

**City of Corunna
Shiawassee County, Michigan**

FINANCIAL STATEMENTS

June 30, 2000

City of Corunna

Shiawassee County, Michigan

June 30, 2000

CITY COUNCIL AND ADMINISTRATION

| | |
|---------------------|----------------|
| Dr. James Billis | Mayor |
| Mr. David Dumond | Council Member |
| Ms. Deborah Bendall | Council Member |
| Mr. Robert Ockerman | Council Member |
| Mr. Cal Hornus | Council Member |
| Mr. Albert Bayless | Council Member |
| Ms. Larry Runyan | Council Member |
| Ms. Lisa Hitchcock | City Manager |
| Mr. Jeremy Boyd | Treasurer |
| Ms. Yvonne Long | City Clerk |

City of Corunna

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ABRAHAM & GAFFNEY, P.C.

Certified Public Accountants

Member:
American Institute of Certified
Public Accountants
and
Michigan Association of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Corunna
Corunna, Michigan

We have audited the accompanying general purpose financial statements of the City of Corunna, Michigan as of and for the year ended June 30, 2000, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Corunna, Michigan as of June 30, 2000, and the results of its operations and cash flows of its proprietary fund types and similar trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated August 18, 2000 on our consideration of the City of Corunna's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and individual account group financial statements and schedules listed in the Table of Contents under Supplemental Financial Information are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Corunna, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

August 18, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

City of Corunna

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 2000

| | Primary | | | | |
|--|-------------------------|------------------------|---------------------|-------------------------|--------------------|
| | Governmental Fund Types | | | | Proprietary |
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Enterprise</u> |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 301,625 | \$ 755,138 | \$ 32,074 | \$ (44,407) | \$ 563,691 |
| Cash and cash equivalents - restricted | 13,114 | - | - | - | 6,292 |
| Investments | 100,000 | 174,287 | 20,410 | - | 312,951 |
| Receivables | | | | | |
| Taxes | 5,036 | - | - | - | - |
| Accounts | - | - | - | - | 206,664 |
| Contracts | - | 186,569 | - | - | - |
| Accrued interest | 2,477 | 4,623 | 431 | - | 5,831 |
| Due from other funds | 4,440 | 20,266 | - | - | 16,315 |
| Due from other governmental units | | | | | |
| State | - | 34,324 | - | - | - |
| Federal | 2,704 | - | - | - | - |
| Local | 86,992 | 6,565 | - | - | - |
| Due from primary government | - | - | - | - | - |
| Treatment rights (net of accumulated amortization) | - | - | - | - | 39,480 |
| Inventory | - | 1,355 | - | - | - |
| Advances to other funds | 20,000 | - | - | - | - |
| Fixed assets (net of accumulated depreciation) | - | - | - | - | 3,886,002 |
| Amount available for retirement of general long-term debt | - | - | - | - | - |
| Amount to be provided for retirement of general long-term debt | - | - | - | - | - |
| TOTAL ASSETS | \$ 536,388 | \$1,183,127 | \$ 52,915 | \$ (44,407) | \$5,037,226 |

See accompanying notes to general purpose financial statements.

| Government | | | | Component Unit | | |
|-------------------------------|----------------------|----------------------|------------------------|--------------------------|--------------------------------|---|
| Fund Types | Fiduciary Fund Types | Account Groups | | Totals (Memorandum Only) | Downtown Development Authority | Reporting Entity Totals (Memorandum Only) |
| Internal Service (Motor Pool) | Trust and Agency | General Fixed Assets | General Long-Term Debt | | | |
| \$ 50,731 | \$ 45,533 | \$ - | \$ - | \$ 1,704,385 | \$ 46,495 | \$ 1,750,880 |
| - | - | - | - | 19,406 | - | 19,406 |
| - | 33,953 | - | - | 641,601 | - | 641,601 |
| - | - | - | - | 5,036 | - | 5,036 |
| - | - | - | - | 206,664 | 8,277 | 214,941 |
| - | - | - | - | 186,569 | - | 186,569 |
| - | 431 | - | - | 13,793 | - | 13,793 |
| - | - | - | - | 41,021 | - | 41,021 |
| - | - | - | - | 34,324 | - | 34,324 |
| - | - | - | - | 2,704 | - | 2,704 |
| - | - | - | - | 93,557 | - | 93,557 |
| - | - | - | - | -0- | 2,128 | 2,128 |
| - | - | - | - | 39,480 | - | 39,480 |
| - | - | - | - | 1,355 | - | 1,355 |
| - | - | - | - | 20,000 | - | 20,000 |
| 205,620 | - | 2,631,335 | - | 6,722,957 | 765,499 | 7,488,456 |
| - | - | - | 93 | 93 | - | 93 |
| - | - | - | 892,053 | 892,053 | 345,636 | 1,237,689 |
| <u>\$ 256,351</u> | <u>\$ 79,917</u> | <u>\$ 2,631,335</u> | <u>\$ 892,146</u> | <u>\$ 10,624,998</u> | <u>\$ 1,168,035</u> | <u>\$ 11,793,033</u> |

City of Corunna

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS - CONTINUED

June 30, 2000

| | Primary | | | | |
|---|-------------------------|--------------------|------------------|--------------------|--------------------|
| | Governmental Fund Types | | | | Proprietary |
| | General | Special Revenue | Debt Service | Capital Projects | Enterprise |
| LIABILITIES | | | | | |
| Payables | | | | | |
| Accounts | \$ 61,179 | \$ 1,243 | | \$ - | \$ 20,552 |
| Wages | 28,391 | 1,858 | - | - | 739 |
| Other accrued liabilities | 4,127 | 175 | - | - | 17,575 |
| Due to other funds | 4,897 | 21,988 | 4,329 | - | 5,064 |
| Due to component units | - | - | - | - | - |
| Due to other governmental units | - | - | - | - | - |
| Due to individuals and agencies | 1,131 | - | - | - | - |
| Deferred revenue | - | 186,114 | - | - | - |
| Bonds payable | - | - | - | - | 1,280,000 |
| Capital lease payable | - | - | - | - | - |
| Loans and contracts payable | - | - | - | - | 238,737 |
| Advances from other funds | - | 20,000 | - | - | - |
| TOTAL LIABILITIES | 99,725 | 231,378 | 4,329 | -0- | 1,562,667 |
| FUND EQUITY (DEFICITS) | | | | | |
| Contributed capital | - | - | - | - | 2,239,282 |
| Investment in general fixed assets | - | - | - | - | - |
| Retained earnings | | | | | |
| Reserved for bonds | - | - | - | - | 69,327 |
| Reserved for debt service | - | - | - | - | 11,187 |
| Reserved for replacement | - | - | - | - | 107,343 |
| Unreserved | - | - | - | - | 1,047,420 |
| Fund balance (deficits) | | | | | |
| Reserved for | | | | | |
| Inventory | - | 1,355 | - | - | - |
| Debt service | - | - | 93 | - | - |
| Advances to other funds | 20,000 | - | - | - | - |
| Trust activities | - | - | - | - | - |
| Retirement benefits | 13,114 | - | - | - | - |
| Unreserved - undesignated | 403,549 | 950,394 | 48,493 | (44,407) | - |
| TOTAL FUND EQUITY (DEFICITS) | 436,663 | 951,749 | 48,586 | (44,407) | 3,474,559 |
| TOTAL LIABILITIES AND FUND EQUITY (DEFICITS) | \$ 536,388 | \$1,183,127 | \$ 52,915 | \$ (44,407) | \$5,037,226 |

See accompanying notes to general purpose financial statements.

| Fund Types | Government | | | | Totals (Memorandum Only) | Component Unit | Reporting Entity Totals (Memorandum Only) |
|-------------------------------------|-------------------------|----------------------------|------------------------------|--------------------------------------|--------------------------------|----------------------|---|
| | Fiduciary Fund Types | Account Groups | | Downtown Development Authority | | | |
| Internal Service (Motor Pool) | Trust and Agency | General Fixed Assets | General Long-Term Debt | | | | |
| \$ 828 | \$ - | \$ - | \$ - | \$ 83,802 | \$ 405 | \$ 84,207 | |
| 227 | - | - | - | 31,215 | - | 31,215 | |
| 1,167 | - | - | 27,146 | 50,190 | - | 50,190 | |
| - | 4,743 | - | - | 41,021 | - | 41,021 | |
| - | 2,128 | - | - | 2,128 | - | 2,128 | |
| - | 4,568 | - | - | 4,568 | 8,766 | 13,334 | |
| - | 4,385 | - | - | 5,516 | 3,292 | 8,808 | |
| - | - | - | - | 186,114 | - | 186,114 | |
| - | - | - | 865,000 | 2,145,000 | - | 2,145,000 | |
| 71,044 | - | - | - | 71,044 | - | 71,044 | |
| - | - | - | - | 238,737 | 345,636 | 584,373 | |
| - | - | - | - | 20,000 | - | 20,000 | |
| 73,266 | 15,824 | -0- | 892,146 | 2,879,335 | 358,099 | 3,237,434 | |
| - | - | - | - | 2,239,282 | - | 2,239,282 | |
| - | - | 2,631,335 | - | 2,631,335 | 765,499 | 3,396,834 | |
| - | - | - | - | 69,327 | - | 69,327 | |
| - | - | - | - | 11,187 | - | 11,187 | |
| - | - | - | - | 107,343 | - | 107,343 | |
| 183,085 | - | - | - | 1,230,505 | - | 1,230,505 | |
| - | - | - | - | 1,355 | - | 1,355 | |
| - | - | - | - | 93 | - | 93 | |
| - | - | - | - | 20,000 | - | 20,000 | |
| - | 64,093 | - | - | 64,093 | - | 64,093 | |
| - | - | - | - | 13,114 | - | 13,114 | |
| - | - | - | - | 1,358,029 | 44,437 | 1,402,466 | |
| 183,085 | 64,093 | 2,631,335 | -0- | 7,745,663 | 809,936 | 8,555,599 | |
| <u>\$ 256,351</u> | <u>\$ 79,917</u> | <u>\$ 2,631,335</u> | <u>\$ 892,146</u> | <u>\$ 10,624,998</u> | <u>\$ 1,168,035</u> | <u>\$ 11,793,033</u> | |

City of Corunna

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL AND EXPENDABLE TRUST FUND TYPES

Year Ended June 30, 2000

| | <u>Primary</u> | |
|--|---------------------|----------------------------|
| | <u>Governmental</u> | |
| | <u>General</u> | <u>Special Revenue</u> |
| REVENUES | | |
| Taxes | \$ 626,715 | \$ 227,155 |
| Licenses and permits | 32,136 | - |
| Intergovernmental | 422,229 | 226,219 |
| Charges for services | 200,140 | 14,457 |
| Fines and forfeits | 17,316 | 20,474 |
| Interest and rents | 86,001 | 35,052 |
| Special assessments | 156 | - |
| Other | 27,264 | 95,589 |
| | <u>1,411,957</u> | <u>618,946</u> |
| TOTAL REVENUES | | |
| EXPENDITURES | | |
| Legislative | 8,941 | - |
| General government | 412,476 | - |
| Public safety | 480,671 | - |
| Highways and streets | - | 106,040 |
| Public works | 209,436 | - |
| Health and welfare | - | 23,235 |
| Recreation and cultural | 93,222 | 130,937 |
| Other | - | 151,410 |
| Debt service | 27,972 | - |
| | <u>1,232,718</u> | <u>411,622</u> |
| TOTAL EXPENDITURES | | |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 179,239 | 207,324 |
| OTHER FINANCING SOURCES (USES) | | |
| Operating transfers in | - | 75,615 |
| Operating transfers out | (44,375) | (161,771) |
| | <u>(44,375)</u> | <u>(86,156)</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | | |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | 134,864 | 121,168 |
| Fund balances (deficit), beginning of year | 316,348 | 835,219 |
| Prior period adjustments | (14,549) | (4,638) |
| Fund balances (deficit), end of year | <u>\$ 436,663</u> | <u>\$ 951,749</u> |

See accompanying notes to general purpose financial statements.

