



**CITY OF CORNING  
SPECIAL CLOSED MEETING SESSION AGENDA**

**TUESDAY, FEBRUARY 8, 2011  
CITY COUNCIL CHAMBERS  
794 THIRD STREET**

**A. CALL TO ORDER: 7:00 p.m.**

**B. ROLL CALL:**

**Council:**

**Toni Parkins**

**John Leach**

**Vacant**

**Darlene Dickison**

**Gary Strack**

**Mayor:**

The **Brown Act** requires that the Council provide the opportunity for persons in the audience to briefly address the Council on the subject(s) scheduled for tonight's closed session. Is there anyone wanting to comment on the subject(s) the Council will be discussing in closed session? If so, please come to the podium, identify yourself and give us your comments.

**C. PUBLIC COMMENTS:**

**D. ADJOURN TO CLOSED SESSION:**

**CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO SECTION 54957.6:  
Agency Negotiator: William May, Labor Relations Consultant  
Management, Miscellaneous, Dispatch and Public Safety Employees  
Bargaining Units**

**E. RECONVENE SPECIAL MEETING AND REPORT ON CLOSED SESSION:**

**F. ADJOURN TO REGULAR MEETING OF THE CITY COUNCIL:**

**FRIDAY, FEBRUARY 4, 2011**

**CITY OF CORNING**

**THE CITY OF CORNING IS AN EQUAL OPPORTUNITY EMPLOYER**



**CITY COUNCIL AGENDA**  
**TUESDAY, FEBRUARY 8, 2011**  
**CITY COUNCIL CHAMBERS**  
**794 THIRD STREET**

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

**B. ROLL CALL:**

**Council:**

**Toni Parkins**

**John Leach**

**Vacant**

**Darlene Dickison**

**Mayor:**

**Gary Strack**

**C. PLEDGE OF ALLEGIANCE: Led by the City Manager.**

**D. PROCLAMATIONS, RECOGNITION'S, APPOINTMENTS, PRESENTATIONS:**

**E. 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.**

**F. 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.**

- 1. Waive reading, except by title, of any Ordinance under consideration at this meeting for either introduction or passage, per Government Code Section 36934.**
- 2. Waive the Reading and Approve the Minutes of the January 25, 2011 City Council Special Closed Session Meeting and City Council Meeting with any necessary corrections:**
- 3. February 2, 2011 Claim Warrant - \$206,548.03.**
- 4. January 2011 Building Permit Valuation - \$311,815 .**
- 5. January 2011 Wages and Salaries - \$329,888 .**
- 6. January 2011 – Treasurer's Report.**
- 7. City of Corning Wastewater Operation Summary Report – January 2011**
- 8. Resolution No. 02-08-2011-01 Authorizing the Tehama County Sanitary Landfill Agency Submittal of a CalRecycle Grant Application for FY 2010/2011 Local Government Waste Tire Cleanup and Amnesty Event Grant.**
- 9. Approve Progress Pay Estimate No. 6 in the Amount of \$31,492.17 to Azevedo Construction for the 2010 Rodgers Theater Improvement Project.**

10. Approve Progress Pay Estimate No. 2 in the Amount of \$59,722.20 to Franklin Construction for the 2010 Traffic Signal Installation Project.

11. February 2, 2011 Business License Report.

**G. ITEMS REMOVED FROM THE CONSENT AGENDA:**

**H. PUBLIC HEARINGS AND MEETINGS:**

**I. REGULAR AGENDA:**

12. Ordinance No. 643; An Ordinance Amending the Speed Limit on Solano Street from 35 mph to 25 mph from Marguerite Avenue to a Point 1,000 Feet to the East.

13. Resolution No. 02-08-2011-02 to Tax Defer Member Paid Contributions – IRC 414(h)(2) Employer Pick-Up.

14. Resolution No. 02-08-2011-03 Adopting Standard Plan S-24 Street Sign Details.

15. Feral Cat Informational Report to the City Council.

16. Approve Contract Change Order No. 5 Amending Scope of Work and Increasing the Rodgers Theater Improvement Project by \$11,635.98 for a Total Project Cost of \$200,538.34.

17. Presentation and Acceptance of Annual City Audit for Fiscal Year 2009-2010.

**J. ITEMS PLACED ON THE AGENDA FROM THE FLOOR:**

**K. COMMUNICATIONS, CORRESPONDENCE AND INFORMATION:**

**L. 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:

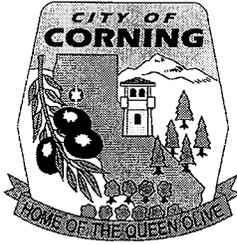
Dickison:

Strack:

**M. ADJOURNMENT!:**

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Lisa M. Linnet, City Clerk



**CITY OF CORNING  
SPECIAL CLOSED MEETING SESSION MINUTES**

**TUESDAY, JANUARY 25, 2011  
CITY COUNCIL CHAMBERS  
794 THIRD STREET**

**A. CALL TO ORDER: 6:30 p.m.**

**B. ROLL CALL:**

**Council:**

**Toni Parkins  
John Leach  
Vacant  
Darlene Dickison  
Gary Strack**

**Mayor:**

All members of the Council were present with one vacancy remaining pending verification of eligibility of Council Candidate Elect Jesse Lopez.

The **Brown Act** requires that the Council provide the opportunity for persons in the audience to briefly address the Council on the subject(s) scheduled for tonight's closed session. Is there anyone wanting to comment on the subject(s) the Council will be discussing in closed session? If so, please come to the podium, identify yourself and give us your comments.

**C. PUBLIC COMMENTS:**

**D. ADJOURN TO CLOSED SESSION:**

**CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO SECTION 54957.6:  
Agency Negotiator: William May, Labor Relations Consultant  
Management, Miscellaneous, Dispatch and Public Safety Employees  
Bargaining Units**

**CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (Gov't. Code  
Section 54956.9): Related to failure to seat City Council Candidate Elect Jesse  
Lopez as a City Council Member.**

**E. RECONVENE SPECIAL MEETING AND REPORT ON CLOSED SESSION:**

Mayor Strack reported that Council met in Closed Session with Labor Negotiator Bill May and gave him direction.

Mayor Strack also reported that Council met with Legal Counsel regarding anticipated litigation in regards to the vacant Council seat; stating that further discussion of this issue will take place during the regularly schedule Council meeting when the Council addresses the agenda item 10 listed under the Regular Agenda.

**F. ADJOURN TO REGULAR MEETING OF THE CITY COUNCIL: 7:37 p.m**

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Lisa M. Linnet, City Clerk



**CITY OF CORNING  
CITY COUNCIL MINUTES**

**TUESDAY, JANUARY 25, 2011  
CITY COUNCIL CHAMBERS  
794 THIRD STREET**

**A. CALL TO ORDER: 7:36 p.m.**

**B. ROLL CALL:**

**Council:**

**Toni Parkins**

**John Leach**

**Vacant**

**Darlene Dickison**

**Mayor:**

**Gary Strack**

All members of the Council were present with one vacancy remaining pending verification of eligibility of Council Candidate Elect Jesse Lopez.

**C. PLEDGE OF ALLEGIANCE: Led by the City Manager.**

**D. PROCLAMATIONS, RECOGNITION'S, APPOINTMENTS, PRESENTATIONS:**

Jerry Lequia updated the Council on the amount of money raised to date for the placement of the City Seal and "In God We Trust" in the Council Chambers. He stated that to date he has raised \$1,050 and plans to have the full amount by the next meeting.

**1. Presentation: Branding Project by Kate Grissom of Rolling Hills Casino.**

Ann Raymarch and Kristin Grey narrated a Power-point presentation on the Tehama County Branding Project. They stated that an Economic Development Plan for Tehama County around the fall of 2009 pinpointed visitor attraction, tourism, as one of our primary economic development strategies. Tourism brings in outside dollars into our communities, provides opportunities for existing businesses to prosper and new businesses to start up, however we were missing a "Brand". How can we promote the area if we don't even know what we want the area to be known for?

They informed the Council and members of the audience that Roger Brooks of Destination Development International has been hired to assist with the Tehama County Branding Project. Mr. Brooks will lead in the development of a Development and Marketing Action Plan at a cost of \$125,000. They emphasized that Mr. Brooks commits for two to three years to get us up and running with the "Brand" once developed. The goal is to raise \$200,000; to date \$47,300 has been raised for this project.

City Manager Kimbrough stated that we have placed the power-point presentation on the City's website as well as the Chabin Concepts Report that led to this. The City also has some hardcopy books available to lend.

**E. BUSINESS FROM THE FLOOR:**

**Valanne Cardenas (Chamber of Commerce Manager):** Presented a request for the City's "Corporate Donor Matching Funds" in an amount up to \$4,000. She announced that to date she has received donation commitments from: Bell Carter and Rabobank, \$1,500 each and \$1,700 from the County of Tehama.

Mayor Strack stated that no motion is necessary to approve the City's matching funds as this was approved and included in this year's budget.

- F. **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.
2. **Waive reading, except by title, of any Ordinance under consideration at this meeting for either introduction or passage, per Government Code Section 36934.**
  3. **Waive the Reading and Approve the Minutes of the January 11, 2011 City Council Meeting with any necessary corrections:**
  4. **January 19, 2011 Claim Warrant - \$211,184.58.**
  5. **January 19, 2011 Business License Report.**
  6. **Approve Contract Change Order No. 2 Increasing the Traffic Signal Installation Project by \$4,372.20 for a Total Project Cost of \$284,839.57.**
  7. **Approve Contract Change Order No. 4 Amending Scope of Work and Increasing the Rodgers Theater Improvement Project by \$7,517.67 for a Total Project Cost of \$188,902.36.**
  8. **Approve Project Pay Estimate No. 5 in the Amount of \$51,236.56 to Azevedo Construction for the 2010 Rodgers Theater Improvement Project.**
  9. **Approve Application for Indian Gaming Committee Grant Funds in the amount of \$19,320.**

Mayor Strack introduced each item listed on the Consent Agenda and asked if anyone from the Council or audience would like any of these pulled for further discussion; Councilor Leach asked to pull Consent Item 6.

With no further discussion, Councilor Dickison moved to approve Consent Items 2-5 and 7-9. Councilor Leach seconded the motion. **Ayes: Strack, Parkins, Leach and Dickison. Opposed: None. Absent/Abstain: None. Motion was approved by a 4-0 vote with one vacancy remaining on the Council pending verification of Candidate Elect Lopez's eligibility.**

G. **ITEMS REMOVED FROM THE CONSENT AGENDA:**

6. **Approve Contract Change Order No. 2 Increasing the Traffic Signal Installation Project by \$4,372.20 for a Total Project Cost of \$284,839.57.**

Councilor Leach asked if this would be the final Change Order for this project. Public Works Director John Brewer stated that unforeseen items sometimes come up on projects such as this and he cannot guarantee that there won't be any future Change Order requests. Councilor Leach then moved to approve Contract Change Order No. 2 increasing the Traffic Signal Installation Project by \$4,372.20 and set the Budget Appropriation from Fund 116 to Street Projects Signal Improvements Account 116-9254-3001 at \$294,957.20. Councilor Parkins seconded the motion. **Ayes: Strack, Parkins, Leach and Dickison. Opposed: None. Absent/Abstain: None. Motion was approved by a 4-0 vote with one vacancy remaining on the Council pending verification of Candidate Elect Lopez's eligibility.**

H. **PUBLIC HEARINGS AND MEETINGS:** None.

I. **REGULAR AGENDA:**

10. **Consideration of Seating of Elected Council Member Jesse Lopez:**

Mayor Strack introduced this item by title and announced the three options listed below. He stated that this was the topic of discussion in the Closed Session. City Attorney Michael Fitzpatrick explained that at the last Council meeting this was discussed and questions arose as to where the City goes from here because as a result of the election, Mr. Lopez was the top vote getter to be elected to the City Council. Mr. Fitzpatrick explained that the question of Mr.

Lopez's eligibility to hold the position as a member of the Council due to a misdemeanor conviction for forgery. He stated that the City has done some research on that issue and it looked like he would not be eligible to hold the position. Whether it was a felony or a misdemeanor was not the significant issue, the issue had to do with it being a conviction of that particular offense. To further complicate the issue, Mr. Lopez went back to court in 2009 to obtain a Court Order from a Judge stating that he was released from all penalties and disabilities resulting from the offense, now, on the face of it, it looks like that means there are no repercussions that follow him as a result of that. Mr. Lopez has asked for time to seek a ruling from a Judge now to determine if he is eligible for this office. He is predicting that it will take 40-50 days to obtain that determination. The dilemma the Council faces is that we have now had this seat vacant for close to 60-days, the 60<sup>th</sup> day being February 4<sup>th</sup>.

Mr. Fitzpatrick stated that the Council has 60-days from the date a vacancy occurs to either make an appointment to fill that vacancy, or call a special election. The Council is coming up on that deadline. The Council could, if it wishes, declare him elected by adopting the Resolution that is before you tonight, swear him in, and then if he does resign as he has indicated is his intention, the Council would then have 60-days to allow him time to take the issue before a Judge, or the Council could do something else within the 60-days, or decide to make an appointment to fill that vacancy. It does give the Council more time to make their determination. If the Council doesn't swear Mr. Lopez into office, he stated it is his opinion that the Council only has the two days to make an appointment to that position. Mr. Fitzpatrick stated that Mr. Lopez is asking to be sworn in to office tonight.

Mayor Strack stated that Mr. Lopez was duly elected by the voters in the last election. There was some discussion on the possibility of an election contest being filed. It has been stated that there would be no guarantee that Mr. Lopez would be appointed to the vacant position should he receive a determination from a Judge.

Councilor Leach made the statement that he has no ill will towards Mr. Lopez, however according to the law he does not feel he is eligible.

Ross Turner asked some questions regarding City and taxpayers liability (responsibility) for any of Mr. Lopez's legal expenses should Mr. Lopez be seated tonight, or appointed in the future, whether retroactively, or for future legal expenses relating to his actions to obtain his Council seat? He was informed that there are no guarantees when it comes to lawsuits; however Mr. Fitzpatrick stated should an election contest be filed, and Mr. Lopez resigned, there would be no reason for a contest.

A member of the audience asked whether the City would obtain any liability should the City seat Mr. Lopez and he participate by voting on any issue before the Council. They were informed that there are no remaining issues other than this one on the Agenda to vote on. However, if Mr. Lopez were seated, remained on the Council, then yes, any items he voted on could come into question and could possibly lead to a lawsuit.

Jesse Lopez then spoke stating it was his intent tonight to resign stating that there is not enough time for him to take the seat to which he was elected and obtain a ruling from a Judge. He stated that he believes it is in his best interest, as well as that of the City, for the City to move forward. He stated that he has asked the City to consider him for appointment if he can obtain a ruling that is favorable, however he stated that they are in a position that they need to move forward. If the Council chooses to appoint someone to the vacant Council position during that 60-day window and not appoint him, then he is not going away, he is going to continue to fight this as long as he can and then in two years, if he is eligible he will run again. He stated he is not going anywhere. He stated that he knows there will be some people upset with him because of this; he stated he understands that, emphasizing that it was not his intent to be deceitful. He stated that he had a court document from the State of California and Tehama County that stated that he was released from all penalties and disabilities resulting from the offense. He stated he had no reason to believe that "all" didn't mean all, to him "all" meant all inclusive. He stated that he didn't have any

reason to believe otherwise and that is why he ran for this office. He stated that he has lived in Corning his entire life and wanted to be part of Corning and Corning's legacy and a part of the City Council. Mr. Lopez clarified that the City Council and the City Attorney have not been dragging their feet on this; he stated that it has been him because he had been elected by almost 600 people and he has a responsibility to those people to make sure he explored every option possible before giving in to the fact that yes, I may not be eligible to hold this office. He stated he felt it was his seat to say yes, I want to to be sworn in, or no I want to wait. He stated he was elected to it and felt it was his choice so he took as much time as he could to clear this up. It is getting to the end of the 60 days and we need to make a move, the City needs to move forward be it with me or without me. Hopefully he can get a ruling in his favor; he is not in any way saying he is above the law, however he has a legal document that is conflicting with everything else going on. He stated that he hopes that in the event that a Judge rules in his favor that the Council would consider him for appointment. He understands that the City has a business to run and they need to move forward, he has no ill will. He stated that the last five months have been pretty brutal for him and his family however he was not going to allow his past to define his future. He stated that he feels very strongly about this Community. He stated that he knew going in that there was a chance that his past would come up, and he chose to run anyway, however he didn't think it would go that far, with people sending anonymous letters about him, but it did. Mr. Lopez stated that Corning means something to him, this came out early on; and he specifically chose not to mention his past because his documents stated he was released from the disabilities...and the application didn't specifically ask about past histories, and if most of us are not asked we don't reveal the regrets of our past, why open the can of worms. He stated he didn't feel it was relevant, he made a mistake and he did everything he had to do to make up for that mistake and he moved on. Unfortunately some people can't. People will say that the law is clear; however some of those saying this are not Lawyers and Judges. To him it was not clear and he was going to fight it to the bitter end, however we are out of time. He stated that his intention was never to slow the process of this Community; he just wanted to be a part of it. He stated that it was his responsibility to the people that voted for him to go as far as he could; at this point he is there. Be it 60-days from now or two years from now, he is not going to quit fighting this and at the end of the day if comes out that he can't, he will concede that fact and be on the outside looking in and try to be as involved as possible and try to move on. In closing he stated that we have great leadership in this town and hopefully someday he can be part of it. He publically wanted to state that he has had tremendous support and it has been overwhelming at times in a good way. He stated that he hopes someday he can be a part of what the Council does; he is not turning his back or going away. He restated he would like to swear in at this time and will be resigning effective at the end of tonight or 10:00 p.m. whichever comes first. He also stated he has submitted his resignation from the Planning Commission. Mr. Lopez encourages anyone interested in serving on the Council to apply. He also apologized to the people that voted for him for not being able to fulfill their wishes.

City Clerk Lisa Linnet then read Resolution 01-25-2011-01, Seating of Elected Council Member Jesse Lopez.

**10-1. Consider adopting Supplemental Resolution 01-25-2011-01 Seating of Elected Council Member Jesse Lopez; and**

**10-2. Administering Oath of Office and Seating Jesse Lopez on the City Council.**

Councilor Dickison stated that she believes the people told the Council what they wanted when they voted for Mr. Lopez so she moved to adopt the proposed supplemental Resolution further declaring the results of the election and appointing Jesse Lopez to the Corning City Council. Councilor Parkins seconded the motion. **Ayes: Strack, Parkins, and Dickison. Opposed: Leach. Absent/Abstain: None. Motion was approved by a 3-1 vote with Leach opposing and one vacancy remaining on the Council pending verification of Candidate Elect Lopez's eligibility.**

Mr. Lopez then took the oath of office issued by City Clerk Lisa Linnet. Following taking the oath Mr. Lopez issued his letter of resignation from his position on the Council.

**10-3. Consider Inviting Applications to be Submitted Now for Appointment to City Council Seat to Preserve Council's Options should Jesse Lopez either Resign or be determined to be ineligible to Hold Office.**

Mayor Strack then called for Council's decision on how to fill the vacancy on the Council. After some discussion, Councilor Dickison moved to invite interested persons to submit applications for appointment to the Council. Councilor Parkins seconded the motion. **Ayes: Strack, Parkins, Leach and Dickison. Opposed: None. Absent/Abstain: None. Motion was approved by a 4-0 vote with one vacancy remaining on the Council.**

By Consensus of the Council all applications for the vacant Council seat must be received by the City Clerk no later than 5:00 p.m. on February 17, 2011. It was announced that applications are available tonight and will be available at City Hall and on the City's website.

Mayor Strack clarified with the City Attorney that it would be legal for a Council member to speak with the applicant prior to a Council discussion; Mr. Fitzpatrick stated yes they can as long as they don't discuss the applicant with other members of Council, however he will research and report back to the Council.

**J. ITEMS PLACED ON THE AGENDA FROM THE FLOOR: None.**

**K. COMMUNICATIONS, CORRESPONDENCE AND INFORMATION: None.**

**L. 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:** Nothing.

**Leach:** Reported on Thursday's CAA stating they found out that they had some extra money for four of their agencies, one being Corning.

**Dickison:** Reported on her attendance at the Tehama County Heritage and Historical Records Meeting where they received a report from the group trying to purchase the State Theater and she was asked to report on our progress with the restoration of our Theater.

**Strack:** Nothing.

**M. ADJOURNMENT!: 8:40 p.m.**

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Lisa M. Linnet, City Clerk



# MEMORANDUM

**TO:** HONORABLE MAYOR AND COUNCIL MEMBERS

**FROM:** LORI SIMS  
ACCOUNTING TECHNICIAN

**DATE:** February 2, 2011

**SUBJECT:** Cash Disbursement Detail Report for the  
Tuesday, February 8, 2011 Council Meeting

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PROPOSED CASH DISBURSEMENTS FOR YOUR APPROVAL CONSIST OF THE FOLLOWING:

A.	Cash Disbursements	Ending	01-31-11	\$	78,659.89
B.	Payroll Disbursements	Ending	01-31-11	\$	75,993.00
C.	Cash Disbursements	Ending	02-02-11	\$	51,895.14
				<b>GRAND TOTAL</b>	<b>\$ <u>206,548.03</u></b>

REPORT.: Jan 31 11 Monday  
 RUN....: Jan 31 11 Time: 14:30  
 Run By.: LORI

CITY OF CORNING  
 Cash Disbursement Detail Report  
 Check Listing for 01-11 Bank Account.: 1020

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

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
011845	01/24/11	PGE01	PG&E	3521.14	.00	3521.14	11-0124	THEATER RESTORE-RODGERS T
011846	01/24/11	WAR05	WARREN, DANA KARL	288.80	.00	288.80	110120	REC INSTRUCTOR-REC
011847	01/25/11	ARA02	ARAMARK UNIFORM SRV.INC.	33.56	.00	33.56	0956583	Mat/Supplies-
011848	01/25/11	ATT13	AT&T	720.57	.00	720.57	110111	COMMUNICATIONS-
011849	01/25/11	ENE02	ENERGY CALCULATION SERVIC	360.00	.00	360.00	10147	ENERGY CALCS FOR THEATER
011850	01/25/11	NEX02	NEXTEL	123.28	.00	123.28	086319110	COMMUNICATIONS-POLICE
011851	01/25/11	OFF01	OFFICE DEPOT	104.26	.00	104.26	547840469	Office Supplies PoliceDis
011852	01/25/11	PGE2A	PG&E	48.43	.00	48.43	110118	ELECT-BLUE HERON CT
011853	01/25/11	SUB01	SUBURBAN PROPANE	1009.04	.00	1009.04	167843	PROPANE-AIRPORT
011854	01/26/11	BAS01	BASIC LABORATORY, INC	86.00	.00	86.00	1100649	ProfServices Water Dept
011855	01/26/11	BEN04	BEN TOILET RENTALS, INC.	110.00	.00	110.00	235985	MAT & SUPPLIES-PARKS
011856	01/26/11	CAM02	CAMELLIA VALLEY SUPPLY	33.01	.00	33.01	0763011	MAT & SUPPLIES-WTR
				313.06	.00	313.06	0761180-1	MAT & SUPPLIES-WTR
			Check Total.....:	346.07	.00	346.07		
011857	01/26/11	COP00	COP SHOP INSTALLATION INC	127.70	.00	127.70	3161	VEH OP/MAINT-POLICE
011858	01/26/11	COR09	CORNING CHAMBER OF COMM.	4000.00	.00	4000.00	110126	CngChamberComm. Economic
011859	01/26/11	COR12	CORNING FORD MERCURY, INC	953.48	.00	953.48	134720	Veh Opr/Maint-POLICE
011860	01/26/11	COR13	CORNING VOLUNTEER FIRE	516.00	.00	516.00	1098	MAT & SUPPLIES-FIRE
011861	01/26/11	COR20	CORNING ELECTRONICS	54.11	.00	54.11	10093172	MAT & SUPPLIES-POLICE
011862	01/26/11	FED01	FEDERAL EXPRESS	47.42	.00	47.42	736751423	PROF SVCS-
011863	01/26/11	GOL03	GSPM / WFM	84.46	.00	84.46	I-030988	Mat/Supplies-WTR
011864	01/26/11	LNC01	LN CURTIS & SONS	160.57	.00	160.57	120320601	SAFETY ITEMS-FIRE
011865	01/26/11	MAY01	MAY, WILLIAM L.	1062.00	.00	1062.00	2011-1212	EE RELATIONS-LEGAL SVCS
011866	01/26/11	NOR01	NORTH VALLEY BARRICADE	64.95	.00	64.95	13909	SAFETY ITEMS-PW ADMIN
011867	01/26/11	RON03	RON DUPRATT FORD	46.24	.00	46.24	666092	VEH OP/MAINT-WTR

REPORT.: Jan 31 11 Monday  
 RUN....: Jan 31 11 Time: 14:30  
 Run By.: LORI

CITY OF CORNING  
 Cash Disbursement Detail Report  
 Check Listing for 01-11 Bank Account.: 1020

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
011868	01/26/11	DON05	DON AZEVEDO CONSTRUCTION,	46112.90	.00	46112.90	11-0126	THEATER RESTORATION-RODGE
011869	01/27/11	BEN01	BENBOW, W.B.	1170.00	.00	1170.00	00000153	WELL TELEMETRY-WTR
				4485.00	.00	4485.00	00001149	CLARK PARK WELL-WTR
			Check Total.....	5655.00	.00	5655.00		
011870	01/27/11	COR12	CORNING FORD MERCURY, INC	6.68	.00	6.68	27142	Veh Opr/Maint-POLICE
011871	01/27/11	DEP01	DEPT OF JUSTICE	52.00	.00	52.00	110125	PROF SVCS-POLICE
011872	01/27/11	DEP12	DEPT OF JUSTICE	17.00	.00	17.00	831133	PROF SVCS-POLICE
011873	01/27/11	HAI10	HAINES & COMPANY, INC.	371.09	.00	371.09	287582	MAT & SUPPLIES-POLICE
011874	01/27/11	INT04	INTERNATIONAL ASSOCIATION	120.00	.00	120.00	100096593	Assoc.Dues PoliceServices
011875	01/27/11	NAP01	NAPA AUTO PARTS	12.12	.00	12.12	110124F	BLD MAINT-FIRE
011876	01/27/11	NOR31	NORM'S PRINTING	461.85	.00	461.85	009363	PRINTING/ADV-POLICE
011877	01/27/11	QUA01	QUALITY SURFACING, INC	3585.00	.00	3585.00	1088	MAT & SUPPLIES-AIRPORT
011878	01/27/11	RED02	RED BLUFF POLICE DEPT	596.48	.00	596.48	110127	OTS GRANT-POLICE
011879	01/27/11	ROS00	ROSS, DAWN	20.03	.00	20.03	110127	UNIFORMS/CLOTH-POLICE
011880	01/27/11	TEH15	TEHAMA CO SHERIFF'S DEPT	485.38	.00	485.38	110127	OTS GRANT-POLICE
011881	01/27/11	ALL11	ALL SPORTS EQUIPMENT &	1838.22	.00	1838.22	104809	MAT & SUPPLIES-REC
011882	01/27/11	HIN01	HINDERLITER, DE LLAMAS &	1010.08	.00	1010.08	0017437IN	PROF SVCS-FINANCE
011883	01/27/11	MIS00	MISHOE, PHIL	59.29	.00	59.29	110124	REC SUPPLIES-REC
011884	01/27/11	USB01	US BANK	902.32	.00	902.32	169474251	Rents/Leases-GEN CITY
011885	01/27/11	VAL01	VALLEY INDUSTRIAL COMM.	17.80	.00	17.80	101923	COMMUNICATIONS-FIRE
011886	01/31/11	UNI07	UNION BANK OF CALIF	3085.00	.00	3085.00	5139	Bond Trustee-
011887	01/31/11	WAT02	WATSON, THOMAS J.	102.00	.00	102.00	110131	PROF SVCS-POLICE
011888	01/31/11	\B043	BAUMAN, SANDI	50.00	.00	50.00	000B10101	MQ CUSTOMER REFUND FOR BA
011889	01/31/11	\K003	KELLY, JULIA	140.69	.00	140.69	000B10101	MQ CUSTOMER REFUND FOR KE
011890	01/31/11	\M072	MARBLE, TIM	6.91	.00	6.91	000B10101	MQ CUSTOMER REFUND FOR MA

REPORT.: Jan 31 11 Monday  
 RUN...: Jan 31 11 Time: 14:30  
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CITY OF CORNING  
 Cash Disbursement Detail Report  
 Check Listing for 01-11 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
011891	01/31/11	\M073	MARBLE, TIM	9.88	.00	9.88	000B10101	MQ CUSTOMER REFUND FOR MA
011892	01/31/11	\O020	OLIVER, SHIRLEY	11.23	.00	11.23	000B10101	MQ CUSTOMER REFUND FOR OL
011893	01/31/11	\T015	THAYER, ROBERT	33.66	.00	33.66	000B10101	MQ CUSTOMER REFUND FOR TH
011894	01/31/11	\V030	VINSON, GREG	29.20	.00	29.20	000B10101	MQ CUSTOMER REFUND FOR VI
Cash Account Total.....:				78659.89	.00	78659.89		
Total Disbursements.....:				78659.89	.00	78659.89		
Cash Account Total.....:				.00	.00	.00		

REPORT.: Jan 31 11 Monday  
 RUN....: Jan 31 11 Time: 14:30  
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CITY OF CORNING  
 Cash Disbursement Detail Report - Payroll Vendor Payment(s)  
 Check Listing for 01-11 Bank Account.: 1025

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 ID #: PY-DP  
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
4861	01/26/11	BAN03	POLICE OFFICER ASSOC.	350.00	.00	350.00	B10125	POLICE OFFICER ASSOC
4862	01/26/11	CAL37	CALIFORNIA STATE DISBURSE	138.46	.00	138.46	B10125	WITHHOLDING ORDER
4863	01/26/11	CIT01	CITY OF CORNING	52.89	.00	52.89	B10125	2010 SDI EE PAY BACK
4864	01/26/11	EDD01	EMPLOYMENT DEVELOPMENT	3607.69 1194.87	.00 .00	3607.69 1194.87	B10125 1B10125	STATE INCOME TAX SDI
Check Total.....:				4802.56	.00	4802.56		
4865	01/26/11	ICM01	ICMA RETIREMENT TRUST-457	200.00	.00	200.00	B10125	ICMA DEF. COMP
4866	01/26/11	OEU03	OPERATING ENGINEERS	550.00	.00	550.00	B10125	CREDIT UNION SAVINGS
4867	01/26/11	PERS1	PUBLIC EMPLOYEES RETIRE	27275.65	.00	27275.65	B10125	PERS PAYROLL REMITTANCE
4868	01/26/11	PERS4	Cal Pers 457 Def. Comp	25.00	.00	25.00	B10125	PERS DEF. COMP.
4869	01/26/11	PRE03	PREMIER WEST BANK	6808.77	.00	6808.77	B10125	HSA DEDUCTIBLE
4870	01/26/11	STA04	STATE OF CALIFORNIA	298.07	.00	298.07	B10125	WAGEASN 1107012828
4871	01/26/11	VAL06	VALIC	1375.42	.00	1375.42	B10125	AIG VALIC P TAX
4872	01/31/11	AFL01	AMERICAN FAMILY LIFE	1550.90 81.06	.00 .00	1550.90 81.06	B10131 1B10131	AFLAC INS.PRE TAX AFLAC INS.AFTER TAX
Check Total.....:				1631.96	.00	1631.96		
4873	01/31/11	BLU02	BLUE SHIELD OF CALIFORNIA	19922.00	.00	19922.00	B10131	MEDICAL INSURANCE
4874	01/31/11	CIT01	CITY OF CORNING	6.00	.00	6.00	B10131	CHGS FOR WAGE ATCHMT
4875	01/31/11	OEU01	OPERATING ENGINEERS #3	6043.00	.00	6043.00	B10131	MEDICAL INSURANCE
4876	01/31/11	OEU02	OPERATING ENG. (DUES)	315.00 572.00 294.00 440.00	.00 .00 .00 .00	315.00 572.00 294.00 440.00	B10131 1B10131 2B10131 3B10131	UNION DUES MGMNT UNION DUES POLICE UNION DUES DISPATCH UNION DUES-MISC
Check Total.....:				1621.00	.00	1621.00		
4877	01/31/11	PRI04	PRINCIPAL	3223.61 590.61	.00 .00	3223.61 590.61	B10131 1B10131	DENTAL INSURANCE VISION INSURANCE
Check Total.....:				3814.22	.00	3814.22		
4878	01/31/11	TRA03	TRANSAMERICA LIFE INS CO.	1078.00	.00	1078.00	B10131	LIFE INSURANCE
Cash Account Total.....:				75993.00	.00	75993.00		

Total Disbursements..... 75993.00 .00 75993.00  
=====

REPORT.: Feb 02 11 Wednesday  
 RUN....: Feb 02 11 Time: 14:47  
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CITY OF CORNING  
 Cash Disbursement Detail Report  
 Check Listing for 02-11 Bank Account.: 1020

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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description
011895	02/01/11	COR07	CORBIN WILLITS SYSTEMS	729.72	.00	729.72	000B102011	Finance Dept.
011896	02/01/11	COR09	CORNING CHAMBER OF COMM.	1000.00	.00	1000.00	000B102011	CngChamberComm. Economic
011897	02/01/11	FIT01	FITZPATRICK LAW OFFICES	910.00	.00	910.00	000B102011	Consulting Serv LegalServ
011898	02/01/11	HAL05	HALL, ROBERT	104.70	.00	104.70	000B102011	ProfServices FireDepartme
011899	02/01/11	KEN00	KEN VAUGHAN & SONS	950.00	.00	950.00	000B102011	LANDSCAPE MAINT-
011900	02/01/11	PIT01	PITNEY BOWES	192.92	.00	192.92	000B102011	Rents/Leases Finance Dept
011901	02/01/11	S&L00	S & L BREWER ENTERPRISES	200.00	.00	200.00	000B102011	K-9 PROGRAM-POLICE
011902	02/01/11	TLD01	TEDC	208.33	.00	208.33	000B102011	Economic Development
011903	02/01/11	TOM03	TOMLINSON JR., ROBERT L.	54.70	.00	54.70	000B102011	PROF. SVCS-FIRE DEPT
011904	02/01/11	WHI05	WHITE GLOVE CLEANING SERV	2800.00	.00	2800.00	000B102011	JANITORIAL SVCS-
011905	02/01/11	BAS01	BASIC LABORATORY, INC	114.00	.00	114.00	1100877	ProfServices Water Dept
				28.00	.00	28.00	1100878	ProfServices Water Dept
				280.00	.00	280.00	1100970	ProfServices Water Dept
			Check Total.....:	422.00	.00	422.00		
011906	02/01/11	CAM02	CAMELLIA VALLEY SUPPLY	402.69	.00	402.69	0763471	MAT & SUPPLIES-
011907	02/01/11	CHE02	CHEM QUIP, INC.	56.89	.00	56.89	5065744	MAT & SUPPLIES-POOL
011908	02/01/11	CLA01	CLARKS DRUG STORE	7.08	.00	7.08	32991	MAT & SUPPLIES-POLICE
011909	02/01/11	CLE04	CLEMENTI, MARK A., PH.D.	585.00	.00	585.00	1-28-11	ProfServices-DISPATCH
011910	02/01/11	COM01	COMPUTER LOGISTICS, INC	20.00	.00	20.00	52009	Equip.Maint.-GEN CITY
				116.67	.00	116.67	52010	COMMUNICATIONS-POLICE
				28.00	.00	28.00	52011	COMMUNICATIONS-POLICE
			Check Total.....:	164.67	.00	164.67		
011911	02/01/11	COR03	CORNING RENTALS	500.00	.00	500.00	33475	RENT/LEASE-COMM EVENTS
011912	02/01/11	COR08	CORNING LUMBER CO INC	289.33	.00	289.33	110125	Mat/Supplies-
011913	02/01/11	COR22	CORNING MEDICAL ASSOC	229.50	.00	229.50	892	PROF SVCS-DISPATCH
011914	02/01/11	GRA02	GRAINGER, W.W., INC	499.02	.00	499.02	944733255	SMALL TOOLS-SWR
011915	02/01/11	HAT10	HATFIELD'S	453.12	.00	453.12	110125	Mat/Supplies-

