRIPTION

ACCOUNT DESCRIPTION	JANUARY ACTUAL	YEAR TO DATE ACTUAL	ANNUAL BUDGET	REMAINING BUDGET	PERCENTAGE REMAINING
=====					
WATER IMPROVEMENTS #7420					

630-6300 ProfServices	0	0	500	500	100%
TOTAL OTHER OPERATING EXPENSES ----->	0	0	500	500	100%
=====					
346-9237 Telemetry	0	10,082	35,000	24,918	71%
346-9275 Clark Park Well	0	30,812	0	(30,812)	%
384-9275 Clark Park Well	69,668	348,173	613,000	264,827	43%
383-9281 Well Chlorinator	0	2,045	1,500	(545)	- 36%
383-9417 WELL REPAIRS	0	0	1,000	1,000	100%
630-9811 Wtr Debt Service	0	193,319	307,182	113,863	37%
TOTAL CAPITAL EXPENDITURES ----->	69,668	584,431	957,682	373,251	39%
=====					
TOTAL FOR DEPARTMENT ----->	69,668	584,431	958,182	373,751	39%
=====					