| Government | | | Component Unit | |
|--------------|------------------|--------------------------|--------------------------------|---|
| Fund Types | | | | Reporting Entity Totals (Memorandum Only) |
| Debt Service | Capital Projects | Totals (Memorandum Only) | Downtown Development Authority | |
| \$ - | \$ - | 853,870 | \$ 33,775 | \$ 887,645 |
| - | - | 32,136 | - | 32,136 |
| - | - | 648,448 | - | 648,448 |
| - | - | 214,597 | - | 214,597 |
| - | - | 37,790 | - | 37,790 |
| 2,348 | 20,000 | 143,401 | 58,885 | 202,286 |
| - | - | 156 | - | 156 |
| - | - | 122,853 | 175 | 123,028 |
| 2,348 | 20,000 | 2,053,251 | 92,835 | 2,146,086 |
| - | - | 8,941 | - | 8,941 |
| - | - | 412,476 | - | 412,476 |
| - | - | 480,671 | - | 480,671 |
| - | - | 106,040 | - | 106,040 |
| - | 126,111 | 335,547 | - | 335,547 |
| - | - | 23,235 | - | 23,235 |
| - | - | 224,159 | - | 224,159 |
| 67 | - | 151,477 | 26,174 | 177,651 |
| 130,531 | - | 158,503 | 42,288 | 200,791 |
| 130,598 | 126,111 | 1,901,049 | 68,462 | 1,969,511 |
| (128,250) | (106,111) | 152,202 | 24,373 | 176,575 |
| 130,531 | 61,704 | 267,850 | - | 267,850 |
| - | (61,704) | (267,850) | - | (267,850) |
| 130,531 | - | - | -0- | - |
| 2,281 | (106,111) | 152,202 | 24,373 | 176,575 |
| 23,118 | 61,704 | 1,236,389 | 20,064 | 1,256,453 |
| 23,187 | - | 4,000 | - | 4,000 |
| \$ 48,586 | \$ (44,407) | \$ 1,392,591 | \$ 44,437 | \$ 1,437,028 |

City of Corunna

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUND TYPES

Year Ended June 30, 2000

| | General Fund | | |
|--|-------------------|-------------------|--|
| | Amended Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES | | | |
| Taxes | \$ 666,543 | \$ 626,715 | \$ (39,828) |
| Licenses and permits | 27,935 | 32,136 | 4,201 |
| Intergovernmental | 423,671 | 422,229 | (1,442) |
| Charges for services | 230,645 | 200,140 | (30,505) |
| Fines and forfeits | 29,500 | 17,316 | (12,184) |
| Interest and rents | 73,420 | 86,001 | 12,581 |
| Special assessments | - | 156 | 156 |
| Other | 58,828 | 27,264 | (31,564) |
| TOTAL REVENUES | 1,510,542 | 1,411,957 | (98,585) |
| EXPENDITURES | | | |
| Legislative | 11,541 | 8,941 | 2,600 |
| General government | 439,089 | 412,476 | 26,613 |
| Public safety | 575,209 | 480,671 | 94,538 |
| Highways and streets | - | - | -0- |
| Public works | 238,513 | 209,436 | 29,077 |
| Health and welfare | - | - | -0- |
| Recreation and cultural | 135,608 | 93,222 | 42,386 |
| Other | - | - | -0- |
| Debt service | 27,360 | 27,972 | (612) |
| TOTAL EXPENDITURES | 1,427,320 | 1,232,718 | 194,602 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 83,222 | 179,239 | 96,017 |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | - | - | -0- |
| Operating transfers out | (44,375) | (44,375) | -0- |
| TOTAL OTHER FINANCING SOURCES (USES) | (44,375) | (44,375) | -0- |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | 38,847 | 134,864 | 96,017 |
| Fund balances, beginning of year | 316,348 | 316,348 | -0- |
| Prior period adjustments | - | (14,549) | (14,549) |
| Fund balances, end of year | \$ 355,195 | \$ 436,663 | \$ 81,468 |

See accompanying notes to general purpose financial statements.

| Special Revenue Funds | | | Debt Service Funds | | |
|-----------------------|-------------------|----------------------------------|--------------------|------------------|----------------------------------|
| Amended Budget | Actual | Variance Favorable (Unfavorable) | Amended Budget | Actual | Variance Favorable (Unfavorable) |
| \$ 221,818 | \$ 227,155 | \$ 5,337 | \$ - | \$ - | \$ -0- |
| - | - | -0- | - | - | -0- |
| 200,645 | 226,219 | 25,574 | - | - | -0- |
| 26,925 | 14,457 | (12,468) | - | - | -0- |
| 16,500 | 20,474 | 3,974 | - | - | -0- |
| 31,760 | 35,052 | 3,292 | - | 2,348 | 2,348 |
| - | - | -0- | - | - | -0- |
| 79,141 | 95,589 | 16,448 | - | - | -0- |
| 576,789 | 618,946 | 42,157 | -0- | 2,348 | 2,348 |
| - | - | -0- | - | - | -0- |
| - | - | -0- | - | - | -0- |
| - | - | -0- | - | - | -0- |
| 181,146 | 106,040 | 75,106 | - | - | -0- |
| - | - | -0- | - | - | -0- |
| 26,425 | 23,235 | 3,190 | - | - | -0- |
| 144,225 | 130,937 | 13,288 | - | - | -0- |
| - | 151,410 | (151,410) | - | 67 | (67) |
| 155,000 | - | 155,000 | 130,531 | 130,531 | -0- |
| 506,796 | 411,622 | 95,174 | 130,531 | 130,598 | (67) |
| 69,993 | 207,324 | 137,331 | (130,531) | (128,250) | 2,281 |
| 68,940 | 75,615 | 6,675 | 130,531 | 130,531 | -0- |
| (161,771) | (161,771) | -0- | - | - | -0- |
| (92,831) | (86,156) | 6,675 | 130,531 | 130,531 | -0- |
| (22,838) | 121,168 | 144,006 | -0- | 2,281 | 2,281 |
| 835,219 | 835,219 | -0- | 23,118 | 23,118 | -0- |
| - | (4,638) | (4,638) | - | 23,187 | 23,187 |
| <u>\$ 812,381</u> | <u>\$ 951,749</u> | <u>\$ 139,368</u> | <u>\$ 23,118</u> | <u>\$ 48,586</u> | <u>\$ 25,468</u> |

City of Corunna

COMBINED STATEMENT OF REVENUES, EXPENSES/EXPENDITURES, AND
CHANGES IN RETAINED EARNINGS/FUND BALANCE - PROPRIETARY
FUND TYPES AND SIMILAR TRUST FUND

Year Ended June 30, 2000

| | Proprietary Fund Types | | Fiduciary Fund Type | Totals (Memorandum Only) |
|---|------------------------|-------------------------------------|---|--------------------------------|
| | Enterprise | Internal Service (Motor Pool) | Nonexpendable Trust Fund (Cemetery Perpetual Care) | |
| OPERATING REVENUES | | | | |
| Charges for services | \$ 785,223 | \$ 100,789 | \$ 2,338 | \$ 888,350 |
| Capital charges | 142,407 | - | - | 142,407 |
| Other | 1,503 | 160 | - | 1,663 |
| TOTAL OPERATING REVENUES | 929,133 | 100,949 | 2,338 | 1,032,420 |
| OPERATING EXPENSES | | | | |
| Salaries and wages | 89,872 | 10,188 | - | 100,060 |
| Fringe benefits | 26,102 | 11,572 | - | 37,674 |
| Contractual services | 71,365 | 2,861 | - | 74,226 |
| Supplies | 19,374 | 28,114 | - | 47,488 |
| Utilities | 11,187 | 3,514 | - | 14,701 |
| Treatment costs | 265,969 | - | - | 265,969 |
| Repairs and maintenance | 218 | - | - | 218 |
| Equipment rental | 12,757 | - | - | 12,757 |
| Other | 1,330 | - | - | 1,330 |
| Depreciation | 150,504 | 47,757 | - | 198,261 |
| Amortization | 27,758 | - | - | 27,758 |
| TOTAL OPERATING EXPENSES | 676,436 | 104,006 | -0- | 780,442 |
| OPERATING INCOME (LOSS) | 252,697 | (3,057) | 2,338 | 251,978 |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Interest revenue | 27,173 | - | 1,548 | 28,721 |
| Rent revenue | 19,772 | - | - | 19,772 |
| Interest expense and fees | (82,080) | (4,269) | - | (86,349) |
| TOTAL NONOPERATING REVENUES (EXPENSES) | (35,135) | (4,269) | 1,548 | (37,856) |
| NET INCOME (LOSS) | 217,562 | (7,326) | 3,886 | 214,122 |
| Retained earnings, beginning of year | 1,017,715 | 190,411 | 60,207 | 1,268,333 |
| Retained earnings, end of year | <u>\$ 1,235,277</u> | <u>\$ 183,085</u> | <u>\$ 64,093</u> | <u>\$ 1,482,455</u> |

See accompanying notes to general purpose financial statements.

City of Corunna

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES
AND SIMILAR TRUST FUND

Year Ended June 30, 2000

| | <u>Proprietary Fund Types</u> | |
|---|-------------------------------|--|
| | <u>Enterprise</u> | <u>Internal Service (Motor Pool)</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Operating income | \$ 252,697 | \$ (3,057) |
| Adjustments to reconcile operating income to net cash provided by operating activities | | |
| Depreciation and amortization | 178,262 | 47,757 |
| Decrease (increase) in receivables | (32,298) | - |
| (Decrease) in due to other funds | 265 | - |
| Increase (decrease) in accounts payable | 3,320 | (10,310) |
| Increase (decrease) in accrued liabilities | 498 | 857 |
| | <hr/> | <hr/> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 402,744 | 35,247 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Rent revenue | 19,772 | - |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Interest expense | (82,080) | (4,269) |
| Proceeds from loans | 224,200 | 50,700 |
| Capital purchases | (262,622) | (68,462) |
| Payment of borrowing | (99,915) | (22,930) |
| | <hr/> | <hr/> |
| NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | (220,417) | (44,961) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest revenue | 27,173 | - |
| Purchase of investments | (312,951) | - |
| Maturity of investments | 138,571 | - |
| | <hr/> | <hr/> |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | (147,207) | - |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING YEAR | 54,892 | (9,714) |
| Cash and cash equivalents, beginning of year | <hr/> 514,597 | <hr/> 60,445 |
| Cash and cash equivalents, end of year | <u><u>\$ 569,489</u></u> | <u><u>\$ 50,731</u></u> |

See accompanying notes to general purpose financial statements.

| <u>Fiduciary Fund Type</u> Nonexpendable Trust Funds (Cemetery Perpetual Care) | Totals (Memorandum Only) |
|--|--------------------------------|
| \$ 2,338 | \$ 251,978 |
| - | 226,019 |
| (85) | (32,383) |
| - | 265 |
| - | (6,990) |
| - | 1,355 |
| <hr/> | <hr/> |
| \$ 2,253 | \$ 440,244 |
| - | 19,772 |
| - | (86,349) |
| - | 274,900 |
| - | (331,084) |
| - | (122,845) |
| <hr/> | <hr/> |
| -0- | (265,378) |
| 1,548 | 28,721 |
| - | (312,951) |
| - | 138,571 |
| <hr/> | <hr/> |
| 1,548 | (145,659) |
| 3,801 | 48,979 |
| <hr/> | <hr/> |
| 25,908 | 600,950 |
| <hr/> | <hr/> |
| <u>\$ 29,709</u> | <u>\$ 649,929</u> |

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Corunna is located in Shiawassee County, Michigan and has a population of approximately 3,100. The City of Corunna operates with a City Manager/Council form of government and provides services to its residents in many areas including general government, law enforcement, highways and streets, human services, and utilities services.

The City has six (6) City Council members who are elected at large for overlapping four (4) year terms and a Mayor elected at large for a two (2) year term. The Council appoints the City Manager, Finance Director/Treasurer, and Assessor.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to City governments. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

1. Reporting Entity

As required by generally accepted accounting principles; GASB Statement 14, The Financial Reporting Entity; and Statement on Michigan Governmental Accounting and Auditing No. 5, these financial statements present the financial activities of the City of Corunna (primary government) and its component unit (Downtown Development Authority).

The component unit columns in the general purpose financial statements include the financial data of the City's component unit (Downtown Development Authority). It is reported in a separate column to emphasize that it is legally separate from the City.

The governing body of the Downtown Development Authority is appointed by the City Council, the Authority's budget is subject to the approval of the City Council, the City temporarily relinquishes part of its tax base to the Authority (tax increment revenues), and the City has pledged its full faith and credit toward payment of the Authority's debt.