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CITY OF CORNING  
 Cash Disbursement Detail Report  
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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
011916	02/01/11	HIG00	HIGHT, MONTY W.	200.00	.00	200.00	9	OTS GRANT-PIO
011917	02/01/11	HOL04	HOLIDAY MARKET #32	13.94	.00	13.94	36864	Mat/Supplies-POLICE
011918	02/01/11	JES10	JESSEE HEATING & AIR, INC	180.00	.00	180.00	051108	BLD MAINT-LIBRARY
011919	02/01/11	MCC01	MCCOY'S HARDWARE & SUPPLY	287.99	.00	287.99	110125	MAT & SUPPLIES-
011920	02/01/11	NAP01	NAPA AUTO PARTS	1126.57	.00	1126.57	110124	MAT & SUPPLIES-
011921	02/01/11	NEX01	NEXTEL COMMUNICATIONS	469.65	.00	469.65	110129	COMMUNICATIONS-
011922	02/01/11	OFF01	OFFICE DEPOT	108.38	.00	108.38	549733675	Office Supplies PoliceDis
				4.11	.00	4.11	549733721	Office Supplies PoliceDis
			Check Total.....:	112.49	.00	112.49		
011923	02/01/11	PAC16	PACIFIC TELEMAGEMENT SE	38.00	.00	38.00	249643	COMMUNICATIONS-GEN CITY
011924	02/01/11	PGE01	PG&E	19284.29	.00	19284.29	110124	Electricity General City-
				384.70	.00	384.70	110127	ELECT-
			Check Total.....:	19668.99	.00	19668.99		
011925	02/01/11	PGE2B	PG&E	5333.52	.00	5333.52	110125	ELECT-WWTP
011926	02/01/11	RON03	RON DUPRATT FORD	83.39	.00	83.39	666387	VEH OP/MAINT-
011927	02/01/11	SUB01	SUBURBAN PROPANE	60.00	.00	60.00	20338	PROPANE-AIRPORT
011928	02/01/11	USA01	USA BLUE BOOK	175.29	.00	175.29	318177	MAT & SUPPLIES-WTR
011929	02/02/11	AND01	ED ANDERSON	3843.62	.00	3843.62	11-0201	ProfServices-
011930	02/02/11	ARA02	ARAMARK UNIFORM SRV.INC.	33.56	.00	33.56	0966372	Mat/Supplies-
011931	02/02/11	ATT02	AT&T	913.24	.00	913.24	2036352	COMMUNICATIONS-
011932	02/02/11	CAL03	CA CRIMINAL JUST WARR SVC	75.00	.00	75.00	110201	ASSOC DUES-POLICE
011933	02/02/11	COR01	CORNING VETERINARY CLINIC	352.45	.00	352.45	28795	ProfServices-ACO
011934	02/02/11	HOL04	HOLIDAY MARKET #32	115.15	.00	115.15	36816	MAT & SUPPLIES-ACO
011935	02/02/11	INT06	INTERSTATE SALES	656.86	.00	656.86	146	MAT & SUPPLIES-STR
011936	02/02/11	NOR25	NORTHERN LIGHTS ENRGY, INC	2600.70	.00	2600.70	37134	VEH OP/MAINT-
				2055.18	.00	2055.18	37176	MAT & SUPPLIES-

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CITY OF CORNING  
 Cash Disbursement Detail Report  
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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description
011936	02/02/11	NOR25	NORTHERN LIGHTS ENRGY, INC	333.24	.00	333.24	37177	VEH OP/MAINT-FIRE
Check Total.....				4989.12	.00	4989.12		
011937	02/02/11	NOR31	NORM'S PRINTING	14.02	.00	14.02	9352	MAT & SUPPLIES-CITY CLERK
011938	02/02/11	QUI02	QUILL CORPORATION	108.08	.00	108.08	1805153	Office Supplies-
				161.83	.00	161.83	1886704	Office Supplies-
				964.23	.00	964.23	1926374	Office Supplies-POLICE
Check Total.....				1234.14	.00	1234.14		
011939	02/02/11	RON03	RON DUPRATT FORD	87.20	.00	87.20	666763	VEH OP/MAINT-POLICE
				95.02	.00	95.02	666825	VEH OP/MAINT-POLICE
Check Total.....				182.22	.00	182.22		
011940	02/02/11	SUN01	SUNRISE ENVIRONMENTAL	401.70	.00	401.70	3911	VEH OP/MAINT-
011941	02/02/11	THO01	THOMES CREEK ROCK CO	574.56	.00	574.56	110131	Mat/Supplies-
Cash Account Total.....				51895.14	.00	51895.14		
Total Disbursements.....				51895.14	.00	51895.14		

2/1/2011  
11:45:50AM

CITY OF CORNING  
PERMITS ISSUED (sort by Permit #)  
For the Period 1/1/2011 thru 1/31/2011

Owner and Address	Parcel Number	Issued On	Valuation
DAHYA PATEL 3040 HWY 99W CORNING CA 96021 <b>Permit Description:</b> RESUPPORT EXISTING ROOF,INSULATE,DRYW.	8704042 <b>Site Street Address:</b> 3040 HWY 99W	1/4/2011	18,000.00
MARK VASEY 809 SOLANO ST CORNING CA 96021 <b>Permit Description:</b> REFACE EXISTING SIGNS	7306603 <b>Site Street Address:</b> 809 SOLANO ST	1/5/2011	10,000.00
BEN PARRA 304 FOURTH ST CORNING CA 96021 <b>Permit Description:</b> RELOCATE SEWER MAIN	7105304 <b>Site Street Address:</b> 304 FOURTH ST	1/4/2011	1,500.00
SUSAN BLACKBURN 411 STANMAR AVE. CORNING CA 96021 <b>Permit Description:</b> TEAR OFF, RESHEAT & REROOF	7320037 <b>Site Street Address:</b> 411 STANMAR AVE.	1/5/2011	13,290.00
LARRY McNUTT 506 SIXTH ST CORNING CA 96021 <b>Permit Description:</b> TEAR OFF & REROOF WIT METAL	7110509 <b>Site Street Address:</b> 506 SIXTH ST	1/5/2011	2,000.00
JOSE MENDEZ 821 COLUSA ST CORNING CA 96021 <b>Permit Description:</b> ADD OVERHANGS TO EXISTING ROOF	7304502 <b>Site Street Address:</b> 821 COLUSA ST	1/6/2011	700.00
LES SCHWAB 1436 SOLANO ST CORNING CA 96021 <b>Permit Description:</b> REMODEL REAR STORAGE RM TO BREAK RM.	7112515 <b>Site Street Address:</b> 1436 SOLANO ST	1/18/2011	17,000.00

CITY OF CORNING  
PERMITS ISSUED (sort by Permit #)  
For the Period 1/1/2011 thru 1/31/2011

Owner and Address	Parcel Number	Issued On	Valuation
JOHN ELLER 740 SOLANO ST CORNING CA 96021 <b>Permit Description:</b> RELOCATE WALLS, PLUMBING, ELECT. DO & DC	7301056 <b>Site Street Address:</b> 740 SOLANO ST	1/13/2011	200,000.00
JOHN ELLER 702 SOLANO ST. CORNING CA 96021 <b>Permit Description:</b> INSTALL SMOKE & HEAT DECT. & ALARMS	7301056 <b>Site Street Address:</b> 702 SOLANO ST.	1/12/2011	3,000.00
BELL CARTER FOODS 711 FIG LN CORNING CA 96021 <b>Permit Description:</b> REMODEL RESTROOMS	7326070 <b>Site Street Address:</b> 711 FIG LN	1/18/2011	29,000.00
JERRY MARTINI 2071 SOLANO ST CORNING CA 96021 <b>Permit Description:</b> ADD FOUR SINKS AND COUNTERS	7114007 <b>Site Street Address:</b> 2071 SOLANO ST	1/21/2011	500.00
ERIC ALMQUIST 1306 SOLANO ST CORNING CA 96021 <b>Permit Description:</b> ADD 200 AMP SERVICE 4 COMM. CIRCUITS	7113105 <b>Site Street Address:</b> 1306 SOLANO ST	1/25/2011	500.00
ERIC ALMQUIST 1308 SOLANO ST CORNING CA 96021 <b>Permit Description:</b> ADD 200 AMP SERVICE & 4 COMM. CIRCUITS	7113105 <b>Site Street Address:</b> 1308 SOLANO ST	1/25/2011	500.00
ELWYN WOLCOTT 2148 COLUSA ST CORNING CA 96021 <b>Permit Description:</b> CHANGE OUT 100 AMP ELECT. SERVICE	7106106 <b>Site Street Address:</b> 2148 COLUSA ST	1/27/2011	1,200.00
TIM & JANI FRANER 523 WALNUT ST CORNING CA 96021 <b>Permit Description:</b> TEAR OFF & REROOF	7311201 <b>Site Street Address:</b> 523 WALNUT ST	1/31/2011	14,300.00

**CITY OF CORNING**  
**PERMITS ISSUED (sort by Permit #)**  
**For the Period 1/1/2011 thru 1/31/2011**

<b>Owner and Address</b>	<b>Parcel Number</b>	<b>Issued On</b>	<b>Valuation</b>
LENORE FUSANO 1217 YOLO ST CORNING CA 96021 <b>Permit Description:</b> TEAR OFF & REROOF FLAT DECK	7113313 <b>Site Street Address:</b> 1217 YOLO ST	1/31/2011	325.00
		1/31/2011	0.00
<b>Permit Description:</b>	<b>Site Street Address:</b>		
<b>17 Permits Issued from</b>	<b>1/1/2011 Thru 1/31/2011</b>	<b>OR A TOTAL VALUATION OF</b>	<b>\$ 311,815.00</b>
<b>*** END OF REPORT ***</b>			

**CITY OF CORNING****JANUARY 2011****TREASURERS REPORT**

<b>AGENCY</b>	<b>BALANCE</b>	<b>RATE</b>	<b>MATURES ON</b>
LOCAL AGENCY INVESTMENT FUND	1,261,057.41	.46	
PREMIER WEST BANK	198,662.32	.85	03/28/11
PREMIER WEST BANK	178,210.21	.85	04/20/11
<b>TRUST ACCOUNTS</b>			
PREMIER WEST BANK RIDELL TRUST	211,076.23	.90	12/13/11

Respectfully Submitted

Pala Cantrell  
City Treasurer

RECEIVED  
FEB 01 2011  
CITY OF CORNING



Item No.: F-7  
**SouthWest  
Water Company®**

SWWC Services, Inc.  
P.O Box 230  
25010 Gardiner Ferry Rd  
Corning, CA 96021  
Phone 530.824.5863  
Fax 530.824.5769  
www.swwc.com

**CITY OF CORNING  
WASTEWATER OPERATION SUMMARY REPORT  
JANUARY 2011**

Below is a summary of the Monthly Operations Report that will be available for City review on February 2011

- 1) Filled out monthly reports.
- 2) Performed weekly Operator 10 maintenance on all plant equipment.
- 3) Changed flow disk.
- 4) Sent vehicle report to Texas.
- 5) Wasted to EQ basin
- 6) Staff meeting on plant operations and issues.
- 7) Changed chart on So3 analyzer.
- 8) Safety meeting.
- 9) Added seal conditioner to # 1 aerator
- 10) Inspected eyewash and emergency showers.
- 11) Unloaded chlorine truck.
- 12) Cleaned So2 pump.
- 13) Checked storm water discharge sites at WWTP and airport.
- 14) Cleaned distiller.
- 15) Tested all chlorine and So2 sensors.
- 16) River samples.

- 17) Completed SSO report
- 18) Cleaned probe at lift station.
- 19) Tested alarms with Fire Dept.
- 20) Inspected Corning Olive Oil
- 21) Pretreatment inspections
- 22) Ordered new motors and gear boxes for lube pumps
- 23) Exercised emergency generator.
- 24) Held employee training.
- 25) IIPP plant inspection.
- 26) Worked on SSMP
- 27) Exercised floating aerator.
- 28) Checked all fire extinguishers.
- 29) Installed covers on shop lights
- 30) Made SOP for emergency response to lift station failure
- 31) Scotty's Electric installed new motor and gear box on south screw pump auto greaser.
- 32) Downloaded data logger from effluent chart record
- 33) Performed maintenance on Hydrojet
- 34) Received back up Flygt pump for lift station.

**January 2011**

Domestic Flow = 685,387 GPD

**December 2010**

Domestic Flow = 722,580 GPD

**ITEM NO.: F-8  
ADOPT RESOLUTION NO. 02-08-2011-01  
AUTHORIZING THE TEHAMA COUNTY SANITARY  
LANDFILL AGENCY SUBMITTAL OF A CALRECYCLE  
APPLICATION FOR FY 2010/2011 LOCAL  
GOVERNMENT WASTE TIRE CLEANUP AND  
AMNESTY EVENT GRANT  
FEBRUARY 8, 2011**

**TO: HONORABLE MAYOR AND COUNCIL MEMBERS  
FROM: STEPHEN J. KIMBROUGH, CITY MANAGER**



**SUMMARY:**

The City of Corning is fortunate that the Tehama County Sanitary Landfill Agency acts as our regional partner in coordinating Solid Waste and Recycling issues and programs throughout the County. The Agency receives no direct funding through the City Budget.

The proposed Resolution authorizes the "JPA 1" to act for the City of Corning in applying for a Department of Resources Recycling and Recovery (CalRecycle), (formerly known as the California Integrated Waste Management Board) Tire Recycling Grant and authorizes them to enter into a Grant Agreement with CalRecycle for implementation of Grant. Upon approval of the Resolution, the Tehama County Sanitary Landfill Agency will submit a Grant application to CalRecycle for the Fiscal Year 2010/2011 Local Government Waste Tire Cleanup and Amnesty Event Grant.

The Agency proposes three passenger/light truck tire-recycling events to be scheduled in October 2011, January and April of 2012. The amnesty events will be one-day events held at various locations within Tehama County.

The Agency proposes conducting a two-week Voucher Redemption Program for agricultural and equipment tires in late winter (most likely in February 2012) in order to allow Ranchers time to complete harvest, roundups, and other seasonal activities. Vouchers are good for the disposal of two agricultural tires and will be made available through the Agricultural Commissioner's Office, the Tehama/Red Bluff Landfill, the Tehama County Farm Bureau Office, Red Bluff Bull Sale Office and at Corning City Hall. A limit of three vouchers per address, for a total disposal of six tires per address is proposed for the event. Tractor, Grader, Loader, Backhoe, and farm tires will be collected. Earthmover tires will not be accepted. The Vouchers and Tires are to be surrendered at the Tehama County/Red Bluff Landfill. At the end of the two-week period Waste Tire Products will collect the tires for processing. Waste Tire Products charges by the weight for agricultural tires. Agricultural Tire Collection costs are estimated to be \$23 per tire.

**RECOMMENDATION:**

**MAYOR AND COUNCIL:**

- **ADOPT RESOLUTION NO. 02-08-2011-01 AUTHORIZING THE TEHAMA COUNTY SANITARY LANDFILL AGENCY'S SUBMITTAL OF AN APPLICATION TO CALRECYCLE FOR THE FY 2010/2011 LOCAL GOVERNMENT WASTE TIRE CLEAN-UP AND AMNESTY EVENT GRANT; AND**
- **AUTHORIZE THEM OR THEIR DESIGNEE TO EXECUTE ALL NECESSARY DOCUMENTS FOR THE PURPOSES OF SECURING THE GRANT FUNDS FOR THE PURPOSES AS DESIGNATED IN THE GRANT APPLICATION.**

**RESOLUTION NO. 02-08-2011-01**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORNING  
AUTHORIZING THE TEHAMA COUNTY SANITARY LANDFILL AGENCY  
TO SUBMIT A REGIONAL GRANT APPLICATION  
TO THE DEPARTMENT OF RESOURCES  
RECYCLING AND RECOVERY TIRE RECYCLING GRANT PROGRAM**

**WHEREAS**, Public Resources Code Sections 40000 et seq. authorize the Department of Resources Recycling and Recovery (CalRecycle), formerly known as the California Integrated Waste Management Board, to administer various Grant Programs (grants) in furtherance of the State of California's (State) efforts to reduce, recycle and reuse solid waste generated in the State thereby preserving landfill capacity and protecting public health and safety and the environment; and

**WHEREAS**, in furtherance of this authority CalRecycle is required to establish procedures governing the application, awarding, and management of the grants; and

**WHEREAS**, the Local Government Waste Tire cleanup and Amnesty Event Grant allows regional grant projects; and

**WHEREAS**, CalRecycle grant application procedures require, among other things, an applicant's governing body to declare by Resolution certain authorizations related to the administration of CalRecycle grants; and

**WHEREAS**, if successful, the Tehama County Sanitary Landfill Agency will enter into a Grant Agreement with CalRecycle for implementation of said Grant(s).

**NOW, THEREFORE, BE IT RESOLVED** that the City of Corning authorizes the Tehama County Sanitary Landfill Agency to submit an application to CalRecycle for the Fiscal Year 2010/2011 Local Government Waste Tire Cleanup and Amnesty Event Grant; and

**BE IT FURTHER RESOLVED** that the Landfill Agency Manager of the Tehama County Sanitary Landfill Agency, or his/her designee is hereby authorized and empowered to execute in the name of the City of Corning all necessary applications, contracts, agreements and amendments hereto for the purposes of securing grant funds to implement and carry out the purpose specified in the grant application.

The foregoing Resolution was passed and adopted by the City Council of the City of Corning this 8<sup>th</sup> day of February 2011 by the votes listed below.

**AYES:**  
**OPPOSED:**  
**ABSENT:**  
**ABSTAIN:**

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**Gary R. Strack, Mayor**

**ATTEST:**

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**Lisa M. Linnet, City Clerk**



December 2010

Natural Resources Agency

Department of Resources Recycling and Recovery (CalRecycle)

LOCAL GOVERNMENT WASTE TIRE CLEANUP AND AMNESTY EVENT GRANT PROGRAMS APPLICATION

TCA8 Cycle – FISCAL YEAR (FY) 2010/11

Table with 2 columns: Item Name and page number. Items include Grant Application Form, Environmental Justice Certification, Resolution Requirement, etc.

Mailed applications must be postmarked no later than February 18, 2011. Hand delivered applications must be received and date stamped by CalRecycle Staff no later than 3:00 p.m. on February 18, 2011.

Please follow instructions in the Application Guidelines and Instructions when completing this application. The Application Guidelines and Instructions are critical to properly completing and submitting this application.

Applications become the property of CalRecycle and are subject to disclosure under the Public Records Act. Do not submit confidential information.

Applications sent by U.S. Postal Service or a commercial delivery service should be sent in a manner that allows for tracking by the sender and that provides an addressed and dated receipt. Failure to do so is at the risk of the applicant and if delivery is delayed or the application is lost by the Post Office or delivery service, the burden is on the applicant to demonstrate timely mailing or delivery of the application.

**LOCAL GOVERNMENT WASTE TIRE CLEANUP AND AMNESTY EVENT  
 GRANT PROGRAMS – TCA8 (FY 2010/11)**

Complete and submit all sections.

<b>APPLICANT / ORGANIZATION INFORMATION</b>			
APPLICANT / ORGANIZATION NAME (MUST MATCH RESOLUTION): TEHAMA COUNTY SANITARY LANDFILL AGENCY		CLEANUP PROJECTS AMOUNT:	0.00
PARTICIPATING JURISDICTIONS (FOR REGIONAL PROGRAMS ONLY): <b>County of Tehama</b> <b>City of Tehama</b> <b>City Corning</b> <b>City of Red Bluff</b>		AMNESTY EVENTS AMOUNT:	27,903
		REQUESTED TOTAL AMOUNT: <small>(ROUND AMOUNTS TO THE NEAREST WHOLE DOLLAR)</small>	<b>27,903</b>
MAILING ADDRESS: <b>19995 Plymire Road</b>		PROJECT ADDRESS: <b>19995 Plymire Road</b>	
CITY: <b>Red Bluff</b>		CITY: <b>Red Bluff</b>	
COUNTY: <b>Tehama</b>	ZIP CODE: <b>96080</b>	COUNTY: <b>Tehama</b>	ZIP CODE: <b>96080</b>
PRIMARY CONTACT NAME: <b>Kristina Miller</b>	SIGNATURE AUTHORITY NAME: <small>(AS AUTHORIZED IN RESOLUTION)</small> <b>KRISTINA MILLER</b>	AUTHORIZED DESIGNEE NAME: <small>(IF APPLICABLE, AS AUTHORIZED IN LETTER OF DESIGNATION-LOD, SEE APPENDIX A FOR MORE INFO.)</small>	
TITLE: <b>Landfill Agency Manager</b>	TITLE: <b>Landfill Agency Manager</b>	TITLE:	
TELEPHONE NUMBER: <b>530-528-1103</b>	TELEPHONE NUMBER: <b>530-528-1103</b>	TELEPHONE NUMBER:	
FAX NUMBER: <b>530-528-9304</b>	FAX NUMBER: <b>530-528-9304</b>	FAX NUMBER:	
EMAIL ADDRESS: <b>recycle@clearwire.net</b>	EMAIL ADDRESS: <b>recycle@clearwire.net</b>	EMAIL ADDRESS:	
INDICATE WHICH TYPE OF ENTITY YOU ARE (CHECK ONLY ONE):			
<input type="checkbox"/> CITY <input type="checkbox"/> COUNTY <input type="checkbox"/> CITY & COUNTY <input type="checkbox"/> QUALIFYING INDIAN TRIBE <input checked="" type="checkbox"/> OTHER (LIST TYPE) <b>Regional Agency (Joint Powers Authority)</b>			
LEGISLATIVE DISTRICT NUMBERS (TO FIND YOUR DISTRICT, USE MAILING ADDRESS ABOVE AND GO TO <a href="http://www.calrecycle.ca.gov/Profiles/Juris/">www.calrecycle.ca.gov/Profiles/Juris/</a> )		FEDERAL TAX IDENTIFICATION NUMBER:	
ASSEMBLY: <b>2</b>	SENATE: <b>4</b>	<b>94-6000543</b>	

**ENVIRONMENTAL JUSTICE CERTIFICATION**

*CalRecycle Grantees must in the performance of the Grant Agreement conduct their programs, policies, and activities that substantially affect human health or the environment in a manner that ensures the fair treatment of people of all races, cultures, and income levels, including minority populations and low-income populations of the State. (Govt. Code §65040.12(e) and Public Resources Code §71110(a))*

<b>Must check box</b>	
<input checked="" type="checkbox"/>	We acknowledge that our organization will comply with these principles of Environmental Justice.

**RESOLUTION REQUIREMENT**

**Submit either an approved Resolution, valid up to 5 years, with your application or the following acknowledgement.**

*(If applicable, submit a current Letter of Designation (LOD) for signature designee)*

*Note: All previous approved multiyear Resolutions must be updated to include new Department name. See Application Guidelines & Instructions for Resolution and Letter of Designation (LOD) information and examples.*

**Must check one**

We acknowledge that an approved Resolution and, if applicable, LOD designating additional signature authority is enclosed in the application.

We acknowledge that our approved Resolution must be received by CalRecycle no later than **March 18, 2011**. We further acknowledge that if our Resolution is received after this date, our application will be disqualified.

**ENVIRONMENTALLY PREFERABLE PURCHASES AND PRACTICES POLICY CERTIFICATION**

*Environmentally preferable purchasing protects human health and environmental well-being by reducing the procurement of goods and services that result in larger volumes of waste and pollutants. The Legislature declares that the responsibility of environmentally preferable purchasing shall be that of any agency that does procuring on behalf of the state (Chan, Statutes of 2002, Chapter 575), and this extends to grantees using state funds.*

*"Environmentally preferable purchasing (EPP)" as defined in PCC section 12400 means "the procurement or acquisition of goods and services that have a lesser or reduced effect on human health and the environment when compared with competing goods or services that serve the same purpose. This comparison shall take into consideration, to the extent feasible, raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, disposal, energy efficiency, product performance, durability, safety, the needs of the purchaser, and cost." In other words, EPP considers, among other things, the environment, performance and cost."*

**Acknowledgement that your organization has an Environmentally Preferable Purchases and Practices Policy**

**Must check one**

*Note: See Application Guidelines & Instructions for Environmentally Preferable Purchasing and Practices Policy information and Notification*

Yes, our entire organization<sup>1</sup> has an Environmentally Preferable Purchasing and Practices Policy.  
 Date adopted: 1/15/2002

No, our entire organization does not have an Environmentally Preferable Purchasing and Practices Policy. We acknowledge that our organization must adopt one by **March 18, 2011** and send notification to the CalRecycle of such adoption by secondary deadline; **March 18, 2011**, or our application will be disqualified.

**ACCEPTANCE OF GRANT PROVISIONS**

By checking this box, Applicant acknowledges that submittal of this application constitutes acceptance of all Grant Agreement provisions as contained in the Terms and Conditions and Procedures and Requirements. To download these documents see:  
<http://www.calrecycle.ca.gov/tires/Grants/Cleanup/FY201011/default.htm>

**APPLICATION CERTIFICATION**

**Certification: I declare, under penalty of perjury under the laws of the State of California, that I have read all information in the Application Guidelines and Instructions and that all information submitted for the CalRecycle's consideration for award of grant funds is true and correct to the best of my knowledge.**

**X**

*Signature Authority - as authorized in Resolution or Letter of Commitment; or  
 Authorized Designee - as authorized in submitted Letter of Designation*

*Date*

**Kristina Miller**

**Landfill Agency Manager**

*Print Name*

*Print Title*

<sup>1</sup> "Entire organization" refers to the entire city, county or non-profit applicant, not an individual office or subunit of the larger entity.

**WASTE TIRE CLEANUP PROJECT(S) DESCRIPTION**

Provide the location, parcel number and a description of each site, which includes proximity to populated areas or sensitive environments, number of tires, proposed method of remediation, and end use. Photographs should also be included. Please include a quote from a registered waste tire hauler to justify the estimated cost per tire. If there are more than 500 tires on private property and the owner is not responsible for the illegal disposal of the tires, then an affidavit for each site must be included with the application. *See Application Guidelines and Instructions for the affidavit form.*

**The Agency does not propose a waste tire cleanup project**

How many tires are estimated to be removed:

Will these tires be recycled or landfilled?

Is the applicant able to utilize the California Conservation Corps or Local Community Conservation Corps for tire removal?

**WASTE TIRE AMNESTY EVENT(S) DESCRIPTION**

Provide a description of the amnesty event(s), including the estimated cost per tire for each event (grant amount divided by number of tires to be collected). Please include a quote from a registered waste tire hauler to justify the estimated cost per tire.

**The Tehama County Sanitary Landfill Agency (TCSLA) plans a total of four collection events with locations to be finalized upon receipt of a Notice to Proceed.**

The Tehama County Sanitary Landfill Agency (TCSLA) proposes three passenger and light truck tire amnesty events to be scheduled for October 2011, and January and April 2012. These one day events will be held at various Tehama County locations. Previous one day waste tire amnesty events were held at the Tehama County/Red Bluff Landfill, at sites in the communities of Corning and Cottonwood, and at Tehama County Transfer Stations – Los Molinos, Rancho Tehama, Mineral, Paynes Creek and Manton. If the grant budget allows, passenger tires on-the-rim will be accepted at the April 2012 passenger tire collection event.

The TCSLA contracts with Waste Tire Products of Orland (WTP). WTP is a CalRecycle certified tire hauler and recycler and is responsible for staging, transport, and recycling of tires collected at these events. In most cases, 100% of the collected tires are recycled into new products or crumb rubber. WTP charges \$1.50 per passenger tire. The TCSLA is billed after the tires are collected and returned to their facility for processing. (Please see Attachment 1 for an estimate of costs from Waste Tire Products). To publicize the events, advertisements and press releases are submitted to local newspapers before each event. During the amnesty tire events, TCSLA staff maintains a participant sign-in sheet, which includes the number of tires reported to have been brought to the collection event. Waste Tire Products also tracks the number of tires received at the events. During the events, TCSLA staff also distributes educational materials, manages traffic, and collects data.

Tehama County is a rural county with over 1,000,000 harvested acres. Like many rural counties, Tehama County is also below the state average in per capita income. For this reason, the TCSLA Agency feels strongly about the need to provide at least one tire event dedicated to the agricultural community, although this has an adverse affect on the overall cost per tire.

The TCSLA proposes to conduct a voucher redemption program for collection of agricultural and equipment tires. The agricultural tire event proposed will be held for a two week period in late winter (most likely in February 2012) to allow farmers and ranchers time to complete harvest, roundups, and other seasonal activities. The vouchers are good for the disposal of two agricultural tires and will be made available through the Agricultural Commissioner's office, Tehama County/Red Bluff Landfill, Tehama County Farm Bureau, Red Bluff Bull Sale office, and at Corning City Hall. A limit of three vouchers, for a total of six tires per address is proposed for the agricultural tire collection event. Tractor, grader, backhoe, and farm tires will be collected. Earthmover tires will not be accepted. The vouchers and tires are to be surrendered at the Tehama County/Red Bluff Landfill. At the end of the two week period Waste Tire Products will collect the tires for processing.

Waste Tire Products charges by the weight for agricultural tires. Their invoice is supported by surrendered vouchers and scale tickets from the Landfill. Agricultural Tire Collection costs are estimated to be \$23.00 per tire.

How many tires are estimated to be removed: **7875**

Will these tires be recycled or landfilled? **Recycled**

Is the applicant able to utilize the California Conservation Corps or Local Community Conservation Corps for tire removal? **No**

**Work Plan**  
**FY 2010/11 LOCAL GOVERNMENT WASTE TIRE AMNESTY EVENT(S)**

GRANT APPLICANT NAME: Tehama County Sanitary Landfill Agency	PROPOSED PROJECT NAME(S): Tehama County 2010/2011 Waste Tire Amnesty Collection Events
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Task #	Description of Task(s)	Budget	Product/Results	Staff/Contractor	Time Period (Dates)
1	Schedule date, time and locations	\$480.08	Advertising dates and Agreement with Hauler/Recycler	Recycling Coordinator - 8 hours @ \$60.01/hour	Upon receipt of Notice to Proceed
2	Prepare press releases and advertising materials; determine ad schedule and sizes; place ads	\$3,000.00 \$480.08	RB Daily News and Corning Observer Publish event	Recycling Coordinator - 8 hours @ \$60.01/hour	September 6, 2011 December 6, 2012 January 12, 2012 March 8, 2012
3	Contact Waste Tire Products of Orland, CA	\$240.04	Schedule trucks, crew and pricing	Recycling Coordinator - 4 hours @ \$60.01/hour	September 13, 2011 December 14, 2011 January 19, 2012 March 15, 2012
4	Hold event	\$11,250.00  \$1,266.9  \$900.15	Collect 2,500 tires per event @ \$1.50 per tire  Data collection, outreach and traffic control	Waste Tire Products  Agency Manager - 5 hrs @ \$84.46/hour/ event Recycling Coordinator – 5 hrs @ \$60.01/ hour/ event	October 8, 2011 January 14, 2012 April 14, 2012 Feb 15 – Feb 29, 2012
5	Analyze data; Prepare grant reports	\$600.10	Grant deliverables are documented for	Recycling Coordinator – 10	April 20, 2012

		\$168.92	payment	hours @ \$60.01/hour Landfill Agency Manager – 2 hours @ \$84.46/hour	
6	Edit ag tire vouchers with new dates and number Print and sign vouchers, distribute vouchers to remote offices	\$180.03	250 Original vouchers available to farmers and ranchers	Recycling Coordinator – 3 hours @ \$60.01/hour	January 26, 2012
7	Prepare press release for Farm Bureau newsletter and other local media outlets; advertise Ag Tire Collection event	\$60.00	Office supplies		January 27, 2012
		\$120.02	Event is published in Farm Bureau newsletter prior to agric. tire event	Recycling Coordinator – 2 hours @ \$60.01/hour	
		\$25.00	Office supplies		
8	Begin Ag Tire Collection event; collect vouchers; match with scale ticket; document number of tires redeemed	\$1,000.00	Advertising	Daily News	Feb 15 – Feb 29, 2012
		\$400.00	Advertising	Corning Observer	
		\$337.84	Number and weight of tires redeemed; validate documentation	Scale attendant Landfill Agency Manager – 4 hours @ \$84.46/hour	
		\$120.02		Recycling Coordinator – 2 hours @ \$60.01/hour	
9	Close event; pay WTP invoice	\$84.46	Based on 75% redemption of vouchers @ 2 tires each with average price of \$23.00/tire/ event	Landfill Agency Manager – 1 hour @ \$84.46/hour Recycling Coordinator – 8 hours @ \$60.01/hour	March 1-March 8, 2012
		\$8,625.00			
		\$480.08			

**GRANT APPLICATION FORM**

CalRecycle 243-TCA (Revised 12/10)

10	Prepare Final Grant Report	\$168.92	Document grant objectives are satisfied; Submit payment request	Landfill Agency Manager – 2 hours @ \$84.46/hour	June 1, 2012
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**Budget**  
**FY 2010/11 LOCAL GOVERNMENT WASTE TIRE AMNESTY EVENT(S)**

GRANT APPLICANT NAME: Tehama County Sanitary Landfill Agency							
Line Item	Title/Classification	No. Of Hours	Salary Rate	Benefit %	Match \$	Grant \$	Total \$
Personnel (project/grant oversight)*	Landfill Agency Manager	24	\$84.46/hour	51%		\$2,027.04	\$2,027.04
	Recycling Coordinator	60	\$60.01/hour	51%		\$3,600.60	\$3,600.60
Labor (handling tires)							
Contracts (removal, transportation, disposal) 3 Passenger Tire Collection Events	Description: Provide personnel, trucks, loading and recycling of all tires collected. Passenger and light truck tires at \$1.50 each; Larger sizes range from \$8.00-\$75.00 each. 3 event @ 2,500 tires per event @ \$1.50 per tire = \$11,250.00.					\$11,250.00	\$11,250.00
1 Agricultural Tire Collection Event Waste Tire Products 3820 Highway 99W Orland, CA	Description: 1 Agric. Tire Collection Event – Estimate based on 75% (of 250) voucher redemption @ 2 tires/ voucher at an average price of \$23.00 = \$8,625.00					\$8,625.00	\$8,625.00
Equipment Rental None	Description: None						\$0.00
Materials & Supplies Office supplies, printer services, copy charges, internet fees and postage	Description: 100 sign-in and data collection sheets, 250 Agric tire vouchers, phone charges for online time, postage for vouchers, paper				\$85.00		\$85.00

Education & Advertising*		Description:			
Red Bluff Daily News		Ads placed in the Daily News and	\$2,000	\$2,400	\$4400.00
Corning Observer		Corning Observer twice per event (4			
		events)			
Totals:			\$2,085	\$27,902.64	\$29,987.64
<b>Grant Amount</b>	/	<b>Estimated Number of Tires to be Collected</b>	=	<b>Cost Per Tire</b>	
\$27,902.64	/	7875	=	\$3.54	

*Project oversight and education, outreach and advertising expenses, combined, are only reimbursable up to 25% of the total amount that is reimbursed for amnesty events.*

**GENERAL CHECKLIST OF BUSINESS PERMITS, LICENSES AND FILINGS**

CalRecycle 669 (Rev. 01/10))

GRANT APPLICANT/GRANTEE NAME <b>Tehama County Sanitary Landfill Agency</b>		
GRANT NAME AND CYCLE <b>2010/2011 Local Government Waste Tire Cleanup and Amnesty Event Grant</b>	GRANT NUMBER, IF APPLICABLE	DATE SUBMITTED/UPDATED

Mark (✓ or X) appropriate box on each line below. All lines must be completed.

Note: This list is not all-inclusive. Grant Applicant/Grantee must list other critical permits/licenses/filings not identified below.