The financial statements of the City of Corunna Building Authority have been blended with the City's Debt Service Funds and General Long-Term Debt Account Group. The financial statements of the Corunna Historical Commission, Softball Commission, and Corunna Fourth of July Commission have been blended with the City's Special Revenue Funds.

The Corunna Softball Commission activities are reported on the fiscal year end of October 31, 1999.

2. Joint Venture

The City participates in the following activity which is considered to be a joint venture in relation to the City, due to there being ongoing financial interest or responsibility:

Owosso Community Airport Board - The City of Corunna along with the City of Owosso, Shiawassee County, and Owosso and Caledonia Townships have entered into an agreement which created the Owosso Community Airport Board. The Airport Board is composed of one (1) member from each of the member municipalities. The Airport has been reported as a fund in the December 31, 1997 financial statements of Shiawassee County. The Airport is expected to be self-sufficient but based on a "10 Year Funding Model" approved by the Board each participating municipality shall make a direct appropriation to cover operations and development costs. The percentage share for the funding model for each municipality is Shiawassee County and the City of Owosso 33%, Owosso and Caledonia Townships 13%, and the City of Corunna 8%. The City paid \$2,550 to the Board for the year ended June 30, 2000.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Jointly Governed Organizations

The City participates in the following activities which are considered to be jointly governed organizations in relation to the City, due to there being no ongoing financial interest or responsibility:

Corunna Area Ambulance Service, Inc. - The City of Corunna along with the Townships of New Haven and Caledonia have entered into a service agreement with Corunna Area Ambulance Service, Inc., a Michigan nonprofit Corporation. The Corporation's board is composed of seven (7) members appointed by the corporation and one each from the City of Corunna, and New Haven and Caledonia Townships. The City is responsible to pay a per dwelling or equivalent unit charge for all dwellings in the City limits which is assessed to all residents on their summer tax bills. The City paid \$15,383 in per dwelling charges to Corunna Area Ambulance Service, Inc. for the year ended June 30, 2000.

4. Basis of Presentation

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and account groups reported in the financial statements are categorized and described as follows:

GOVERNMENTAL FUNDS

- a. General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.
- c. Debt Service Funds - The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
- d. Capital Projects Funds - The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital projects (other than those financed by Proprietary Funds and Trust Funds).

PROPRIETARY FUNDS

- a. Enterprise Funds - The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.
- b. Internal Service Fund - The Internal Service Fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Basis of Presentation - continued

FIDUCIARY FUNDS

- a. Trust Funds - The Trust Funds are used to account for assets held by the City in a trustee capacity. Nonexpendable trust funds are reported similar to proprietary funds.
- b. Agency Funds - The Agency Funds are used to account for assets held by the City in a trustee capacity as an agent for individuals, other organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ACCOUNT GROUPS

- a. General Fixed Assets Account Group - The General Fixed Assets Account Group is a self-balancing group of accounts used to establish accounting control over the fixed assets of the City.
- b. General Long-Term Debt Account Group - The General Long-Term Debt Account Group is used to record the outstanding long-term obligations not otherwise recorded in the Proprietary Funds.

COMPONENT UNIT FUNDS

The City of Corunna Downtown Development Authority component unit funds and account groups have been aggregated for presentation within the City General Purpose Financial Statements as one column on the Combined Balance Sheet and Combined Statement of Revenues, Expenditures, and Changes in Fund Balances. The detailed Annual Financial Statements of the City of Corunna Downtown Development Authority are available for public inspection at the Corunna City Hall.

- a. Special Revenue Fund - The Component Unit Special Revenue Fund is used to account for the proceeds of specific revenue and rent sources (tax increment financing and rent revenues) that are legally restricted to expenditures for specified purposes.
- b. General Fixed Assets Account Group - The Component Unit General Fixed Assets Account Group is a self-balancing group of accounts used to establish accounting control over the fixed assets of the component unit.
- c. General Long-Term Debt Account Group - The Component Unit General Long-Term Debt Account Group is used to establish accounting control and accountability for the unmatured principal on the unit's long-term debt.

5. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental, component unit, and similar trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet, except for the component unit funds which, with discrete presentation, includes an amount available and an amount payable related to a commercial loan. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current and long-term assets.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Measurement Focus - continued

All proprietary and similar trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Balance Sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

There is no measurement focus for the agency fund since assets equal liabilities.

6. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental, agency, and component unit funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both "measurable" and "available to finance expenditures of the current period"). Revenues which are considered measurable, but not available, are recorded as a receivable and deferred revenue. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

The proprietary and similar trust funds are accounted for using the accrual basis of accounting. The revenues are recognized when they are earned, and the expenses are recognized when they are incurred.

7. Budgets and Budgetary Accounting

The General, Special Revenue, and Debt Service Funds' budgets shown in the financial statements were prepared on a basis consistent with the modified accrual basis used to reflect actual results. A budget was not properly adopted for the Building Authority (Debt Service) Fund as required by generally accepted accounting principles. The City employs the following procedures in establishing the budgetary data reflected in the financial statements.

- a. On the council meeting nearest but no later than the third Monday in May, the City Manager submits to City Council the proposed operating budgets for the fiscal year commencing the following July 1. The operating budgets include proposed expenditures and resources to finance them.
- b. A Public Hearing is conducted to obtain taxpayers' comments.
- c. Prior to July 1, the budget is legally adopted with passage by Council vote.
- d. The budget is legally adopted at the activity level for the General Fund and total expenditure level for the Special Revenue and Debt Service Funds; however, they are maintained at the account level for control purposes.
- e. The City does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds. Appropriations unused at June 30 are not carried forward to the following fiscal year.
- f. Budgeted amounts are reported as originally adopted or amended by the City Council during the year. Individual amendments were appropriately approved by the City Council as required.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

8. Cash, Cash Equivalents, and Investments

The City pools cash resources of various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balances in the pooled cash accounts are available to meet current operating requirements. Cash in excess of current requirements is invested in various interest bearing securities and disclosed as part of the City's investments. Cash equivalents consist of temporary investments in mutual funds and certificates of deposit with original maturities of 90 days or less.

Investments include certificates of deposit with an original maturities of greater than 90 days from the date of purchase. All certificates of deposit are stated at market value.

9. Property Tax

The City of Corunna bills and collects its own property taxes and also taxes for other governmental units. The City's property tax revenue recognition policy and related tax calendar disclosures are highlighted in the following paragraph.

Property taxes are levied by the City of Corunna on July 1 and December 1 and are payable without penalty through September 15 and February 14, respectively. The July 1 levy is composed of the City's millage, special assessments, and the school taxes. The December 1 levy is composed of county and schools taxes. All real property taxes not paid to the City by March 1 are turned over to the Shiawassee County Treasurer for collection. The Shiawassee County Treasurer purchases the receivables of all taxing districts on any delinquent real property taxes. Delinquent personal property taxes are retained by the City for subsequent collection. Collections and remittances of all taxes are accounted for in the Current Tax Collections Agency Fund. City property tax revenues are recognized as revenues in the fiscal year levied.

The City is permitted to levy taxes up to 15 mills (\$15 per \$1,000 of taxable valuation) for general governmental services other than the payment of Debt Service Fund expenses and up to an additional five (5) mills (\$5 per \$1,000 of taxable valuation) for City Public Improvements. For the year ended June 30, 2000, the City levied 13.7284 mills per \$1,000 of assessed valuation for general governmental services and 4.9885 mills for City Public Improvements. The total Taxable Value for the 1999 levy for property within the City was \$44,366,262.

10. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as operating transfers.

The Internal Service Fund (Motor Pool) records charges for equipment rental to various City departments and funds as operating revenue. All City funds record these payments as operating expenditures/expenses.

11. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation days. Employees are not paid for accumulated sick leave. All employees with accumulated unused vacation pay at June 30, 2000 were vested and the total due to them, along with the related payroll taxes, is recorded entirely in the General Long-Term Debt Account Group.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

12. Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources".

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in a General Fixed Assets Account Group, rather than in the governmental funds. The general fixed assets are recorded as expenditures at the time of purchase in the governmental fund types. Fixed assets with a unit cost of \$1,500 or greater are capitalized in the General Fixed Asset Account Group.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components.

Long-term liabilities expected to be financed from component unit funds are accounted for within the respective component unit fund to show proper primary government and component unit segregation of debt.

Fixed assets are recorded at cost, or if donated, at fair market value at the date of donation. Expenditures which materially extend the useful life of existing assets are capitalized. Public domain (infrastructure) general fixed assets which include roads, bridges, curbs and gutters, sidewalks, and drains are not capitalized.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets.

The estimated useful lives are:

| | |
|--|---------------|
| Sewer and Water systems and improvements | 10 - 40 years |
| Equipment | 5 - 15 years |

13. Treatment Rights

The City of Corunna has contracted with the Owosso Township - Caledonia Township Utility Authority for the right to distribute wastewater through authority pipe to the City of Owosso for the treatment rights to treat its wastewater.

These rights are being amortized over the period of the related contract's liability.

14. Comparative Data

Comparative data for the prior year has been presented in some of the accompanying financial statements in order to provide an understanding of changes in financial position and operations.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

15. Total Columns on Combined Statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS

The City utilizes various pooled cash accounts and investments for approximately thirty funds. The City's pooled cash accounts consist of a common checking account, savings accounts, certificates of deposit, and investment trust funds.

The City's pooled cash accounts and investments are utilized by the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, Internal Service Fund, and the Trust and Agency Funds. Each fund's portion of these pooled accounts is included in the cash and cash equivalents and investments captions on the combined balance sheet.

The other funds of the City utilize separate savings and interest bearing checking accounts. In addition, certificates of deposit are held separately by several of the City's funds.

In accordance with Michigan Compiled Laws, the City is authorized to invest in the following investment vehicles:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of the State or the United States, but only if the bank, savings and loan association, savings bank, or credit union is eligible to be a depository of surplus funds belong to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of Michigan Compiled Laws.
3. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
4. The United States government or federal agency obligations repurchase agreements.
5. Bankers acceptances of United States banks.
6. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS - CONTINUED

Federal Deposit Insurance Corporation (FDIC) regulations provide that deposits of governmental units are to be separately insured for the amount of \$100,000 for deposits in an insured bank for savings deposits and \$100,000 for demand deposits. Furthermore, if specific deposits are regulated by statute or bond indenture, these specific deposits are to be separately insured for the amount of \$100,000. Michigan Compiled Laws allow for collateralization of government deposits, if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities issued by the Federal Loan Mortgage Corporation, Federal National mortgage Association, or Government National Mortgage Association.

Deposits

As of June 30, 2000, the carrying amounts and bank balances for each type of bank account are as follows:

| <u>Account Type</u> | <u>Carrying Amount</u> | <u>Bank Balance</u> |
|-------------------------------------|------------------------|---------------------|
| Regular checking | \$ 93,854 | \$ 152,728 |
| Money market checking | 6,632 | 6,632 |
| Savings and certificates of deposit | <u>1,466,836</u> | <u>1,467,961</u> |
| | <u>\$ 1,567,322</u> | <u>\$ 1,627,321</u> |

Deposits of the City are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the City. As of June 30, 2000, the City accounts were insured by the FDIC for \$509,513, and the amount of \$1,117,808 was uninsured and uncollateralized.

Investments

As of June 30, 2000, the carrying amounts and market values for the investment is as follows:

| <u>Investment Type</u> | <u>Carrying Amount</u> | <u>Market Value</u> |
|---------------------------------------|------------------------|---------------------|
| Uncategorized pooled investment funds | <u>\$ 844,566</u> | <u>\$ 844,566</u> |

Due to significantly higher cash flow at certain periods during the year, the amount the City held as cash and cash equivalents increased significantly. As a result, the amount of uninsured and uncollateralized cash and cash equivalents were substantially higher at these peak periods than at year-end.

The cash and cash equivalents and investments referred to above have been reported in either the cash and cash equivalents or investments captions on the combined balance sheet, based upon criteria disclosed in Note A. The following summarizes the categorization of these amounts as of June 30, 2000:

| | |
|--|---------------------|
| Cash and cash equivalents | \$ 1,750,881 |
| Cash and cash equivalents - restricted | 19,406 |
| Investments | <u>641,601</u> |
| | <u>\$ 2,411,888</u> |

The amounts identified above include General Fund restricted cash of \$13,114 as of June 30, 2000 to be used to fund retirement benefits in the future and Enterprise (Sewer System) Fund restricted cash of \$6,292 as of June 30, 2000 to be used to fund Sewer System improvements.