Grant Applicant/Grantee currently holds this valid permit/license/filing			
Grant Applicant/Grantee will modify and/or obtain this permit/license/filing			
This permit/license/filing is not applicable for this grant project or business			
<b>LOCAL PERMITS, LICENSES &amp; FILINGS</b>			
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Authority to Construct/Permit to Operate	Air Quality Management District
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Building Construction Permit	City or County
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Business License	City or County
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Fictitious Business Name Filing	County
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Land Use Permit/Zoning Clearance/Conditional Use Permit	City or County
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Permit By Rule (PBR) for Permanent HHW Facilities or Temporary Collection Events	City, County or Cal/EPA-DTSC
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Waste Hauler Permit	City or County
<b>STATE PERMITS, LICENSES &amp; FILINGS</b>			
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Antifreeze, Battery, Oil & Paint (ABOP) Notification	CUPA or Cal/EPA-DTSC
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Corporate, Company or Partnership Filings	Ca. Secretary of State
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Hazardous Waste Haulers Permit	Cal/EPA – DTSC
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Industrial Activities Storm Water General Permit	Cal/EPA – SWRCB
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Non-Profit Organization 501 (C) (3)	Ca. Secretary of State
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Prop. 65 Safe Drinking Water & Toxic Enforcement Act	Cal/EPA – OEHHA
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Solid Waste Facilities Permit	Cal/EPA – CIWMB
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> State EPA Identification Number	Cal/EPA – DTSC
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Waste and Used Tire Hauler Registration	Cal/EPA – CIWMB
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Waste Discharge Requirements	Cal/EPA – SWRCB
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Waste Tire Facilities Permit	Cal/EPA – CIWMB
<b>FEDERAL PERMITS, LICENSES &amp; FILINGS</b>			
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> US EPA – Identification Number	US EPA
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> US EPA – NPDES and/or NSR Permits	US EPA
<b>OTHER PERMITS, LICENSES &amp; FILINGS</b>			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	





This application checklist is provided for your convenience and is not intended to be all inclusive. Prior to submitting your application, check the Q&A website at <http://www.calrecycle.ca.gov/tires/Grants/Cleanup/FY201011/Apply/QandA.htm> for additional information. You are responsible for completing and submitting all required documentation.

<b>Grant Application Form (CalRecycle 243-TCA)</b>	
<input checked="" type="checkbox"/>	All applicable information and documents are provided; applicable boxes are checked.
<input checked="" type="checkbox"/>	Application Certification is signed by the: 1) Signature Authority as authorized in Resolution, or 2) Authorized Designee. <i>Authorized Designee may sign only if the Letter of Designation has been submitted to CalRecycle.</i>
<input checked="" type="checkbox"/>	A registered waste tire hauler quote is included.
<input type="checkbox"/>	Photo for waste tire cleanup project is included.
<input type="checkbox"/>	If applicable, Property Access Authorization and Responsibility Affidavit For Private Property is included. <i>See Application Guidelines &amp; Instructions for more information.</i>
<b>Environmental Justice Certification</b>	
<input checked="" type="checkbox"/>	Box is checked.
<b>Resolution or Requirement—</b> <i>See Application Guidelines &amp; Instructions for Resolution, and Letter of Designation (LOD) information and examples</i>	
<input type="checkbox"/>	Approved Resolution is included with Application; box is checked, or
<input checked="" type="checkbox"/>	If applicable, approved Resolution not submitted with Application but will be submitted to CalRecycle for receipt by <b>March 18, 2011</b> ; box is checked.
<input type="checkbox"/>	If applicable, Letter of Designation (LOD) is included with Application. <i>A LOD is not required to be submitted with the Application; however, it must be submitted prior to Designee's exercise of his/her authority.</i>
<b>Environmentally Preferable Purchases and Practices Policy—</b> <i>See Application Guidelines &amp; Instructions for information &amp; notification</i>	
<input checked="" type="checkbox"/>	Signature Authority has certified that Applicant has an Environmentally Preferable Purchases and Practices Policy (EPPP Policy); box is checked, or
<input type="checkbox"/>	Applicant does not have an EPPP Policy but will adopt one by <b>March 18, 2011</b> and submit a Notification to the CalRecycle for receipt by <b>March 18, 2011</b> ; box is checked.
<b>Certification of Completion of General Checklist of Business Permits, Licenses and Filings (CIWMB669)</b>	
<input checked="" type="checkbox"/>	CIWMB 669 form is completed.
<b>Acceptance of Grant Provisions</b>	
<input checked="" type="checkbox"/>	Box is checked.
<b>Application Format &amp; Submittal</b>	
<input checked="" type="checkbox"/>	Copies: One application with <b>original</b> signature (blue ink preferred), and <b>two copies</b>
<input checked="" type="checkbox"/>	Paper: 8½ X 11, printed double-sided, single spaced, on 100% post consumer fiber, and numbered consecutively
<input checked="" type="checkbox"/>	Stapled, not bound: upper left-hand corner
<input checked="" type="checkbox"/>	Font: Comparable to 12 pt. Times New Roman
<input checked="" type="checkbox"/>	Addressed to the appropriate mailing address of CalRecycle

ITEM NO: F-9  
APPROVE PROGRESS PAY ESTIMATE  
NO. 6 IN THE AMOUNT OF \$31,492.17 TO  
AZEVEDO CONSTRUCTION FOR THE 2010  
RODGERS THEATER IMPROVEMENT  
PROJECT

FEBRUARY 8, 2011

TO: HONORABLE MAYOR AND COUNCILMEMBERS  
OF THE CITY OF CORNING

FROM: STEPHEN J. KIMBROUGH, CITY MANAGER  
JOHN L. BREWER, AICP; DIRECTOR OF PUBLIC WORKS  
TERRY HOOFARD, BUILDING OFFICIAL

*Steve*  
*JLB*

**SUMMARY:**

Attached for City Council review is a copy of Partial Pay Estimate No. 6 requesting payment of \$31,492.17 for the 2010 Rodgers Theater Improvement Project. The Pay Estimate lists the original contract amount, any change orders/adjustments, work completed to date, retention amount and current amount due to Azevedo Construction.

**FINANCIAL:**

The Director of Public Works and the Building Official have reviewed and approved this request.

Original Construction Contract	\$ 176,609.00
Contract Change Order No. 1	\$ 2,475.69
Contract Change Order No. 2	\$ 1,955.00
Contract Change Order No. 3	\$ 345.00
Contract Change Order No. 4	\$ 7,517.67
CCO No. 5 – Pending Council Approval	<u>\$ 11,635.98</u>
Total Adjusted Contract Amount	\$ 200,538.34

The following summarizes the Partial Pay requests and retention paid to date:

Proposed PPE No. 1	\$ 34,555.64
Retention to be held (10%)	<u>\$ (3,455.56)</u>
Amount paid to Contractor	\$ 31,100.08
Proposed PPE No. 2	\$ 39,860.20
Retention to be held (10%)	<u>\$ (3,986.02)</u>
Amount paid to Contractor	\$ 35,874.18
Proposed PPE No. 3	\$ 4,279.95
Retention to be held (10%)	<u>\$ (428.00)</u>
Amount paid to Contractor	\$ 3,851.95
Proposed PPE No. 4	\$ 34,606.90
Retention to be held (10%)	<u>\$ (3,460.69)</u>
Amount paid to Contractor	\$ 31,146.21
Proposed PPE No. 5	\$ 51,236.56
Retention to be held (10%)	<u>\$ (5,123.66)</u>
Amount paid to Contractor	\$ 46,112.90

Proposed PPE No. 6	\$ 31,492.17
Retention to be held (10%)	\$ (3,149.22)
<b>Amount due to Contractor</b>	<b>\$ 28,342.95</b>

The table below lists each funding source for this project:

Account No	Title	Funds Allocated for Project
130-9116-6125	Theater Restoration/Rodgers Theater	\$220,000
	Energy Efficiency Commission Grant	\$35,175
<b>Total</b>		<b>\$255,175</b>

**BACKGROUND:**

The contract for the 2010 Rodgers Theater Improvement Project was awarded to Azevedo Construction of Chico, CA at the September 28, 2010 Regular City Council Meeting. Contract Change Order #1 increased the original contract amount by \$2,475.69 to include additional work to lower foundation walls that would conflict with future restroom improvements.

Contract Change Order #2 was approved at the November 23, 2010 City Council Meeting. The Change Order increased the contract amount by \$1,955 to include additional work for a gas pipe extension to the new roof-mounted HVAC units. Also amended but had no monetary effect to the contract was the Electrical Scope of Work to reflect a reduction of amperage within the electrical service box from 600 to 400 amps.

Contract Change Order #3 was approved at the December 14, 2010 City Council Meeting. The Change Order increased the contract amount by \$345. The Change order was deemed necessary in order to relocate an HVAC Air Handler Unit. The unit had to be relocated from its planned position due to a conflicting truss brace issue.

Contract Change Order #4 was approved at the January 25, 2011 City Council Meeting. The Change Order increased the contract amount by \$7,517.67 to incorporate additional costs not specified in the original specifications & plans to further eliminate any future leak problems by reconstructing the western parapet wall. Also included in this change order the cost to repair some dry rot in the roof sheeting and framing members along the same west wall.

**RECOMMENDATION:**

**Mayor and Council approve Progress Pay Estimate No. 6 in the amount of \$31,492.17 to Azevedo Construction for the 2010 Rodgers Theater Improvement Project**

**PARTIAL PAYMENT ESTIMATE**

2010 Rodgers Theater Improvement Project

Progress Payment Estimate No. 6

OWNER:

City of Corning

CONTRACTOR:

Azevedo Construction of Chico, CA

PERIOD OF ESTIMATE:

FROM: Jan 17, 2011 to Feb 4, 2011

**CONTRACT CHANGE ORDER SUMMARY**

**ESTIMATE**

No.	Approval Date	Amount		
		Additions	Deductions	
1	10/28/2010	\$2,475.69		1. Original Contract..... \$176,609.00
2	11/23/2010	\$1,955.00		2. Change Orders..... \$ 23,929.34
3	12/14/2010	\$ 345.00		3. Revised Contract (1+2)..... \$200,538.34
4	01/25/2011	\$ 7,517.67		4. Work Completed (98%)..... \$196,031.42
5	Pending Approval	\$11,635.98		5. Stored Materials ..... 0
TOTALS				6. Subtotal (4+5)..... \$ 196,031.42
NET CHANGE		\$23,929.34		7. Retainage .....10%..... \$ (19,603.15)
				8. Previous Payments..... \$ 148,085.32
				9. Amount Due (6-7-8)..... \$ 28,342.95

**CONTRACT TIME**

Original (days) <u>90</u>	On Schedule      Yes No	Starting Date: October 14, 2010 Projected Completion: January 14, 2011
Revised _____		
Remaining _____		

**CONTRACTOR'S CERTIFICATION:**

The undersigned Contractor certifies that to the best of their knowledge, information and belief the work covered by this payment estimate has been completed in accordance with the contract documents, that all amounts have been paid by the contractor for work for which previous payment estimates was issued and payments received from the owner, and that current payment shown herein is now due.

Contractor Azevedo Construction

By \_\_\_\_\_

Date \_\_\_\_\_

**ARCHITECT OR ENGINEER'S CERTIFICATION:**

The undersigned certifies that the work has been carefully inspected and to the best of their knowledge and belief, the quantities shown in this estimate are correct and the work has been performed in accordance with the contract documents.

Architect or Engineer Eric Ausmus

By \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED BY OWNER:**

Owner Stephen J. Kimbrough, City Manager, City of Corning

By \_\_\_\_\_

Date February 9, 2011

To: City of Corning  
794 Third St.  
Corning, CA 96021

From: Don Azevedo Construction, Inc.  
48 Bellarmine Ct. Suite 40  
Chico, CA 95928

Project: Page 1 of 2 Pages  
10-10  
ROGERS THEATER IMPROVEMENT PROJECT  
1217 SOLANO ST  
CORNING, CA 96021

# Application for Payment CAP702

Contract For:

## Section A: Contract Amounts

A.1 Original Contract		\$	<u>176,609.00</u>
A.2 Changes by Change Orders			
Additions	Approved This Month	23,929.34	
	Approved Previously	0.00	
	<b>Addition Total</b>	<b>23,929.34</b>	
Deductions	Approved This Month	0.00	
	Approved Previously	0.00	
	<b>Deductions Total</b>	<b>0.00</b>	
	<b>Total Changes to Date</b>	<b>\$</b>	<u>23,929.34</u>
<b>A.3 Total Contract</b>		<b>\$</b>	<u>200,538.34</u>

## Section B: Retainage

B.1 Completed Work	0.00 %		
	This Application	19,803.16	
B.2 Stored Materials	0.00 %		
	This Application	0.00	
<b>B.3 Total Retainage</b>		<b>\$</b>	<u>19,603.16</u>
	(B.1 + B.2)		

## Section C: Billing Information

C.1 Total Contract Billed To Date	\$	<u>196,031.42</u>
C.2 Total Billed Minus Retainage	\$	<u>176,428.26</u>
	(C.1 less B.3)	
C.3 Previous Applications For Payment	\$	<u>148,085.31</u>
<b>C.4 Payment Due This Application</b>	<b>\$</b>	<b><u>28,342.95</u></b>
C.5 Contract Balance	\$	<u>24,110.08</u>
	(Including Retainage)	

## This Application

Number: 6  
Date: February 4, 2011

Billing Period: From: 1/21/2011 To: 2/04/2011  
Contract Date: September 29, 2010  
Architect's Project No:

### Distribution List:

- Owner
- Architect
- Contractor
- Construction Mgr
- Field
- Other

## Contractor

The Contractor's signature here certifies that, to the best of their knowledge, this document accurately reflects the work completed and billed this Application.

(Authorizing Signature)

Date: 2/04/2011

Don Azevedo Construction, Inc.

State Authorized: California  
County of:

**From:**  
 Don Azevedo Construction, Inc.  
 48 Bellarmine Ct. Suite 40  
 Chico, CA 95928

**To:**  
 City of Corning  
 794 Third St.  
 Corning, CA 96021

**Project:**  
 10-10  
 ROGERS THEATER IMPROVEMENT PROJECT  
 1217 SOLANO ST  
 CORNING, CA 96021

Application No: 6  
 Application Date: 2/04/2011  
 Period To: 2/04/2011

Contract Date: 9/29/2010

Architects Project#:

## Application for Payment - Continuation Sheet CAP703

A Item No	B Description of Work	C Contract Value	D Work Completed		F Materials Presently Stored (Not In D or E)	G Total Completed and Stored To Date (D+E+F)	% (G / C)	H Balance To Finish (C - G)	I Retainage (If Variable Rate)
			From Previous Application (D + E)	This Period					
1	20 Ton Carrier package	54,770.00	54,770.00	0.00	0.00	54,770.00	100	0.00	5,477.00
2	Carrier 7.5 ton Split System	19,260.00	19,260.00	0.00	0.00	19,260.00	100	0.00	1,926.00
3	Roof R & R & abatement	33,328.00	21,663.20	11,664.80	0.00	33,328.00	100	0.00	3,332.80
4	Ceiling Insulation	3,726.00	186.30	3,539.70	0.00	3,726.00	100	0.00	372.60
5	Electrical Upgrade	14,346.00	12,194.10	2,151.90	0.00	14,346.00	100	0.00	1,434.60
6	Structural Improvements	46,499.00	46,499.00	0.00	0.00	46,499.00	100	0.00	4,649.91
7	Asbestos removal in lobby	4,680.00	234.00	4,446.00	0.00	4,680.00	100	0.00	488.00
8	CO#: 1 Foundation Demo	2,475.69	2,475.69	0.00	0.00	2,475.69	100	0.00	247.57
9	CO#: 2 Gas Line	1,955.00	1,955.00	0.00	0.00	1,955.00	100	0.00	195.50
10	CO#: 3 HVAC	345.00	345.00	0.00	0.00	345.00	100	0.00	34.50
11	CO#:4 Parapet Wall & Dry Rot1	7,517.67	4,956.96	2,560.71	0.00	7,517.67	100	0.00	751.77
12	CO#: 5 Dry Rot & Sheet Metal	11,635.98	0.00	7,129.06	0.00	7,129.06	61	4,506.92	712.91
		200,538.34	164,539.25	31,492.17	0.00	196,031.42	98	4,506.92	19,603.16

**ITEM NO: F-10  
 APPROVE PROGRESS PAY ESTIMATE  
 NO. 2 IN THE AMOUNT OF \$59,722.20 TO  
 FRANKLIN CONSTRUCTION FOR THE  
 2010 TRAFFIC SIGNAL INSTALLATION  
 PROJECT**

**FEBRUARY 8, 2011**

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

**FROM: STEPHEN J. KIMBROUGH, CITY MANAGER  
 JOHN L. BREWER, AICP; DIRECTOR OF PUBLIC WORKS  
 ED ANDERSON, CITY ENGINEER**



**SUMMARY:**

Attached for City Council review is a copy of Partial Pay Estimate No. 2 requesting payment of \$59,722.20 for the 2010 Traffic Signal Installation Project. The Pay Estimate lists the original contract amount, any change orders/adjustments, work completed to date, retention amount and current amount due to Franklin Construction.

**FINANCIAL:**

The Director of Public Works and the City Engineer have reviewed and approved this request.

Original Construction Contract	\$ 252,242.00
Contract Change Order No. 1	\$ 28,225.37
Contract Change Order No. 2	<u>\$ 4,372.20</u>
Total Adjusted Contract Amount	\$ 284,839.57
Proposed PPE No. 1	\$ 53,510.00
Retention to be held (10%)	<u>\$ (5,351.00)</u>
Amount due to Contractor	\$ 48,159.00
Proposed PPE No. 2	\$ 59,722.20
Retention to be held (10%)	<u>\$ (5,972.22)</u>
<b>Amount due to Contractor</b>	<b>\$ 53,749.98</b>

The table below lists each funding source for this project:

Account No	Title	Funds Allocated for Project
116-9254-3001	Signal Improvement/Street Projects	\$230,000
	Council Approved Appropriation at August 24, 2010 Council Meeting	\$ 22,242
<b>Total</b>		<b>\$252,242</b>

**BACKGROUND:**

The contract for the 2010 Traffic Signal Installation Project was awarded to Franklin Construction of Chico, CA at the August 24, 2010 Regular City Council Meeting. The new traffic

signal is currently under construction and located at the Marguerite Avenue and Solano Street Intersection.

**RECOMMENDATION:**

**Mayor and Council approve Progress Pay Estimate No. 2 in the amount of \$59,722.20 to Franklin Construction for the 2010 Traffic Signal Installation Project**

**PARTIAL PAYMENT ESTIMATE**

Corning: Solano/Marguerite Traffic Signal Project

Progress Payment Estimate No. 2

OWNER:

City of Corning

CONTRACTOR:

Franklin Construction of Chico, CA

PERIOD OF ESTIMATE:

FROM: 01/01/11 to 01/31/2011

**CONTRACT CHANGE ORDER SUMMARY**

**ESTIMATE**

No.	Approval Date	Amount		
		Additions	Deductions	
1	01/11/11	\$28,225.37		1. Original Contract..... \$252,242.00
2	01/25/11	\$ 4,372.20		2. Change Orders..... \$ 32,597.57
				3. Revised Contract (1+2)..... \$284,839.57
				4. Work Completed (40%)..... \$113,232.20
				5. Stored Materials ..... 0
				6. Subtotal (4+5)..... \$ 113,232.20
				7. Retainage .....10%..... \$ (11,323.22)
				8. Previous Payments..... \$ 48,159.00
				9. Amount Due (6-7-8)..... \$ 53,749.98
NET CHANGE		\$32,597.57		

**CONTRACT TIME**

Original (days) 120  
 Revised \_\_\_\_\_  
 Remaining \_\_\_\_\_

On Schedule     Yes  
                           No

Starting Date: 12/01/10  
 Projected Completion: 03/31/11

**CONTRACTOR'S CERTIFICATION:**

The undersigned Contractor certifies that to the best of their knowledge, information and belief the work covered by this payment estimate has been completed in accordance with the contract documents, that all amounts have been paid by the contractor for work for which previous payment estimates was issued and payments received from the owner, and that current payment shown herein is now due.

Contractor Franklin Construction, Inc.

By \_\_\_\_\_

Date \_\_\_\_\_

**ARCHITECT OR ENGINEER'S CERTIFICATION:**

The undersigned certifies that the work has been carefully inspected and to the best of their knowledge and belief, the quantities shown in this estimate are correct and the work has been performed in accordance with the contract documents.

Engineer Ed Anderson, City Engineer

By \_\_\_\_\_

Date: February 1, 2011

**APPROVED BY OWNER:**

Owner City of Corning

By \_\_\_\_\_

Date \_\_\_\_\_

City of Corning  
 Engineering Division  
 Partial Payment Request

Contractor: Franklin Construction, Inc.		Date: 1/31/11		Purchase Order No.:					
Address: 217 Flume Street, Suite 200, Chico, CA 95928		Project No.: 21038		Application No.: 2					
Project: Traffic Signal Installation and Related Work at Marguerite and Solano St.		From: 12/20/10		To: 2/4/11					
Item No.	Description	Estimated Contract Quantity	Previous Quantity To Date	Quantity To Date	Unit	Unit Cost	Total To Date	% Complete	Remarks
<b>BASE BID</b>									
1	Demolition	1	0.10	0.10	LS	\$ 29,100.00	\$ 2,910.00	10%	
2	Traffic Signal - Complete	1	0.40	0.85	LS	\$ 123,000.00	\$ 104,550.00	85%	
3	Concrete Valley Gutter	385	0.00	0.00	SF	\$ 2,752.75	\$ -	0%	
4	Vertical Curb & Gutter	295	0.00	0.00	LF	\$ 6,785.00	\$ -	0%	
5	Concrete Flatwork	1475	0.00	0.00	SF	\$ 8,112.50	\$ -	0%	
6	Concrete Handicap Curbs	115	0.00	0.00	LF	\$ 1,523.75	\$ -	0%	
7	Truncated Domes	3	0.00	0.00	EA	\$ 1,020.00	\$ -	0%	
8	Install 6" Concrete Driveway	216	0.00	0.00	SF	\$ 1,188.00	\$ -	0%	
9	Aggregate Baserock	2650	0.00	0.00	SF	\$ 12,985.00	\$ -	0%	
10	Install 2" Type C Asphalt Concrete	2650	0.00	0.00	SF	\$ 13,250.00	\$ -	0%	
11	Thermoplastic Striping	1	0.00	0.00	LS	\$ 9,815.00	\$ -	0%	
12	Install Modular Block Wall	525	0.00	0.00	LF	\$ 31,500.00	\$ -	0%	
13	Traffic Control	1	0.00	0.00	LS	\$ 9,810.00	\$ -	0%	
14	SWPPP	1	1.00	1.00	LS	\$ 1,400.00	\$ 1,400.00	100%	
<b>CCO#1 Contract Change Order #1</b>									
1	Reduce Curb Return Radius From 30-feet to 20-feet	1	1.00	1.00	LS	\$ -	\$ -	100%	
2	Replace Iteris VIVDS with Trafficon Brand	1	0.00	0.00	LS	\$ 8,771.89	\$ -	0%	
3	Install (2) Pedestrian Push Buttons	1	0.00	0.00	LS	\$ 1,433.48	\$ -	0%	
4	Install 0.10-foot Asphalt Concrete Overlay on Solano St.	1	0.00	0.00	LS	\$ 18,020.00	\$ -	0%	
<b>CCO#2 Contract Change Order #2</b>									
1	Connt 2nd Line in Solano St., Replace CG&SW	1	0.00	1.00	LS	\$ 4,372.20	\$ 4,372.20	100%	

Distribution: Finance  
 Contractor  
 Engineering  
 P.O. Binder

Total Amount Earned to Date: \$113,232.20  
 10% Retention: \$11,323.22  
 Retention Released: \$0.00  
 Net Amount Retained: \$11,323.22  
 Total Less Net Retention: \$101,908.98  
 Amount Previously Paid: \$48,159.00  
 Total Amount Payable: \$53,749.98

Reviewed and Approved: \_\_\_\_\_  
 Construction Engineer

Date.: Feb 2, 2011  
Time.: 3:28 pm  
Run by: LORI

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
B&K DISCOUNT TOOLS	1600 SOLANO ST	CORNING, CA 96021	NEAL KEVIN	SALE OF TOOLS	02/01/11	(530)366-6153
GILLET ELECTRIC	4821 D ST	VINA, CA 96092	GILLETT ROBERT	CONTRACTOR - ELECTRIC	02/01/11	(530)200-4014
HERBALIFE SUPPLIERS	2073 SOLANO ST	CORNING, CA 96021	MACKENZIE SHEILA	HERBALIFE SUPPLIERS	02/01/11	(530)228-1176
KING AUTO SERVICES	1421 SOLANO ST	CORNING, CA 96021	KING JAMES R	GENERAL AUTO REPAIR	02/01/11	(530)586-2597
PETE'S	2071 SOLANO ST	CORNING, CA 96021	PETERSON JIM	YOGURT SHOP/BUSINESS	02/01/11	(530)209-8799

ITEM NO.: I-12  
ORDINANCE NO. 643; AN ORDINANCE  
AMENDING THE SPEED LIMIT ON SOLANO  
STREET, FROM MARGUERITE AVENUE TO  
A POINT 1000 FEET EASTERLY THEREOF,  
FROM 35 MILES PER HOUR TO 25 MILES  
PER HOUR

FEBRUARY 8, 2011

TO: CITY COUNCIL OF THE CITY OF CORNING, CALIFORNIA

FROM: STEPHEN J. KIMBROUGH, CITY MANAGER  
ANTHONY F. CARDENAS, CHIEF OF POLICE  
JOHN L. BREWER, AICP; PUBLIC WORKS DIRECTOR

*Steve*  
*AKC*  
*JB*

**SUMMARY:**

Staff recommends adoption of attached Ordinance No. 643. The ordinance will reduce the speed limit for that segment of Solano Street lying between Marguerite Avenue and a point 1,000 feet to the east. See the attached diagram.

**BACKGROUND:**

The Police Department and City Engineer Ed Anderson recently completed a speed survey. That survey supported the continuation of the current speed limits in the City of Corning, with one exception. The survey recommends the City reduce the speed limit on Solano Street, from the Marguerite Avenue intersection to a point 1,000 feet to the east. The current speed limit along that segment is 35 miles per hour. The reduced speed is necessary for the new camera activated signals to function properly.

See the attached copy of the Chapter 10.08 of the Corning Municipal Code (CMC). In general, the speed limit on City street is 25 miles per hour pursuant to CMC 10.08.010. Exceptions to that are listed in CMC Section 10.08.030. Subsection A currently provides a 35 mph limit between Marguerite Avenue and the east city limit. The attached ordinance would amend that section so that the 35 mph limit affects only that portion lying more than 1,000 feet east of the Marguerite Avenue intersection.

**RECOMMENDATION:**

That the City Council:

- **INTRODUCE ORDINANCE NO 643, AN ORDINANCE AMENDING THE SPEED LIMIT ON SOLANO STREET, FROM MARGUERITE AVENUE TO A POINT 1000 FEET EASTERLY THEREOF, FROM 35 MILES PER HOUR TO 25 MILES PER HOUR.**

**ORDINANCE NO. 643**

**AN ORDINANCE AMENDING THE SPEED LIMIT ON SOLANO STREET, FROM MARGUERITE AVENUE TO A POINT 1000 FEET EASTERLY THEREOF, FROM 35 MILES PER HOUR TO 25 MILES PER HOUR.**

The City Council of the City of Corning does ordain as follows:

SECTION 1: Chapter 10, Section 10.08.030.A of the Corning Municipal Code is hereby amended to read as follows:

10.08.030.A. The maximum speed limit on Solano Street, between the east city limit and a point 1000 feet east of the Marguerite Avenue intersection shall be thirty five miles per hour.

SECTION 2: The Ordinance shall be and it is hereby declared to be in full force and effect from and after thirty (30) days after the date of its passage.

SECTION 3: The forgoing Ordinance was introduced at a regular meeting of the City Council of the City of Corning held \_\_\_\_\_, 2011 and adopted at a regular meeting of the City Council of the City of Corning held on \_\_\_\_\_, 2011 by the following vote:

AYES:

NOES:

ABSENT OR NOT VOTING:

\_\_\_\_\_  
Gary R. Strack, Mayor

ATTEST:

\_\_\_\_\_  
Lisa M. Linnet, City Clerk

COLUSA STREET

HYLAND DRIVE

DIVISADERO DRIVE

DIVISADERO AVENUE

EL VERANO AVENUE

DEL NORTE AVENUE

EL PASO AVENUE

Proposed 25 mph  
Speed Zone.

FRIPP AVE.

SOLANO ST.

1000'

MARGUERITE AVE.

MARIN STREET

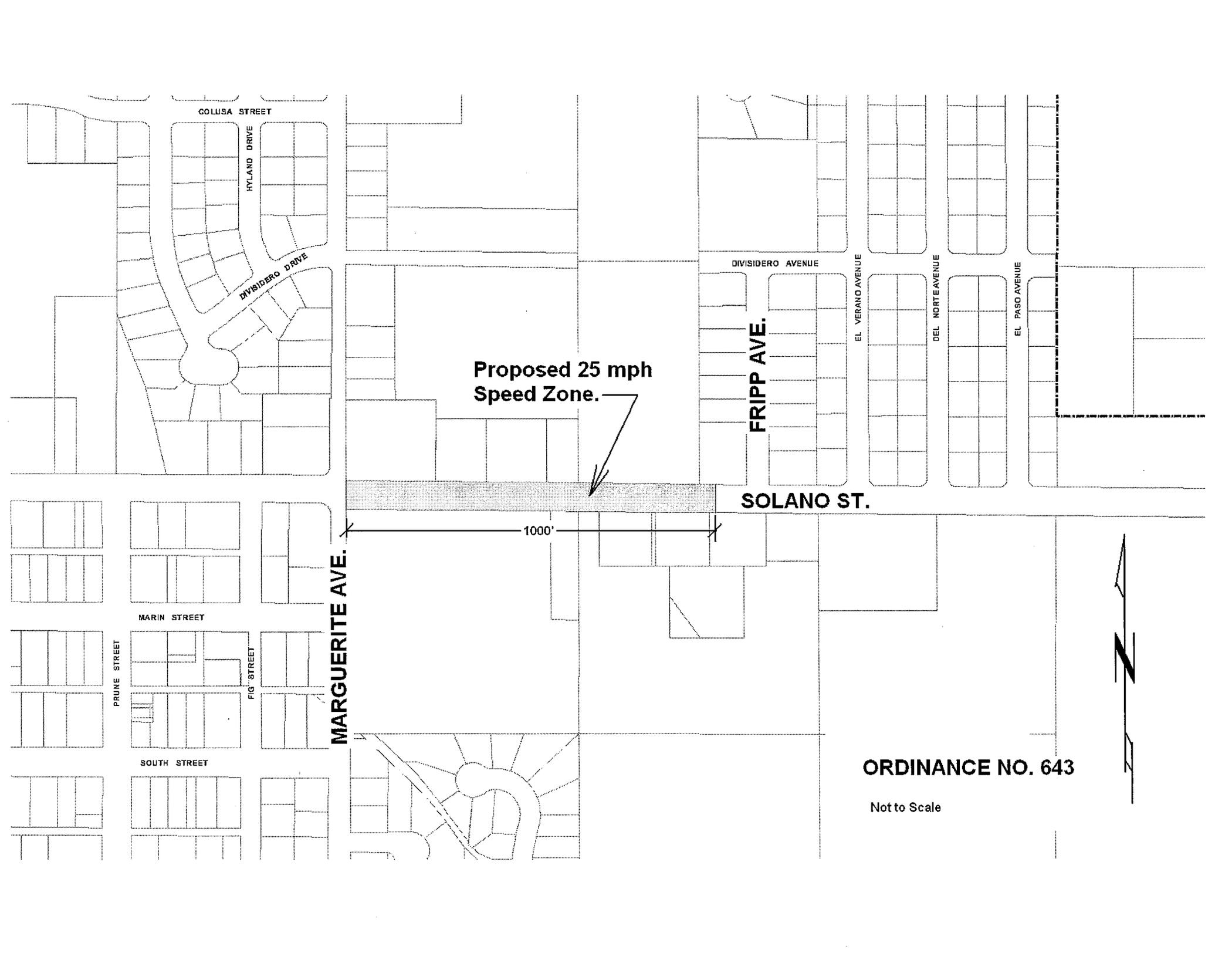
PRUNE STREET

FIG STREET

SOUTH STREET

ORDINANCE NO. 643

Not to Scale



officer shall exercise such authority nor shall such action by the city council be effective with respect to any state highway without the prior approval in writing of the Department of Transportation when and to the extent required by Division 11 of the Vehicle Code. (Ord. 323 §15(part), 1978: Ord. 167 §2, 1960).

## Chapter 10.08

### SPEED LIMITS\*

#### Sections:

- 10.08.010 Maximum speed limit.
- 10.08.020 Lower speed limit set by state.
- 10.08.030 Maximum speed limit increase or decrease.

→ 10.08.010 Maximum speed limit. A. The maximum speed limit for motor vehicles within the city shall be twenty-five miles per hour, except as provided in Section 10.08.030.

B. The maximum speed limit set forth in this section has, upon the basis of an engineering and traffic survey, been determined to be most appropriate to facilitate the orderly movement of vehicular traffic and is reasonable and safe. (Ord. 417 §1, 1984: Ord. 323 §16, 1978: Ord. 228 §1, 1966).

10.08.020 Lower speed limit set by state. In those instances in which the Vehicle Code of the state has fixed a speed limit of less than twenty-five miles per hour, such lower speed limits shall be applicable. (Ord. 228 §3, 1966)

10.08.030 Maximum speed limit increase or decrease. The city of Corning has conducted an engineering and traffic survey of streets within the city of Corning, and as a result of such engineering and traffic survey it has been determined that the maximum speed limit of twenty-five miles per hour should be modified on the following streets as follows:

→ A. The maximum speed limit shall be increased from twenty-five miles per hour to thirty-five miles per hour on Solano Street, between Marguerite Avenue and the east city limit.

B. The maximum speed limit shall be increased from twenty-five miles per hour to thirty-five miles per hour on

---

\* For statutory provisions on local regulations of speed limits, see Vehicle Code §§22357 through 22360.

Third Street, between Colusa Street and the north city limit.

C. The maximum speed limit shall be increased from twenty-five miles per hour to thirty-five miles per hour on Highway 99W, between Solano Street and Fig Lane.

D. The maximum speed limit shall be increased from twenty-five miles per hour to forty-five miles per hour on Highway 99W, between Fig Lane and South Avenue.

E. A thirty-five miles per hour shall be established on Toomes Avenue from Loleta Avenue to Fig Lane.

F. A thirty-five miles per hour shall be established on Old Hwy 99W from South Avenue to south city limits.

G. A thirty-five miles per hour speed limit shall be established on South Avenue from the east city limits to Hwy 99W.

H. A thirty-five miles per hour speed limit shall be established on Old Hwy 99W from Loleta Avenue to South Avenue.

I. For all increases in the speed limit specified in this section, the chief of police of the city of Corning is directed to cause the erection of the necessary and appropriate signs indicating the speed limit for each area specified in this section.

J. Upon the basis of the engineering and traffic survey it has been determined that the speed limit increases in this section are most appropriate to facilitate the orderly movement of vehicular traffic and are reasonable and safe. (Ord. 548, 1995; Ord. 417 §2, 1984).



# City of Corning

794 Third St. Corning, CA 96021 (530) 824-7020 Fax (530) 824-2489

December 9, 2010

We hereby state under penalty of perjury, that to the best of our knowledge and belief, the attached speed survey was done in accordance with the standards set forth in the California Vehicle Code.

Tony Cardenas, Chief of Police

J. E. (Ed) Anderson, RCE 18151  
City Engineer



## City of Corning Engineering and Traffic Survey

Date: December 2, 2010  
Study Location: Solano Street at El Verano Street  
Existing Speed Zone: 35 MPH

### Speed Zone Survey Results:

Date of Survey: November 17, 2010  
Limits of Survey: East City Limits to Marguerite Avenue  
Time of Survey: 1:50 pm  
Number of Vehicles: 134  
Average Speed: 35.8  
85th Percentile Speed: 42  
Pace Speed: 32 to 41

### Accidents Reported During the Last Three Years:

None reported

### Other Factors Affecting Speed Zone:

Solano Street at the east side of town is situated in a moderately dense residential neighborhood, fed by a 55 MPH highway, and also experiences numerous pedestrians including school children. A new traffic signal at Marguerite Avenue and Solano Street requires a speed reduction to 25 MPH for effective camera activated signal operation.

### Recommendations:

Maintain speed limit of 35 MPH from the easterly city limits to 1,000 feet east of Marguerite Avenue (slightly west of Fripp Avenue). Reduce speed limit to 25 MPH from 1,000 feet east of Marguerite Avenue to Marguerite Avenue.



ITEM NO.: I-13  
RESOLUTION 02-08-2011-02 TO TAX  
DEFER MEMBER PAID CONTRIBUTIONS  
– IRC 414(h)(2) EMPLOYER PICK-UP

FEBRUARY 8, 2011

TO: HONORABLE MAYOR AND COUNCIL MEMBERS  
FROM: STEPHEN J. KIMBROUGH, CITY MANAGER  
LISA M. LINNET, ADMINISTRATIVE ASSISTANT / CITY CLERK



**SUMMARY:**

In 2009 the California Public Employees Retirement System informed the City of Corning and other member Cities of the United States Internal Revenue Service (IRS) requirement for Cities and other CalPERS members to confirm that formal action was taken to “Pick-up” the employee contribution to the retirement system. The attached Resolution affirms the action taken by the City in 1989 through the present to tax defer “Member Paid contributions” (IRC 414(h)(2) – Employer Pick-Up).

**BACKGROUND:**

A large number of Cities and Counties “Pick-up” the Employees share of the retirement contribution. This was done by mutual agreement between the Employees and cities through the bargaining process.

The “Pick-Up” of employee contributions benefited both the Employee and the City because it increased the Employee’s income without increasing the normal costs associated with a salary increase, which included increased Social Security contribution by the City and Employee, increased payroll taxes paid by the Employee, and increased retirement contribution paid by both the Employee and the Employer.

The employee contribution for Public Safety Employees, including Police Officers, the Detective, Sergeants, the Police Chief and Fire Chief is 9% of “Safety” payroll. All other employees are classified as “Miscellaneous” and their employee contribution is 7% of pay.

The IRS ruling arises from the need to ensure that State and Federal Income Taxes are paid on the retirement benefit when paid to the retiree.

When the City first contracted with the California Public Employee Retirement System, PERS was notified that the employee bargaining agreements called for the City to pay the employee’s share. That decision had been ratified each time the City Council and the Employees reached agreement on new “Memorandums of Understanding” (Labor Contract).

This proposed Resolution (provided by CalPERS) replaces Resolution 01-13-09-03 (the City’s version) which was unanimously approved by the City Council on January 13, 2009. It makes no new commitments by the City or the City Council, and no new costs are incurred.

**RECOMMENDATION:**

**MAYOR AND COUNCIL APPROVE RESOLUTION NO. 02-08-2011-02 CONFIRMING EMPLOYER PAID RETIREMENT CONTRIBUTIONS.**

**RESOLUTION NO.: 02-08-2011-02**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF CORNING  
TO TAX DEFER MEMBER PAID CONTRIBUTIONS – IRC 414(h)(2)  
EMPLOYER PICK-UP**

**WHEREAS**, the governing body of the City of Corning has the authority to implement the provisions of Section 414(h)(2) of the Internal Revenue code (IRC); and

**WHEREAS**, the City of Corning has determined that even though the implementation of the provisions of Section 414(h)(2) IRC is not required by law, the tax benefit offered by Section 414(h)(2) IRC should be provided to all employees who are members of the California Public Employees' Retirement System.

**NOW, THEREFORE, BE IT RESOLVED:**

- I. That the City of Corning will implement the provisions of Section 414(h)(2) Internal Revenue code by making employee contributions pursuant to California Government Code Section 20691 to the California Public Employees' Retirement System on behalf of all its employees or all its employees in a recognized group or class of employment who are members of the California Public Employees Retirement System. "Employee contributions" shall mean those contributions to the Public Employees' Retirement System which are deducted from the salary of employees and are credited to individual employee's accounts pursuant to California Government Code Section 20691.
- II. That the contributions made by the City of Corning to the California Public Employees' Retirement System, although designated as employee contributions, are being paid by the City of Corning in lieu of contributions by the employees who are members of the California Public Employees' Retirement System.
- III. That employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the City of Corning to the California Public Employees' Retirement System.
- IV. That the City of Corning shall pay to the California Public Employees' Retirement System the contributions designated as employee contributions from the same source of funds as used in paying salary.
- V. That the amount of the contributions designated as employee contributions and paid by the City of Corning to the California Public Employees' Retirement System on behalf of an employee shall be the entire contribution required of the employee by the California Public Employees' Retirement Law (California Government Code Sections 20000, et seq.).
- VI. That the contributions designated as employee contributions made by the City of Corning to the California Public Employees' Retirement System shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by the California Public Employees' Retirement System.

---

The foregoing Resolution was passed and adopted at a regular meeting of the City Council of the City of Corning, held on February 8, 2011, by the following vote:

**AYES:**

**NOES:**

**ABSENT OR NOT VOTING:**

---

**GARY R. STRACK, MAYOR**

**ATTEST:**

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**LISA M. LINNET, CITY CLERK**

**ITEM NO. I-14  
RESOLUTION NO. 02-08-2011-03; A RESOLUTION  
ADOPTING STANDARD PLAN S-24; STREET SIGN  
DETAILS; CITY OF CORNING**

**FEBRUARY 8, 2011**

**TO: CITY COUNCIL OF THE CITY OF CORNING, CALIFORNIA**

**FROM: STEPHEN J. KIMBROUGH, CITY MANAGER  
ED ANDERSON, CITY ENGINEER  
JOHN L. BREWER, AICP; PUBLIC WORKS DIRECTOR**



**SUMMARY:**

Staff recommends the City Council adopt the attached Resolution No. 02-08-2011-03. The resolution will add standard Drawing No. S-24 to the Construction Specifications and Standard Details booklet of the City of Corning.

**BACKGROUND:**

Our Public Works Construction Standards are the guide for developers for Construction Projects within the City, and staff when facilities need replacing. They ensure uniformity and consistency for new development and replacement facilities.

The City currently has no adopted standards for the appearance and position of street signs. There are two predominant sign types throughout town; a green background, dual sided sign with white "stick-on" lettering and an older standard single sided white background sign with black "embossed" or "stamped" letters. See the photo examples of both a single sided embossed and a dual sided "stick-on" lettered sign that are in use at this time.

**TIMING:**

We currently order our new signs from North Valley Barricade, who essentially repeat the white on green dual-sided reflective stick on signs that's been in use for many years. With the construction of the new traffic signal at Solano Street and Marguerite Avenue, staff believes it's an opportune time to adopt one standard street sign drawing into the Construction Specifications and Standard Details booklet.

Staff prepared the attached sign detail for your consideration. The sheet includes location, mounting and manufacturing standards for "Standard Street Signs" as well as those larger "Traffic Signal Street Signs" that are mounted on signal mast arms. Three changes from the utilitarian "white lettering on a green background" model are recommended. First, the sign includes green type on a white background. Second, it includes block numbering indicating its specific addressing position, and third, it includes an olive branch "logo" component from our City seal for community identity.

**FINANCIAL:**

Though cost varies by street name length, street signs currently cost about \$35.00 on average. It's been some time since the City has ordered a traffic signal street sign, the most recent were purchased as part of the South Avenue project (by Caltrans) so we have no current estimate of their cost.

The cost of the new street signs would also vary based on the length of the street name. For example, the "Marguerite Ave." sign would naturally be more expensive than the "Fig Ln." sign. The 6" tall Standard Street signs will be dual sided and are expected to cost about \$54.00 each including the "olive branch" artwork. The larger 12" Traffic Signal Street Signs will be single sided and are expected to cost about \$75.00 on average. Note that in unique cases, with multi-lane intersections, the traffic signal signs might need to be even larger for visibility. Note 4 is offered to address that issue.

If adopted, the detail would immediately be incorporated into our standards. But staff would not anticipate changing all existing street signs. Instead, we'd replace them through attrition. We typically replace about 10 street signs per year.-

**RECOMMENDATION:**

**That the City Council:**

- **Adopt Resolution No. 02-08-2011-03; the resolution adding Drawing No. S-24, "Street Sign Details" to the City of Corning Construction Specifications and Standard Details booklet.**

**RESOLUTION NO. 02-08-2011-03**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORNING ADDING STANDARD PLAN NO. S-24-STREET SIGN DETAILS TO THE EXISTING APPROVED CONSTRUCTION SPECIFICATIONS AND STANDARD DETAILS FOR THE CITY OF CORNING PUBLIC WORKS PROJECTS**

**WHEREAS**, the City of Corning last revised the existing Construction Specifications and Standard Details for all City Public Works Projects in April 2007; and

**WHEREAS**, these Standards are used as a guide for Developers and the City for construction and maintenance projects within the City and all development must maintain and conform to these Standards during construction (or replacement) in order to obtain final approval of the project; and

**WHEREAS**, this action will add specific street sign standards to the City's Construction Standards, thereby ensuring that future street signs are uniform and attractive;

**NOW, THEREFORE, BE IT RESOLVED**, that the City's Construction Specifications and Standard Details for Public Works Projects are now revised to include the attached Standard Plan S-24; Street Sign Details for the City of Corning.



The foregoing resolution was passed by the City Council of the City of Corning, this 8<sup>th</sup> day of February, 2011.

**AYES:**

**NOES:**

**ABSENT OR ABSTAINING:**

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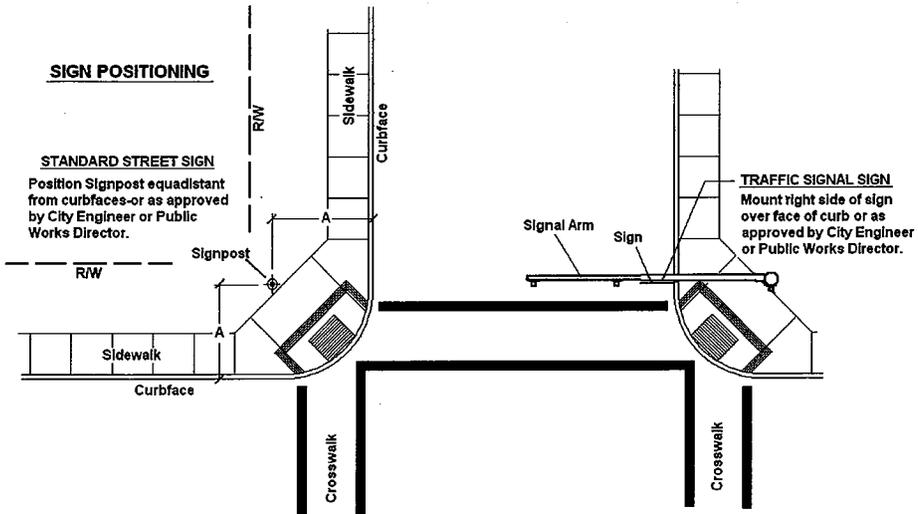
**Gary R. Strack, Mayor**

**ATTEST:**

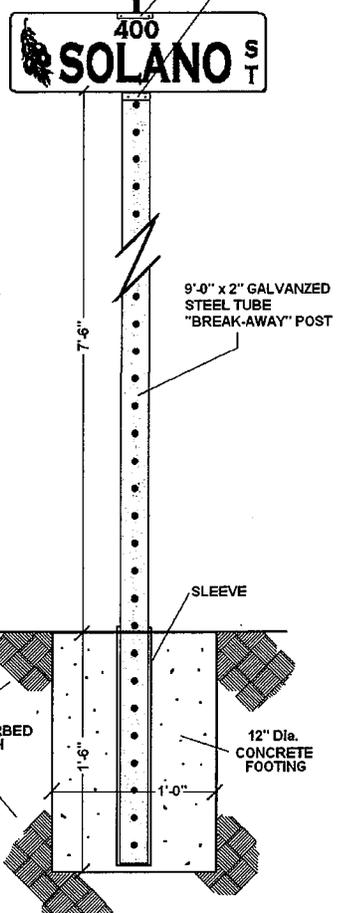
---

**Lisa M. Linnet, City Clerk**

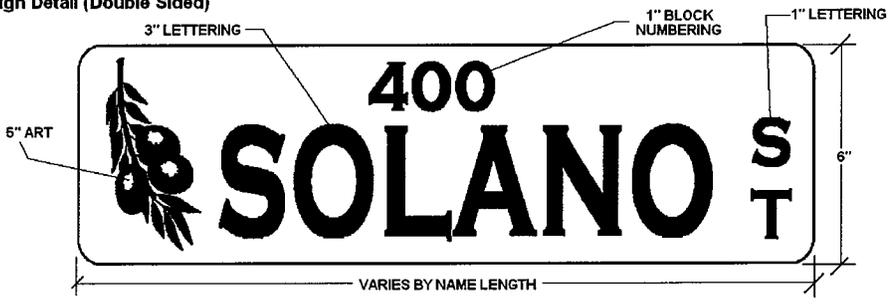
**SIGN POSITIONING**



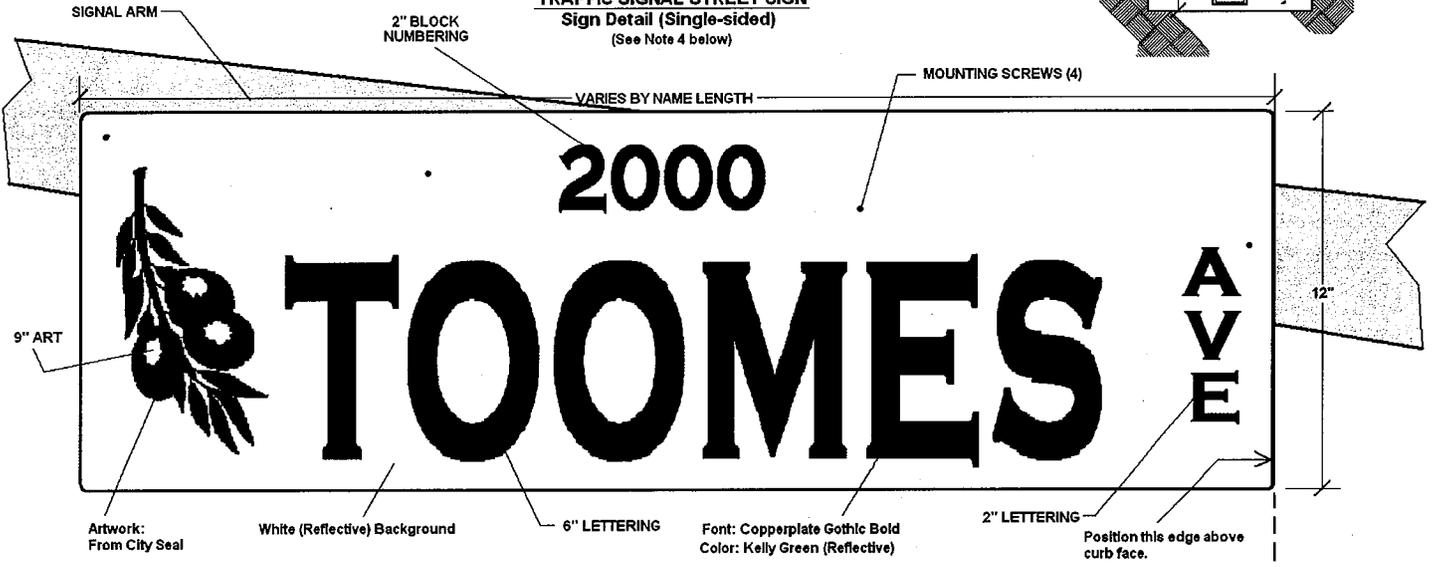
**STANDARD STREET SIGN Positioning Detail**



**STANDARD STREET SIGN Sign Detail (Double Sided)**



**TRAFFIC SIGNAL STREET SIGN Sign Detail (Single-sided)**  
(See Note 4 below)



Artwork: From City Seal      White (Reflective) Background      6" LETTERING      Font: Copperplate Gothic Bold      Color: Kelly Green (Reflective)      2" LETTERING      Position this edge above curb face.

**City of Corning**

Drawn by: P/W Dept.      Date: Jan. 2011  
 Checked by: EA      Scale: None  
 Resolution No.: \_\_\_\_\_  
 Approved: \_\_\_\_\_  
 Public Works Director

Revision Resolution

- Notes:**
1. Obtain Block Numbering from Building Official at City Hall.
  2. Confirm Street names & spellings with Public Works Department before ordering signs.
  3. Verify specific sign locations are within R/W prior to installing signposts.
  4. Larger Traffic Signal Signs may be necessary for visibility at wider intersections. In those cases, sign dimensions, art and fonts shall be appropriately increased and approved by the Public Works Director.

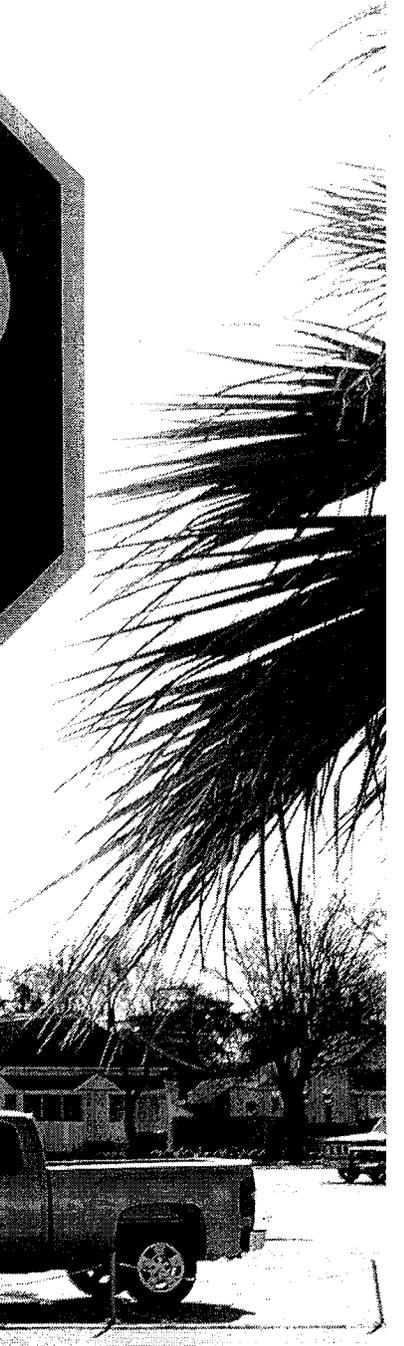
**STANDARD PLAN**

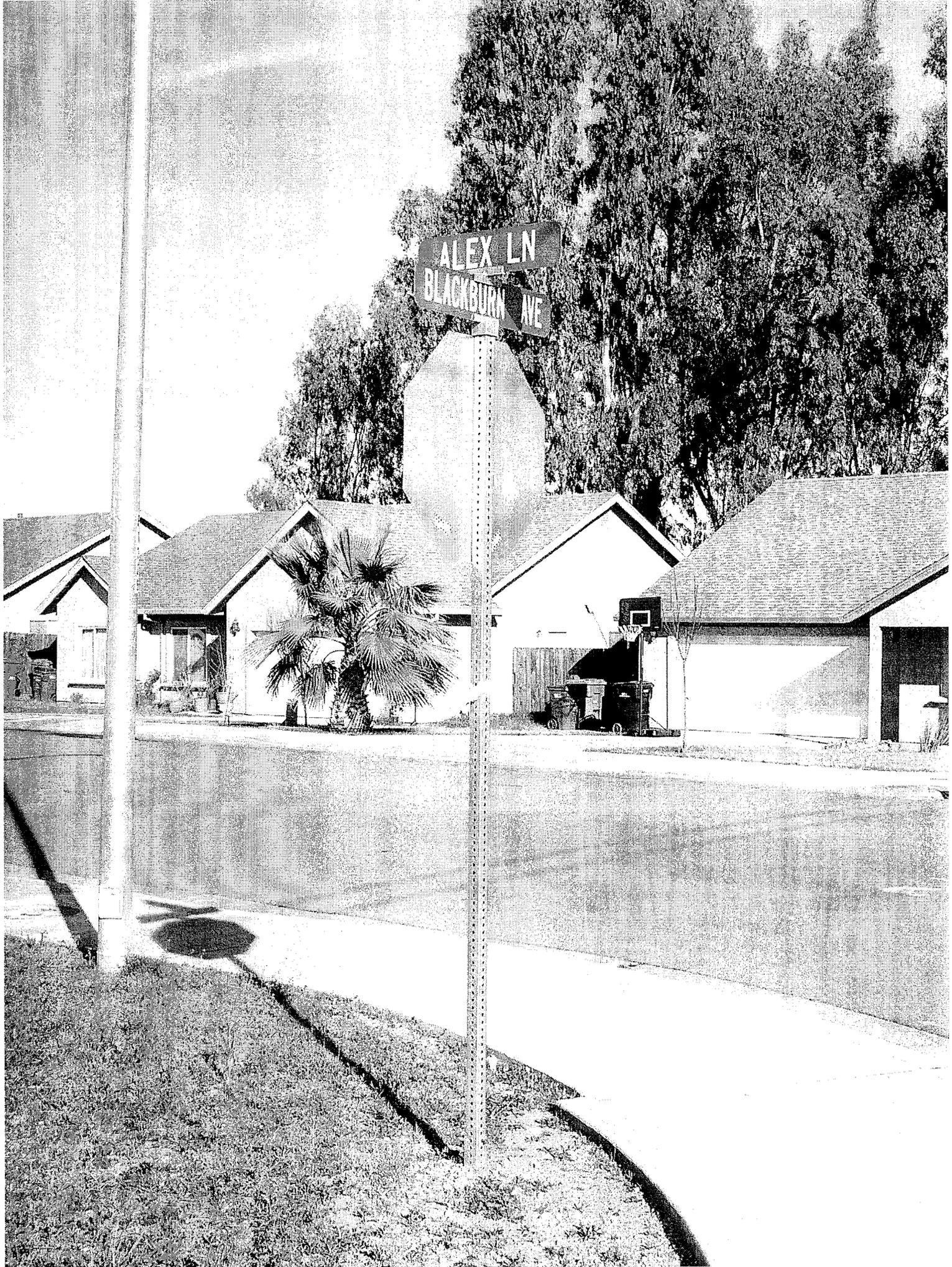
**S-24**

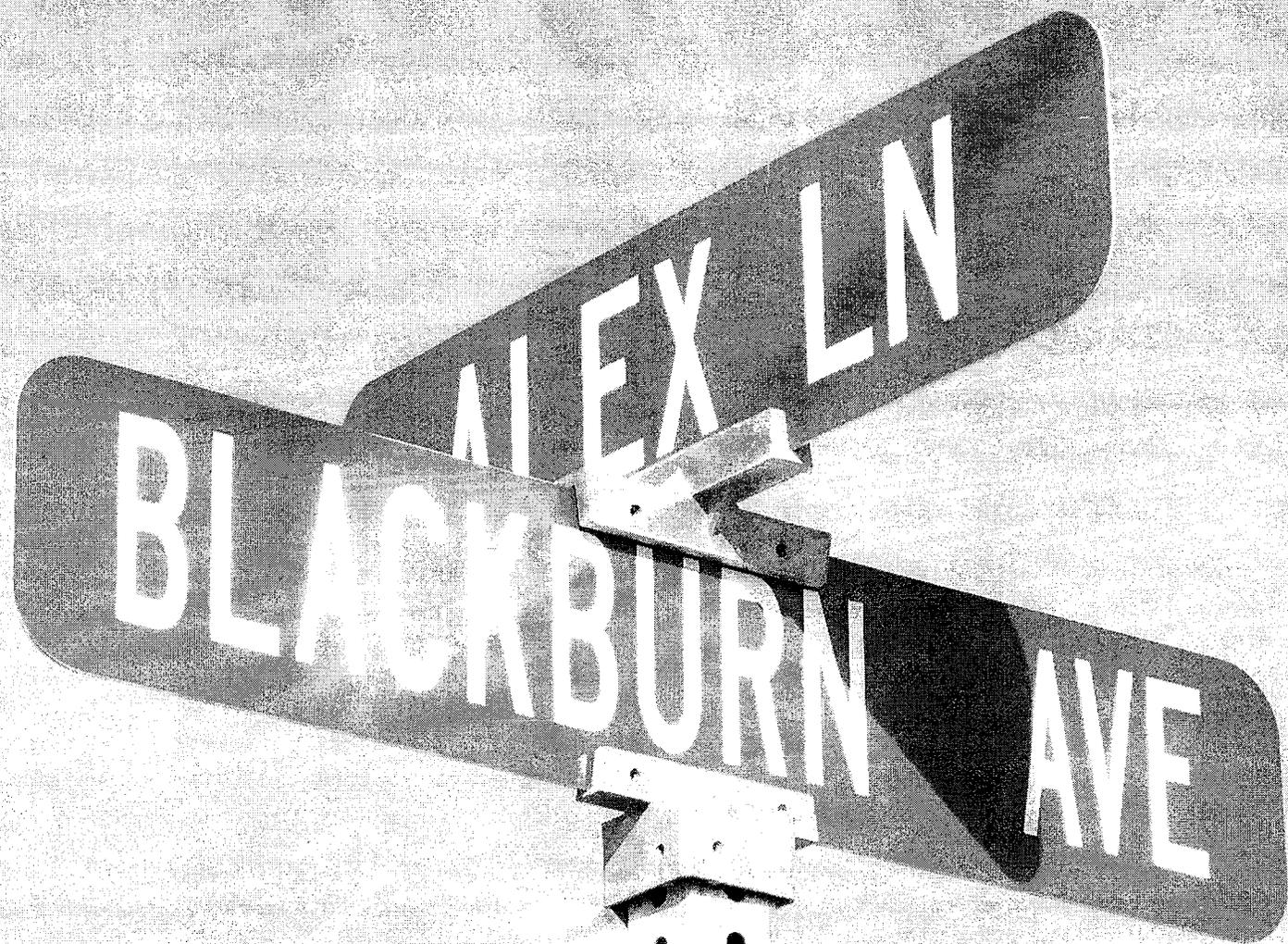
Street Sign Details

SOLANO ST

STOP







ALEX LN  
BLACKBURN AVE



P.O. Box 244 Paskenta, Ca 96074  
 Chico Area Ph/Fax 530 -345-1492 OR Ph/Fax 530 - 833-0160  
 e-mail: gretchen@mcdanielsigns.com or dennis@mcdanielsigns.com  
 www.mcdanielsigns.com Contractor's License 759161

NAME/ADDRESS/PHONE/FAX
CITY OF CORNING 794 THIRD ST. CORNING, CA 96021 PH: 824-7035 John Brewer

## QUOTE

DATE
1/26/2011

P.O. NO.	TERMS	JOB DESCRIPTION		
	Net 30	Standard Plan S-24		
ITEM	QTY	DESCRIPTION	RATE	AMOUNT
STREET SIGN	1	6" x necc 080 aluminum (no longer than 48") flat high intensity finish standard green (slightly lighter than Kelly Green) on white printed w/3M approved foil, double sided, same text both sides, radius corners, no holes, olive logo will be non reflective digitally printed on clear and applied to signs,	53.85	53.85T
STREET SIGN	1	12" x necc (no longer than 48") 080 aluminum flat high intensity finish standard green (slightly lighter than Kelly Green) on white printed w/3M approved foil, single sided, radius corners, 4 mounting holes either 1/4" or 3/8", olive logo will be non reflective digitally printed on clear and applied to signs,	75.92	75.92T
		SALES TAX	8.25%	10.71

6"  
12"

You are hereby authorized to furnish all labor and materials to complete the work mentioned in this estimate, for which I/we agree to pay the contract price mentioned in this estimate, and according to the terms thereof.

ACCEPTED BY \_\_\_\_\_ DATE \_\_\_\_\_

<b>Total</b>	\$140.48
--------------	----------

**Carl Crain**

---

**From:** "ROBERT HORTON" <bobnvb@sbcglobal.net>  
**To:** "Carl Crain" <pwsup@corning.org>  
**Sent:** Tuesday, January 11, 2011 7:10 AM  
**Subject:** Re: Fw:

Carl,

Listed below are the estimated prices of the signs, until you are actually talking numbers this is just a guess.

- 6" X varable length double sided = \$45.00
- 9" X varable length double sided = \$60.00
- 12 or 18 X Variable length single sided = \$90.00

I hope this helps

Bob

*w/int art*

--- On Mon, 1/10/11, Carl Crain <pwsup@corning.org> wrote:

From: Carl Crain <pwsup@corning.org>  
 Subject: Fw:  
 To: "bob horton" <bobnvb@sbcglobal.net>  
 Cc: "bob horton" <bobnvb@sbcglobal.net>  
 Date: Monday, January 10, 2011, 2:40 PM

----- Original Message -----

**From:** John Brewer  
**To:** Carl Crain  
**Sent:** Monday, January 10, 2011 1:49 PM

Possible Streetsign Standard. See if you can get a price for this as a standard streetsign and as a larger traffic signal sign.

I'll forward the specific Font information.

**John L. Brewer, AICP**

Public Works Director

City of Corning

794 Third Street

Corning, CA 96021

ITEM NO: I-15  
FERAL CAT INFORMATIONAL  
REPORT TO CITY COUNCIL  
FEBRUARY 8, 2011

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

FROM: STEPHEN J. KIMBROUGH, CITY MANAGER  
ANTHONY F. CARDENAS, CHIEF OF POLICE



**SUMMARY:** At the request of citizens, the City Council has directed Staff to prepare a report detailing possible solutions and/or options to the feral cat issue within the City of Corning.

**BACKGROUND:** Staff has been directed to research possible solutions and alternatives to addressing the feral cat population within the City of Corning.

In order to address this problem, we must first define a "feral" cat. Generally, a feral cat is a cat that has been born and raised in the wild and is distinguished from a stray cat, which is a pet that has been lost or abandoned. Feral cats are not socialized, retreat from humans, and survive on the laws of nature and available food sources. Feral cats will group together and form colonies, whereas stray cats have many of their needs directly supplied by humans, live in shelter provided by human habitation (garages, porches, under decks, etc.), and acquire much of their food by scavenging or being fed by humans. Stray cats are free-roaming, solitary cats, which may or may not have contact with feral cat colonies. Stray cats differ from domesticated cats in that domesticated cats live entirely with, and rely upon, humans. For the purposes of this report, feral cats will include any cats that, because of human neglect, are no longer under human control and are living and reproducing in the wild.

While the residents of Corning and the City Council may agree that there is a feral cat problem, there is much debate between two distinct opposing groups/viewpoints on how to ideally handle a feral cat population. There are numerous organizations and individuals who are in favor of Trap-Neuter-Release or Trap-Neuter-Return (TNR) programs. In opposition are individuals and organizations that are adamantly against TNR and support euthanasia as a means of eliminating the feral cat problem. However, both sides do agree there are millions of feral cats presently living within the United States (currently estimated at 60 million) and failure to prevent or control a feral cat population amounts to inhumane treatment of these animals.

Supporters of euthanasia do not believe that supporters of TNR (reduction by natural attrition) have been effective in reducing the feral cat population. Further, euthanasia supporters believe that the continued growth of the feral cat population has increased the cats' predation of natural wildlife and is environmentally irresponsible. In addition, due to perceived health risks to humans and other animals from the feral cats, euthanasia supporters believe elimination by euthanasia is the only viable and immediate solution to address this problem.

Supporters of TNR believe that all living creatures have value and humans don't necessarily have the right to euthanize animals as a means to control their populations. Proponents of TNR believe that feral cat colonies wherein feral cats have been altered, reduces the number of feral cats through attrition in five to seven years. Advocates of TNR also believe that returning

altered cats to the area where they were captured helps maintain a dominance order in the colony and prevents population growth. Also, if captured feral cats were euthanized, the void created by this elimination would be filled and there would be no noticeable reduction of the colony. TNR supporters recommend euthanasia only as a last resort for sick, injured or diseased cats to prevent further suffering and to protect healthy cats from infection.

In efforts to address the issue of feral cats several cities, counties and even the armed forces on military bases have enacted regulations and licensing requirements for cats. It is unknown what impact these regulations have made on reducing the feral cat population. However, each community has had to provide the means and resources for enforcement of their given regulations, including the provision or access to shelters or facilities for cats.

Within our county, Tehama County Animal Control does receive cats. Their facility includes 28 cages in three rooms: a quarantine room for sick and/or feral cats; a holding room for cats being held for the mandatory holding period, and; a room for adoptable cats. Tehama County Animal Control estimates the cost to house an involuntarily impounded cat (brought in as a stray or feral), including medical and labor costs, is \$97.74. Their estimated cost to house a requested impound cat (owner surrender), including medical and labor costs, is \$120.42. Tehama County Animal Control averages their intake at 600-800 cats per year, with over half being euthanized.

At this time, the City of Corning provides residents with cages for trapping cats on an individual basis. City Staff is directed to advise the residents that they must make arrangements at their own expense, for the altering of trapped animals. If residents are going to trap and release, they must meet the legal requirements for disposal of the animal(s). The City of Corning's current lack of resources prevents us from taking owner surrenders or removing cats from neighborhoods within the City.

Nationwide there are various community-based programs and volunteer organizations addressing feral cat issues. The more successful programs, in addition to working with the animals, provide an educational outreach component. Locally, Second Chance Pet Rescue is working with area veterinarians and is assisting individuals with a TNR program, as funding permits.

In summation, the feral cat issue is a community problem. Prior to the City entertaining participation in a program to address this issue, Staff would recommend that community participation be sought to determine what programs are available and what would best meet the needs of our community, given our budget constraints.

**RECOMMENDATION:**

**MAYOR AND CITY COUNCIL REVIEW INFORMATION AND PROVIDE DIRECTION AND/OR ACTION.**

ITEM NO: I-16  
APPROVE CONTRACT CHANGE ORDER #5,  
AMENDING SCOPE OF WORK AND  
INCREASING THE RODGERS THEATER  
IMPROVEMENT PROJECT BY \$11,635.98  
FOR A TOTAL PROJECT COST OF  
\$200,538.34.

FEBRUARY 8, 2011

TO: HONORABLE MAYOR AND COUNCILMEMBERS  
FROM: STEPHEN J. KIMBROUGH, CITY MANAGER  
JOHN L. BREWER, AICP, DIRECTOR OF PUBLIC WORKS  
TERRY HOOFARD, CITY BUILDING OFFICIAL


**SUMMARY:**

Staff recommends the City Council approve the attached "Change Order No. 5" in the amount of \$11,635.98. The Change Order is necessary to repair additional dry rot areas within the roof structure and sheeting, and to add a galvanized metal clad parapet cap along the south wall of the theater. This roof cap is important to protect the weather-exposed brick wall. See the attached request from Don Azevedo Construction.

**BACKGROUND:**

The Rodgers Theater Improvement Project was awarded to Don Azevedo Construction of Chico, CA at the September 28, 2010 City Council Meeting. The project required the contractor to supply and install two new Heating Ventilation and Air Conditioning (HVAC) units. General work includes re-roofing, insulation improvements, and the installation of structural support framing and minor concrete and wood framing demolition and construction.

The south parapet wall is constructed of brick and mortar. The brick and more importantly, the mortar joints have been continually exposed to the brunt of storms. Sealing this brick/mortar interface with the new roof is a challenge to weatherproof. Building Official Terry Hoofard and Contractor Don Azevedo have recommended the metal cap be installed.

Additional dry rot within the roof sheeting and framing has also been noted as the roof covering (shingles) and membrane was removed.

**CHANGE ORDER:**

Don Azevedo Construction submitted requests for Contract Change Order No. 5 to cover the unexpected expenses resulting from these roofing plan changes. The expense will increase the original contract amount by \$11,635.98. The adjusted

contract amount for the Rodgers Theater Improvement Project will be \$200,538.34. See the summary of the contract costs below:

Original Contract Amount:	\$176,609.00
Change Order No. 1	2,475.69
Change Order No. 2	1,955.00
Change Order No. 3	345.00
Change Order No. 4	7,517.67
Change Order No. 5	<u>\$11,635.98</u>
Adjusted Contract Amount	\$200,538.34

Budget Line Item No. 130-9116-6125 Theater Restoration/Rodgers Theater provides funding for this project. Note that this will complete all reroof work on the theater.