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE C: INTERFUND RECEIVABLES AND PAYABLES

The amount of interfund receivables and payables at June 30, 2000, are as follows:

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Fund</u> | <u>Interfund Payable</u> |
|-----------------------------|---------------------------------|-----------------------------|------------------------------|
| General | | General | |
| Water System | \$ 295 | City Improvements | \$ 4,897 |
| Tax | 3,933 | | |
| 1996 G.O. Bonds | <u>212</u> | Special Revenue | |
| | 4,440 | Major Street | |
| | | Local Street | 6,483 |
| | | Local Street | |
| | | Sewer System | <u>15,505</u> |
| | | | 21,988 |
| Special Revenue | | Debt Service | |
| Local Street | | 1996 G.O. Limited Tax Bonds | |
| Major Street | 6,483 | City Improvements | 4,117 |
| City Improvements | | General | <u>212</u> |
| 1996 G.O. Limited Tax Bonds | 4,117 | | |
| General | 4,897 | | |
| H.U.D. Grant | | | |
| Sewer | <u>4,769</u> | | 4,329 |
| | 20,266 | Enterprise | |
| Enterprise | | Water System | |
| Sewer System | | General Fund | 295 |
| Local Street | 15,505 | Sewer | |
| Water System | | H.U.D. Grant | <u>4,769</u> |
| Tax | <u>810</u> | | |
| | <u>16,315</u> | Trust and Agency | |
| | | Current Tax Collections | |
| | | General Fund | 3,933 |
| | | Water System | <u>810</u> |
| | | | <u>4,743</u> |
| | <u>\$ 41,021</u> | | <u>\$ 41,021</u> |

The following schedule details interfund receivable and payable between the primary government and the component units at June 30, 2000.

| | | | |
|--------------------------------|-----------------|--------------------------------|-----------------|
| Downtown Development Authority | | Trust and Agency | |
| Current Tax Collections | <u>\$ 2,128</u> | Current Tax Collections | |
| | | Downtown Development Authority | <u>\$ 2,128</u> |

NOTE D: ADVANCES RECEIVABLE AND PAYABLE

On July 7, 1997, the City General Fund loaned the Historical Commission (Special Revenue) Fund \$30,000, which was used to move a home into the historical village. The amount is due within three (3) years with no interest. During the current year the commission repaid \$5,000 in principal.

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE D: ADVANCES RECEIVABLE AND PAYABLE - CONTINUED

The following summarizes the outstanding balances of advances receivable and payable to other funds at June 30, 2000:

| <u>Fund</u> | <u>Advance To</u> | <u>Fund</u> | <u>Advance From</u> |
|----------------------------|-------------------|----------------------------|---------------------|
| General Fund | | Special Revenue Funds | |
| Special Revenue Funds | | Historical Commission Fund | |
| Historical Commission Fund | <u>\$ 20,000</u> | General Fund | <u>\$ 20,000</u> |

NOTE E: LONG-TERM CONTRACTS RECEIVABLE

The City has several loans to individuals and businesses made through the Economic Development Fund. The amounts attributable to these long-term contracts receivable have been recorded in the Economic Development (Special Revenue) Fund as a contracts receivable and deferred revenue. The following is a summary of future annual revenue from debtors which currently have signed promissory notes with the City:

| <u>Years ending June 30,</u> | |
|------------------------------|--------------------|
| 2001 | \$ 26,777 |
| 2002 | 44,145 |
| 2003 | 14,777 |
| 2004 | 14,777 |
| 2005 | 14,777 |
| 2006-2010 | 73,885 |
| 2011-2015 | 73,885 |
| 2016-2019 | <u>56,836</u> |
| | 319,859 |
| Less: interest | <u>(133,745)</u> |
| | <u>\$ 186,114</u> |

NOTE F: FIXED ASSETS

A summary of Proprietary Fund Type fixed assets at June 30, 2000 follows:

PRIMARY GOVERNMENT

| | <u>Enterprise</u> | <u>Internal Service (Motor Pool)</u> |
|--------------------------------|----------------------|--------------------------------------|
| Land | \$ 127 | \$ - |
| System and improvements | 5,687,728 | - |
| Equipment | <u>80,000</u> | <u>581,151</u> |
| Total | 5,767,855 | 581,151 |
| Less: accumulated depreciation | <u>(1,881,853)</u> | <u>(375,531)</u> |
| Net fixed assets | <u>\$ 3,886,002</u> | <u>\$ 205,620</u> |

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE F: FIXED ASSETS - CONTINUED

The following schedule summarizes the changes in components of the General Fixed Assets Account Group:

PRIMARY GOVERNMENT

| | Restated Balance <u>July 1, 1999</u> | <u>Additions</u> | <u>Deletions</u> | Balance <u>June 30, 2000</u> |
|-----------------------------------|--|------------------|---------------------|---------------------------------|
| Land, buildings, and improvements | \$ 2,128,850 | \$ - | \$ - | \$ 2,128,850 |
| Vehicles and equipment | <u>436,302</u> | <u>74,876</u> | <u>(8,694)</u> | <u>502,484</u> |
| | <u>\$ 2,565,153</u> | <u>\$ 74,876</u> | <u>\$ (8,694)</u> | <u>\$ 2,631,335</u> |

COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY

| | Balance <u>July 1, 1999</u> | <u>Additions</u> | <u>Deletions</u> | Balance <u>June 30, 2000</u> |
|--------------|--------------------------------|------------------|------------------|---------------------------------|
| Land | \$ 27,000 | \$ - | \$ - | \$ 27,000 |
| Parking lot | 42,171 | - | - | 42,171 |
| Building | 688,363 | - | - | 688,363 |
| Improvements | <u>7,965</u> | <u>-</u> | <u>-</u> | <u>7,965</u> |
| | <u>\$ 765,499</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ 765,499</u> |

NOTE G: LONG-TERM DEBT

The following is a summary of changes in long-term debt (including current portion) of the City for the year ended June 30, 2000:

| | Balance <u>July 1, 1999</u> | <u>Additions</u> | <u>Deletions</u> | Balance <u>June 30, 2000</u> |
|------------------------------------|--------------------------------|------------------|------------------|---------------------------------|
| PRIMARY GOVERNMENT | | | | |
| General Long-Term Debt | | | | |
| 1998 Transportation Bonds | \$ 210,000 | \$ - | \$ 10,000 | \$ 200,000 |
| 1996 G.O. Public Improvement Bonds | 740,000 | - | 75,000 | 665,000 |
| Capital lease | 1,582 | - | 1,582 | -0- |
| Accumulated Vacation | <u>26,176</u> | <u>970</u> | <u>-</u> | <u>27,146</u> |
| | 977,758 | 970 | 86,582 | 892,146 |
| Enterprise Funds | | | | |
| Sewer System Fund | | | | |
| Improvement Bonds - 1980 | 305,000 | - | 10,000 | 295,000 |
| Improvement Bonds - 1996 | 500,000 | - | 15,000 | 485,000 |
| Contracts payable | 47,840 | - | 24,840 | 23,000 |
| Capital lease | 16,612 | - | 16,612 | -0- |
| Water Fund | | | | |
| General Obligation Bonds | 525,000 | - | 25,000 | 500,000 |
| Water Tower IPA - 1999 | <u>-</u> | <u>224,200</u> | <u>8,463</u> | <u>215,737</u> |
| | 1,394,452 | 224,200 | 99,915 | 1,518,737 |

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE G: LONG-TERM DEBT - CONTINUED

| | | | | |
|---------------------------------|---------------------|-------------------|-------------------|---------------------|
| Internal Service Fund | | | | |
| Capital Lease - Dump truck | \$ 43,274 | \$ - | \$ 13,660 | \$ 29,613 |
| Backhoe Lease | <u>-</u> | <u>50,700</u> | <u>9,269</u> | <u>41,431</u> |
| | <u>43,274</u> | <u>50,700</u> | <u>22,929</u> | <u>71,044</u> |
| TOTAL PRIMARY GOVERNMENT | 2,415,484 | 275,870 | 209,427 | 2,481,927 |
| COMPONENT UNIT FUND | | | | |
| Downtown Development Authority | | | | |
| Loan payable | <u>364,376</u> | <u>-</u> | <u>18,740</u> | <u>345,636</u> |
| | <u>\$ 2,779,860</u> | <u>\$ 275,870</u> | <u>\$ 228,167</u> | <u>\$ 2,827,563</u> |

Significant details regarding outstanding long-term debt (including current portion) are presented below:

PRIMARY GOVERNMENT

Contracts Payable

\$253,000 1978 City of Owosso contract payable dated June 1, 1978 due in annual installments of \$23,000 through April 1, 2001, with interest at 7.25 percent, payable annually. \$ 23,000

General Obligation Bonds

\$220,000 1998 County of Shiawassee, City of Corunna Transportation Bonds dated April 1, 1998, due in annual installments ranging from \$10,000 to \$20,000 through August 1, 2012, with interest ranging from 4.70 to 5.05 percent, payable annually. 200,000

\$870,000 1996 County of Shiawassee, City of Corunna Public Improvement Bonds dated September 1, 1996, due in annual installments ranging from \$80,000 to \$110,000 through September 1, 2006, with interest ranging from 4.60 to 5.30 percent, payable semi-annually. 665,000

\$700,000 1992 Shiawassee County, City of Corunna Water Supply System Improvement Bonds dated May 1, 1991, due in annual installments ranging from \$25,000 to \$50,000 through May 1, 2011, with interest ranging from 5.50 to 6.25 percent, payable annually. 500,000

Revenue Bonds

\$550,000 1996 Wastewater Treatment System Revenue Bonds dated February 1, 1998, due in annual installments ranging from \$20,000 to \$40,000 through November 1, 2015, with interest ranging from 4.30 to 5.35 percent, payable annually. 485,000

\$420,000 USDA-FMHA Sewer Revenue Bonds dated August 15, 1980, due in annual installments ranging from \$10,000 to \$20,000 through August 1, 2019, with interest at 5.0 percent, payable annually. 295,000

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE G: LONG-TERM DEBT - CONTINUED

Installment Purchase Agreement

\$224,200 1999 Installment Purchase Agreement dated September 20, 1999, due in semi-annual installments ranging from \$8,770 to \$14,434 through November 1, 2009, with interest at 5.56 percent.

\$ 215,737

TOTAL PRIMARY GOVERNMENT

\$ 2,383,737

COMPONENT UNIT

\$420,000 Downtown Development Authority bank promissory note dated May 3, 1994, due in monthly payments of \$3,009 the first of each month including monthly interest on the unpaid balance at 6.0 percent.

\$ 345,636

\$ 2,729,373

Capital Leases - Primary Government

The City has entered into a lease purchase agreement to finance the acquisition of a backhoe, for which the liability is recorded in the Motor Vehicle Fund. The lease agreement qualifies as a capital lease for accounting purposes (title transfers at end of lease term at bargain price) and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. The cost of equipment acquired under the lease purchase agreement amounted to \$50,700.

Commitments under this lease agreement provide for minimum annual payments as follows:

| <u>Years ending</u> <u>June 30,</u> | |
|---|------------------|
| 2001 | \$ 10,518 |
| 2002 | 10,518 |
| 2003 | 10,519 |
| 2004 | 10,519 |
| 2005 | <u>5,259</u> |
| | 47,333 |
| Less: amount representing interest | <u>(5,902)</u> |
| Present value of minimum lease payments | <u>\$ 41,431</u> |

The City has entered into a lease purchase agreement to finance the acquisition of a dump truck, for which the liability is recorded in the Motor Vehicle Fund. The lease agreement qualifies as a capital lease for accounting purposes (title transfers at end of lease term at bargain price) and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. The cost of equipment acquired under the lease purchase agreement amounted to \$69,936.

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE G: LONG-TERM DEBT - CONTINUED

| | |
|---|------------------|
| Years ending June 30, | |
| 2001 | \$ 15,823 |
| 2002 | <u>15,823</u> |
| | 31,646 |
| Less: amount representing interest | <u>(2,033)</u> |
| Present value of minimum lease payments | <u>\$ 29,613</u> |

Accrued Vacation

Individual employees have vested rights upon termination of employment to receive payments for unused vacation. The dollar amount of these vested rights including related payroll taxes, which have been accrued on the financial statements in the General Long-Term Debt Account Group, amounted to approximately \$27,146 at June 30, 2000.