**RECOMMENDATION:**

- **MAYOR AND COUNCIL APPROVE CONTRACT CHANGE ORDER #5, REVISING THE SCOPE OF WORK TO COMPLETE UNANTICIPATED ROOF STRUCTURAL AND SHEETING REPAIRS AT THE RODGERS THEATER IMPROVEMENT PROJECT, INCREASING THE CONTRACT AMOUNT BY \$11,635.98 FOR A TOTAL PROJECT COST OF \$200,538.34.**



## City of Corning, California

Department of Public Works

794 Third Street

Corning, CA 96021

(530) 824-7029

### Change Order No. 5

Change Order Date: February 8, 2011

Project Name: Rodger's Theater Improvement Project

**Vendor:**

Company Name: Don Azevedo Construction, Inc.

Address: 48 Bellarmine Court, #40  
Chico, CA 95928

Contact Name: Don Azevedo

Telephone Number: (530) 894-2360

Fax Number: (530) 894-0699

Change Requested by: City of Corning

### **Change Description:**

a.) Amendment of Contract signed by City of Corning on October 7, 2010 to include additional work to repair dry rot in the roof structure and sheeting and to install a galvanized metal clad and parapet cap along the south wall of the theater.

Original Contract Amount:	\$176,609.00
Previous Change Order No 1 Increase:	\$2,475.69
Change Order No 2 Increase	\$1,955.00
Change Order No. 3 Increase	\$345.00
Change Order No. 4 Increase	\$7,517.67
<b>Change Order No. 5 Increase</b>	<b><u>\$11,635.98</u></b>
Amended Contract Amount:	\$200,538.34

### **Justification:**

The Plans and Specifications do not specifically address the treatment of the parapet

(Change Order No. 5-continued)

wall along the south wall of the theater. This change order will facilitate the installation of a new galvanized metal cap overtop the existing brick parapet wall. This component of the Change Order amounts to \$4,610.35.

Additionally, this change order addresses the removal and replacement of dry rot in framing and sheeting throughout the building roof. This work was concealed by the roofing material and could not be anticipated until the roof shingles were removed. This unexpected work cost \$7,025.63 to complete.

Requested:

\_\_\_\_\_  
City of Corning

\_\_\_\_\_  
Date

Recommended:

\_\_\_\_\_  
Eric Ausmus, Project Engineer

\_\_\_\_\_  
Date

Accepted:

\_\_\_\_\_  
Don Azevedo

\_\_\_\_\_  
Date









**Custom Sheet Metal Fabrication**  
 2910 Hwy 32, #700  
 Chico, CA 95973  
 CSL #862850  
 345-7747

# Estimate

Date	Estimate #
1/26/2011	1104

Name / Address
Don M. Azevedo Construction 48 Bellarmine Court, Ste. 40 Chico, CA 95928

Terms	Project
Due on receipt	Rodgers Theater, Co...

Description	Total
<p>We are pleased to offer a quote for cap flashing on the back wall facade at the Rodgers Theater in Coming as follows:</p> <p>Measure, fabricate and install 26 ga. galvanized cap flashing with 26 ga. galvanized wall cladding on the inside.</p> <p>Material and Labor</p>	3,749.00

**Total**

Signature \_\_\_\_\_

Phone #	Fax #	E-mail
(530)345-7747	(530)345-7767	customsheetmetal@att.net

ITEM NO: I-17  
PRESENTATION AND ACCEPTANCE OF  
ANNUAL CITY AUDIT FOR  
FISCAL YEAR 2009-2010

February 8, 2011

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 2009-2010.

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

**AUDIT OVERVIEW:**

The Audit report begins 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 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. By January 2009, the Staff had a warning that Sales Tax was dropping. At that point, Staff began cutting back on capital purchases and seeking ways to save money. The City Council and Staff continued the reductions in operating costs during this past year including reducing the hours of work and the gross cost of employees by 10%. A city is a service company, and therefore, its biggest investment is in employee wages.

Unless you are a financial analyst 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 45. These pages provide more information for the reader on the General Fund and compares budgeted to actual income and expense.

Exhibit A-3 on Page 46 and 47 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 was \$200,000 below the original projections, but the City has since confirmed that there was a misallocation of about \$200,000 in City sales tax. In December 2010,

the City began receiving this sales tax again, and the State Board of Equalization is in the process of performing an audit in order to return the last year's lost income to the City.

The City normally sets aside an \$800,000 of 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.

Some City departments or functions show negative year end balances in the General Fund as shown in **Exhibit A-3** beginning on page 46. 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.

For example, General City includes the costs that are not easily distributed to individual departments including Workers' Compensation. The main copy machine and City hall Utilities are also funded here. The City Attorney exceeded his budget due to the cost of the marijuana litigation. The Fire Department shows an over expenditure of \$33,263; this is due to Overtime for Dispatch while one dispatcher was recovering from illness and final compensation for a retiring long-time employee. Parks Maintenance exceeded its budget as pool supplies and utilities.

#### **OTHER FUNDS:**

The other specialized Funds such as the road funds are listed in **Exhibit B-2** on page 55 through page 61

**Exhibit B-2** show 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 76.

Page 86, **Exhibit E-2**, shows the three **Trust Funds**, J.T. Levy scholarship fund (balance \$27,913), Rodgers Theatre Trust (balance \$22,513), and the Riddell Library fund (balance \$257,151).

The **Sewer Fund 610** and Water Fund 630 are summarized on page 81; 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 on to be presented on February 22, 2011, Mid-year Budget.**

Page 84 provides the information on **the J. T. Levy Scholarship Fund**, the **Rogers Theatre Fund** and the **Riddell Library Fund**.

#### **RECOMMENDATION:**

**MAYOR AND COUNCIL MEMBERS RECEIVE AND ACCEPT THE ANNUAL AUDIT FOR FISCAL YEAR ENDING JUNE 30, 2010.**

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The City of Corning for the year ended June 30, 2010, and have issued our report thereon dated January 31, 2011. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibilities under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated June 18, 2011, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered The City of Corning's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether The City of Corning's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 our audit. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on The City of Corning's compliance with those requirements.

**Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by The City of Corning are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2010. We noted no transactions entered into by the governmental unit during the year for which

there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was (were):

Management's estimate of the accrual and disclosure of compensated absences is based on employees pay rates and unused compensated balances at the end of the year. We evaluated the key factors and assumptions used to develop the accrual and disclosure of compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the capital assets lives and depreciation expense is based on the class/type of asset, internal revenue service guidelines, and client's experience. We evaluated the key factors and assumptions used to develop the capital assets lives and depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the self-insurance losses is based on the City's prior experience and known liabilities at the end of the year. We evaluated the key factors and assumptions used to develop the self-insurance losses in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements were:

Accrual and disclosure of compensated absences  
Capital assets lives and depreciation expense

#### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated January 31, 2011.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, other than the contract with the contract financial consultant, there were no such consultations with other accountants.

### **Other Audit Findings and Issues:**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During the course of our audit, we noted certain items which are not considered to be deficiencies in internal control or compliance findings, but management should consider.

- The City uses numerous funds to account for individual activities within a generic fund classification. As an example, there are 10 separate funds accounting for the activities of the Sewer Enterprise Fund reflected on schedule D-1 in the financial statements dated June 30, 2010, and 7 funds comprising the Water Enterprise Fund.

While this practice was initiated to budget for, and account for each aspect of the activity separately, it creates the need for a significant number of manual combinations to complete the financial statements which increases the possibility of clerical errors. It also adds to the time involved in preparing the annual financial statements as well as accounting for the activities as well as requires a combining of funds to see the overall activity of the business type activities.

- There are several new pronouncements that are reflected in footnote 1 to the financial statements. Government Accounting Standards Board Statement (GASB) Number 45 and 50, are the most significant to most agencies. Because the City of Corning has limited, if any, Post Retirement Benefits, the impact is less significant than it is on other entities. The change in pension disclosure in GASB 50 will be met by information provided by Cal PERS.
- Another direct effect of CalPERS is the significant increases in recent years, of the employer contributions to PERS for unfunded pension liabilities. The combination of poor investment earnings and increasing retirement costs has resulted in PERS

increasing the amount of funding required, in many cases exceeding 40% of covered payroll for those entities where the employer pays the employees portion as well. This cost appears to be one that will continue to plague local budgets for the foreseeable future.

This information is intended solely for the use of the City Council and management of The City of Corning and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

VIA EMAIL

Donald R. Reynolds  
Certified Public Accountant

**CITY OF CORNING**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2010**

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## **INTRODUCTORY SECTION**

**CITY OF CORNING  
PRINCIPAL OFFICIALS  
June 30, 2010**

**CITY COUNCIL  
(Terms as of June 30, 2010)**

<b>Name</b>	<b>Office</b>	<b>Term Expires</b>
GARY STRACK	Mayor	2010
BECKY HILL	Vice-Mayor	2010
ROSS TURNER	Councilman	2010
TONI PARKINS	Councilwoman	2012
JOHN LEACH	Councilman	2012

**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, 2010, 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.

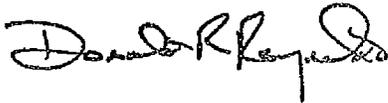
In my opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of Corning, California as of June 30, 2010 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, 2011 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.

P.O. Box 994508, 1438 Oregon St., Redding, CA 96099 . (530) 246-2834 . Fax (530) 244-0331

The management's discussion and analysis and budgetary comparison information on pages 3 through 9, 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, 2011

## 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, 2010. 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, 2010 by \$16.04 million (net assets). Of this amount, \$2.77 million (unrestricted net assets) may be used to meet the government's ongoing obligations to its citizens and creditors.
- Total net assets increased by \$1,485 thousand, with a decrease of \$494 thousand in net assets of governmental activities, and an increase of \$1,979 thousand in business-type activities.
- Governmental funds, on June 30, 2010, reported combined Net Assets of \$7.21 million, a decrease of \$494 thousand in comparison to the previous fiscal year. These net assets are largely investments in capital assets with \$2.53 million (35.02%) being unreserved and available for spending (unreserved fund balance).
- As of June 30, 2010, the General Fund had a year-end fund balance of \$794 thousand, none of which was unreserved.

### 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 14-15 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.

**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 20-21 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 \$16.04 million at June 30, 2010. Net assets increased by \$1,485 thousand in Fiscal Year 2009-2010.

By far the largest portion of the City of Corning's net assets (69.09 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 \$4.90 million in Fiscal Year 2009-2010. Program revenues totaled \$535 thousand. General revenues and transfers totaled \$3.87 million. Tax revenues (84.93) percent) represented the largest share of general revenues and intergovernmental and other revenues (24.50 percent) represented the second-largest share of general revenues and transfers.

The largest portion of governmental activity expenses; public safety activities, represented 65.2 percent. 17.6 percent related to general government activities and street related activities accounted for another 10.4 percent. Recreation and cultural activities represented 5.8 percent, while community and economic development represented 1.1 percent.

**Business-type Activities.** Business-type activity expenses totaled \$3.52 million in Fiscal Year 2009-2010. Charges for services totaled \$3.04 million, and lease, rents and other revenues totaled \$122 thousand. Sewer enterprise expenses totaled \$1.93 million, with charges for sewer services totaling \$1.68 million. Water enterprise expenses totaled \$1.12 million, with charges for water services totaling \$1.19 million. Solid Waste expenses totaled \$417 thousand, with charges for Solid waste services totaling \$407 thousand. Airport enterprise expenses totaled \$35 thousand. Transportation Center enterprise expenses totaled \$17 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, 2010, the City of Corning's governmental funds reported combined ending fund balances of \$2.80 million. Of this total, 71.37% (1.99 million) was unreserved, a portion of which is available for spending at the City's discretion, the balance is considered designated for other purposes

**General Fund.** The General Fund is the chief operating fund of the City of Corning. In 2009-2010, there was a deficit of General Fund revenues and other financing sources over expenditures and other uses in the amount of \$628,860. The City Departments spent \$89,546 less than budgeted.

**General Fund Revenues.**

Sales and use tax revenues fell 25.49% from 2008-2009 to 2009-2010 as a result of declining retail sales

Property tax revenues declined 6.96% from 2008-2009 to 2009-2010,

Franchise taxes increased by 8.13 % from 2008-2009 to 2009-2010.

Vehicle License Fees decreased by 14.25 % from 2008-2009 to 2009-2010. The State had finally paid back one of its "Takings" from local government revenues making 2008-2009 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 increased by 29.05% from 2008-2009 to 2009-2010, generally due to the timing of hotel payments..

Intergovernmental revenues were down 37.32% from 2008-2009 to 2009-2010. The decrease results from a reduction in special Transportation funds from 2008-2009 to 2009-2010.

Charges for services decreased by 88.03% from 2008-2009 to 2009-2010, due to a large decrease in Public Works/ Planning plan check and development application fees. Licenses and permits increased by 22.65% from 2008-2009 to 2009-2010.

Overall, general fund revenues decreased 16.85%, from \$4,758,064 in the prior fiscal year, 2008-2009, to \$3,695,570 in fiscal year 2009-2010.

	<u>2009/10</u>	<u>% of Total</u>	<u>Change from</u> <u>2008/09</u>
Sales, use and other taxes	\$1,598,173	43.3%	\$ (546,607)
Property taxes	527,583	14.3%	(39,459)
Franchise taxes	103,817	8.13%	(9,192)
Vehicle license fees	494,587	14.3%	(82,177)
Transient Occupancy tax	358,736	9.7%	80,761
Other taxes	21,303	0.6%	(6,107)
Intergovernmental	252,549	50.5%	84,707
Interest	5,336	0.1%	(1,877)
Licenses and permits	158,124	4.3%	32,235
Other	<u>174,208</u>	<u>4.6%</u>	<u>( 313,985)</u>
Total revenues	\$3,695,570	100.0%	\$ (801,701)

**General Fund expenditures.** General Fund expenditures totaled \$5.11 million in 2009-2010.

	<u>2009/10</u>	<u>% of Total</u>	<u>Change from</u> <u>2008/09</u>
General government	\$ 519,030	12.1%	\$ (206,976)
Public safety	3,185,347	74.3%	70,861
Transportation	232,530	5.4%	(55,695)
Cultural, Parks and Recreation	253,802	5.9%	(36,647)

	<u>2009/10</u>	<u>% of Total</u>	<u>Change from 2008/09</u>
Community/Economic development	22,600	.5%	(128,838)
Debt Service	75,280	1.8%	75,280
Capital outlay	-	-	-
Total expenditures	<u>\$ 4,288,589</u>	100.0%	<u>\$ (277,015)</u>

General government expenditures decreased 28.5%. Public safety expenditures grew 2.3%. General Fund Transportation expenditures fell by 19.32%. Culture, parks and recreation expenditures increased 12.61%. Community/ Economic development expenditures decreased 84.56%. Retirement of principal and interest charges is nominal in the General Fund. \$75,280 in capital outlay was expended in 2009-2010 to purchase the City's new additions to fixed assets.

**General Fund analysis** General Fund expenditures exceeded General Fund revenues by \$628,860 in fiscal year 2009-2010. 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, 2010, 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 2009-2010:

	<u>Final Budget</u>	<u>Actual</u>
Revenues	\$ 3,723,050	\$ 3,691,417
Other Sources Transfers in	-	<u>4,153</u>
Total Revenues and Other Source	<u>3,723,050</u>	<u>3,695,570</u>
Expenditures and Transfers-out	<u>(4,413,976)</u>	<u>(4,324,430)</u>
Excess (Deficiency)	<u>\$ (690,926)</u>	<u>\$ (628,860)</u>

The City Departments spent \$89,546 less 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, 2010, amounts to \$21.64 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, 2010, the City had \$174 thousand in governmental activity debt outstanding. The City had \$10.09 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 \$2291 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 and automobile and truck market. Fuel and traveler sales made up for the decline in auto sales; the City believes the auto sales decline is directly tied to the economic recession. Corning has gained a third new auto and truck dealership.

The three large travel centers, along with three freeway sited service stations and four local fuel and food marts have given the City a huge income from fuel and fuel related sales. Fuel and traveler related retail sales are increasing again.

Total retail sales tax has dropped over the past two years; 2007-2008 totaled \$2,706,898; 2008-2009 dropped dramatically to \$2,144,780; 2009-2010 totaled \$1,598,173. During the past year, the City asked the State Board of Equalization to review Corning fuel sales and confirmed that about \$200,000 in fuel sales tax had been misallocated to another local government. The City as of this writing should be recovering that lost income.

The sales tax income includes the adjustments through the State "triple flip" mentioned later in this analysis. 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 is earning enough net revenue to invest in one new well in 2010-2011 and possibly another well the following year (a municipal well now costs about \$462,000). 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 sufficient reserves currently exist to handle the building decline. The Sewer Rates are increased annually for four more years through 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. 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. By this writing, the City has been 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.

### **BUDGETARY CUTS MADE AND CONTINUING**

The City will require 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 are postponed.

The City Management Team moved quickly to reduce spending as soon as the lower sales Tax figures were revealed in January 2009. Three 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 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.

There are only 47 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 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.

### **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.

Since 1992, the State has diverted (taken) \$1,884,585 in local property tax to other State purposes.

### **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 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, 2010**

Statement 1

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
<b><u>Current Assets:</u></b>			
Cash and Investments	\$ 2,540,393	\$ 1,698,332	\$ 4,238,725
Intergovernmental Receivable	79,001	-	79,001
Accounts Receivable	15,719	482,070	497,789
Notes Receivable (C.D.B.G.)	5,000	-	5,000
Receivable from Other Governments	7,020	-	7,020
Other Receivable	4,045	-	4,045
Inventory	-	70,442	70,442
Due From Other Funds	277,801	(168,313)	109,488
Total Current Assets	<u>2,928,979</u>	<u>2,082,531</u>	<u>5,011,510</u>
<b><u>Noncurrent Assets:</u></b>			
Restricted Cash	-	929,360	929,360
Notes Receivable (C.D.B.G.)	588,398	-	588,398
Net Capital Assets (Note 2):			
Enterprise Funds	-	16,600,759	16,600,759
General Plant & Equipment	5,039,398	-	5,039,398
Total Capital Assets, net	<u>5,039,398</u>	<u>16,600,759</u>	<u>21,640,157</u>
Total Noncurrent Assets	<u>5,627,796</u>	<u>17,530,119</u>	<u>23,157,915</u>
Total Assets	<u>8,556,775</u>	<u>19,612,650</u>	<u>28,169,425</u>
<b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities:</u></b>			
Accounts Payable	45,156	380,428	425,584
Accrued Wages/Payroll Taxes	72,908	15,642	88,550
Accrued Interest Payable	-	126,940	126,940
Deposits	-	57,918	57,918
Deferred Revenue	605,081	-	605,081
Current Portion of non-current liabilities	222,088	224,288	446,376
Total Current Liabilities	<u>945,233</u>	<u>805,216</u>	<u>1,750,449</u>
<b><u>Noncurrent Liabilities:</u></b>			
Notes, Bonds and Certificates Payable	-	9,906,100	9,906,100
Accrued Compensated Absences	268,690	70,320	339,010
Capital Leases	131,244	-	131,244
Total Noncurrent Liabilities	<u>399,934</u>	<u>9,976,420</u>	<u>10,376,354</u>
Total Liabilities	<u>1,345,167</u>	<u>10,781,636</u>	<u>12,126,803</u>
<b><u>NET ASSETS</u></b>			
Investment in Capital Assets, net of related debt	4,686,066	6,397,154	11,083,220
Restricted for:			
Debt Service	-	2,187,416	2,187,416
Unrestricted	2,525,542	246,444	2,771,986
Total Net Assets	<u>\$ 7,211,608</u>	<u>\$ 8,831,014</u>	<u>\$ 16,042,622</u>

See accompanying notes to  
the basic financial statements.

**CITY OF CORNING**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**Year Ended June 30, 2010**

Statement 2

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
<b>General Government:</b>				
City Council	\$ 33,520	\$ -	\$ -	\$ (33,520)
City Administration	176,080	-	-	(176,080)
City Clerk	15,174	-	-	(15,174)
City Treasurer	760	-	-	(760)
City Finance	55,580	-	-	(55,580)
General Government	579,530	97,999	-	(481,531)
Total General Government	860,644	97,999	-	(762,645)
<b>Public Safety and Judiciary:</b>				
Legal Services	88,580	-	-	(88,580)
Police	2,016,084	30,120	180,213	(1,805,751)
Police Dispatch	446,965	-	-	(446,965)
Animal Control	118,266	-	-	(118,266)
Fire	525,884	-	-	(525,884)
Total Public Safety and Judiciary	3,195,779	30,120	180,213	(2,985,446)
<b>Transportation:</b>				
Airport	-	-	-	-
Streets	511,260	-	95,915	(415,345)
Total Transportation	511,260	-	95,915	(415,345)
<b>Cultural, Parks and Recreation</b>				
Library	13,643	-	-	(13,643)
Theater	1,832	-	-	(1,832)
Parks and Recreation	266,649	39,113	-	(227,536)
Total Cultural, Parks and Recreation	282,124	39,113	-	(243,011)
<b>Community/Economic Development:</b>				
Economic Development	51,746	-	91,220	39,474
Total Community/Economic Development	51,746	-	91,220	39,474
<b>Business-Type Activities</b>				
Sewer	1,928,958	1,449,335	-	(479,623)
Water	1,121,271	1,187,899	-	66,628
Solid Waste	417,283	407,216	-	(10,067)
Airport	34,807	-	2,331,801	2,296,994
Transportation	16,965	-	-	(16,965)
Total Business-Type Activities	3,519,284	3,044,450	2,331,801	1,856,967
<b>Total</b>	<b>\$ 8,420,837</b>	<b>\$ 3,211,682</b>	<b>180,213</b>	<b>(2,510,006)</b>

See accompanying notes to  
the basic financial statements.

**CITY OF CORNING**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**Year Ended June 30, 2010**

Statement 2  
(Continued)

**CHANGES IN NET ASSETS:**

			<u>Governmental</u> <u>Activities</u>	<u>Business</u> <u>Activities</u>	<u>Total</u>
Net (Expense)/Revenue			\$ (4,366,973)	\$ 1,856,967	\$ (2,510,006)
General Revenues:					
Taxes					
Sales and Use Taxes	1,657,023	-	1,657,023	-	1,657,023
Property Taxes	522,581	(5,002)	527,583	-	527,583
Franchise Taxes	103,817	-	103,817	-	103,817
Vehicle License Fees	471,358	(23,229)	494,587	-	494,587
Transit Occupancy Tax	358,736	-	358,736	-	358,736
Other Taxes	85,243	(62,018)	147,261	-	147,261
Intergovernmental			392,213	-	392,213
Investment Income			22,867	17,931	40,798
Other			164,459	108,403	272,862
Transfers - Internal Activity			4,153	(4,153)	-
Total General Revenues and Transfers			<u>3,872,699</u>	<u>122,181</u>	<u>3,994,880</u>
Change in Net Assets			(494,274)	1,979,148	1,484,874
Net Assets - Beginning of Year			<u>7,705,882</u>	<u>6,851,866</u>	<u>14,557,748</u>
Prior Period Adjustment			-	-	-
Residual Equity Transfers In (Out)			-	-	-
Net Assets - Ending of Year			<u>\$ 7,211,608</u>	<u>\$ 8,831,014</u>	<u>\$ 16,042,622</u>

See accompanying notes to  
the basic financial statements.

## **FUND FINANCIAL STATEMENTS**

**CITY OF CORNING**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2010**

Statement 3

ASSETS	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash and Investments	\$ 562,615	\$ 1,977,778	\$ 2,540,393
Intergovernmental Receivable	2,433	76,568	79,001
Accounts Receivable	15,719	-	15,719
Notes Receivable (C.D.B.G.)	-	593,398	593,398
Receivable from Other Governments	7,020	-	7,020
Other Receivable	4,045	-	4,045
Due From Other Funds	<u>318,515</u>	<u>-</u>	<u>318,515</u>
Total Assets	<u>910,347</u>	<u>\$ 2,647,744</u>	<u>\$ 3,558,091</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 33,564	\$ 11,592	\$ 45,156
Accrued Wages/Payroll Taxes	71,512	1,396	72,908
Due to Other Funds	-	40,714	40,714
Deferred Revenue	<u>11,683</u>	<u>593,398</u>	<u>605,081</u>
Total Liabilities	<u>116,759</u>	<u>647,100</u>	<u>763,859</u>
<b>FUND BALANCES</b>			
Reserved for:			
Contingencies	800,000	-	800,000
Insurance	-	-	-
Unreserved, reported in			
General Fund	(6,412)	-	(6,412)
Special Revenues Funds	-	1,462,683	1,462,683
Capital Projects Funds	<u>-</u>	<u>537,961</u>	<u>537,961</u>
Total Fund Balances	<u>793,588</u>	<u>2,000,644</u>	<u>2,794,232</u>
Total Liabilities and Fund Balances	<u>\$ 910,347</u>	<u>\$ 2,647,744</u>	<u>\$ 3,558,091</u>

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

Total Fund Balance - Total Governmental Funds	\$ 2,794,232
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.	5,039,398
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>(353,332)</u>
Net Assets of Governmental Activities	<u>\$ 7,211,608</u>

See accompanying notes to  
the basic financial statements.

**CITY OF CORNING**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2010**

Statement 4

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>			
Taxes	\$ 3,104,199	\$ 184,808	\$ 3,289,007
Intergovernmental Revenues	252,549	257,219	509,768
Interest	5,336	17,531	22,867
Licenses and Permits	158,124	-	158,124
Miscellaneous	171,209	273,791	445,000
Total Revenues	<u>3,691,417</u>	<u>733,349</u>	<u>4,424,766</u>
<b>EXPENDITURES:</b>			
Current:			
General Government:			
City Council	23,730	-	23,730
City Administration	124,652	-	124,652
City Clerk	10,742	-	10,742
City Treasurer	538	-	538
City Finance	39,347	-	39,347
General Government	<u>355,862</u>	<u>35,502</u>	<u>391,364</u>
Total General Government	<u>554,871</u>	<u>35,502</u>	<u>590,373</u>
Public Safety and Judiciary:			
Legal Services	88,580	-	88,580
Police	2,012,446	3,638	2,016,084
Police Dispatch	446,965	-	446,965
Animal Control	118,266	-	118,266
Fire	519,090	-	519,090
Total Public Safety and Judiciary	<u>3,185,347</u>	<u>3,638</u>	<u>3,188,985</u>
Transportation:			
Streets	232,530	278,730	511,260
Total Transportation	<u>232,530</u>	<u>278,730</u>	<u>511,260</u>
Cultural, Parks and Recreation			
Library	13,643	-	13,643
Theater	1,832	-	1,832
Parks and Recreation	238,327	28,322	266,649
Total Cultural, Parks and Recreation	<u>253,802</u>	<u>28,322</u>	<u>282,124</u>
Community/Economic Development:			
Economic Development	22,600	29,146	51,746
Total Community/Economic Development	<u>22,600</u>	<u>29,146</u>	<u>51,746</u>
Debt Service:			
Principal	-	-	-
Interest and Other Charges	-	6,794	6,794
Capital Outlay	-	181,733	181,733
Total Expenditures	<u>4,249,150</u>	<u>563,865</u>	<u>4,813,015</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(557,733)</u>	<u>169,484</u>	<u>(388,249)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Debt Proceeds	-	-	-
Transfers In / Out	(71,127)	75,280	4,153
Total Other Financing Sources and (Uses)	<u>(71,127)</u>	<u>75,280</u>	<u>4,153</u>
Net Change in Fund Balances	(628,860)	244,764	(384,096)
Fund Balances-Beginning of Year	1,420,148	1,758,180	3,178,328
Residual Equity Transfers In (Out)	2,300	(2,300)	-
Fund Balances-End of Year	<u>\$ 793,588</u>	<u>\$ 2,000,644</u>	<u>\$ 2,794,232</u>

See accompanying notes to  
the basic financial statements.

**CITY OF CORNING**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2010**

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	\$	(384,096)
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	160,093	
Depreciation expense	<u>(251,369)</u>	(91,276)
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>(18,902)</u>
Change in Net Assets of Governmental Activities	\$	<u>(494,274)</u>

**CITY OF CORNING  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2010**

Statement 5

	<u>Enterprise Funds</u>
<b><u>ASSETS</u></b>	
<b><u>Current Assets:</u></b>	
Cash and Investments	\$ 1,698,332
Accounts Receivable	482,070
Inventory	70,442
Total Current Assets	<u>2,250,844</u>
<b><u>Noncurrent Assets:</u></b>	
<b>Capital Assets:</b>	
Property, Plant, and Equipment	25,349,441
Accumulated Depreciation	<u>(8,854,576)</u>
Net Capital Assets	<u>16,494,865</u>
Loan Acquisition Costs	136,807
Accumulated Amortization	<u>(30,913)</u>
Net Loan Acquisition Costs	<u>105,894</u>
Restricted Assets	<u>929,360</u>
Total Noncurrent Assets	<u>17,530,119</u>
Total Assets	<u>\$ 19,780,963</u>
 <b><u>LIABILITIES</u></b>	
<b><u>Current Liabilities:</u></b>	
Accounts Payable	\$ 380,428
Accrued Wages/Payroll Taxes	15,642
Due to Other Funds	168,313
Accrued Interest Payable	126,940
Deposits	57,918
Current Portion of Non-Current Liabilities	<u>224,288</u>
Total Current Liabilities	<u>973,529</u>
<b><u>Noncurrent Liabilities:</u></b>	
Notes, Bonds and Certificates Payable	9,906,100
Accrued Compensated Absences	<u>70,320</u>
Total Noncurrent Liabilities	<u>9,976,420</u>
Total Liabilities	<u>10,949,949</u>
 <b><u>NET ASSETS:</u></b>	
Investment in Capital Assets, net of related debt	6,397,154
Restricted for:	
Debt Service	2,187,416
Unrestricted	<u>246,444</u>
Total Net Assets	<u>8,831,014</u>
Total liabilities and net assets	<u>\$ 19,780,963</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, 2010**

Statement 6

	<u>Enterprise Funds</u>
<b>OPERATING REVENUES:</b>	
Charges for Services	
Sewer Charges	\$ 1,449,335
Water Charges	1,186,044
Solid Waste	407,216
Connection Fees	1,855
Lease and Rents	27,801
Other revenue	2,412,403
Total Operating Revenues	<u>5,484,654</u>
<b>OPERATING EXPENSES:</b>	
Salaries and Benefits	765,048
Utilities	263,010
Depreciation	608,098
Amortization	6,039
Other Expenses	1,424,640
Total Operating Expenses	<u>3,066,835</u>
Operating Income	<u>2,417,819</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
Interest Income	17,931
Interest expense	(452,449)
Total Nonoperating Revenue (Expenses)	<u>(434,518)</u>
Income Before Contributions and Transfers	1,983,301
Operating transfers in (out)	<u>(4,153)</u>
Net income (Loss)	1,979,148
Net Assets-Beginning of Year - As previously stated	<u>6,851,866</u>
Prior period adjustment	<u>-</u>
Net Assets-Beginning of Year - As restated	6,851,866
Residual Equity Transfers In	1,354
Residual Equity Transfers Out	(1,354)
Net Assets-End of Year	<u>\$ 8,831,014</u>

See accompanying notes to  
the basic financial statements.

**CITY OF CORNING  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
JUNE 30, 2010**

Statement 7

	<u>Enterprise Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers	\$ 2,862,392
Other Operating Cash Receipts	2,455,959
Payments to Suppliers	(1,454,635)
Payments to Employees	<u>(735,821)</u>
Net Cash Provided (Used) by Operating Activities	<u>3,127,895</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Operating transfers from (to) other funds	<u>(4,153)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Interest Paid	(452,449)
Repayment of Certificates of Participation	(189,200)
Loss on disposition of assets	-
Payments for capital acquisitions	<u>(2,424,407)</u>
Net cash (used by) capital and related financing activities	<u>(3,066,056)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Receipts of interest	<u>17,931</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>75,617</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>1,622,715</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ <u>1,698,332</u>
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Net Operating Income (Loss)	\$ 2,417,819
Adjustments to Reconcile Net Income to Net Cash Provided by (Used by) Operating Activities:	
Depreciation	614,137
Decrease (Increase) in Accounts Receivable	(167,223)
Decrease (Increase) in Inventory	(1,382)
Decrease (Increase) in Other Assets	(23,086)
Increase (Decrease) in Accounts Payable	279,127
Increase (Decrease) in Wages Payable	506
Increase (Decrease) in Accrued Compensation	28,721
Increase (Decrease) in Due to Other Funds	(19,561)
Increase (Decrease) in Interest Payable	(2,083)
Increase (Decrease) in Deposits	<u>920</u>
Net cash from (used for) operating activities	\$ <u>3,127,895</u>

See accompanying notes to the  
basic financial statements.

**CITY OF CORNING**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2010**

Statement 8

	<u>Private Purpose Funds</u>
<b><u>ASSETS</u></b>	
Cash and Investments	\$ 312,610
Total Assets	<u>\$ 312,610</u>
<b><u>Net Assets</u></b>	
Held in trust for:	
Scholarships	\$ 27,923
Library Systems	262,864
Theater	<u>21,823</u>
Total Net Assets	<u>312,610</u>
Total Liabilities and Net Assets	<u>\$ 312,610</u>

**CITY OF CORNING**  
**STATEMENT OF CHANGE IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2010**

Statement 9

	<u>Private Purpose Trust</u>
<b><u>Additions:</u></b>	
Interest Income	\$ 6,183
Total Revenues	<u>6,183</u>
<b><u>Deductions:</u></b>	
Scholarships	250
Capital Outlay	-
Other Deductions	<u>900</u>
Total Deductions	<u>1,150</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,033</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>5,033</u>
Net Assets-Beginning of the Year	<u>307,577</u>
Net Assets-End of the Year	<u>\$ 312,610</u>

# CITY OF CORNING

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010

### 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, 2010

**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, 2010

**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, 2010

**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, 2010 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, 2010

**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, 2010

**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**

*Government-wide Statements*

Equity is classified as net assets and displayed in three components:

- a. Investment in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of these assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

*Fund Statements*

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

**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.

(Continued on the following page)

**CITY OF CORNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2010

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

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 No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions** – the statement addresses how governments should account for and report their costs and obligations related to post employment healthcare and other nonpension benefits.

**Post Retirement Benefits:** Employees may be paid for a portion of their unused sick leave upon retirement. In lieu of this payment, the employees have the option of applying a percentage of unused sick leave to either pay for future health insurance costs or to have them used as a "credit" for their PERS policy. The City does not currently pay for employee's post retirement health insurance.

(Continued on the following page)

**CITY OF CORNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2010

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. NEW PRONOUNCEMENTS (Continued)**

GASB Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues – the statement establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues.

The City has elected to take advantage of the “prop 1a securitization program” for the part of the property taxes that the State is withholding.

GASB Statement No. 50, Pensions Disclosures – An Amendment of GASB Statements No. 25 and 27 – this Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits.

**NOTE 2 CASH AND INVESTMENTS**

Cash and investments as of June 30, 2010, are as follows:

	Government-Wide Statement of Net Assets				
	Governmental	Business	Total	Fiduciary	Total
	Activities	Activities		Funds	
Cash and investments	\$ 2,540,393	\$ 1,698,332	\$ 4,238,725	\$ 312,610	\$ 4,551,335
Restricted cash and investments	\$ -	\$ 929,360	\$ 929,360	\$ -	\$ 929,360

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, 2010, the carrying amount of the City’s deposits was \$9,562,511, of which \$2,250,214 was restricted and \$7,312,297 was unrestricted. The bank balance was \$12,188,405. Of the bank balance, \$400,000 was covered by Federal depository insurance, and \$11,788,405 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

(Continued on the following page)

**CITY OF CORNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 2 CASH AND INVESTMENTS (Continued)**

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, 2010, 14.72% of LAIF's investment portfolio was invested in structured notes and other assets-backed securities.

At June 30, 2010, the City's investments and deposits were as follows:

Cash and Investments			
	Fair Value		Total
	Unrestricted	Restricted	
Deposits	\$ 1,630,483	\$ 929,360	\$ 2,559,843
Local Agency Investment Fund	2,920,852	-	2,920,852
Total Cash and Investments	\$ 4,551,335	\$ 929,360	\$ 5,480,695

**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, 2010, 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, 2010.

(Continued on the following page)

**CITY OF CORNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2010

**NOTE 3 CAPITAL ASSETS**

Capital asset activities for the year ended June 30, 2010, was as follows:

	<u>Balance at</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Donations</u> <u>Adjustments/</u> <u>Disposals</u>	<u>Balance at</u> <u>June 30, 2010</u>
<b>Governmental Activities:</b>				
Buildings	\$ 1,328,746	\$ -	\$ -	\$ 1,328,746
Parks	358,919	-	-	358,919
Fire Department	1,245,575	-	-	1,245,575
Police Department	590,101	-	-	590,101
Machinery and Equipment	852,281	160,093	-	1,012,374
Infrastructure	<u>3,666,613</u>	<u>-</u>	<u>-</u>	<u>3,666,613</u>
Total at Historic Cost	<u>8,042,235</u>	<u>\$ 160,093</u>	<u>\$ -</u>	<u>\$ 8,202,328</u>
Less Accumulated Depreciation	<u>2,911,561</u>	<u>\$ 251,369</u>	<u>\$ -</u>	<u>\$ 3,162,930</u>
Governmental Activities Capital Assets, net	<u>\$ 5,130,674</u>			<u>\$ 5,039,398</u>
<b>Business-Type Activities:</b>				
Construction in Progress	\$ 192,679	\$ 2,412,573	\$ -	\$ 2,605,252
Land	838,088	-	-	838,088
Building	27,000	-	-	27,000
Improvements	52,532	-	-	52,532
Machinery and Equipment	497,523	-	-	497,523
Utility Property	<u>21,329,046</u>	<u>-</u>	<u>-</u>	<u>21,329,046</u>
Total at Historical Cost	<u>22,936,868</u>	<u>\$ 2,412,573</u>	<u>\$ -</u>	<u>\$ 25,349,441</u>
Less Accumulated Depreciation	<u>8,246,478</u>	<u>\$ 608,098</u>	<u>\$ -</u>	<u>\$ 8,854,576</u>
Loan Acquisition Costs	<u>136,807</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,807</u>
Less Accumulated Amortization	<u>24,874</u>	<u>\$ 6,217</u>	<u>\$ -</u>	<u>\$ 31,091</u>
Business-Type Capital Assets, net	<u>\$ 14,802,323</u>			<u>\$ 16,600,581</u>

(Continued on the following page)

**CITY OF CORNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2010

**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, 2009	\$ 213,405	\$ 3,874,900	\$ 2,255,000	\$ 4,148,000
Additions	-	-	-	-
Deletions	-	-	-	-
Repayment	(39,421)	(61,200)	(80,000)	(48,000)
Long Term Debt June 30, 2010	<u>\$ 173,984</u>	<u>\$ 3,813,700</u>	<u>\$ 2,175,000</u>	<u>\$ 4,100,000</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
2010-11	\$ 47,308
2011-12	47,308
2012-13	47,308
2013-14	<u>47,308</u>
Total Minimum Lease Payments	189,232
Less: Amounts representing interest	<u>15,248</u>
Present value of future minimum lease payments	<u>\$ 173,984</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.

(Continued on the following page)

**CITY OF CORNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2010

**NOTE 4 CHANGES IN LONG-TERM DEBT (Continued)**

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:

<u>Installment Payment Schedule for Certificates</u>				
<u>Series A Certificates</u>			<u>Series B Certificates</u>	
<u>Principal Amount</u>	<u>Maturity Date (September 1)</u>		<u>Principal Amount</u>	<u>Maturity Date (September 1)</u>
\$ 59,100	2010		\$ 4,800	2010
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
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
\$ <u>3,529,600</u>			\$ <u>284,100</u>	

(Continued on the following page)

**CITY OF CORNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2010

**NOTE 4 CHANGES IN LONG-TERM DEBT (Continued)**

**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.

Installment Payment Schedule for Certificates

	<u>Series A Certificates</u>	
	<u>Principal Amount</u>	<u>Maturity Date (August 15)</u>
\$	80,000	2010
	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
	670,000	2027
\$	<u>2,175,000</u>	

(Continued on the following page)

**CITY OF CORNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2010

**NOTE 4 CHANGES IN LONG-TERM DEBT (Continued)**

**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:

<b>Installment Payment Schedule for Bond</b>			
<u>Series A Bonds</u>		<u>Series B Bonds</u>	
<u>Principal Amount</u>	<u>Maturity Date (September 1)</u>	<u>Principal Amount</u>	<u>Maturity Date (September 1)</u>
\$ 45,000	2010	\$ 5,000	2010
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
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

(Continued on the following page)

**CITY OF CORNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2010

**NOTE 4 CHANGES IN LONG-TERM DEBT (Continued)**

<u>Installment Payment Schedule for Bond (Continued)</u>				
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
<u>193,000</u>	2045	<u>22,000</u>		2045
\$ <u>3,669,000</u>		\$ <u>431,000</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.
- E. Excess of expenditures over appropriations in individual funds for the year ended June 30, 2010 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, 2010 are reflected in a schedule following the individual fund and account group statements beginning at page 91.
- G. Interfund receivable and payable balances at June 30, 2010 are as follows:
- 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. The City uses interfund transfers to supplant the budgets of various funds using general and enterprise surpluses to offset funding shortfalls with Council approval.

(Continued on the following page)

**CITY OF CORNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2010

**NOTE 5 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (Continued)**

<u>Interfund Receivable / Payable - Pooled cash interfund balances</u>		
<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Flood Prevention Fund	\$ -
General Fund	Housing Element Fund	1,520
General Fund	CDBG FY 08/09 Fund	24,273
General Fund	CDBG Program Income Fund	11,894
General Fund	Sewer Enterprise Fund	-
General Fund	Safe Route to Schools Fund	-
General Fund	Airport Fund	168,313
General Fund	Transportation Fund	-
		<u>\$ 206,000</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 2009/09 was 12.758% 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.

**C. ANNUAL PENSION COST**

For fiscal year 2009/09, the City's annual pension cost was \$169,846 and the City actually contributed \$169,846. The required contribution for fiscal year 2009/09 was determined as part of the June 30, 2006 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

(Continued on the following page)

**CITY OF CORNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2010

**NOTE 6 RETIREMENT PROGRAMS - REGULAR EMPLOYEES (Continued)**

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, 2007 was 11 years.

**D. THREE YEAR TREND INFORMATION - (latest Available)**

<u>Fiscal Year</u> <u>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>
06/30/05	\$ 76,404	100.00%	\$ -	\$ 3,438,328
06/30/06	\$ 163,344	100.00%	\$ -	\$ 3,766,808
06/30/07	\$ 174,129	100.00%	\$ -	\$ 4,271,731

**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>
06/30/05	\$ 3,854,828	\$ (416,500)	112.10%	\$ 889,466	-46.8%
06/30/06	\$ 3,702,127	\$ 64,681	98.30%	\$ 839,509	7.7%
06/30/07	\$ 3,773,865	\$ 497,866	88.30%	\$ 957,537	52.0%

\* 6/30/08 and 6/30/09 - Information is not available according to CalPERS Circular 200-050-09 issued on July 9, 2010.

**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

**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 2009/09 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.

(Continued on the following page)

**CITY OF CORNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2010

**NOTE 7 RETIREMENT PROGRAMS - SAFETY EMPLOYEES (Continued)**

**C. ANNUAL PENSION COST**

For fiscal year 2009/09, the City's annual pension cost was \$581,321 and the City actually contributed \$581,321. The required contribution for fiscal year 2009/09 was determined as part of the June 30 2006 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, 2007 was 11 years.

**D. THREE YEAR TREND INFORMATION - CITY'S RETIREMENT PLAN**

<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>
06/30/05	\$ 293,986	100.00%	\$ -	\$ 3,721,547
06/30/06	\$ 318,423	100.00%	\$ -	\$ 4,226,453
06/30/07	\$ 362,612	100.00%	\$ -	\$ 4,954,832

**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>
06/30/05	\$ 2,631,350	\$ 1,090,197	70.7%	\$ 492,401	221.4%
06/30/06	\$ 2,510,528	\$ 1,715,925	59.4%	\$ 685,819	250.2%
06/30/07	\$ 2,578,121	\$ 2,376,711	52.0%	\$ 741,955	320.3%

\* 6/30/08 and 6/30/09 - Information is not available according to CalPERS Circular 200-050-09 issued on July 9, 2010.

**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:

**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.

(Continued on the following page)

**CITY OF CORNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2010

**NOTE 8 JOINT VENTURE (Continued)**

**A. Description of Joint Powers Authority (Continued)**

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 2010. 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, 2010

Assets	<u>\$ 50,850,284</u>
Liabilities	32,576,752
Fund Equity-Reserved for Insurance	
Claims and Losses:	
Co-Participants	18,164,872
City of Corning	<u>108,660</u>
Total Liabilities and Fund Equity	<u>\$ 18,273,532</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, 2010, 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, 2010, are outlined below followed by explanations as to the nature and purpose of each reserve:

<u>Reserve</u>	<u>General Fund</u>	<u>Fiduciary Funds</u>
Reserve for Contingencies	\$ 800,000	\$ -
Reserve for Scholarships		27,923
Reserve for Library Systems		262,864
Reserve for Theater		21,823

(Continued on the following page)

**CITY OF CORNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2010

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

**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.

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.

(Continued on the following page)

**CITY OF CORNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2010

**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	\$ (187,141)	\$ (353,332)
Other accrued liabilities	(391,725)	(268,690)
Certificate of Participation	-	-
Net capital assets	<u>4,335,223</u>	<u>5,039,398</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 3,756,357</u>	<u>\$ 4,417,376</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:

Capital outlay	\$ 160,093
Depreciation	(251,369)
Bond Proceeds	-
Bond Principal Retirement	-
Change in accrued liabilities	(18,902)
Principal payments on capital leases	<u>-</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (110,178)</u>

(Continued on the following page)

**CITY OF CORNING**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2010

**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, 2010

Exhibit A-1

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and Investments	\$ 562,615
Interest Receivable	2,433
Accounts Receivable	15,719
Receivable from Other Governments	7,020
Other Receivable	4,045
Due From Other Funds	<u>318,515</u>
Total Assets	\$ <u>910,347</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 33,564
Accrued Wages/Payroll Taxes	71,512
Deferred Revenue	<u>11,683</u>
Total Liabilities	<u>116,759</u>
<b>FUND BALANCES</b>	
Reserved for:	
Contingencies	800,000
Insurance	-
Unreserved, reported in	<u>(6,412)</u>
General Funds	-
Special Revenues Fund	-
Capital Projects Fund	<u>-</u>
Total Fund Balances	<u>793,588</u>
Total Liabilities and Fund Balances	\$ <u>910,347</u>

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, 2010**

	<u>General Fund</u>
<b>REVENUES:</b>	
Taxes	\$ 3,104,199
Intergovernmental Revenues	252,549
Interest	5,336
Licenses and Permits	158,124
Miscellaneous	171,209
Total Revenues	<u>3,691,417</u>
<b>EXPENDITURES:</b>	
Current:	
General Government:	
City Council	23,730
City Administration	124,652
City Clerk	10,742
City Treasurer	538
City Finance Department	39,347
General Government	355,862
Total General Government	<u>554,871</u>
Public Safety and Judiciary:	
Legal Services	88,580
Police	2,012,446
Police Dispatch	446,965
Animal Control	118,266
Fire	519,090
Total Public Safety and Judiciary	<u>3,185,347</u>
Transportation:	
Streets	232,530
Total Transportation	<u>232,530</u>
Cultural, Parks and Recreation	
Library	13,643
Theater	1,832
Parks and Recreation	238,327
Total Cultural, Parks and Recreation	<u>253,802</u>
Community/Economic Development:	
Economic Development	22,600
Total Community/Economic Development	<u>22,600</u>
Capital Outlay	-
Total Expenditures	<u>4,249,150</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(557,733)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers In	4,153
Transfers Out	(75,280)
Total Other Financing Sources and Uses	<u>(71,127)</u>
Net Change in Fund Balances	(628,860)
<b>Fund Balance-Beginning</b>	<u>1,420,148</u>
As previously stated	
Prior period adjustments	-
Residual Equity Transfers In	2,300
Residual Equity Transfers Out	-
<b>Fund Balance-Ending</b>	<u>\$ 793,588</u>

See accompanying notes to the basic financial statements.

**CITY OF CORNING  
GENERAL FUND**

Exhibit A-3

Comparative Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Budget and Actual  
For the Fiscal Years ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Resources (Inflows):</b>				
<b>Taxes</b>				
Sales and Use Taxes	\$ 1,826,000	1,826,000	\$ 1,598,173	\$ (227,827)
Property Taxes	554,900	554,900	527,583	(27,317)
Franchise Taxes	113,000	113,000	103,817	(9,183)
Vehicle License Fees	575,000	575,000	494,587	(80,413)
Transient Occupancy Tax	270,000	270,000	358,736	88,736
Other Taxes	20,000	20,000	21,303	1,303
Total Taxes	3,358,900	3,358,900	3,104,199	(254,701)
Intergovernmental Revenues	163,100	163,100	252,549	89,449
Interest	10,000	10,000	5,336	(4,664)
Licenses and Permits	99,000	99,000	158,124	59,124
Miscellaneous	92,050	92,050	171,209	79,159
<b>Other Financing Sources:</b>				
Operating Transfers In	-	-	4,153	4,153
Amount Available for Appropriation	3,723,050	3,723,050	3,695,570	(27,480)
<b>Charges to Appropriations (Outflows):</b>				
<b>City Council</b>				
Personnel Services	19,116	19,116	17,282	1,834
Material and Supplies	900	900	852	48
Other Services and Charges	6,000	6,000	5,596	404
Total City Council	26,016	26,016	23,730	2,286
<b>City Administration</b>				
Personnel Services	121,439	121,439	121,594	(155)
Material and Supplies	1,550	1,550	1,315	235
Other Services and Charges	1,000	1,000	1,743	(743)
Total City Administration	123,989	123,989	124,652	(663)
<b>City Clerk</b>				
Personnel Services	4,522	4,522	4,169	353
Material and Supplies	6,000	6,000	6,493	(493)
Other Services and Charges	100	100	80	20
Total City Clerk	10,622	10,622	10,742	(120)
<b>City Treasurer</b>				
Personnel Services	646	646	538	108
Total City Treasurer	646	646	538	108
<b>City Finance Department</b>				
Personnel Services	18,122	18,122	17,835	287
Material and Supplies	21,340	21,340	21,312	28
Other Services and Charges	-	-	200	(200)
Total City Finance Department	39,462	39,462	39,347	115
<b>General Government</b>				
Personnel Services	133,198	133,198	152,313	(19,115)
Material and Supplies	194,240	194,240	204,558	(10,318)
Other Services and Charges	6,100	6,100	(1,009)	7,109
Total General Government	333,538	333,538	355,862	(22,324)
<b>Legal Services</b>				
Personnel Services	60,292	60,292	67,966	(7,674)
Other Services and Charges	14,000	14,000	20,614	(6,614)

(Continued)

See accompanying footnotes to  
the basic financial statements.

**CITY OF CORNING  
GENERAL FUND**

Exhibit A-3  
(Continued)

Comparative Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Budget and Actual  
For the Fiscal Years ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Total Legal Services	74,292	74,292	88,580	(14,288)
Police				
Personnel Services	1,967,199	1,967,199	1,922,265	44,934
Material and Supplies	31,950	31,950	23,584	8,366
Other Services and Charges	61,720	61,720	66,597	(4,877)
Total Police	2,060,869	2,060,869	2,012,446	48,423
Police Dispatch				
Personnel Services	441,802	441,802	396,736	45,066
Material and Supplies	60,200	60,200	48,112	12,088
Other Services and Charges	4,000	4,000	2,117	1,883
Total Police Dispatch	506,002	506,002	446,965	59,037
Animal Control				
Personnel Services	141,068	141,068	104,605	36,463
Material and Supplies	9,800	9,800	10,338	(538)
Other Services and Charges	6,400	6,400	3,323	3,077
Total Animal Control	157,268	157,268	118,266	39,002
Fire				
Personnel Services	422,777	422,777	459,367	(36,590)
Material and Supplies	47,150	47,150	44,504	2,646
Other Services and Charges	15,900	15,900	15,219	681
Total Fire	485,827	485,827	519,090	(33,263)
Streets				
Personnel Services	112,503	112,503	124,619	(12,116)
Material and Supplies	116,250	116,250	101,847	14,403
Other Services and Charges	6,100	6,100	6,064	36
Total Streets	234,853	234,853	232,530	2,323
Library				
Material and Supplies	15,000	15,000	12,977	2,023
Other Services and Charges	800	800	666	134
Total Library	15,800	15,800	13,643	2,157
Theater				
Other Services and Charges	3,150	3,150	1,832	1,318
Total Theater	3,150	3,150	1,832	1,318
Parks and Recreation				
Personnel Services	190,662	190,662	164,747	25,915
Material and Supplies	39,470	39,470	66,107	(26,637)
Other Services and Charges	8,300	8,300	7,473	827
Parks and Recreation	238,432	238,432	238,327	105
Economic Development				
Other Services and Charges	21,350	21,350	22,600	(1,250)
Total Economic Development	21,350	21,350	22,600	(1,250)
Capital Outlay	6,580	6,580	-	6,580
Operating Transfer Out	75,280	75,280	75,280	-
 Total Charges to Appropriations	 4,413,976	 4,413,976	 4,324,430	 89,546
Excess (Deficiency) of Resources Over Appropriations	\$ (690,926)	(690,926)	\$ (628,860)	\$ 62,066

See accompanying footnotes to  
the basic financial statements.

**CITY OF CORNING**  
**SPECIAL REVENUE FUNDS**  
**Combining Balance Sheet**  
**June 30, 2010**

Exhibit B-1

	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)	Subtotal (Carried forward to next page)
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ -	\$ 48,540	\$ 57,068	\$ 28,712	\$ 37,226	\$ 171,546
Intergovernmental Receivable	29,000	-	-	3,522	2,735	35,257
Notes Receivable (C.D.B.G)	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 29,000</b>	<b>\$ 48,540</b>	<b>\$ 57,068</b>	<b>\$ 32,234</b>	<b>\$ 39,961</b>	<b>\$ 206,803</b>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ 2,933	\$ -	\$ -	\$ 67	\$ -	\$ 3,000
Accrued Wages/Payroll Taxes	417	-	-	528	451	1,396
Due to Other Funds	2,810	-	-	-	-	2,810
Deferred Revenue	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>6,160</b>	<b>-</b>	<b>-</b>	<b>595</b>	<b>451</b>	<b>7,206</b>
<b>Fund Balances (Deficit):</b>						
Unreserved, undesignated	22,840	48,540	57,068	31,639	39,510	199,597
<b>Total Fund Balance (Deficit)</b>	<b>22,840</b>	<b>48,540</b>	<b>57,068</b>	<b>31,639</b>	<b>39,510</b>	<b>199,597</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 29,000</b>	<b>\$ 48,540</b>	<b>\$ 57,068</b>	<b>\$ 32,234</b>	<b>\$ 39,961</b>	<b>\$ 206,803</b>

(Continued)  
See accompanying notes to  
the basic financial statements.

**CITY OF CORNING**  
**SPECIAL REVENUE FUNDS**  
Combining Balance Sheet  
June 30, 2010

Exhibit B-1  
(Continued)

	Subtotal (Brought forward)	Special Gas Tax Improvement #2107 Fund (Fund 111)	Special Gas Tax Improvement #2107.5 Fund (Fund 112)	Local Transportation Fund (Fund 114)	Traffic Congestion Fund (Fund 115)	Traffic Mitigation Fund (Fund 116)	Subtotal (Carried forward to next page)
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 171,546	\$ 125,628	\$ 794	\$ 87,884	\$ 57,137	\$ 448,705	\$ 891,694
Intergovernmental Receivable	35,257	4,747	-	-	18,554	-	58,558
Notes Receivable (C.D.B.G)	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 206,803</b>	<b>\$ 130,375</b>	<b>\$ 794</b>	<b>\$ 87,884</b>	<b>\$ 75,691</b>	<b>\$ 448,705</b>	<b>\$ 950,252</b>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 3,000	\$ -	\$ 339	\$ 154	\$ -	\$ 4,147	\$ 7,640
Accrued Wages/Payroll Taxes	1,396	-	-	-	-	-	1,396
Due to Other Funds	2,810	-	-	-	-	-	2,810
Deferred Revenue	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 7,206</b>	<b>\$ -</b>	<b>\$ 339</b>	<b>\$ 154</b>	<b>\$ -</b>	<b>\$ 4,147</b>	<b>\$ 11,846</b>
<b>Fund Balances (Deficit):</b>							
Unreserved, undesignated	199,597	130,375	455	87,730	75,691	444,558	938,406
<b>Total Fund Balance (Deficit)</b>	<b>\$ 199,597</b>	<b>\$ 130,375</b>	<b>\$ 455</b>	<b>\$ 87,730</b>	<b>\$ 75,691</b>	<b>\$ 444,558</b>	<b>\$ 938,406</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 206,803</b>	<b>\$ 130,375</b>	<b>\$ 794</b>	<b>\$ 87,884</b>	<b>\$ 75,691</b>	<b>\$ 448,705</b>	<b>\$ 950,252</b>

(Continued)

See accompanying notes to  
the basic financial statements.

**CITY OF CORNING  
SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2010**

Exhibit B-1  
(Continued)

	<u>Subtotal (Brought forward)</u>	<u>Lolita Lighting Fund (Fund 117)</u>	<u>Rogers Theater Restoration (Fund 130)</u>	<u>Planning Environmental Rev. (Fund 150)</u>	<u>OTS 2 Fund (Fund 164)</u>	<u>Abandoned Vehicles Fund (Fund 170)</u>	<u>Subtotal (Carried forward to next page)</u>
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 891,694	\$ 10,109	\$ 6,163	\$ 12,990	\$ 13,920	\$ 35,005	\$ 969,881
Intergovernmental Receivable	58,558	-	-	-	-	16,708	75,266
Notes Receivable (C.D.B.G)	-	-	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 950,252</u>	<u>\$ 10,109</u>	<u>\$ 6,163</u>	<u>\$ 12,990</u>	<u>\$ 13,920</u>	<u>\$ 51,713</u>	<u>\$ 1,045,147</u>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 7,640	\$ -	\$ -	\$ -	\$ 1,440	\$ -	\$ 9,080
Accrued Wages/Payroll Taxes	1,396	-	-	-	-	-	1,396
Due to Other Funds	2,810	-	-	-	-	-	2,810
Deferred Revenue	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<u>11,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,440</u>	<u>-</u>	<u>13,286</u>
<b>Fund Balances (Deficit):</b>							
Unreserved, undesignated	<u>938,406</u>	<u>10,109</u>	<u>6,163</u>	<u>12,990</u>	<u>12,480</u>	<u>51,713</u>	<u>1,031,861</u>
<b>Total Fund Balance (Deficit)</b>	<u>938,406</u>	<u>10,109</u>	<u>6,163</u>	<u>12,990</u>	<u>12,480</u>	<u>51,713</u>	<u>1,031,861</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 950,252</u>	<u>\$ 10,109</u>	<u>\$ 6,163</u>	<u>\$ 12,990</u>	<u>\$ 13,920</u>	<u>\$ 51,713</u>	<u>\$ 1,045,147</u>

(Continued)

See accompanying notes to  
the basic financial statements.

**CITY OF CORNING  
SPECIAL REVENUE FUNDS**

Combining Balance Sheet  
June 30, 2010

Exhibit B-1  
(Continued)

	Subtotal (Brought forward)	SAFE Grant Fund (Fund 188)	GIS Planning Grant (Fund 304)	Housing Element Fund (Fund 308)	SALDO HOME Fund (Fund 321)	08/09 CDBG Fund (Fund 322)	Subtotal (Carried forward to next page)
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 969,881	\$ 7,280	\$ -	\$ -	\$ -	\$ -	\$ 977,161
Intergovernmental Receivable	75,266	-	-	-	-	-	75,266
Notes Receivable (C.D.B.G)	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,045,147</b>	<b>\$ 7,280</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,052,427</b>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 9,080	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,080
Accrued Wages/Payroll Taxes	1,396	-	-	-	-	-	1,396
Due to Other Funds	2,810	-	-	1,520	-	24,273	28,603
Deferred Revenue	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>13,286</b>	<b>-</b>	<b>-</b>	<b>1,520</b>	<b>-</b>	<b>24,273</b>	<b>39,079</b>
<b>Fund Balances (Deficit):</b>							
Unreserved, undesignated	1,031,861	7,280	-	(1,520)	-	(24,273)	1,013,348
<b>Total Fund Balance (Deficit)</b>	<b>1,031,861</b>	<b>7,280</b>	<b>-</b>	<b>(1,520)</b>	<b>-</b>	<b>(24,273)</b>	<b>1,013,348</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,045,147</b>	<b>\$ 7,280</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,052,427</b>

(Continued)

See accompanying notes to  
the basic financial statements.

**CITY OF CORNING**  
**SPECIAL REVENUE FUNDS**  
**Combining Balance Sheet**  
**June 30, 2010**

Exhibit B-1  
(Continued)

	Subtotal (Brought forward)	CDBG Program Inc. Unrestricted (Fund 323, 820)	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)	Subtotal (Carried forward to next page)
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 977,161	\$ 7,014	\$ 26,962	\$ 68,433	\$ 118,022	\$ 4,668	\$ 1,202,260
Intergovernmental Receivable	75,266	-	-	-	-	-	75,266
Notes Receivable (C.D.B.G)	-	131,040	-	195,391	266,967	-	593,398
<b>Total Assets</b>	<b>\$ 1,052,427</b>	<b>\$ 138,054</b>	<b>\$ 26,962</b>	<b>\$ 263,824</b>	<b>\$ 384,989</b>	<b>\$ 4,668</b>	<b>\$ 1,870,924</b>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Accounts Payable	\$ 9,080	\$ -	\$ -	\$ 32	\$ -	\$ -	\$ 9,112
Accrued Wages/Payroll Taxes	1,396	-	-	-	-	-	1,396
Due to Other Funds	28,603	11,894	-	-	-	-	40,497
Deferred Revenue	-	131,040	-	195,391	266,967	-	593,398
<b>Total Liabilities</b>	<b>39,079</b>	<b>142,934</b>	<b>-</b>	<b>195,423</b>	<b>266,967</b>	<b>-</b>	<b>644,403</b>
Fund Balances (Deficit):							
Unreserved, undesignated	1,013,348	(4,880)	26,962	68,401	118,022	4,668	1,226,521
<b>Total Fund Balance (Deficit)</b>	<b>1,013,348</b>	<b>(4,880)</b>	<b>26,962</b>	<b>68,401</b>	<b>118,022</b>	<b>4,668</b>	<b>1,226,521</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,052,427</b>	<b>\$ 138,054</b>	<b>\$ 26,962</b>	<b>\$ 263,824</b>	<b>\$ 384,989</b>	<b>\$ 4,668</b>	<b>\$ 1,870,924</b>

(Continued)

See accompanying notes to  
the basic financial statements.

**CITY OF CORNING**  
**SPECIAL REVENUE FUNDS**  
 Combining Balance Sheet  
 June 30, 2010

Exhibit B-1  
 (Continued)

	Subtotal (Brought forward)	Housing Rehabilitation RLF Fund (Fund 328)	New Construction Grant RLF (Fund 329)	SALADO Wall Fund (Fund 344)	Drainage Fund (Fund 345)	Yost Field Fund (Fund 352)	Total
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 1,202,260	\$ 4,668	\$ 153	\$ 91,044	\$ 116,928	\$ 3,793	\$ 1,418,846
Intergovernmental Receivable	75,266	-	-	-	-	-	75,266
Notes Receivable (C.D.B.G)	593,398	-	-	-	-	-	593,398
<b>Total Assets</b>	<b>\$ 1,870,924</b>	<b>\$ 4,668</b>	<b>\$ 153</b>	<b>\$ 91,044</b>	<b>\$ 116,928</b>	<b>\$ 3,793</b>	<b>\$ 2,087,510</b>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 9,112	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,112
Accrued Wages/Payroll Taxes	1,396	-	-	-	-	-	1,396
Due to Other Funds	40,497	-	-	-	-	-	40,497
Deferred Revenue	593,398	-	-	-	-	-	593,398
<b>Total Liabilities</b>	<b>644,403</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>644,403</b>
<b>Fund Balances (Deficit):</b>							
Unreserved, undesignated	1,226,521	4,668	153	91,044	116,928	3,793	1,443,107
<b>Total Fund Balance (Deficit)</b>	<b>1,226,521</b>	<b>4,668</b>	<b>153</b>	<b>91,044</b>	<b>116,928</b>	<b>3,793</b>	<b>1,443,107</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,870,924</b>	<b>\$ 4,668</b>	<b>\$ 153</b>	<b>\$ 91,044</b>	<b>\$ 116,928</b>	<b>\$ 3,793</b>	<b>\$ 2,087,510</b>

(Continued)

See accompanying notes to  
 the basic financial statements.

**CITY OF CORNING**  
**SPECIAL REVENUE FUNDS**  
 Combining Balance Sheet  
 June 30, 2010

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 &amp; Landscape Fund (Fund 701)</u>	<u>Lighting &amp; Landscape Fund (Fund 703)</u>	<u>Lighting &amp; Landscape Fund (Fund 704)</u>	<u>Total</u>
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 1,418,846	\$ 5,796	\$ 236	\$ 377	\$ 8,535	\$ 4,677	\$ 1,438,467
Intergovernmental Receivable	75,266	-	-	-	-	-	75,266
Notes Receivable (C.D.B.G)	<u>593,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>593,398</u>
Total Assets	\$ <u>2,087,510</u>	\$ <u>5,796</u>	\$ <u>236</u>	\$ <u>377</u>	\$ <u>8,535</u>	\$ <u>4,677</u>	\$ <u>2,107,131</u>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 9,112	\$ -	\$ -	\$ 45	\$ -	\$ -	\$ 9,157
Accrued Wages/Payroll Taxes	1,396	-	-	-	-	-	1,396
Due to Other Funds	40,497	-	-	-	-	-	40,497
Deferred Revenue	<u>593,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>593,398</u>
Total Liabilities	<u>644,403</u>	<u>-</u>	<u>-</u>	<u>45</u>	<u>-</u>	<u>-</u>	<u>644,448</u>
<b>Fund Balances (Deficit):</b>							
Unreserved, undesignated	<u>1,443,107</u>	<u>5,796</u>	<u>236</u>	<u>332</u>	<u>8,535</u>	<u>4,677</u>	<u>1,462,683</u>
Total Fund Balance (Deficit)	<u>1,443,107</u>	<u>5,796</u>	<u>236</u>	<u>332</u>	<u>8,535</u>	<u>4,677</u>	<u>1,462,683</u>
Total Liabilities and Fund Balances	\$ <u>2,087,510</u>	\$ <u>5,796</u>	\$ <u>236</u>	\$ <u>377</u>	\$ <u>8,535</u>	\$ <u>4,677</u>	\$ <u>2,107,131</u>

See accompanying notes to  
 the basic financial statements.