The annual requirements to pay the debt principal and interest outstanding for the bonds and contracts are as follows:

| Year Ending June 30, | Loans Payable | Contracts Payable | General Obligation Bonds | Revenue Improvements Bonds | Installment Purchase Agreement | Total |
|-------------------------|--------------------|----------------------|--------------------------------|----------------------------------|--------------------------------------|----------------------|
| 2001 | \$ 36,108 | \$ 24,380 | \$ 185,794 | \$ 69,065 | \$ 29,530 | \$ 344,877 |
| 2002 | 36,108 | - | 185,092 | 67,705 | 29,530 | 318,435 |
| 2003 | 36,108 | - | 208,997 | 66,325 | 29,530 | 340,960 |
| 2004 | 36,108 | - | 210,980 | 69,800 | 29,530 | 346,418 |
| 2005 | 36,108 | - | 207,450 | 73,130 | 29,530 | 346,218 |
| 2006-2010 | 180,540 | - | 643,621 | 354,520 | 132,885 | 1,311,566 |
| 2011-2015 | 159,943 | - | 117,650 | 343,140 | - | 620,733 |
| 2016-2020 | - | - | - | 138,515 | - | 138,515 |
| | 521,023 | 24,380 | 1,759,584 | 1,182,200 | 280,535 | 3,767,722 |
| Less: interest | <u>(175,387)</u> | <u>(1,380)</u> | <u>(394,584)</u> | <u>(402,200)</u> | <u>(64,798)</u> | <u>(1,038,349)</u> |
| | <u>\$ 345,636</u> | <u>\$ 23,000</u> | <u>\$ 1,365,000</u> | <u>\$ 780,000</u> | <u>\$ 215,737</u> | <u>\$ 2,729,373</u> |

NOTE H: RETIREMENT PLAN

Plan Description

The City participates in the Michigan Municipal Employees Retirement System, an agent multiple-employer defined benefit pension plan that covers all eligible full-time employees of the City. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The Michigan Municipal Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the System at 447 N. Canal Road, Lansing, Michigan 48917.

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE H: RETIREMENT PLAN - CONTINUED

Funding Policy

The obligation to contribute to and maintain the system for these employees was established by the City Commission and by negotiation with the City's collective bargaining units. The plan requires no contribution from the employees.

Annual Pension Cost

For year ended June 30, 2000 the City's annual pension cost of \$95,953 for the plan was equal to the City's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 1996, using the entry age normal cost method. Significant actuarial assumptions used include (a) a 8.00 percent investment rate of return (b) projected salary increases of 4.5 percent per year compounded annually, attributable to inflation (c) additional salary increases ranging from 0% to 4.2% per year depending on age, seniority and merit, and (d) assumption benefits will not increase after retirement. The actuarial value of assets was determined using techniques that smooth the effects of short term volatility over a four (4) year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is ten (10) years.

Three (3) year trend information

| | Year Ended December 31, | | |
|---|-------------------------|--------------|--------------|
| | <u>1997</u> | <u>1998</u> | <u>1999</u> |
| Actuarial value of assets | \$ 1,451,163 | \$ 1,199,132 | \$ 1,933,336 |
| Actuarial accrued liability (AAL) (entry age) | 2,234,124 | 1,848,396 | 2,595,046 |
| Unfunded AAL | 782,961 | 649,264 | 661,710 |
| Funded ratio | 65 % | 65 % | 75 % |
| Covered payroll | \$ 456,350 | \$ 380,968 | \$ 390,185 |
| UAAL as a percentage of covered payroll | 171 % | 170 % | 170% |

| | Year Ended June 30, | | |
|-------------------------------|---------------------|-------------|-------------|
| | <u>1998</u> | <u>1999</u> | <u>2000</u> |
| Annual pension cost | \$ 76,240 | \$ 115,032 | \$ 95,953 |
| Percentage of APC contributed | 100 % | 100 % | 100 % |
| Net pension obligation | - | - | |

This trend information was obtained from the most recently issued actuarial reports.

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE I: SEGMENT INFORMATION

The City operates the Sewer System and Water System utilities providing services to the various City residents. Segment information for the fiscal year ending June 30, 2000, is as follows:

| | <u>Sewer System</u> | <u>Water System</u> | <u>Total</u> |
|-----------------------------------|---------------------|---------------------|--------------|
| Operating revenues | \$ 501,811 | \$ 427,322 | \$ 929,133 |
| Operating expenses | | | |
| Depreciation and amortization | 122,270 | 55,992 | 178,262 |
| Other | 239,438 | 258,736 | 498,174 |
| Operating income | 140,103 | 112,594 | 252,697 |
| Net income | 114,781 | 102,781 | 217,562 |
| Contributed capital | 2,075,344 | 163,938 | 2,239,282 |
| Net working capital | 377,604 | 290,489 | 668,093 |
| Total assets | 3,343,615 | 1,693,611 | 5,037,226 |
| Long-term liabilities | | | |
| Contracts payable | - | 206,967 | 206,967 |
| General obligation bonds payable | - | 475,000 | 475,000 |
| Revenue improvement bonds payable | 750,000 | - | 750,000 |
| Total equity | 2,521,081 | 953,478 | 3,474,559 |

NOTE J: EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Michigan Public Act 621 of 1978, Sections 18 and 19, as amended, provides that a local governmental unit not incur expenditures in excess of the amounts appropriated.

In the body of the combined financial statements, the City's budgeted expenditures in the General, Special Revenue, and Debt Service Funds have been shown at the functional classification level. The approved budgets of the City have been adopted at the activity level for the General Fund and the total expenditure level for the Special Revenue and Debt Service Funds.

During the year ended June 30, 2000, the City incurred expenditures in the General Fund, one (1) Special Revenue Fund, and three (3) Debt Service Funds in excess of the amounts appropriated as follows:

| | <u>Appropriated</u> | <u>Amounts Expended</u> | <u>Amounts Variance</u> |
|-------------------------|---------------------|-------------------------|-------------------------|
| General Fund | | | |
| General Government | | | |
| City Manager | \$ 78,806 | \$ 79,007 | \$ 201 |
| Clerk | 73,266 | 77,336 | 4,070 |
| Legal Services | 20,000 | 22,907 | 2,907 |
| Elections | 4,400 | 4,682 | 282 |
| City Services | 49,250 | 51,516 | 2,266 |
| Recreation and Cultural | | | |
| Summer recreation | 14,150 | 14,243 | 93 |
| Other | | | |
| Fringe benefits | 16,860 | 17,974 | 1,114 |

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE J: EXCESS OF EXPENDITURES OVER APPROPRIATIONS - CONTINUED

| | <u>Appropriated</u> | <u>Amounts Expended</u> | <u>Amounts Variance</u> |
|-----------------------|---------------------|-------------------------|-------------------------|
| Special Revenue Funds | | | |
| Fourth of July | 19,650 | 19,798 | 148 |
| Debt Service Fund | | | |
| Building Authority | - | 67 | 67 |

NOTE K: FUND EQUITY RESERVES AND DESIGNATIONS

Reserved fund balance and retained earnings are used to earmark a portion of fund equity to indicate that it is not appropriate for expenditures or has been legally segregated for a specific future use. Designated fund balance indicates that portion of the fund balance which the City has set aside for specific purposes.

The following are the various fund balance and retained earnings reserves as of June 30, 2000:

Fund Balance

| | | |
|--------------------------------------|--|------------------|
| General Fund | | |
| Reserved for retirement benefits | | \$ 13,114 |
| Reserved for advances to other funds | | <u>20,000</u> |
| | | 33,114 |
| Special Revenue | | |
| Softball Commission | | |
| Reserved for inventory | | 1,355 |
| Debt Service Funds | | |
| 1996 G.O. Limited Tax Bonds | | |
| Reserved for debt service | | 93 |
| Fiduciary Funds | | |
| Cemetery Perpetual Care | | |
| Reserved for perpetual care | | <u>64,093</u> |
| | | <u>\$ 98,655</u> |

Retained Earnings

| | | |
|---------------------------|--|-------------------|
| Enterprise Funds | | |
| Sewer System Fund | | |
| Reserved for bonds | | \$ 69,327 |
| Reserved for debt service | | 11,187 |
| Reserved for replacement | | <u>107,343</u> |
| | | <u>\$ 187,857</u> |

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE L: FUND DEFICITS

The following funds had fund equity deficits at June 30, 2000:

| | <u>Deficit</u> |
|-------------------------------|----------------|
| Special Revenue Funds | |
| Historical Commission | \$ 10,021 |
| Capital Project Funds | |
| Streetscape Construction Fund | 74,488 |

NOTE M: COMPONENT UNIT LONG-TERM OPERATING LEASES

The component unit Downtown Development Authority (lessor) owns the Corunna City Center and has long-term lease contracts with various tenants.

The following is a summary of future annual rental revenue from the tenants that currently have non-cancelable lease agreements.

| Year ending <u>June 30,</u> | |
|--------------------------------|-------------------|
| 2001 | \$ 53,809 |
| 2002 | 45,269 |
| 2003 | <u>21,057</u> |
| | <u>\$ 120,135</u> |

NOTE N: POST-RETIREMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the City provides certain health care benefits for employees who retire under the City's pension plan. All City employees may become eligible for those benefits if they reach the normal retirement age 50 with 25 years of credited service or age 55 with 15 years of credited service or after age 60 with 10 years of credited service with the City.

The cost of retiree health care benefits is recognized as an expenditure as insurance premiums are paid.

For the year ended June 30, 2000, three retirees received benefits. The costs for the year ended June 30, 2000 totaled \$17,692 and were paid from the General Fund.

NOTE O: RISK MANAGEMENT

The City participates in a pool, the Michigan Municipal Liability and Property Pool, with other municipalities for auto, property, liability, in-land marine, electronic data processing, crime and bonds, and boiler and machinery losses. The pool is organized under Public Act 138 of 1982, as amended. The City has no liability for additional assessments based on the claims filed against the pool nor do they have rights to dividends.

The City also participates in a pool, the Michigan Municipal Workers' Compensation Fund, with other municipalities for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. The City has no liability for additional assessments based on the claims filed against the pool nor do they have any rights to dividends.

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE P: PRIOR PERIOD ADJUSTMENTS

The following prior period adjustments were made during the year which were the result of corrections of accounting errors. These adjustments were reported as changes to beginning retained earnings. The effect of operations and other affected balances for the current and prior year are as follows:

| | <u>2000</u> | June 30, <u>1999</u> | <u>Description</u> |
|--|-------------|-------------------------|---|
| General Fund | | | |
| Advance to 1985 Loan Program | \$ - | \$(9,549) | Correct overstatements of Advances |
| Advance to Historical Commission | - | (5,000) | |
| Fund Balance - beginning | (14,549) | | |
| Special Revenue Fund | | | |
| City Improvements | | | |
| Advance to 1996 G.O. Limited Tax Bonds | - | (13,638) | Correct overstatement of Advance |
| Fund Balance - beginning | (13,638) | - | |
| Historical Commission | | | |
| Advance from General Fund | - | 5,000 | Correct understatement of Advance |
| Fund Balance - beginning | 5,000 | - | |
| Softball Commission | | | |
| Due to Primary Government | - | 4,000 | Correct overstatement to primary government |
| Fund Balance - beginning | 4,000 | - | |
| Debt Service Funds | | | |
| 1985 Loan Program | | | |
| Advance from General Fund | - | 9,549 | Correct understatement of Advance |
| Fund Balance - beginning | 9,549 | - | |
| 1996 G.O. Limited Tax Bonds | | | |
| Advance from City Improvements | - | 13,638 | Correct understatement of Advance |
| Fund Balance - beginning | 13,638 | - | |

NOTE Q: SUBSEQUENT EVENTS

In July 2000, the City approved the issuance of a \$360,000 note from Chemical Bank. The payments on this note are expected to be paid by the Downtown Development Authority.

NOTE R: CONTRACTUAL COMMITMENTS

The City of Corunna and the Township of Caledonia entered into an agreement to purchase a fire truck which the City and the Township have both pledged their full faith and credit to secure. The fire activity is recorded as a fund in the Township's accounting records. The Township makes all debt payments related to this loan from funds generated from fire runs. The City would only have to assist in making payments if the Township did not have adequate run revenue to cover the debt payments. The loan had an outstanding balance of \$80,556 as of June 30, 2000. The City is responsible for 42% (\$33,834) of the loan per the December 21, 1998 resolution.