**CITY OF CORNING  
SPECIAL REVENUE FUNDS**

Exhibit B-2

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance  
Year Ended June 30, 2010

	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)	Subtotal (Carried forward to next page)
<b>REVENUES:</b>						
Intergovernmental Revenues	\$ 29,000	\$ -	\$ -	\$ 40,334	\$ 31,867	\$ 101,201
Interest	104	479	547	233	300	1,663
Other Revenues	-	-	-	-	-	-
Total revenues	<u>29,104</u>	<u>479</u>	<u>547</u>	<u>40,567</u>	<u>32,167</u>	<u>102,864</u>
<b>EXPENDITURES:</b>						
Current:						
General Government:						
General Government	25,001	-	-	339	-	25,340
Total General Government	<u>25,001</u>	<u>-</u>	<u>-</u>	<u>339</u>	<u>-</u>	<u>25,340</u>
Public Safety and Judiciary:						
Police	-	-	-	-	-	-
Total Public Safety and Judiciary	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transportation:						
Streets	-	-	-	49,727	30,956	80,683
Total Transportation	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,727</u>	<u>30,956</u>	<u>80,683</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:						
Economic Development	-	-	-	-	-	-
Total Community/Economic Development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay	-	4,068	6,010	-	-	10,078
Total Expenditures	<u>25,001</u>	<u>4,068</u>	<u>6,010</u>	<u>50,066</u>	<u>30,956</u>	<u>116,101</u>
Excess (Deficiency) of Revenues Over Expenditures	4,103	(3,589)	(5,463)	(9,499)	1,211	(13,237)
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	4,103	(3,589)	(5,463)	(9,499)	1,211	(13,237)
Fund Balances-Beginning of Year	18,737	52,129	62,531	41,138	38,299	212,834
Residual Equity Transfers In / Out	-	-	-	-	-	-
Fund Balances-Ending of Year	<u>\$ 22,840</u>	<u>\$ 48,540</u>	<u>\$ 57,068</u>	<u>\$ 31,639</u>	<u>\$ 39,510</u>	<u>\$ 199,597</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, 2010

Exhibit B-2  
(Continued)

	Subtotal (Brought forward)	Special Gas Tax Improvement #2106 Fund (Fund 111)	Special Gas Tax Improvement #2107.5 Fund (Fund 112)	Local Transportation Fund (Fund 114)	Traffic Congestion Fund (Fund 115)	Traffic Mitigation Fund (Fund 116)	Subtotal (Carried forward to next page)
<b>REVENUES:</b>							
Intergovernmental Revenues	\$ 101,201	\$ 53,757	\$ 2,000	\$ 58,850	\$ 66,915	\$ 47,451	\$ 330,174
Interest	1,663	727	8	570	184	4,140	7,292
Other Revenues	-	-	-	-	-	-	-
Total revenues	<u>102,864</u>	<u>54,484</u>	<u>2,008</u>	<u>59,420</u>	<u>67,099</u>	<u>51,591</u>	<u>337,466</u>
<b>EXPENDITURES:</b>							
Current:							
General Government:							
General Government	25,340	-	-	2,211	-	-	27,551
Total General Government	<u>25,340</u>	<u>-</u>	<u>-</u>	<u>2,211</u>	<u>-</u>	<u>-</u>	<u>27,551</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	80,683	30,612	1,584	51,030	14,933	8,608	187,450
Total Transportation	<u>80,683</u>	<u>30,612</u>	<u>1,584</u>	<u>51,030</u>	<u>14,933</u>	<u>8,608</u>	<u>187,450</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	10,078	-	-	-	-	21,640	31,718
Total Expenditures	<u>116,101</u>	<u>30,612</u>	<u>1,584</u>	<u>53,241</u>	<u>14,933</u>	<u>30,248</u>	<u>246,719</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(13,237)</u>	<u>23,872</u>	<u>424</u>	<u>6,179</u>	<u>52,166</u>	<u>21,343</u>	<u>90,747</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>(13,237)</u>	<u>23,872</u>	<u>424</u>	<u>6,179</u>	<u>52,166</u>	<u>21,343</u>	<u>90,747</u>
Fund Balances-Beginning of Year	<u>212,834</u>	<u>106,503</u>	<u>31</u>	<u>81,551</u>	<u>23,525</u>	<u>423,215</u>	<u>847,659</u>
Residual Equity Transfers In / Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances-Ending of Year	\$ <u>199,597</u>	\$ <u>130,375</u>	\$ <u>455</u>	\$ <u>87,730</u>	\$ <u>75,691</u>	\$ <u>444,558</u>	\$ <u>938,406</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, 2010

Exhibit B-2  
(Continued)

	Subtotal (Brought forward)	Loleta Lighting Fund (Fund 117)	Rogers Theater Restoration (Fund 130)	Planning Environmental Rev. (Fund 150)	OTS 2 Fund (Fund 164)	Abandoned Vehicles Fund (Fund 170)	Subtotal (Carried forward to next page)
<b>REVENUES:</b>							
Intergovernmental Revenues	\$ 330,174	\$ -	\$ -	\$ -	\$ 28,508	\$ 20,140	\$ 378,822
Interest	7,292	94	6	121	39	307	7,859
Other Revenues	-	-	6,157	-	-	-	6,157
Total revenues	<u>337,466</u>	<u>94</u>	<u>6,163</u>	<u>121</u>	<u>28,547</u>	<u>20,447</u>	<u>392,838</u>
<b>EXPENDITURES:</b>							
Current:							
General Government:							
General Government	27,551	-	-	-	-	-	27,551
Total General Government	<u>27,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,551</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	187,450	-	-	-	17,155	-	204,605
Total Transportation	<u>187,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,155</u>	<u>-</u>	<u>204,605</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	31,718	-	-	-	-	-	31,718
Total Expenditures	<u>246,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,155</u>	<u>-</u>	<u>263,874</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>90,747</u>	<u>94</u>	<u>6,163</u>	<u>121</u>	<u>11,392</u>	<u>20,447</u>	<u>128,964</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	90,747	94	6,163	121	11,392	20,447	128,964
Fund Balances-Beginning of Year	847,659	10,015	-	12,869	1,088	31,266	902,897
Residual Equity Transfers In / Out	-	-	-	-	-	-	-
Fund Balances-Ending of Year	<u>\$ 938,406</u>	<u>\$ 10,109</u>	<u>\$ 6,163</u>	<u>\$ 12,990</u>	<u>\$ 12,480</u>	<u>\$ 51,713</u>	<u>\$ 1,031,861</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, 2010

Exhibit B-2  
(Continued)

	Subtotal (Brought forward)	SAFE Grant Fund (Fund 188)	GIS Planning Grant (Fund 304)	Housing Element Fund (Fund 308)	SALDO HOME Fund (Fund 321)	08/09 CDBG Fund (Fund 322)	Subtotal (Carried forward to next page)
<b>REVENUES:</b>							
Intergovernmental Revenues	\$ 378,822	\$ 10,299	\$ 5,562	31,127	\$ 2,390	\$ -	\$ 428,200
Interest	7,859	40	10	-	-	51	7,960
Other Revenues	6,157	-	-	-	-	-	6,157
Total revenues	<u>392,838</u>	<u>10,339</u>	<u>5,572</u>	<u>31,127</u>	<u>2,390</u>	<u>51</u>	<u>442,317</u>
<b>EXPENDITURES:</b>							
Current:							
General Government:							
General Government	27,551	-	-	-	2,356	-	29,907
Total General Government	<u>27,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,356</u>	<u>-</u>	<u>29,907</u>
Public Safety and Judiciary:							
Police	-	3,638	-	-	-	-	3,638
Total Public Safety and Judiciary	<u>-</u>	<u>3,638</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,638</u>
Transportation:							
Streets	204,605	-	-	-	-	-	204,605
Total Transportation	<u>204,605</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>204,605</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	-	-	-	26,890	-	126	27,016
Total Community/Economic Development	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,890</u>	<u>-</u>	<u>126</u>	<u>27,016</u>
Capital Outlay	31,718	-	-	-	-	-	31,718
Total Expenditures	<u>263,874</u>	<u>3,638</u>	<u>-</u>	<u>26,890</u>	<u>2,356</u>	<u>126</u>	<u>296,884</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>128,964</u>	<u>6,701</u>	<u>5,572</u>	<u>4,237</u>	<u>34</u>	<u>(75)</u>	<u>145,433</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	128,964	6,701	5,572	4,237	34	(75)	145,433
Fund Balances-Beginning of Year	902,897	579	-	(5,757)	-	(24,198)	873,521
Residual Equity Transfers In / Out	-	-	(5,572)	-	(34)	-	(5,606)
Fund Balances-Ending of Year	\$ <u>1,031,861</u>	\$ <u>7,280</u>	\$ <u>-</u>	\$ <u>(1,520)</u>	\$ <u>-</u>	\$ <u>(24,273)</u>	\$ <u>1,013,348</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, 2010

Exhibit B-2  
(Continued)

	Subtotal (Brought forward)	CDBG Program Inc. Unrestricted (Fund 323, 820)	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)	Subtotal (Carried forward to next page)
<b>REVENUES:</b>							
Intergovernmental Revenues	\$ 428,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 428,200
Interest	7,960	117	281	620	992	29	9,999
Other Revenues	6,157	1,480	-	3,454	52,768	-	63,859
Total revenues	442,317	1,597	281	4,074	53,760	29	502,058
<b>EXPENDITURES:</b>							
Current:							
General Government:							
General Government	29,907	-	-	-	-	-	29,907
Total General Government	29,907	-	-	-	-	-	29,907
Public Safety and Judiciary:							
Police	3,638	-	-	-	-	-	3,638
Total Public Safety and Judiciary	3,638	-	-	-	-	-	3,638
Transportation:							
Streets	204,605	-	-	-	-	-	204,605
Total Transportation	204,605	-	-	-	-	-	204,605
Cultural, Parks and Recreation:							
Parks and Recreation	-	-	-	-	-	-	-
Total Cultural, Parks and Recreation	-	-	-	-	-	-	-
Community/Economic Development:							
Economic Development	27,016	-	-	-	2,130	-	29,146
Total Community/Economic Development	27,016	-	-	-	2,130	-	29,146
Capital Outlay	31,718	-	-	-	-	-	31,718
Total Expenditures	296,884	-	-	-	2,130	-	299,014
Excess (Deficiency) of Revenues Over Expenditures	145,433	1,597	281	4,074	51,630	29	203,044
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-	-	-	-
Net Change in Fund Balances	145,433	1,597	281	4,074	51,630	29	203,044
Fund Balances-Beginning of Year	873,521	(6,477)	35,760	64,478	66,591	-	1,033,873
Residual Equity Transfers In / Out	(5,606)	-	(9,079)	(151)	(199)	4,639	(10,396)
Fund Balances-Ending of Year	\$ 1,013,348	\$ (4,880)	\$ 26,962	\$ 68,401	\$ 118,022	\$ 4,668	\$ 1,226,521

(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, 2010

Exhibit B-2  
(Continued)

	Subtotal (Brought forward)	Housing Rehabilitation RLF Fund (Fund 328)	New Construction Grant RLF (Fund 329)	SALADO Wall Fund (Fund 344)	Drainage Fund (Fund 345)	Yost Field Fund (Fund 352)	Total
<b>REVENUES:</b>							
Intergovernmental Revenues	\$ 428,200	\$ -	\$ -	\$ -	\$ 8,827	\$ -	\$ 437,027
Interest	9,999	29	1	848	1,103	29	12,009
Other Revenues	63,859	-	-	-	-	870	64,729
Total revenues	502,058	29	1	848	9,930	899	513,765
<b>EXPENDITURES:</b>							
Current:							
General Government:							
General Government	29,907	-	-	-	-	-	29,907
Total General Government	29,907	-	-	-	-	-	29,907
Public Safety and Judiciary:							
Police	3,638	-	-	-	-	-	3,638
Total Public Safety and Judiciary	3,638	-	-	-	-	-	3,638
Transportation:							
Streets	204,605	-	-	-	21,091	-	225,696
Total Transportation	204,605	-	-	-	21,091	-	225,696
Cultural, Parks and Recreation							
Parks and Recreation	-	-	-	-	-	-	-
Total Cultural, Parks and Recreation	-	-	-	-	-	-	-
Community/Economic Development:							
Economic Development	29,146	-	-	-	-	-	29,146
Total Community/Economic Development	29,146	-	-	-	-	-	29,146
Capital Outlay	31,718	-	-	-	-	-	31,718
Total Expenditures	299,014	-	-	-	21,091	-	320,105
Excess (Deficiency) of Revenues Over Expenditures	203,044	29	1	848	(11,161)	899	193,660
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-	-	-	-
Net Change in Fund Balances	203,044	29	1	848	(11,161)	899	193,660
Fund Balances-Beginning of Year	1,033,873	-	-	90,196	128,089	2,894	1,255,052
Residual Equity Transfers In / Out	(10,396)	4,639	152	-	-	-	(5,605)
Fund Balances-Ending of Year	\$ 1,226,521	\$ 4,668	\$ 153	\$ 91,044	\$ 116,928	\$ 3,793	\$ 1,443,107

(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, 2010

Exhibit B-2  
(Continued)

	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
<b>REVENUES:</b>							
Intergovernmental Revenues	\$ 437,027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 437,027
Interest	12,009	54	2	1	62	32	12,160
Other Revenues	64,729	-	-	919	4,263	4,773	74,684
Total revenues	<u>513,765</u>	<u>54</u>	<u>2</u>	<u>920</u>	<u>4,325</u>	<u>4,805</u>	<u>523,871</u>
<b>EXPENDITURES:</b>							
Current:							
General Government:							
General Government	29,907	-	-	-	-	-	29,907
Total General Government	<u>29,907</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,907</u>
Public Safety and Judiciary:							
Police	3,638	-	-	-	-	-	3,638
Total Public Safety and Judiciary	<u>3,638</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,638</u>
Transportation:							
Streets	225,696	-	-	697	1,350	3,433	231,176
Total Transportation	<u>225,696</u>	<u>-</u>	<u>-</u>	<u>697</u>	<u>1,350</u>	<u>3,433</u>	<u>231,176</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	29,146	-	-	-	-	-	29,146
Total Community/Economic Development	<u>29,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,146</u>
Capital Outlay	31,718	-	-	-	-	-	31,718
Total Expenditures	<u>320,105</u>	<u>-</u>	<u>-</u>	<u>697</u>	<u>1,350</u>	<u>3,433</u>	<u>325,585</u>
Excess (Deficiency) of Revenues Over Expenditures	193,660	54	2	223	2,975	1,372	198,286
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	193,660	54	2	223	2,975	1,372	198,286
Fund Balances-Beginning of Year	1,255,052	5,742	234	109	5,560	-	1,266,697
Residual Equity Transfers In / Out	(5,605)	-	-	-	-	3,305	(2,300)
Fund Balances-Ending of Year	\$ <u>1,443,107</u>	\$ <u>5,796</u>	\$ <u>236</u>	\$ <u>332</u>	\$ <u>8,535</u>	\$ <u>4,677</u>	\$ <u>1,462,683</u>

(Continued)

See accompanying notes to  
the basic financial statements.

**CITY OF CORNING  
SPECIAL REVENUE FUNDS**

Exhibit B-3

Combining Statement of Revenues, Expenditures,  
and Changes in FUND BALANCE (DEFICIT) - Budget and Actual  
Year Ended June 30, 2010

	Rural Planning Fund (Fund 105)			STIP Projects Fund (Fund 107)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Intergovernmental Revenues	\$ 31,000	\$ 29,000	\$ (2,000)	\$ -	\$ -	\$ -
Interest	-	104	104	1,152	479	(673)
Other Revenues	-	-	-	-	-	-
Total revenues	31,000	29,104	(1,896)	1,152	479	(673)
<b>EXPENDITURES:</b>						
<b>Current:</b>						
General Government:						
General Government	30,871	25,001	5,870	-	-	-
Total General Government	30,871	25,001	5,870	-	-	-
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	-	-	-	4,100	4,068	32
Total Expenditures	30,871	25,001	5,870	4,100	4,068	32
Excess of Revenues Over (Under) Expenditures	129	4,103	3,974	(2,948)	(3,589)	(641)
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating Transfers In	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 129	4,103	\$ 3,974	\$ (2,948)	(3,589)	\$ (641)
<b>FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR</b>		18,737			52,129	
Residual Equity Transfers In / Out		-			-	
<b>FUND BALANCE (DEFICIT), AT END OF YEAR</b>		\$ 22,840			\$ 48,540	

(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, 2010

Exhibit B-3  
(Continued)

	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)
<b>REVENUES:</b>									
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ 42,600	\$ 40,334	\$ (2,266)	\$ 32,000	\$ 31,867	\$ (133)
Interest	500	547	47	500	233	(267)	700	300	(400)
Other Revenues	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>500</b>	<b>547</b>	<b>47</b>	<b>43,100</b>	<b>40,567</b>	<b>(2,533)</b>	<b>32,700</b>	<b>32,167</b>	<b>(533)</b>
<b>EXPENDITURES:</b>									
<b>Current:</b>									
<b>General Government:</b>									
General Government	-	-	-	494	339	155	-	-	-
Total General Government	-	-	-	494	339	155	-	-	-
<b>Public Safety and Judiciary:</b>									
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
<b>Transportation:</b>									
Streets	-	-	-	61,040	49,727	11,313	51,932	30,956	20,976
Total Transportation	-	-	-	61,040	49,727	11,313	51,932	30,956	20,976
<b>Community/Economic Development:</b>									
Economic Development	-	-	-	-	-	-	-	-	-
Total Community/Economic Development	-	-	-	-	-	-	-	-	-
Capital Outlay	6,100	6,010	90	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>6,100</b>	<b>6,010</b>	<b>90</b>	<b>61,534</b>	<b>50,066</b>	<b>11,468</b>	<b>51,932</b>	<b>30,956</b>	<b>20,976</b>
Excess of Revenues Over (Under) Expenditures	(5,600)	(5,463)	137	(18,434)	(9,499)	8,935	(19,232)	1,211	20,443
<b>OTHER FINANCING SOURCES (USES):</b>									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (5,600)	\$ (5,463)	\$ 137	\$ (18,434)	\$ (9,499)	\$ 8,935	\$ (19,232)	\$ 1,211	\$ 20,443
<b>FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR</b>		62,531			41,138			38,299	
Residual Equity Transfers In / Out		-			-			-	
<b>FUND BALANCE (DEFICIT), AT END OF YEAR</b>	<b>\$</b>	<b>57,068</b>		<b>\$</b>	<b>31,639</b>		<b>\$</b>	<b>39,510</b>	

(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, 2010

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)
<b>REVENUES:</b>									
Intergovernmental Revenues	\$ 57,000	\$ 53,757	\$ (3,243)	\$ 2,000	\$ 2,000	\$ -	\$ 63,000	\$ 58,850	\$ (4,150)
Interest	600	727	127	200	-	(192)	1,000	570	(430)
Other Revenues	-	-	-	-	-	-	-	-	-
Total revenues	57,600	54,484	(3,116)	2,200	2,008	(192)	64,000	59,420	(4,580)
<b>EXPENDITURES:</b>									
Current:									
General Government:									
General Government	-	-	-	-	-	-	-	2,211	(2,211)
Total General Government	-	-	-	-	-	-	-	2,211	(2,211)
Public Safety and Judiciary:									
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
Transportation:									
Streets	127,693	30,612	97,081	2,200	1,584	616	79,500	51,030	28,470
Total Transportation	127,693	30,612	97,081	2,200	1,584	616	79,500	51,030	28,470
Community/Economic Development:									
Economic Development	-	-	-	-	-	-	-	-	-
Total Community/Economic Development	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	127,693	30,612	97,081	2,200	1,584	616	79,500	53,241	26,259
Excess of Revenues Over (Under) Expenditures	(70,093)	23,872	93,965	-	424	424	(15,500)	6,179	21,679
<b>OTHER FINANCING SOURCES (USES):</b>									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (70,093)	23,872	\$ 93,965	\$ -	424	\$ 424	\$ (15,500)	6,179	\$ 21,679
<b>FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR</b>		106,503			31			81,551	
Residual Equity Transfers In / Out		-			-			-	
<b>FUND BALANCE (DEFICIT), AT END OF YEAR</b>		\$ 130,375			\$ 455			\$ 87,730	

(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, 2010

Exhibit B-3  
(Continued)

	Traffic Congestion Fund (Fund 115)			Traffic Mitigation Fund (Fund 116)			Safe Route to School Fund (Fund 118)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>									
Intergovernmental Revenues	\$ 68,350	\$ 66,915	\$ (1,435)	\$ 67,000	\$ 47,451	\$ (19,549)	\$ -	\$ -	\$ -
Interest	500	184	(316)	10,000	4,140	(5,860)	-	6	6
Other Revenues	-	-	-	-	-	-	-	6,157	6,157
<b>Total revenues</b>	<b>68,850</b>	<b>67,099</b>	<b>(1,751)</b>	<b>77,000</b>	<b>51,591</b>	<b>(25,409)</b>	<b>-</b>	<b>6,163</b>	<b>6,163</b>
<b>EXPENDITURES:</b>									
<b>Current:</b>									
<b>General Government:</b>									
General Government	-	-	-	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-	-	-	-
<b>Public Safety and Judiciary:</b>									
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
<b>Transportation:</b>									
Streets	19,200	14,933	4,267	5,101	8,608	(3,507)	-	-	-
Total Transportation	19,200	14,933	4,267	5,101	8,608	(3,507)	-	-	-
<b>Community/Economic Development:</b>									
Economic Development	-	-	-	-	-	-	-	-	-
Total Community/Economic Development	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	250,000	21,640	228,360	-	-	-
<b>Total Expenditures</b>	<b>19,200</b>	<b>14,933</b>	<b>4,267</b>	<b>255,101</b>	<b>30,248</b>	<b>224,853</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of Revenues Over (Under) Expenditures	49,650	\$2,166	2,516	(178,101)	21,343	199,444	-	6,163	6,163
<b>OTHER FINANCING SOURCES (USES):</b>									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 49,650	\$2,166	\$ 2,516	\$ (178,101)	\$ 21,343	\$ 199,444	\$ -	\$ 6,163	\$ 6,163
<b>FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR</b>		25,525			423,215			-	
Residual Equity Transfers In / Out		-			-			-	
<b>FUND BALANCE (DEFICIT), AT END OF YEAR</b>		<b>\$ 75,691</b>			<b>\$ 444,558</b>			<b>\$ 6,163</b>	

(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, 2010**

**Exhibit B-3  
(Continued)**

	Rogers Theater Restoration Fund (Fund 130)			Business Improvement District Fund (Fund 142)			Planning Environmental Rev. Fund (Fund 150)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>									
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	6	6	-	94	94	-	121	121
Other Revenues	-	6,157	6,157	-	-	-	-	-	-
<b>Total revenues</b>	-	6,163	6,163	-	94	94	-	121	121
<b>EXPENDITURES:</b>									
<b>Current:</b>									
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	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	6,163	6,163	-	94	94	-	121	121
<b>OTHER FINANCING SOURCES (USES):</b>									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	6,163	\$ 6,163	\$ -	94	\$ 94	\$ -	121	\$ 121
<b>FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR</b>		-			10,015			12,369	
Residual Equity Transfers In / Out		-			-			-	
<b>FUND BALANCE (DEFICIT), AT END OF YEAR</b>		\$ 6,163			\$ 10,109			\$ 12,990	

(Continued)

See accompanying notes to the basic financial statements.

**CITY OF CORNING  
SPECIAL REVENUE FUNDS**

**Exhibit B-3  
(Continued)**

**Combining Statement of Revenues, Expenditures,  
and Changes in FUND BALANCE (DEFICIT) - Budget and Actual  
Year Ended June 30, 2010**

	OTS 2 Fund (Fund 164)			Abandoned Vehicles Fund (Fund 170)			2002 Cal Tech Grant Fund (Fund 184)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>									
Intergovernmental Revenues	\$ 19,696	\$ 28,508	\$ 8,812	\$ 4,000	\$ 20,140	\$ 16,140	\$ -	\$ 28,508	\$ 28,508
Interest	-	39	39	-	307	307	-	39	39
Other Revenues	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>19,696</b>	<b>28,547</b>	<b>8,851</b>	<b>4,000</b>	<b>20,447</b>	<b>16,447</b>	<b>-</b>	<b>28,547</b>	<b>28,547</b>
<b>EXPENDITURES:</b>									
<b>Current:</b>									
<b>General Government:</b>									
General Government	-	-	-	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-	-	-	-
<b>Public Safety and Judiciary:</b>									
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
<b>Transportation:</b>									
Streets	19,696	17,155	2,541	7,000	-	7,000	-	17,155	(17,155)
Total Transportation	19,696	17,155	2,541	7,000	-	7,000	-	17,155	(17,155)
<b>Community/Economic Development:</b>									
Economic Development	-	-	-	-	-	-	-	-	-
Total Community/Economic Development	-	-	-	-	-	-	-	-	-
<b>Capital Outlay</b>									
Capital Outlay	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>19,696</b>	<b>17,155</b>	<b>2,541</b>	<b>7,000</b>	<b>-</b>	<b>7,000</b>	<b>-</b>	<b>17,155</b>	<b>(17,155)</b>
Excess of Revenues Over (Under) Expenditures	-	11,392	11,392	(3,000)	20,447	23,447	-	11,392	11,392
<b>OTHER FINANCING SOURCES (USES):</b>									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 11,392	\$ 11,392	\$ (3,000)	\$ 20,447	\$ 23,447	\$ -	\$ 11,392	\$ 11,392
<b>FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR</b>		1,088			31,266			1,088	
Residual Equity Transfers In / Out		-			-			-	
<b>FUND BALANCE (DEFICIT), AT END OF YEAR</b>	<b>\$</b>	<b>12,480</b>		<b>\$</b>	<b>51,713</b>		<b>\$</b>	<b>12,480</b>	

(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, 2010

Exhibit B-3  
(Continued)

	SAFEGrnt 138			GIS Planning Grant (Fund 304)			Housing Element Fund (Fund 308)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>									
Intergovernmental Revenues	\$ 10,000	\$ 10,299	\$ 299	\$ -	\$ 5,562	\$ 5,562	\$ 35,000	\$ 31,127	\$ (3,873)
Interest	-	40	40	-	10	10	-	-	-
Other Revenues	-	-	-	-	-	-	-	-	-
Total revenues	10,000	10,339	339	-	5,572	5,572	35,000	31,127	(3,873)
<b>EXPENDITURES:</b>									
<b>Current:</b>									
General Government:									
General Government	-	-	-	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-	-	-	-
Public Safety and Judiciary:									
Police	7,500	3,638	3,862	-	-	-	-	-	-
Total Public Safety and Judiciary	7,500	3,638	3,862	-	-	-	-	-	-
Transportation:									
Streets	-	-	-	-	-	-	-	-	-
Total Transportation	-	-	-	-	-	-	-	-	-
Community/Economic Development:									
Economic Development	-	-	-	-	-	-	43,750	26,890	16,860
Total Community/Economic Development	-	-	-	-	-	-	43,750	26,890	16,860
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	7,500	3,638	3,862	-	-	-	43,750	26,890	16,860
Excess of Revenues Over (Under) Expenditures	2,500	6,701	4,201	-	5,572	5,572	(8,750)	4,237	12,987
<b>OTHER FINANCING SOURCES (USES):</b>									
Operating Transfers In	-	-	-	-	-	-	8,750	-	(8,750)
Total Other Financing Sources (Over)	-	-	-	-	-	-	8,750	-	(8,750)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 2,500	\$ 6,701	\$ 4,201	\$ -	\$ 5,572	\$ 5,572	\$ -	\$ 4,237	\$ 4,237
<b>FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR</b>		579			-			(5,757)	
Residual Equity Transfers In / Out		-			(5,572)			-	
<b>FUND BALANCE (DEFICIT), AT END OF YEAR</b>	\$	7,280		\$	-		\$	(1,520)	

(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, 2010

Exhibit B-3  
(Continued)

	SALDO HOME Fund (Fund 321)			08/09 CDBG Fund (Fund 322)			CDBG Program Unrestricted (Fund 323, 320)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
			Favorable (Unfavorable)			Favorable (Unfavorable)			Favorable (Unfavorable)
<b>REVENUES:</b>									
Intergovernmental Revenues	\$ -	\$ 2,390	\$ 2,390	\$ 1,500,000	\$ -	\$ (1,500,000)	\$ -	\$ -	\$ -
Interest	-	-	-	-	51	51	-	117	117
Other Revenues	-	-	-	-	-	-	-	1,480	1,480
Total revenues	-	2,390	2,390	1,500,000	51	(1,499,949)	-	1,597	1,597
<b>EXPENDITURES:</b>									
<b>Current:</b>									
General Government:									
General Government	-	2,356	(2,356)	-	-	-	-	-	-
Total General Government	-	2,356	(2,356)	-	-	-	-	-	-
Public Safety and Judiciary:									
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
Transportation:									
Streets	-	-	-	-	-	-	-	-	-
Total Transportation	-	-	-	-	-	-	-	-	-
Community/Economic Development:									
Economic Development	-	-	-	1,480,370	126	1,480,244	-	-	-
Total Community/Economic Development	-	-	-	1,480,370	126	1,480,244	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	-	2,356	(2,356)	1,480,370	126	1,480,244	-	-	-
Excess of Revenues Over (Under) Expenditures	-	34	34	19,630	(75)	(19,705)	-	1,597	1,597
<b>OTHER FINANCING SOURCES (USES):</b>									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 34	\$ 34	\$ 19,630	\$ (75)	\$ (19,705)	\$ -	\$ 1,597	\$ 1,597
<b>FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR</b>									
Residual Equity Transfers In / Out		(34)						(6,477)	
<b>FUND BALANCE (DEFICIT), AT END OF YEAR</b>	\$ -	\$ -		\$ (75)			\$ (4,880)		

(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, 2010

Exhibit B-3  
(Continued)

	90/STBG/491 Grant Fund (Fund 324)			CDBG Economic Reuse (Fund 325, 323)			CDBG Housing Reuse (Fund 326, 321, 322)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>									
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	281	281	-	620	620	-	992	992
Other Revenues	-	-	-	-	3,454	3,454	-	52,768	52,768
<b>Total revenues</b>	-	281	281	-	4,074	4,074	-	53,760	53,760
<b>EXPENDITURES:</b>									
<b>Current:</b>									
<b>General Government:</b>									
General Government	-	-	-	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-	-	-	-
<b>Public Safety and Judiciary:</b>									
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
<b>Transportation:</b>									
Streets	-	-	-	-	-	-	-	-	-
Total Transportation	-	-	-	-	-	-	-	-	-
<b>Community/Economic Development:</b>									
Economic Development	-	-	-	-	-	-	-	2,130	(2,130)
Total Community/Economic Development	-	-	-	-	-	-	-	2,130	(2,130)
<b>Capital Outlay</b>	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-	2,130	(2,130)
Excess of Revenues Over (Under) Expenditures	-	281	281	-	4,074	4,074	-	51,630	51,630
<b>OTHER FINANCING SOURCES (USES):</b>									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	281	\$ 281	\$ -	4,074	\$ 4,074	\$ -	51,630	\$ 51,630
<b>FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR</b>		35,760			64,478			66,591	
Residual Equity Transfers In / Out		(9,079)			-			-	
<b>FUND BALANCE (DEFICIT), AT END OF YEAR</b>		\$ 26,681			\$ 68,552			\$ 118,221	

(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, 2010**

**Exhibit B-3  
(Continued)**

	Housing Acquisition RLF Fund (Fund 327)			Housing Rehabilitation RLF Fund (Fund 328)			New Construction RLF Fund (Fund 329)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>									
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	29	29	-	29	29	-	1	1
Other Revenues	-	-	-	-	-	-	-	-	-
Total revenues	-	29	29	-	29	29	-	1	1
<b>EXPENDITURES:</b>									
<b>Current:</b>									
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	-	29	29	-	29	29	-	1	1
<b>OTHER FINANCING SOURCES (USES):</b>									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	29	29	\$ -	29	29	\$ -	1	1
<b>FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR</b>									
Residual Equity Transfers In / Out		4,639			4,639			152	
<b>FUND BALANCE (DEFICIT), AT END OF YEAR</b>	\$	4,668		\$	4,668		\$	153	

(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, 2010

**Exhibit B-3  
(Continued)**

	SALADO Wall Fund (Fund 344)			Drainage Fund (Fund 345)			Yost Field Fund (Fund 352)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>									
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ 10,000	\$ 8,827	\$ (1,173)	\$ -	\$ -	\$ -
Interest	-	\$48	\$48	3,000	1,103	(1,897)	-	29	29
Other Revenues	-	-	-	-	-	-	2,000	870	(1,130)
Total revenues	-	\$48	\$48	13,000	9,930	(3,070)	2,000	899	(1,101)
<b>EXPENDITURES:</b>									
Current:									
General Government:									
General Government	-	-	-	-	-	-	2,800	-	2,800
Total General Government	-	-	-	-	-	-	2,800	-	2,800
Public Safety and Judiciary:									
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
Transportation:									
Streets	-	-	-	4,059	21,091	(17,032)	-	-	-
Total Transportation	-	-	-	4,059	21,091	(17,032)	-	-	-
Community/Economic Development:									
Economic Development	-	-	-	-	-	-	-	-	-
Total Community/Economic Development	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	20,350	-	20,350	-	-	-
Total Expenditures	-	-	-	24,409	21,091	3,318	2,800	-	2,800
Excess of Revenues Over (Under) Expenditures	-	\$48	\$48	(11,409)	(11,161)	248	(800)	899	1,699
<b>OTHER FINANCING SOURCES (USES):</b>									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$48	\$48	\$ (11,409)	(11,161)	\$ 248	\$ (800)	899	\$ 1,699
<b>FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR</b>					128,089				
Residual Equity Transfers In / Out		\$8,021			-			2,884	
<b>FUND BALANCE (DEFICIT), AT END OF YEAR</b>		\$8,869			\$ 116,928			\$ 3,783	

(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, 2010

Exhibit B-3  
(Continued)

	Houghton Trail Fund (Fund 356)			Curbs and Gutter Fund (Fund 365)			Lighting & Landscape Fund (Fund 701)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>									
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	54	54	-	2	2	-	1	1
Other Revenues	1,000	-	(1,000)	-	-	-	1,090	919	(171)
Total revenues	1,000	54	(946)	-	2	2	1,090	920	(170)
<b>EXPENDITURES:</b>									
Current:									
General Government:									
General Government	-	-	-	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-	-	-	-
Public Safety and Judiciary:									
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
Transportation:									
Streets	-	-	-	-	-	-	1,725	697	1,028
Total Transportation	-	-	-	-	-	-	1,725	697	1,028
Community/Economic Development:									
Economic Development	-	-	-	-	-	-	-	-	-
Total Community/Economic Development	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	1,725	697	1,028
Excess of Revenues Over (Under) Expenditures	1,000	54	(946)	-	2	2	(635)	223	858
<b>OTHER FINANCING SOURCES (USES):</b>									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Over)	-	-	-	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 1,000	\$ 54	\$ (946)	\$ -	\$ 2	\$ 2	\$ (635)	\$ 223	\$ 858
<b>FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR</b>		5,742			234			109	
Residual Equity Transfers In / Out		-			-			-	
<b>FUND BALANCE (DEFICIT), AT END OF YEAR</b>		\$ 5,796			\$ 236			\$ 332	

(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, 2010

Exhibit B-3

	Lighting & Landscape Fund (Fund 703)			Lighting & Landscape Fund (Fund 704)			Total		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>									
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,941,646	\$ 465,535	\$ (1,476,111)
Interest	-	62	62	-	32	32	18,152	12,204	(5,948)
Other Revenues	2,900	4,263	1,363	4,775	4,773	(2)	11,765	80,841	69,076
Total revenues	2,900	4,325	1,425	4,775	4,805	30	1,971,563	558,580	(1,412,983)
<b>EXPENDITURES:</b>									
<b>Current:</b>									
<b>General Government:</b>									
General Government	-	-	-	-	-	-	34,165	29,907	4,258
Total General Government	-	-	-	-	-	-	34,165	29,907	4,258
<b>Public Safety and Judiciary:</b>									
Police	-	-	-	-	-	-	7,500	3,638	3,862
Total Public Safety and Judiciary	-	-	-	-	-	-	7,500	3,638	3,862
<b>Transportation:</b>									
Streets	2,625	1,350	1,275	3,400	3,433	(33)	385,171	248,331	136,840
Total Transportation	2,625	1,350	1,275	3,400	3,433	(33)	385,171	248,331	136,840
<b>Community/Economic Development:</b>									
Economic Development	-	-	-	-	-	-	1,524,120	29,146	1,494,974
Total Community/Economic Development	-	-	-	-	-	-	1,524,120	29,146	1,494,974
<b>Capital Outlay</b>	-	-	-	-	-	-	280,550	31,718	248,832
Total Expenditures	2,625	1,350	1,275	3,400	3,433	(33)	2,231,506	342,740	1,888,766
Excess of Revenues Over (Under) Expenditures	275	2,975	2,700	1,375	1,372	(3)	(259,943)	215,840	475,783
<b>OTHER FINANCING SOURCES (USES):</b>									
Operating Transfers In	-	-	-	-	-	-	8,750	-	(8,750)
Total Other Financing Sources (Over)	-	-	-	-	-	-	8,750	-	(8,750)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 275	\$ 2,975	\$ 2,700	\$ 1,375	\$ 1,372	\$ (3)	\$ (251,193)	\$ 215,840	\$ 467,033
<b>FUND BALANCE (DEFICIT), AT BEGINNING OF YEAR</b>		5,560			-			1,198,893	
Residual Equity Transfers In / Out		-			3,305			88,803	
<b>FUND BALANCE (DEFICIT), AT END OF YEAR</b>		\$ 8,535			\$ 4,677			\$ 1,503,536	

See accompanying notes to the basic financial statements.

**CITY OF CORNING  
CAPITAL PROJECTS FUNDS**

Combining Balance Sheet  
June 30, 2010

Exhibit C-1

	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
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 38,957	\$ -	\$ 1,988	\$ 49,627	\$ 207,060	\$ 20,989	\$ 170,690	\$ 539,311
Intergovernmental Receivable	-	-	1,302	-	-	-	-	1,302
Interfund Loans Receivables	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Other Assets:								
Restricted Cash: Loan Repayment	-	-	-	-	-	-	-	-
Total assets	\$ 88,957	\$ -	\$ 3,290	\$ 49,627	\$ 207,060	\$ 20,989	\$ 170,690	\$ 540,613
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities:								
Accounts Payable	\$ -	\$ 350	\$ 2,085	\$ -	\$ -	\$ -	\$ -	\$ 2,435
Accrued Interest	-	-	-	-	-	-	-	-
Due to Other Funds	-	217	-	-	-	-	-	217
Other Current Liabilities	-	-	-	-	-	-	-	-
Total liabilities	-	567	2,085	-	-	-	-	2,652
Fund Balances								
Unreserved, Undesignated	88,957	(567)	1,205	49,627	207,060	20,989	170,690	537,961
Total Fund Balances	88,957	(567)	1,205	49,627	207,060	20,989	170,690	537,961
Total Liabilities and Fund Balances	\$ 88,957	\$ -	\$ 3,290	\$ 49,627	\$ 207,060	\$ 20,989	\$ 170,690	\$ 540,613

(Continued)

See accompanying notes to  
the basic financial statements.