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

NOTE S: BUILDING AND ZONING FINANCIAL INFORMATION

The City elected to report the financial activities of the building and zoning department in the general fund. The following is the required information as it relates to this department for the activity for the period January 1, 2000 to June 30, 2000:

| | |
|--|----------------------------|
| REVENUES | |
| Building Permits | \$ 11,051 |
| EXPENDITURES | |
| Salaries | 9,978 |
| Supplies | 48 |
| Administrative charges | <u>2,458</u> |
| TOTAL EXPENDITURES | <u>12,484</u> |
| EXCESS OF REVENUES UNDER EXPENDITURES | <u><u>\$ (1,433)</u></u> |

SUPPLEMENTAL FINANCIAL INFORMATION

City of Corunna

General Fund

STATEMENT OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUALYear Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

| | Amended <u>Budget</u> | 2000 <u>Actual</u> | Variance Favorable (Unfavorable) | 1999 <u>Actual</u> |
|--------------------------------------|--------------------------|-----------------------|--|-----------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Property taxes | \$ 644,443 | \$ 599,411 | \$ (45,032) | \$ 571,602 |
| Industrial and commercial facilities | <u>22,100</u> | <u>27,304</u> | <u>5,204</u> | <u>22,056</u> |
| Total taxes | 666,543 | 626,715 | (39,828) | 593,658 |
| Licenses and permits | | | | |
| Cable television license | 13,600 | 13,385 | (215) | 15,335 |
| City licenses and permits | <u>14,335</u> | <u>18,751</u> | <u>4,416</u> | <u>12,768</u> |
| Total licenses and permits | 27,935 | 32,136 | 4,201 | 28,103 |
| Intergovernmental | | | | |
| State | | | | |
| Sales tax | 390,671 | 386,598 | (4,073) | 363,581 |
| Michigan justice training | 1,000 | 847 | (153) | 604 |
| Federal | | | | |
| FEMA | - | 25,554 | 25,554 | 22,966 |
| COPS grant | <u>32,000</u> | <u>9,230</u> | <u>(22,770)</u> | <u>10,877</u> |
| Total intergovernmental | 423,671 | 422,229 | (1,442) | 398,028 |
| Charges for services | | | | |
| Fire protection - Townships | 66,085 | 56,850 | (9,235) | 58,911 |
| Tax collection fees | 24,000 | 22,180 | (1,820) | 21,610 |
| Recreational fees | 17,460 | 14,000 | (3,460) | 9,904 |
| Administration charges | <u>123,100</u> | <u>107,110</u> | <u>(15,990)</u> | <u>120,401</u> |
| Total charges for services | 230,645 | 200,140 | (30,505) | 210,826 |

City of Corunna

General Fund

STATEMENT OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 2000

With Actual Amounts for Year Ended June 30, 1999

| | Amended <u>Budget</u> | 2000 <u>Actual</u> | Variance Favorable <u>(Unfavorable)</u> | 1999 <u>Actual</u> |
|---|--------------------------|-----------------------|---|-----------------------|
| REVENUES - CONTINUED | | | | |
| Fines and forfeits | | | | |
| Parking | \$ 1,500 | \$ 1,810 | \$ 310 | \$ 1,530 |
| Ordinance | <u>28,000</u> | <u>15,506</u> | <u>(12,494)</u> | <u>22,505</u> |
| Total fines and forfeits | 29,500 | 17,316 | (12,184) | 24,035 |
| Interest and rents | | | | |
| Interest | 50,000 | 62,662 | 12,662 | 39,490 |
| Rents | <u>23,420</u> | <u>23,339</u> | <u>(81)</u> | <u>24,067</u> |
| Total interest and rents | 73,420 | 86,001 | 12,581 | 63,557 |
| Special assessments | | | | |
| Sidewalk and other | - | 156 | 156 | 1,478 |
| Other | | | | |
| Reimbursements | 31,122 | 24,559 | (6,563) | 24,255 |
| Contributions | 19,525 | 2,123 | (17,402) | 2,207 |
| Other | <u>8,181</u> | <u>582</u> | <u>(7,599)</u> | <u>2,710</u> |
| Total other | <u>58,828</u> | <u>27,264</u> | <u>(31,564)</u> | <u>29,172</u> |
| TOTAL REVENUES | 1,510,542 | 1,411,957 | (98,585) | 1,348,857 |
| OTHER FINANCING SOURCES | | | | |
| Operating transfers in | <u>-</u> | <u>-</u> | <u>-0-</u> | <u>3,700</u> |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | <u>\$ 1,510,542</u> | <u>\$ 1,411,957</u> | <u>\$ (98,585)</u> | <u>\$ 1,352,557</u> |

City of Corunna

General Fund

STATEMENT OF EXPENDITURES BY ACTIVITY AND OTHER FINANCING USES -
BUDGET AND ACTUAL

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

| | Amended <u>Budget</u> | 2000 <u>Actual</u> | Variance Favorable (Unfavorable) | 1999 <u>Actual</u> |
|----------------------------------|--------------------------|-----------------------|--|-----------------------|
| EXPENDITURES | | | | |
| Legislative | | | | |
| Council, boards, and commissions | \$ 11,541 | \$ 8,941 | \$ 2,600 | \$ 7,514 |
| General government | | | | |
| City Manager | 78,806 | 79,007 | (201) | 73,289 |
| Treasurer/Assessor | 82,546 | 74,314 | 8,232 | 93,878 |
| Clerk | 73,266 | 77,336 | (4,070) | 67,763 |
| Internal services | 66,046 | 59,238 | 6,808 | 63,389 |
| Legal services | 20,000 | 22,907 | (2,907) | 15,682 |
| Elections | 4,400 | 4,682 | (282) | 3,889 |
| City hall and grounds | 64,775 | 43,476 | 21,299 | 38,494 |
| City services | 49,250 | 51,516 | (2,266) | 44,129 |
| Total general government | 439,089 | 412,476 | 26,613 | 400,513 |
| Public safety | | | | |
| Police department | 432,691 | 372,014 | 60,677 | 350,027 |
| Crossing guard | 5,262 | 2,708 | 2,554 | 4,246 |
| Fire department | 120,456 | 90,578 | 29,878 | 109,105 |
| Zoning | 15,000 | 14,393 | 607 | 15,740 |
| Planning commission | 1,800 | 978 | 822 | 7,991 |
| Total public safety | 575,209 | 480,671 | 94,538 | 487,109 |
| Public Works | | | | |
| General services | 236,513 | 208,253 | 28,260 | 256,042 |
| Sidewalk construction | 2,000 | 1,183 | 817 | -0- |
| Storm drain program | - | - | -0- | 908 |
| Total public works | 238,513 | 209,436 | 29,077 | 256,950 |
| Recreation and cultural | | | | |
| Parks maintenance | 75,133 | 61,324 | 13,809 | 56,871 |
| Community promotion | 5,350 | 4,369 | 981 | 17,705 |
| Summer recreation | 14,150 | 14,243 | (93) | 15,149 |
| Historical village | 2,460 | 1,445 | 1,015 | 1,724 |
| Community center | 38,515 | 11,841 | 26,674 | 24,066 |
| Total recreation and cultural | 135,608 | 93,222 | 42,386 | 115,515 |

City of Corunna

General Fund

STATEMENT OF EXPENDITURES BY ACTIVITY AND OTHER FINANCING USES -
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

| | Amended <u>Budget</u> | 2000 <u>Actual</u> | Variance Favorable (Unfavorable) | 1999 <u>Actual</u> |
|--|----------------------------|----------------------------|--|----------------------------|
| EXPENDITURES - CONTINUED | | | | |
| Other | | | | |
| Insurance | \$ 10,500 | \$ 9,998 | \$ 502 | \$ 11,752 |
| Fringe benefits | 16,860 | 17,974 | (1,114) | 16,457 |
| | <u>27,360</u> | <u>27,972</u> | <u>(612)</u> | <u>28,209</u> |
| Total other | | | | |
| | <u>27,360</u> | <u>27,972</u> | <u>(612)</u> | <u>28,209</u> |
| TOTAL EXPENDITURES | 1,427,320 | 1,232,718 | 194,602 | 1,295,810 |
| OTHER FINANCING USES | | | | |
| Operating transfers out | | | | |
| Cemetery Fund | - | - | -0- | 14,534 |
| Library Fund | 35,375 | 35,375 | -0- | 20,025 |
| 1985 Debt Fund | - | - | -0- | 3,750 |
| Fourth of July Commission | 2,000 | 2,000 | -0- | 3,000 |
| Historical Commission | 7,000 | 7,000 | -0- | 7,600 |
| Fireworks Fund | - | - | -0- | 1,054 |
| | <u>44,375</u> | <u>44,375</u> | <u>-0-</u> | <u>49,963</u> |
| TOTAL OTHER FINANCING USES | 44,375 | 44,375 | -0- | 49,963 |
| TOTAL EXPENDITURES AND OTHER FINANCING USES | <u>\$ 1,471,695</u> | <u>\$ 1,277,093</u> | <u>\$ 194,602</u> | <u>\$ 1,345,773</u> |

City of Corunna

Special Revenue Funds

COMBINING BALANCE SHEET

June 30, 2000

| | <u>Major Street</u> | <u>Local Street</u> | <u>Cemetery</u> | <u>Library</u> | <u>Historical Com- mission</u> | <u>Softball Com- mission</u> |
|--|-------------------------|-------------------------|-----------------|-----------------|--|--------------------------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$253,918 | \$67,345 | \$19,329 | \$24,630 | \$10,106 | \$853 |
| Investments | - | - | - | - | - | 1,500 |
| Receivables | | | | | | |
| Contracts | - | - | - | - | - | 455 |
| Interest | 341 | - | - | 162 | - | - |
| Inventory | - | - | - | - | - | 1,355 |
| Due from other funds | - | 6,483 | - | - | - | - |
| Due from other governmental units | | | | | | |
| State | 24,948 | 9,376 | - | - | - | - |
| Local | - | - | - | 6,565 | - | - |
| TOTAL ASSETS | \$279,207 | \$83,204 | \$19,329 | \$31,357 | \$10,106 | \$4,163 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable | \$61 | \$- | \$6 | \$734 | \$127 | \$- |
| Accrued wages | 132 | 121 | 334 | 1,225 | - | - |
| Other accrued liabilities | 45 | 6 | 26 | 94 | - | - |
| Due to other funds | 6,483 | 15,505 | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - |
| Advance from other funds | - | - | - | - | 20,000 | - |
| TOTAL LIABILITIES | 6,721 | 15,632 | 366 | 2,053 | 20,127 | -0- |
| FUND BALANCES (DEFICITS) | | | | | | |
| Reserved for inventory | - | - | - | - | - | 1,355 |
| Unreserved - undesignated | 272,486 | 67,572 | 18,963 | 29,304 | (10,021) | 2,808 |
| TOTAL FUND BALANCES (DEFICITS) | 272,486 | 67,572 | 18,963 | 29,304 | (10,021) | 4,163 |
| TOTAL LIABILITIES AND FUND BALANCES | \$279,207 | \$83,204 | \$19,329 | \$31,357 | \$10,106 | \$4,163 |

| <u>Fourth of July Commission</u> | <u>Stu Coutts Recreation</u> | <u>Asset Seizure</u> | <u>Economic Develop- ment</u> | <u>H.U.D. Grant</u> | <u>Heritage Park</u> | <u>Library Building</u> | <u>City Improve- ments</u> | <u>Library Tech- nology</u> | <u>Total</u> |
|--|----------------------------------|--------------------------|---------------------------------------|-------------------------|--------------------------|-----------------------------|------------------------------------|-------------------------------------|--------------------|
| \$ 6,025 | \$ 42,671 | \$ 346 | \$147,004 | \$ 1 | \$ 885 | \$15,941 | \$140,530 | \$25,554 | \$ 755,138 |
| 5,608 | - | - | 50,000 | - | - | 11,426 | 100,753 | 5,000 | 174,287 |
| - | - | - | 186,114 | - | - | - | - | - | 186,569 |
| 36 | 489 | - | 1,562 | - | - | 262 | 1,605 | 166 | 4,623 |
| - | - | - | - | - | - | - | - | - | 1,355 |
| - | - | - | - | 4,769 | - | - | 9,014 | - | 20,266 |
| - | - | - | - | - | - | - | - | - | 34,324 |
| - | - | - | - | - | - | - | - | - | 6,565 |
| <u>\$ 11,669</u> | <u>\$ 43,160</u> | <u>\$ 346</u> | <u>\$384,680</u> | <u>\$4,770</u> | <u>\$ 885</u> | <u>\$27,629</u> | <u>\$251,902</u> | <u>\$30,720</u> | <u>\$1,183,127</u> |
| \$ 220 | \$ 95 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,243 |
| - | 46 | - | - | - | - | - | - | - | 1,858 |
| - | 4 | - | - | - | - | - | - | - | 175 |
| - | - | - | - | - | - | - | - | - | 21,988 |
| - | - | - | 186,114 | - | - | - | - | - | 186,114 |
| - | - | - | - | - | - | - | - | - | 20,000 |
| 220 | 145 | -0- | 186,114 | -0- | -0- | -0- | -0- | -0- | 231,378 |
| - | - | - | - | - | - | - | - | - | 1,355 |
| 11,449 | 43,015 | 346 | 198,566 | 4,770 | 885 | 27,629 | 251,902 | 30,720 | 950,394 |
| 11,449 | 43,015 | 346 | 198,566 | 4,770 | 885 | 27,629 | 251,902 | 30,720 | 951,749 |
| <u>\$ 11,669</u> | <u>\$ 43,160</u> | <u>\$ 346</u> | <u>\$384,680</u> | <u>\$4,770</u> | <u>\$ 885</u> | <u>\$27,629</u> | <u>\$251,902</u> | <u>\$30,720</u> | <u>\$1,183,127</u> |

City of Corunna

Special Revenue Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

Year ended June 30, 2000

| | Major Street | Local Street | Cemetery | Library | Historical Com- mission | Softball Com- mission |
|--|------------------|-----------------|-----------------|-----------------|-------------------------------|-----------------------------|
| REVENUES | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 149,149 | 56,876 | - | 20,194 | - | - |
| Charges for services | - | - | 13,796 | 661 | - | - |
| Fines and forfeits | - | - | - | 20,474 | - | - |
| Interest and rents | 3,033 | - | - | 733 | 7,777 | - |
| Other | - | - | - | - | 5,858 | 24,125 |
| TOTAL REVENUES | 152,182 | 56,876 | 13,796 | 42,062 | 13,635 | 24,125 |
| EXPENDITURES | | | | | | |
| Highways and streets | 60,691 | 45,349 | - | - | - | - |
| Health and welfare | - | - | 23,235 | - | - | - |
| Recreation and cultural | - | - | - | 64,672 | 20,560 | 22,723 |
| Other | - | - | - | - | - | - |
| TOTAL EXPENDITURES | 60,691 | 45,349 | 23,235 | 64,672 | 20,560 | 22,723 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 91,491 | 11,527 | (9,439) | (22,610) | (6,925) | 1,402 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Operating transfers in | - | 31,240 | - | 35,375 | 7,000 | - |
| Operating transfers out | (31,240) | - | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | (31,240) | 31,240 | -0- | 35,375 | 7,000 | -0- |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | 60,251 | 42,767 | (9,439) | 12,765 | 75 | 1,402 |
| Fund balances (deficits), beginning of year | 212,235 | 24,805 | 28,402 | 16,539 | (15,096) | (1,239) |
| Prior period adjustments | - | - | - | - | 5,000 | 4,000 |
| Fund balances (deficits), end of year | \$272,486 | \$67,572 | \$18,963 | \$29,304 | \$(10,021) | \$ 4,163 |

| <u>Fourth of July Commission</u> | <u>Stu Coutts Recreation</u> | <u>Asset Seizure</u> | <u>Economic Develop- ment</u> | <u>H.U.D. Grant</u> | <u>Heritage Park</u> | <u>Library Building</u> | <u>City Improve- ments</u> | <u>Library Tech- nology</u> | <u>Total</u> |
|--|----------------------------------|--------------------------|---------------------------------------|-------------------------|--------------------------|-----------------------------|------------------------------------|-------------------------------------|-------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$227,155 | \$ - | \$ 227,155 |
| - | - | - | - | - | - | - | - | - | 226,219 |
| - | - | - | - | - | - | - | - | - | 14,457 |
| - | - | - | - | - | - | - | - | - | 20,474 |
| 323 | 4,422 | - | 9,318 | - | - | 1,380 | 7,829 | 237 | 35,052 |
| 13,686 | - | - | 31,437 | - | - | - | - | 20,483 | 95,589 |
| 14,009 | 4,422 | -0- | 40,755 | -0- | -0- | 1,380 | 234,984 | 20,720 | 618,946 |
| - | - | - | - | - | - | - | - | - | 106,040 |
| - | - | - | - | - | - | - | - | - | 23,235 |
| 19,798 | 3,184 | - | - | - | - | - | - | - | 130,937 |
| - | - | - | 151,410 | - | - | - | - | - | 151,410 |
| 19,798 | 3,184 | -0- | 151,410 | -0- | -0- | -0- | -0- | -0- | 411,622 |
| (5,789) | 1,238 | - | (110,655) | -0- | -0- | 1,380 | 234,984 | 20,720 | 207,324 |
| 2,000 | - | - | - | - | - | - | - | - | 75,615 |
| - | - | - | - | - | - | - | (130,531) | - | (161,771) |
| 2,000 | -0- | -0- | -0- | -0- | -0- | -0- | (130,531) | -0- | (86,156) |
| (3,789) | 1,238 | - | (110,655) | -0- | -0- | 1,380 | 104,453 | 20,720 | 121,168 |
| 15,238 | 41,777 | 346 | 309,221 | 4,770 | 885 | 26,249 | 161,087 | 10,000 | 835,219 |
| - | - | - | - | - | - | - | (13,638) | - | (4,638) |
| <u>\$ 11,449</u> | <u>\$ 43,015</u> | <u>\$ 346</u> | <u>\$198,566</u> | <u>\$4,770</u> | <u>\$ 885</u> | <u>\$27,629</u> | <u>\$251,902</u> | <u>\$30,720</u> | <u>\$ 951,749</u> |

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

Major Street

| | <u>Amended Budget</u> | <u>2000 Actual</u> | <u>Variance Favorable (Unfavorable)</u> | <u>1999 Actual</u> |
|---------------------------|---------------------------|------------------------|---|------------------------|
| REVENUES | | | | |
| Intergovernmental - State | | | | |
| Gas and weight tax | \$ 124,966 | \$ 149,149 | \$ 24,183 | \$ 148,629 |
| Interest | 1,300 | 3,033 | 1,733 | 1,111 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL REVENUES | 126,266 | 152,182 | 25,916 | 149,740 |
| EXPENDITURES | | | | |
| Highways and streets | | | | |
| Construction | | | | |
| Contracted services | 48,882 | 26,393 | 22,489 | - |
| Routine maintenance | | | | |
| Salaries and wages | 5,953 | 3,511 | 2,442 | 4,290 |
| Fringe benefits | 3,373 | 2,694 | 679 | 1,616 |
| Contractual services | - | 8,694 | (8,694) | 4,136 |
| Supplies | 6,700 | 2,006 | 4,694 | 1,025 |
| Equipment rental | 4,000 | 2,213 | 1,787 | 707 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total routine maintenance | 20,026 | 19,118 | 908 | 11,774 |
| Traffic services | | | | |
| Salaries and wages | 797 | 390 | 407 | 362 |
| Fringe benefits | 158 | 123 | 35 | 112 |
| Contractual services | 1,000 | 1,796 | (796) | 4,131 |
| Supplies | 1,000 | 34 | 966 | (1,119) |
| Equipment rental | 500 | 144 | 356 | 73 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total traffic services | 3,455 | 2,487 | 968 | 3,559 |
| Winter maintenance | | | | |
| Salaries and wages | 8,460 | 5,395 | 3,065 | 7,593 |
| Fringe benefits | 2,503 | 2,340 | 163 | 2,352 |
| Contractual services | 200 | - | 200 | - |
| Supplies | 6,500 | 2,296 | 4,204 | 6,997 |
| Equipment rental | 5,000 | 2,662 | 2,338 | 7,725 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total winter maintenance | 22,663 | 12,693 | 9,970 | 24,667 |

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

Major Street

| | <u>Amended Budget</u> | <u>2000 Actual</u> | <u>Variance Favorable (Unfavorable)</u> | <u>1999 Actual</u> |
|---|---------------------------|------------------------|---|------------------------|
| TOTAL EXPENDITURES | 95,026 | 60,691 | 34,335 | 40,000 |
| EXCESS OF REVENUES OVER EXPENDITURES | \$ 31,240 | \$ 91,491 | \$ 60,251 | \$ 109,740 |
| OTHER FINANCING USES Operating transfers out | (31,240) | (31,240) | -0- | (37,745) |
| EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES | -0- | 60,251 | 60,251 | 71,995 |
| Fund balance, beginning of year | 212,235 | 212,235 | -0- | 140,240 |
| Fund balance, end of year | <u>\$ 212,235</u> | <u>\$ 272,486</u> | <u>\$ 60,251</u> | <u>\$ 212,235</u> |

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

Local Street

| | Amended <u>Budget</u> | 2000 <u>Actual</u> | Variance Favorable (Unfavorable) | 1999 <u>Actual</u> |
|----------------------------|--------------------------|-----------------------|--|-----------------------|
| REVENUES | | | | |
| Intergovernmental - State | | | | |
| Gas and weight tax | \$ 54,880 | \$ 56,876 | \$ 1,996 | \$ 48,573 |
| EXPENDITURES | | | | |
| Highways and streets | | | | |
| Construction | | | | |
| Contracted services | - | - | -0- | 18,500 |
| Routine maintenance | | | | |
| Salaries and wages | 11,601 | 12,210 | (609) | 8,032 |
| Fringe benefits | 7,619 | 5,905 | 1,714 | 3,386 |
| Contractual services | 25,246 | 580 | 24,666 | - |
| Supplies | 9,000 | 2,498 | 6,502 | 3,500 |
| Equipment rental | 10,000 | 8,788 | 1,212 | 2,927 |
| Total routine maintenance | 63,466 | 29,981 | 33,485 | 17,845 |
| Traffic services | | | | |
| Salaries and wages | 2,806 | 1,386 | 1,420 | 939 |
| Fringe benefits | 785 | 538 | 247 | 367 |
| Contractual services | 100 | - | 100 | 14 |
| Supplies | 930 | 394 | 536 | 269 |
| Equipment rental | 1,000 | 589 | 411 | 197 |
| Total traffic services | 5,621 | 2,907 | 2,714 | 1,786 |
| Winter maintenance | | | | |
| Salaries and wages | 7,193 | 4,501 | 2,692 | 6,651 |
| Fringe benefits | 4,640 | 3,438 | 1,202 | 2,623 |
| Contractual services | 200 | - | 200 | - |
| Supplies | 4,500 | - | 4,500 | 4,171 |
| Equipment rental | 500 | 4,522 | (4,022) | 6,936 |
| Total winter maintenance | 17,033 | 12,461 | 4,572 | 20,381 |
| Total highways and streets | 86,120 | 45,349 | 40,771 | 58,512 |

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

Local Street

| | Amended <u>Budget</u> | 2000 <u>Actual</u> | Variance Favorable (Unfavorable) | 1999 <u>Actual</u> |
|--|--------------------------|-----------------------|--|-----------------------|
| Debt service | | | | |
| Principal retirement | \$ - | \$ - | \$ -0- | \$ 5,910 |
| Interest and fiscal charges | - | - | -0- | 694 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total debt service | -0- | -0- | -0- | 6,604 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL EXPENDITURES | 86,120 | 45,349 | 40,771 | 65,116 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (31,240) | 11,527 | (38,775) | (16,543) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating transfers in | 31,240 | 31,240 | -0- | 22,107 |
| Operating transfers out | - | - | -0- | (12,000) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL OTHER FINANCING SOURCES (USES) | 31,240 | 31,240 | -0- | 10,107 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | - | 42,767 | (38,775) | (6,436) |
| Fund balance, beginning of year | 24,805 | 24,805 | -0- | 31,241 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Fund balance, end of year | <u>\$ 24,805</u> | <u>\$ 67,572</u> | <u>\$ (38,775)</u> | <u>\$ 24,805</u> |