**CITY OF CORNING  
CAPITAL PROJECTS FUNDS**

Exhibit C-2

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2010

	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
<b>REVENUES:</b>								
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ 5,000
Acquisition Charges and Fees	-	-	19,908	-	-	-	1,100	21,008
Interest	827	13	528	396	1,901	151	1,555	5,371
Other	1,624	2,916	26,308	12,567	10,268	-	124,416	178,099
<b>Total Revenues</b>	<b>2,451</b>	<b>2,929</b>	<b>46,744</b>	<b>12,963</b>	<b>12,169</b>	<b>5,151</b>	<b>127,071</b>	<b>209,478</b>
<b>EXPENDITURES:</b>								
Current:								
General Government:								
General Government	-	5,595	-	-	-	-	-	5,595
<b>Total General Government</b>	<b>-</b>	<b>5,595</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,595</b>
Public Safety and Judiciary:								
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
<b>Total Public Safety and Judiciary</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transportation:								
Streets	-	-	47,308	246	-	-	-	47,554
<b>Total Transportation</b>	<b>-</b>	<b>-</b>	<b>47,308</b>	<b>246</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,554</b>
Cultural, Parks and Recreation								
Parks and Recreation	-	-	-	-	2,558	-	25,764	28,322
<b>Total Cultural, Parks and Recreation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,558</b>	<b>-</b>	<b>25,764</b>	<b>28,322</b>
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest and Other Charges	-	-	6,794	-	-	-	-	6,794
Capital Outlay	-	-	22,762	-	-	-	127,253	150,015
<b>Total Expenditures</b>	<b>-</b>	<b>5,595</b>	<b>76,864</b>	<b>246</b>	<b>2,558</b>	<b>-</b>	<b>153,017</b>	<b>238,280</b>
Excess of Revenues Over (Under) Expenditures	2,451	(2,666)	(30,120)	12,717	9,611	5,151	(25,946)	(28,802)
<b>OTHER FINANCING SOURCES (USES):</b>								
Operating Transfers In	53,280	-	22,000	-	-	-	-	75,280
Operating Transfers Out	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Over)</b>	<b>53,280</b>	<b>-</b>	<b>22,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,280</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	55,731	(2,666)	(8,120)	12,717	9,611	5,151	(25,946)	46,478
<b>FUND BALANCE, AT BEGINNING OF YEAR</b>	<b>33,226</b>	<b>2,099</b>	<b>9,325</b>	<b>36,910</b>	<b>197,449</b>	<b>15,838</b>	<b>196,636</b>	<b>491,483</b>
Residual Equity Transfers In	-	-	-	-	-	-	-	-
Residual Equity Transfers Out	-	-	-	-	-	-	-	-
<b>FUND BALANCE, AT END OF YEAR</b>	<b>\$ 88,957</b>	<b>(567)</b>	<b>\$ 1,205</b>	<b>\$ 49,627</b>	<b>\$ 207,060</b>	<b>\$ 20,989</b>	<b>\$ 170,690</b>	<b>\$ 537,961</b>

(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, 2010

Exhibit C-3

	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)
<b>REVENUES:</b>									
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition Charges and Fees	-	-	-	-	-	-	22,500	19,908	(2,592)
Interest	500	827	327	-	13	13	1,000	528	(472)
Other	30,800	1,624	(29,176)	3,000	2,916	(84)	26,308	26,308	-
Total Revenues	31,300	2,451	(28,849)	3,000	2,929	(71)	49,808	46,744	(3,064)
<b>EXPENDITURES:</b>									
<b>Current:</b>									
General Government:									
General Government	-	-	-	5,500	5,595	(95)	-	-	-
Total General Government	-	-	-	5,500	5,595	(95)	-	-	-
Public Safety and Judiciary:									
Police	-	-	-	-	-	-	-	-	-
Total Public Safety and Judiciary	-	-	-	-	-	-	-	-	-
Transportation:									
Streets	-	-	-	-	-	-	47,375	47,308	67
Total Transportation	-	-	-	-	-	-	47,375	47,308	67
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	-	-	-	-	-	-	-	6,794	(6,794)
Capital Outlay	112,000	-	112,000	-	-	-	24,433	22,762	1,671
Total Expenditures	112,000	-	112,000	5,500	5,595	(95)	71,808	76,864	(5,056)
Excess of Revenues Over (Under) Expenditures	(80,700)	2,451	83,151	(2,500)	(2,666)	(166)	(22,000)	(30,120)	(8,120)
<b>OTHER FINANCING SOURCES (USES):</b>									
Debt Proceeds	-	-	-	-	-	-	-	-	-
Operating Transfers In	53,280	53,280	-	-	-	-	22,000	22,000	-
Total Other Financing Sources (Over)	53,280	53,280	-	-	-	-	22,000	22,000	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (27,420)	\$ 55,731	\$ 83,151	\$ (2,500)	\$ (2,666)	\$ (166)	\$ -	\$ (8,120)	\$ (8,120)
<b>FUND BALANCE, AT BEGINNING OF YEAR</b>		33,226			2,099			9,325	
<b>FUND BALANCE, AT END OF YEAR</b>		\$ 88,957			\$ (567)			\$ 1,205	

(Continued)

See accompanying notes to the basic financial statements.

**CITY OF CORNING  
CAPITAL PROJECTS FUNDS**

Exhibit C-3

(Continued)

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2010

	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)
<b>REVENUES:</b>									
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
Acquisition Charges and Fees	-	-	-	-	-	-	-	-	-
Interest	100	396	296	1,900	1,901	901	500	151	(349)
Other	-	12,567	12,567	11,200	10,268	(932)	-	-	-
Total Revenues	100	12,963	12,863	12,200	12,169	(31)	500	5,151	4,651
<b>EXPENDITURES:</b>									
<b>Current:</b>									
General Government:									
General Government	-	-	-	-	-	-	-	-	-
Total General Government	-	-	-	-	-	-	-	-	-
Transportation:									
Streets	2,000	246	1,754	-	-	-	-	-	-
Total Transportation	2,000	246	1,754	-	-	-	-	-	-
Cultural, Parks and Recreation:									
Parks and Recreation	-	-	-	2,541	2,558	(17)	-	-	-
Total Cultural, Parks and Recreation	-	-	-	2,541	2,558	(17)	-	-	-
Community/Economic Development:									
Economic Development	-	-	-	-	-	-	-	-	-
Total Community/Economic Development	-	-	-	-	-	-	-	-	-
Debt Service:									
Interest and Other Charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	12,000	-	12,000	-	-	-
Total Expenditures	2,000	246	1,754	14,541	2,558	11,983	-	-	-
Excess of Revenues Over (Under) Expenditures	(1,900)	12,717	14,617	(2,341)	9,611	11,952	500	5,151	4,651
<b>OTHER FINANCING SOURCES (USES):</b>									
Debt Proceeds	-	-	-	-	-	-	-	-	-
Operating Transfers In	12,500	-	(12,500)	-	-	-	-	-	-
Total Other Financing Sources (Over)	12,500	-	(12,500)	-	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 10,600	\$ 12,717	\$ 2,117	\$ (2,341)	\$ 9,611	\$ 11,952	\$ 500	\$ 5,151	\$ 4,651
<b>FUND BALANCE, AT BEGINNING OF YEAR</b>		36,910			197,449			15,838	
<b>FUND BALANCE, AT END OF YEAR</b>		\$ 49,627			\$ 207,060			\$ 20,989	

(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, 2010

Exhibit C-3  
(Continued)

	Parkland Acquisition Fund (Fund 355)			Capital Project Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
Acquisition Charges and Fees	131,500	1,100	(130,400)	154,000	21,008	(132,992)
Interest	5,000	1,555	(3,445)	8,100	5,371	(2,729)
Other	-	124,416	124,416	71,308	178,099	106,791
Total Revenues	136,500	127,071	(9,429)	233,408	209,478	(23,930)
<b>EXPENDITURES:</b>						
<b>Current:</b>						
General Government:						
General Government	-	-	-	5,500	5,595	(95)
Total General Government	-	-	-	5,500	5,595	(95)
Transportation:						
Streets	-	-	-	49,375	47,554	1,821
Total Transportation	-	-	-	49,375	47,554	1,821
Cultural, Parks and Recreation						
Parks and Recreation	-	25,764	(25,764)	2,541	28,322	(25,781)
Total Cultural, Parks and Recreation	-	25,764	(25,764)	2,541	28,322	(25,781)
Community/Economic Development:						
Economic Development	14,500	-	14,500	14,500	-	14,500
Total Community/Economic Development	14,500	-	14,500	14,500	-	14,500
Debt Service:						
Interest and Other Charges	-	-	-	-	6,794	(6,794)
Capital Outlay	156,500	127,253	29,247	304,933	150,015	154,918
Total Expenditures	171,000	153,017	17,983	376,849	238,280	138,569
Excess of Revenues Over (Under) Expenditures	(34,500)	(25,946)	8,554	(143,441)	(28,802)	114,639
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating Transfers In	-	-	-	87,780	75,280	(12,500)
Total Other Financing Sources (Over)	-	-	-	87,780	75,280	(12,500)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (34,500)	\$ (25,946)	\$ 8,554	\$ (55,661)	\$ 46,478	\$ 102,139
<b>FUND BALANCE, AT BEGINNING OF YEAR</b>		196,636			491,483	
<b>FUND BALANCE, AT END OF YEAR</b>		\$ 170,690			\$ 537,961	

See accompanying notes to  
the basic financial statements.

**CITY OF CORNING**  
**ENTERPRISE FUNDS**  
 Combining Balance Sheet  
 June 30, 2010

Exhibit D-1

	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
<b>ASSETS</b>						
<b>Current Assets:</b>						
Cash and Investments	\$ 661,105	\$ 84,249	\$ 4,810	\$ 11,385	\$ 936,783	\$ 1,698,332
Accounts Receivable	90,772	19,553	296,132	685	74,928	482,070
Inventories	14,816	-	-	-	55,626	70,442
<b>Total Current Assets</b>	<b>766,693</b>	<b>103,802</b>	<b>300,942</b>	<b>12,070</b>	<b>1,067,337</b>	<b>2,250,844</b>
<b>Capital Assets:</b>						
Construction in Progress	-	-	-	-	9,011	9,011
Property, Plant and Equipment	16,071,010	-	3,336,222	5,167	5,928,031	25,340,430
Accumulated Depreciation	(7,243,973)	-	(2,000)	-	(1,608,603)	(8,854,570)
<b>Net Capital Assets</b>	<b>8,827,037</b>	<b>-</b>	<b>3,334,222</b>	<b>5,167</b>	<b>4,328,439</b>	<b>16,494,865</b>
Loan Acquisition Costs	27,361	-	-	-	109,446	136,807
Accumulated Amortization	(6,219)	-	-	-	(24,694)	(30,913)
<b>Net Loan Acquisition Costs</b>	<b>21,142</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,752</b>	<b>105,894</b>
<b>Other Assets:</b>						
Restricted Cash:						
Loan Repayment	543,288	-	-	-	386,072	929,360
<b>Total Other Assets</b>	<b>543,288</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>386,072</b>	<b>929,360</b>
<b>Total Assets</b>	<b>10,158,160</b>	<b>103,802</b>	<b>3,635,164</b>	<b>17,237</b>	<b>5,866,600</b>	<b>19,780,963</b>
<b>LIABILITIES</b>						
<b>Liabilities:</b>						
<b>Current Liabilities:</b>						
Accounts Payable	25,576	103,289	216,012	2,590	32,961	380,428
Accrued Wages	5,947	-	-	-	9,695	15,642
Due to Other Funds	-	-	168,313	-	-	168,313
Interest Payable	73,030	-	-	-	53,910	126,940
Deposits	-	-	-	-	57,918	57,918
Current Portion of Long Term Debt	114,024	-	-	-	110,264	224,288
<b>Total Current Liabilities</b>	<b>218,577</b>	<b>103,289</b>	<b>384,325</b>	<b>2,590</b>	<b>264,748</b>	<b>973,529</b>
<b>Long-Term Liabilities</b>						
Accrued Compensation for Future Absences	35,160	-	-	-	35,160	70,320
Certificates of Participation Payable	6,174,891	-	-	-	3,913,809	10,088,700
Less: Current Portion	(93,180)	-	-	-	(89,420)	(182,600)
<b>Total Long-Term Liabilities</b>	<b>6,116,871</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,859,549</b>	<b>9,976,420</b>
<b>Total Liabilities</b>	<b>6,335,448</b>	<b>103,289</b>	<b>384,325</b>	<b>2,590</b>	<b>4,124,297</b>	<b>10,949,949</b>
<b>NET ASSETS</b>						
Investment in capital assets, net	2,652,146	-	3,334,222	5,167	405,619	6,397,154
Retained Earnings, Restricted	1,422,764	-	-	-	764,652	2,187,416
Retained Earnings, Unrestricted	(252,198)	513	(83,383)	9,480	572,032	246,444
<b>Total Net Assets</b>	<b>\$ 3,822,712</b>	<b>\$ 513</b>	<b>\$ 3,250,839</b>	<b>\$ 14,647</b>	<b>\$ 1,742,303</b>	<b>\$ 8,831,014</b>

See accompanying notes to  
 the basic financial statements.

**CITY OF CORNING  
ENTERPRISE FUNDS**

Exhibit D-2

Combining Statement of Revenues, Expenses  
and Changes in Net Assets  
Year Ended June 30, 2010

	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
<b>OPERATING REVENUES:</b>						
Charges for Service	\$ 1,449,335	\$ 407,216	\$ -	\$ -	\$ 1,186,044	\$ 3,042,595
Connection fees	-	-	-	-	1,855	1,855
Lease and Rents	7,316	-	10,485	10,000	-	27,801
Other Revenue	11,569	-	2,379,410	15,755	5,669	2,412,403
Total Operating Revenues	<u>1,468,220</u>	<u>407,216</u>	<u>2,389,895</u>	<u>25,755</u>	<u>1,193,568</u>	<u>5,484,654</u>
<b>OPERATING EXPENSES:</b>						
Salaries and Benefits	282,072	-	21,125	-	461,851	765,048
Utilities	80,718	-	5,393	6,577	170,322	263,010
Depreciation	477,131	-	-	-	130,967	608,098
Amortization	1,244	-	-	-	4,795	6,039
Other Expenses	820,082	417,283	8,289	10,388	168,598	1,424,640
Total Operating Expenses	<u>1,661,247</u>	<u>417,283</u>	<u>34,807</u>	<u>16,965</u>	<u>936,533</u>	<u>3,066,835</u>
Operating Income (Loss)	<u>(193,027)</u>	<u>(10,067)</u>	<u>2,355,088</u>	<u>8,790</u>	<u>257,035</u>	<u>2,417,819</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>						
Investment Earnings	9,744	559	28	28	7,572	17,931
Interest Expense	(267,711)	-	-	-	(184,738)	(452,449)
Net Non-Operating Revenues (Expenses)	<u>(257,967)</u>	<u>559</u>	<u>28</u>	<u>28</u>	<u>(177,166)</u>	<u>(434,518)</u>
Income Before Transfers	<u>(450,994)</u>	<u>(9,508)</u>	<u>2,355,116</u>	<u>8,818</u>	<u>79,869</u>	<u>1,983,301</u>
Operating Transfers In	326,401	-	-	-	80,727	407,128
Operating Transfers Out	(315,674)	-	(25,607)	-	(70,000)	(411,281)
Changes in net assets	<u>(440,267)</u>	<u>(9,508)</u>	<u>2,329,509</u>	<u>8,818</u>	<u>90,596</u>	<u>1,979,148</u>
<b>NET ASSETS, AT BEGINNING OF YEAR</b>	<u>4,261,637</u>	<u>10,021</u>	<u>921,330</u>	<u>5,829</u>	<u>1,653,049</u>	<u>6,851,866</u>
As Previously Stated						
Prior period adjustment	-	-	-	-	-	-
As Restated	<u>4,261,637</u>	<u>10,021</u>	<u>921,330</u>	<u>5,829</u>	<u>1,653,049</u>	<u>6,851,866</u>
Residual Equity Transfers In	1,354	-	-	-	-	1,354
Residual Equity Transfers Out	(12)	-	-	-	(1,342)	(1,354)
<b>NET ASSETS, AT END OF YEAR</b>	<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>

See accompanying notes to  
the basic financial statements.

**CITY OF CORNING  
ENTERPRISE FUNDS**

Exhibit D-3

Combining Statement of Cash Flows  
Year Ended June 30, 2010

	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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from Customers	1,442,065	406,023	(176,954)	-	1,191,258	2,862,392
Other Operating Cash Receipts	18,885	-	2,389,895	41,510	5,669	2,455,959
Payments to Suppliers	(950,291)	(405,284)	240,499	(30,153)	(309,406)	(1,454,635)
Payments to Employees	(277,742)	-	(21,125)	-	(436,954)	(735,821)
Net Cash Provided (Used) by Operating Activities	<u>232,917</u>	<u>739</u>	<u>2,432,315</u>	<u>11,357</u>	<u>450,567</u>	<u>3,127,895</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers from (to) other funds	<u>12,069</u>	<u>-</u>	<u>(25,607)</u>	<u>-</u>	<u>9,385</u>	<u>(4,153)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Interest Paid	(267,711)	-	-	-	(184,738)	(452,449)
Reallocation of Opening Cash Balances	-	-	-	-	-	-
Repayment of Certificates of Participation	(90,316)	-	-	-	(98,884)	(189,200)
Payments for capital acquisitions	-	-	(2,403,562)	-	(20,845)	(2,424,407)
Net cash (used for) capital and related financing activities	<u>(358,027)</u>	<u>-</u>	<u>(2,403,562)</u>	<u>-</u>	<u>(304,467)</u>	<u>(3,066,056)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Receipts of interest	<u>9,744</u>	<u>559</u>	<u>28</u>	<u>28</u>	<u>7,572</u>	<u>17,931</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(103,297)</u>	<u>1,298</u>	<u>3,174</u>	<u>11,385</u>	<u>163,057</u>	<u>75,617</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>764,402</u>	<u>82,951</u>	<u>1,636</u>	<u>-</u>	<u>773,726</u>	<u>1,622,715</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<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>
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Net Operating Income (Loss)	\$ (193,027)	\$ (10,067)	\$ 2,355,088	\$ 8,790	\$ 257,035	\$ 2,417,819
Adjustments to Reconcile Net Income to Net Cash From (Used For) Operating Activities:						
Depreciation and Amortization	478,375	-	-	-	135,762	614,137
Decrease (Increase) in Accounts Receivable	(7,270)	(1,193)	(176,954)	15,755	2,439	(167,223)
Decrease (Increase) in Inventory	(291)	-	-	-	(1,091)	(1,382)
Decrease (Increase) in Prepaid Assets	-	-	-	-	-	-
Decrease (Increase) in Other Assets	(26,159)	-	-	-	3,073	(23,086)
Increase (Decrease) in Accounts Payable	20,800	11,999	215,906	1,837	28,585	279,127
Increase (Decrease) in Wages Payable	392	-	-	-	114	506
Increase (Decrease) in Accrued Compensation	3,938	-	-	-	24,783	28,721
Increase (Decrease) in Due to Other Funds	(42,811)	-	38,275	(15,025)	-	(19,561)
Increase (Decrease) in Interest Payable	(1,030)	-	-	-	(1,053)	(2,083)
Increase (Decrease) in Deposits	-	-	-	-	920	920
Net cash from (used for) operating activities	<u>\$ 232,917</u>	<u>\$ 739</u>	<u>\$ 2,432,315</u>	<u>\$ 11,357</u>	<u>\$ 450,567</u>	<u>\$ 3,127,895</u>

See accompanying notes to the basic financial statements.

**CITY OF CORNING  
EXPENDABLE TRUST FUNDS**

Combining Balance Sheet  
June 30, 2010

Exhibit E-1

	J.T. Levy Trust Fund <u>(Fund 401)</u>	Rodgers Theater Trust Fund <u>(Fund 402)</u>	Ridell Library Fund <u>(Fund 403)</u>	<u>Totals</u>
<b>ASSETS:</b>				
Cash and investments	\$ 27,923	\$ 21,823	\$ 262,864	\$ 312,610
Receivables:				
Intergovernmental	-	-	-	-
County	-	-	-	-
Deferred compensation plan assets	-	-	-	-
 Total assets	 <u>\$ 27,923</u>	 <u>\$ 21,823</u>	 <u>\$ 262,864</u>	 <u>\$ 312,610</u>
<b>LIABILITIES AND FUND BALANCE:</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Held in trust for:				
Scholarships	27,923	-	-	27,923
Library System	-	-	262,864	262,864
Theater	-	21,823	-	21,823
 Total fund balances	 <u>27,923</u>	 <u>21,823</u>	 <u>262,864</u>	 <u>312,610</u>
 Total liabilities and fund balances	 <u>\$ 27,923</u>	 <u>\$ 21,823</u>	 <u>\$ 262,864</u>	 <u>\$ 312,610</u>

See accompanying notes to  
the basic financial statements.

**CITY OF CORNING**  
**EXPENDABLE TRUST FUNDS**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Year Ended June 30, 2010

Exhibit E-2

	J.T. Levy Trust Fund (Fund 401)	Rodgers Theater Trust (Fund 402)	Ridell Library Fund (Fund 403)	Totals
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Fines and Forfeitures	-	-	-	-
Interest	<u>260</u>	<u>210</u>	<u>5,713</u>	<u>6,183</u>
Total Revenues	<u>260</u>	<u>210</u>	<u>5,713</u>	<u>6,183</u>
<b>EXPENDITURES:</b>				
Scholarships	250	-	-	250
Capital Outlay	-	-	-	-
Other	<u>-</u>	<u>900</u>	<u>-</u>	<u>900</u>
Total Expenditures	<u>250</u>	<u>900</u>	<u>-</u>	<u>1,150</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10</u>	<u>(690)</u>	<u>5,713</u>	<u>5,033</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Source (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>10</u>	<u>(690)</u>	<u>5,713</u>	<u>5,033</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>27,913</u>	<u>22,513</u>	<u>257,151</u>	<u>307,577</u>
<b>FUND BALANCE, END OF YEAR</b>	\$ <u>27,923</u>	\$ <u>21,823</u>	\$ <u>262,864</u>	\$ <u>312,610</u>

See accompanying notes to  
the basic financial statements.

**CITY OF CORNING  
EXPENDABLE TRUST FUNDS**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Year Ended June 30, 2010

Exhibit E-3

	Totals		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Intergovernmental	\$ -	\$ -	\$ -
Fines and Forfeitures	-	-	-
Interest	4,250	6,183	1,933
<b>Total Revenues</b>	<u>4,250</u>	<u>6,183</u>	<u>1,933</u>
Scholarships	250	250	-
Capital Outlay	8,530	-	8,530
Other	29,500	900	28,600
<b>Total Expenditures</b>	<u>38,280</u>	<u>1,150</u>	<u>37,130</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(34,030)</u>	<u>5,033</u>	<u>39,063</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	-
<b>Total Other Financing Source (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>\$ (34,030)</u>	<u>\$ 5,033</u>	<u>\$ 39,063</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		307,577	
<b>FUND BALANCE, END OF YEAR</b>		<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, 2010, which collectively comprise the City's basic financial statements and have issued my report thereon dated January 31, 2011. 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.

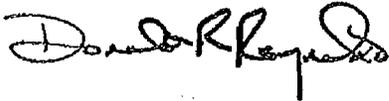
My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies 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, 2011.*

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.

A handwritten signature in black ink, appearing to read "Donald R. Reynolds". The signature is written in a cursive, flowing style.

Donald R. Reynolds  
Certified Public Accountant  
January 31, 2011

# Donald R. Reynolds

Certified Public Accountant

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable City Council  
City of Corning  
Corning, California

### Compliance

I have audited the compliance of the City of Corning, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2010. The City of Corning's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the City of Corning's management. My responsibility is to express an opinion on the City of Corning's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and *Non-Profit Organizations*. *Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Corning's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the City of Corning's compliance with those requirements.*

In my opinion, the City of Corning complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2010.

### Internal Control Over Compliance

The management of the City of Corning is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the City of Corning's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the City's internal control over compliance.

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph

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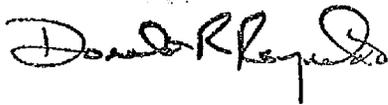
Honorable City Council  
City of Corning

of this section and would not necessarily identify all deficiencies in the City's internal control that might significant deficiencies or material weaknesses as defined below.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. I noted no items that I believe to be a significant deficiency.

A material weakness is a significant deficiency or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control. I noted no matters involving the internal control over compliance and its operations that I consider to be material weaknesses.

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, 2011

# *Donald R Reynolds*

Certified Public Accountant

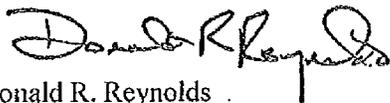
## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULE OF EXPEDITURES OF FEDERAL AWARDS

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, 2010, which collectively comprise the City's basic financial statements and have issued my report thereon dated January 31, 2011. These financial statements are the responsibility of the City of Corning's management. My responsibility was to express an opinion of 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 for financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "Audits of State and Local Governments and Non Profit Organizations." 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 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 provided a reasonable basis for my opinion.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole and on the combining financial statements. The accompanying Schedule of Federal Financial Assistance is presented for the purposes of additional analysis and is not a required part of the financial statements of the City of Corning. The information in this schedule has been subjected to the auditing procedures applied in the audit of the general purpose and combining financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



Donald R. Reynolds  
Certified Public Accountants  
January 31, 2011

**CITY OF CORNING**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>Department of Transportation</u>			
Airport Improvement Program	20.106		<u>2,331,801</u>
Total U.S. Department of Housing & Urban Development			<u>2,331,801</u>
Total Expenditure of Federal Awards			<u>\$ 2,331,801</u>

\* Major Program

**CITY OF CORNING**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**Note 1: General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the City of Corning. The City reporting entity is defined in Note 1 to the City's basic financial statements. All Federal awards received from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

**Note 2: Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is prepared on a basis other than that used to record transactions in the accounting records and as reported in the basic financial statements. Sources of information for preparation of the Schedule of Expenditures of Federal Awards varies, depending on the accounting practices and reporting requirements of the departments implementing the program

**Note 3: Relationship to Financial Statements**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the City's financial statements. Federal award revenues are reported principally in the City's financial statements as intergovernmental revenues in the General and Special Revenue funds.

**CITY OF CORNING  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**Section 1**

Financial Statements

Summary of Auditor's Results

- |  |                    |
|--|--------------------|
| a.) Type of auditor's report issued on financial statements                                | <b>Unqualified</b> |
| b.) Internal control over financial reporting:<br>Material weaknesses identified:          | No                 |
| Significant Deficiencies indentified that<br>are not considered to be material weaknesses: | No                 |
| c.) Noncompliance which is material to the financial<br>statements:                        | No                 |

**Federal Awards**

- |  |   |
|--|---|
| d.) Internal control over major programs:<br>Material weaknesses identified:                             | No  |
| Significant Deficiencies indentified that are not<br>considered to be material weaknesses:               | No  |
| e.) Type of auditors' report issued on compliance for<br>major programs:                                 | <b>Unqualified</b>  |
| f.) Any audit findings which are required to be reported<br>under Section .510(a) of OMB Circular A-133: | No  |
| g.) The dollar threshold used to distinguish between<br>Type "A" and Type "B" programs was               | <b>\$300,000</b>  |
| h.) Program identified as a major program<br><u>CFDA Number</u><br>20.106                                | <u>Name of Federal Program</u><br>Airport Improvement Program |
| i.) Auditee qualified as a low risk auditee under Section<br>0.530 of OMB Circular A-133:                | No.   |

**CITY OF CORNING**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**SECTION 2**

None Reported

Federal Award Findings and Questioned Costs

None reported

**CITY OF CORNING**  
**SCHEDULES TO FOOTNOTES**  
**Budget and Appropriations**  
**Fiscal Year Ended June 30, 2010**

**NOTE 5 OTHER DISCLOSURES**

**SCHEDULE OF EXCESS EXPENDITURES:**

<b>Fund</b>	<b>Appropriations</b>	<b>Expenditures</b>	<b>Excess Expenditures</b>	<b>Additional Revenue Received</b>
2002 Cal Tech Grant Fund (Fund 184)	\$ -	\$ 17,155	\$ 17,155	\$ 28,547
SALDO HOME Fund (Fund 321)	-	2,356	2,356	2,390
CDBG Housing Reuse (Fund 326, 821, 822)	-	2,130	2,130	53,760
Fire Equipment Replacement Fund (Fund 076)	71,808	76,864	5,056	-
	\$ -	\$ 21,641	\$ 21,641	\$ 84,697

**SCHEDULE OF DEFICIT FUND BALANCES:**

<b>Fund</b>	<b>Deficit Fund Balance</b>
CDBG Program Income Fund	(4,880)
Housing Element Fund	(1,520)
08-09 CDBG Program Fund	(75)
Animal Control Officer Replacement Fund (Fund 072)	(567)
	\$ (7,042)

**CITY OF CORNING  
SEWER ENTERPRISE FUNDS**

Combining Balance Sheet  
June 30, 2010

	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
<b>ASSETS</b>												
<b>Current Assets:</b>												
Cash and Investments	\$ -	\$ 120,814	\$ 347,568	\$ 86,459	\$ -	\$ 103,800	\$ 2,464	\$ -	\$ -	\$ -	\$ -	\$ 661,105
Accounts Receivable	-	-	-	-	-	90,772	-	-	-	-	-	90,772
Inventories	-	-	-	-	-	14,816	-	-	-	-	-	14,816
<b>Total Current Assets</b>	<b>-</b>	<b>120,814</b>	<b>347,568</b>	<b>86,459</b>	<b>-</b>	<b>209,388</b>	<b>2,464</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>766,693</b>
<b>Capital Assets</b>												
Property, Plant and Equipment	-	4,453,848	-	-	-	11,617,162	-	-	-	-	-	16,071,010
Accumulated Depreciation	-	(533,199)	-	-	-	(6,710,774)	-	-	-	-	-	(7,243,973)
<b>Net Capital Assets</b>	<b>-</b>	<b>3,920,649</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,906,388</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,827,037</b>
Loan Acquisition Costs	-	-	-	-	-	27,361	-	-	-	-	-	27,361
Accumulated Amortization	-	-	-	-	-	(6,219)	-	-	-	-	-	(6,219)
<b>Net Loan Acquisition Costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,142</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,142</b>
<b>Other Assets:</b>												
<b>Restricted Cash:</b>												
Loan Repayment	-	-	-	-	-	-	403,787	-	38,820	1	100,680	543,288
<b>Total Other Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>403,787</b>	<b>-</b>	<b>38,820</b>	<b>1</b>	<b>100,680</b>	<b>543,288</b>
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 4,041,463</b>	<b>\$ 347,568</b>	<b>\$ 86,459</b>	<b>\$ -</b>	<b>\$ 5,136,918</b>	<b>\$ 406,251</b>	<b>\$ -</b>	<b>\$ 38,820</b>	<b>\$ 1</b>	<b>\$ 100,680</b>	<b>\$ 10,158,160</b>
<b>LIABILITIES</b>												
<b>Liabilities:</b>												
<b>Current Liabilities:</b>												
Accounts Payable	\$ 15,636	\$ -	\$ -	\$ -	\$ -	\$ 9,940	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,576
Accrued Wages	-	-	-	-	-	5,947	-	-	-	-	-	5,947
Interest Payable	-	43,563	-	-	-	29,467	-	-	-	-	-	73,030
Current Portion of Long Term Debt	-	46,000	-	-	-	68,024	-	-	-	-	-	114,024
<b>Total Current Liabilities</b>	<b>15,636</b>	<b>89,563</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113,378</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>218,577</b>
<b>Long-Term Liabilities</b>												
Interfund Loan Payable	-	(381,370)	-	-	-	381,370	-	-	-	-	-	-
Accrued Compensation for Future Absences	-	-	-	-	-	35,160	-	-	-	-	-	35,160
Certificates of Participation Payable	-	4,100,000	-	-	-	2,074,891	-	-	-	-	-	6,174,891
Less: Current Portion	-	(46,000)	-	-	-	(47,180)	-	-	-	-	-	(93,180)
<b>Total Long-Term Liabilities</b>	<b>-</b>	<b>3,672,630</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,444,241</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,116,871</b>
<b>Total Liabilities</b>	<b>15,636</b>	<b>3,762,193</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,557,619</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,335,448</b>
<b>Fund Equity:</b>												
<b>Contributed Capital</b>												
<b>Retained Earnings:</b>												
Investment in Capital Assets	-	(179,351)	-	-	-	2,831,497	-	-	-	-	-	2,652,146
Restricted	(15,636)	458,621	347,568	86,459	-	-	406,251	-	38,820	1	100,680	1,422,764
Unrestricted	-	-	-	-	-	(252,198)	-	-	-	-	-	(252,198)
<b>Total Net Assets</b>	<b>(15,636)</b>	<b>279,270</b>	<b>347,568</b>	<b>86,459</b>	<b>-</b>	<b>2,579,299</b>	<b>406,251</b>	<b>-</b>	<b>38,820</b>	<b>1</b>	<b>100,680</b>	<b>3,822,712</b>
<b>Total Net Assets</b>	<b>\$ (15,636)</b>	<b>\$ 279,270</b>	<b>\$ 347,568</b>	<b>\$ 86,459</b>	<b>\$ -</b>	<b>\$ 2,579,299</b>	<b>\$ 406,251</b>	<b>\$ -</b>	<b>\$ 38,820</b>	<b>\$ 1</b>	<b>\$ 100,680</b>	<b>\$ 3,822,712</b>

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, 2010

	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
<b>OPERATING REVENUES:</b>												
Charges for Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,449,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,449,335
Connection fees	-	-	-	-	-	-	-	-	-	-	-	-
Lease and Rents	-	-	-	-	-	7,316	-	-	-	-	-	7,316
Other Revenue	3,210	8,000	-	-	-	359	-	-	-	-	-	11,569
Total Operating Revenues	<u>3,210</u>	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,457,010</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,468,220</u>
<b>OPERATING EXPENSES:</b>												
Salaries and Benefits	-	-	-	-	-	282,072	-	-	-	-	-	282,072
Utilities	-	-	-	-	-	80,718	-	-	-	-	-	80,718
Depreciation	-	133,951	-	-	-	343,180	-	-	-	-	-	477,131
Amortization	-	-	-	-	-	1,244	-	-	-	-	-	1,244
Other Expenses	1,266	3,212	57,463	503	-	756,273	1,332	1	15	1	20	820,086
Total Operating Expenses	<u>1,266</u>	<u>137,163</u>	<u>57,463</u>	<u>503</u>	<u>-</u>	<u>1,463,487</u>	<u>1,332</u>	<u>1</u>	<u>15</u>	<u>1</u>	<u>20</u>	<u>1,661,251</u>
Operating Income (Loss)	<u>1,944</u>	<u>(129,163)</u>	<u>(57,463)</u>	<u>(503)</u>	<u>-</u>	<u>(6,477)</u>	<u>(1,332)</u>	<u>(1)</u>	<u>(15)</u>	<u>(1)</u>	<u>(20)</u>	<u>(193,031)</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>												
Investment Earnings	-	2,141	2,978	690	-	85	3,800	1	15	1	33	9,744
Interest Expense	-	(174,747)	-	-	-	(92,945)	-	(6)	-	(13)	-	(267,711)
Net Non-Operating Revenues (Expenses)	<u>-</u>	<u>(172,606)</u>	<u>2,978</u>	<u>690</u>	<u>-</u>	<u>(92,860)</u>	<u>3,800</u>	<u>(5)</u>	<u>15</u>	<u>(12)</u>	<u>33</u>	<u>(257,967)</u>
Net Income Before Transfers	<u>1,944</u>	<u>(301,769)</u>	<u>(54,485)</u>	<u>187</u>	<u>-</u>	<u>(99,337)</u>	<u>2,468</u>	<u>(6)</u>	<u>-</u>	<u>(13)</u>	<u>13</u>	<u>(450,998)</u>
Operating Transfers In	-	225,000	50,000	18,300	-	10,727	-	-	-	-	22,374	326,401
Operating Transfers Out	(225,000)	(22,374)	-	-	-	(68,300)	-	-	-	-	-	(315,674)
Net Income	<u>(223,056)</u>	<u>(99,143)</u>	<u>(4,485)</u>	<u>18,487</u>	<u>-</u>	<u>(156,910)</u>	<u>2,468</u>	<u>(6)</u>	<u>-</u>	<u>(13)</u>	<u>22,387</u>	<u>(440,271)</u>
<b>NET ASSETS, AT BEGINNING OF YEAR</b>												
As Previously Stated	207,420	378,413	352,053	67,972	-	2,736,209	402,441	6	38,820	2	78,305	4,261,641
Residual Equity Transfers In	-	-	-	-	-	-	1,342	-	-	12	-	1,354
Residual Equity Transfers Out	-	-	-	-	-	-	-	-	-	-	(12)	(12)
NET ASSETS, AT END OF YEAR	\$ <u>(15,636)</u>	\$ <u>279,270</u>	\$ <u>347,568</u>	\$ <u>86,459</u>	\$ <u>-</u>	\$ <u>2,579,299</u>	\$ <u>406,251</u>	\$ <u>-</u>	\$ <u>38,820</u>	\$ <u>1</u>	\$ <u>100,680</u>	\$ <u>3,822,712</u>

See accompanying notes to  
the basic financial statements.