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

Cemetery

| | Amended <u>Budget</u> | 2000 <u>Actual</u> | Variance Favorable <u>(Unfavorable)</u> | 1999 <u>Actual</u> |
|---|--------------------------|-----------------------|---|-----------------------|
| REVENUES | | | | |
| Charges for services | \$ 26,425 | \$ 13,796 | \$ (12,629) | \$ 11,538 |
| EXPENDITURES | | | | |
| Health and welfare | | | | |
| Salaries and wages | - | 9,331 | (9,331) | 8,811 |
| Fringe benefits | - | 3,399 | (3,399) | 3,017 |
| Supplies | - | 2,456 | (2,456) | - |
| Contractual services | - | 19 | (19) | 1,772 |
| Utilities | - | 188 | (188) | 186 |
| Equipment rental | - | 7,842 | (7,842) | 3,466 |
| TOTAL EXPENDITURES | <u>26,425</u> | <u>23,235</u> | <u>3,190</u> | <u>17,252</u> |
| EXCESS OF REVENUES (UNDER) EXPENDITURES | -0- | (9,439) | (9,439) | (5,714) |
| OTHER FINANCING SOURCES | | | | |
| Operating transfers in | - | - | -0- | 14,534 |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES | -0- | (9,439) | (9,439) | 8,820 |
| Fund balance, beginning of year | <u>28,402</u> | <u>28,402</u> | <u>-0-</u> | <u>19,582</u> |
| Fund balance, end of year | <u>\$ 28,402</u> | <u>\$ 18,963</u> | <u>\$ (9,439)</u> | <u>\$ 28,402</u> |

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

Library

| | Amended <u>Budget</u> | 2000 <u>Actual</u> | Variance Favorable (Unfavorable) | 1999 <u>Actual</u> |
|--|--------------------------|-----------------------|--|-----------------------|
| REVENUES | | | | |
| Intergovernmental | | | | |
| State | \$ 6,515 | \$ 6,928 | \$ 413 | \$ 6,922 |
| Local | 14,284 | 13,266 | (1,018) | 13,579 |
| Charges for services | 500 | 661 | 161 | 445 |
| Fines and forfeits | 16,500 | 20,474 | 3,974 | 17,590 |
| Interest | 600 | 733 | 133 | 452 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL REVENUES | 38,399 | 42,062 | 3,663 | 38,988 |
| EXPENDITURES | | | | |
| Recreation and cultural | | | | |
| Salaries and wages | 38,000 | 36,234 | 1,766 | 33,815 |
| Fringe benefits | 6,267 | 6,140 | 127 | 3,926 |
| Contractual services | 5,720 | 4,164 | 1,556 | 5,834 |
| Supplies | 11,962 | 12,738 | (776) | 12,508 |
| Repairs and maintenance | 1,000 | 2,005 | (1,005) | - |
| Utilities | 2,450 | 2,032 | 418 | 2,293 |
| Communication | 800 | 1,102 | (302) | 1,315 |
| Equipment rental | 100 | 209 | (109) | 116 |
| Miscellaneous | 800 | 48 | 752 | 302 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL EXPENDITURES | 67,099 | 64,672 | 2,427 | 60,109 |
| EXCESS OF REVENUES (UNDER) EXPENDITURES | (28,700) | (22,610) | 6,090 | (21,121) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating transfers in | 28,700 | 35,375 | 6,675 | 20,025 |
| Operating transfer out | - | - | -0- | (18,444) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL OTHER FINANCING SOURCES (USES) | 28,700 | 35,375 | 6,675 | 1,581 |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | -0- | 12,765 | 12,765 | (19,540) |
| Fund balance, beginning of year | 16,539 | 16,539 | -0- | 36,079 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Fund balance, end of year | \$ 16,539 | \$ 29,304 | \$ 12,765 | \$ 16,539 |

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

Historical Commission

| | Amended <u>Budget</u> | 2000 <u>Actual</u> | Variance Favorable <u>(Unfavorable)</u> | 1999 <u>Actual</u> |
|---|---------------------------|---------------------------|---|---------------------------|
| REVENUES | | | | |
| Interest and rents | \$ 8,500 | \$ 7,777 | \$ (723) | \$ 7,816 |
| Other | | | | |
| Contributions | 8,500 | 5,858 | (2,642) | 7,768 |
| Miscellaneous | - | - | -0- | 7 |
| | <u>17,000</u> | <u>13,635</u> | <u>(3,365)</u> | <u>15,591</u> |
| TOTAL REVENUES | | | | |
| EXPENDITURES | | | | |
| Recreation and cultural | | | | |
| Office supplies | 600 | 848 | (248) | 2,376 |
| Repairs and maintenance | 11,500 | 13,334 | (1,834) | 6,757 |
| Janitorial services | 2,350 | 2,065 | 285 | 1,800 |
| Utilities | 4,300 | 4,285 | 15 | 1,988 |
| Miscellaneous | 5,250 | 28 | 5,222 | 384 |
| | <u>24,000</u> | <u>20,560</u> | <u>3,440</u> | <u>13,305</u> |
| TOTAL EXPENDITURES | | | | |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (7,000) | (6,925) | 75 | 2,286 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating transfers in | 7,000 | 7,000 | -0- | 7,600 |
| | <u>7,000</u> | <u>7,000</u> | <u>-0-</u> | <u>7,600</u> |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES | -0- | 75 | 75 | 9,886 |
| Fund balance (deficit), beginning of year | (15,096) | (15,096) | -0- | (24,982) |
| Prior period adjustment | - | 5,000 | (5,000) | 9,886 |
| | <u>-</u> | <u>5,000</u> | <u>(5,000)</u> | <u>9,886</u> |
| Fund balance (deficit), end of year | <u>\$ (15,096)</u> | <u>\$ (10,021)</u> | <u>\$ (4,925)</u> | <u>\$ (15,096)</u> |

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

Softball Commission

| | Amended <u>Budget</u> | 2000 <u>Actual</u> | Variance Favorable <u>(Unfavorable)</u> | 1999 <u>Actual</u> |
|---|--------------------------|-----------------------|---|-----------------------|
| REVENUES | | | | |
| Interest | \$ - | \$ - | \$ -0- | \$ - |
| Other | | | | |
| Fees | 19,950 | 17,671 | (2,279) | 24,179 |
| Concessions | 2,025 | 4,168 | 2,143 | 3,597 |
| Donations | 2,500 | 1,495 | (1,005) | 746 |
| Miscellaneous | - | 791 | 791 | - |
| | <u>24,475</u> | <u>24,125</u> | <u>(350)</u> | <u>28,522</u> |
| EXPENDITURES | | | | |
| Recreation and cultural | | | | |
| Contractual services | 19,650 | 15,552 | 4,098 | 20,074 |
| Registration and fees | 1,050 | 575 | 475 | 2,241 |
| Field improvements | - | 1,036 | (1,036) | 4,273 |
| Supplies | - | 2,032 | (2,032) | 1,231 |
| Concession supplies | 2,000 | 2,510 | (510) | 1,437 |
| Awards | 250 | 329 | (79) | 564 |
| Telephone | - | - | -0- | 275 |
| Insurance | - | - | -0- | 200 |
| Refunds | 500 | 300 | 200 | 945 |
| Miscellaneous | 250 | 389 | (139) | 58 |
| Equipment | - | - | -0- | 550 |
| | <u>23,700</u> | <u>22,723</u> | <u>977</u> | <u>31,848</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 775 | 1,402 | 627 | (3,326) |
| Fund balance (deficit), beginning of year | (1,239) | (1,239) | \$ -0- | 1,142 |
| Prior period adjustments | - | 4,000 | 4,000 | 945 |
| Fund balance (deficit), end of year | <u>\$ (464)</u> | <u>\$ 4,163</u> | <u>\$ 4,627</u> | <u>\$ (1,239)</u> |

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

Fourth of July Commission

| | Amended <u>Budget</u> | 2000 <u>Actual</u> | Variance Favorable (Unfavorable) | 1999 <u>Actual</u> |
|---|--------------------------|-----------------------|--|-----------------------|
| REVENUES | | | | |
| Interest | \$ - | \$ 323 | \$ 323 | \$ 279 |
| Other | | | | |
| Festivities | 13,975 | 13,006 | (969) | 12,299 |
| Contributions | 3,675 | 680 | (2,995) | 1,049 |
| | <u>17,650</u> | <u>14,009</u> | <u>(3,641)</u> | <u>13,627</u> |
| TOTAL REVENUES | 17,650 | 14,009 | (3,641) | 13,627 |
| EXPENDITURES | | | | |
| Recreation and cultural | | | | |
| Festivities | 14,300 | 17,238 | (2,938) | 11,381 |
| Seminars and dues | 600 | 848 | (248) | 466 |
| Office supplies | 2,250 | 1,497 | 753 | 777 |
| Fundraising | 2,500 | 215 | 2,285 | 238 |
| | <u>19,650</u> | <u>19,798</u> | <u>(148)</u> | <u>12,862</u> |
| TOTAL EXPENDITURES | 19,650 | 19,798 | (148) | 12,862 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (2,000) | (5,789) | (3,789) | 765 |
| OTHER FINANCING SOURCES | | | | |
| Operating transfers in | 2,000 | 2,000 | -0- | 3,000 |
| | <u>2,000</u> | <u>2,000</u> | <u>-0-</u> | <u>3,000</u> |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES | -0- | (3,789) | (3,789) | 3,765 |
| Fund balance, beginning of year | 15,238 | 15,238 | -0- | 11,473 |
| | <u>15,238</u> | <u>15,238</u> | <u>-0-</u> | <u>11,473</u> |
| Fund balance, end of year | <u>\$ 15,238</u> | <u>\$ 11,449</u> | <u>\$ (3,789)</u> | <u>\$ 15,238</u> |

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

| | Amended <u>Budget</u> | 2000 <u>Actual</u> | Variance Favorable <u>(Unfavorable)</u> | 1999 <u>Actual</u> |
|---|--------------------------|-----------------------|---|-----------------------|
| <u>Stu Couatts Recreation</u> | | | | |
| REVENUES | | | | |
| Interest and rents | \$ 9,360 | \$ 4,422 | \$ (4,938) | \$ 3,113 |
| EXPENDITURES | | | | |
| Recreation and cultural | | | | |
| Salaries and wages | 1,200 | 1,280 | (80) | 834 |
| Fringe benefits | 1,160 | 325 | 835 | 387 |
| Contractual services | 1,000 | - | 1,000 | 339 |
| Supplies | 1,500 | 55 | 1,445 | 305 |
| Utilities | 3,500 | 1,316 | 2,184 | 1,695 |
| Equipment rental | 1,000 | 208 | 792 | 275 |
| TOTAL EXPENDITURES | 9,360 | 3,184 | 6,176 | 3,835 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | -0- | 1,238 | 1,238 | (722) |
| Fund balance, beginning of year | 41,777 | 41,777 | \$ -0- | 42,499 |
| Fund balance, end of year | <u>\$ 41,777</u> | <u>\$ 43,015</u> | <u>\$ 1,238</u> | <u>\$ 41,777</u> |
| <u>Asset Seizure</u> | | | | |
| REVENUES | | | | |
| Fines and forfeits | \$ - | \$ - | \$ -0- | \$ 294 |
| EXPENDITURES | | | | |
| Public safety | | | | |
| Supplies | - | - | -0- | 142 |
| EXCESS OF REVENUES OVER EXPENDITURES | -0- | -0- | -0- | 152 |
| Fund balance, beginning of year | 346 | 346 | -0- | 194 |
| Fund balance, end of year | <u>\$ 346</u> | <u>\$ 346</u> | <u>\$ -0-</u> | <u>\$ 346</u> |

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

| | Amended <u>Budget</u> | 2000 <u>Actual</u> | Variance Favorable (Unfavorable) | 1999 <u>Actual</u> |
|---|--------------------------|-----------------------|--|-----------------------|
| <u>Economic Development</u> | | | | |
| REVENUES | | | | |
| Interest | \$ 7,000 | \$ 9,318 | \$ 2,318 | \$ 9,189 |
| Other | | | | |
| Loan repayment | <u>28,100</u> | <u>31,437</u> | <u>3,337</u> | <u>79,428</u> |
| TOTAL REVENUES | 35,100 | 40,755 | 5,655 | 88,617 |
| EXPENDITURES | | | | |
| Other | | | | |
| Loans | <u>155,000</u> | <u>151,410</u> | <u>3,590</u> | <u>267</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (119,900) | (110,655) | 9,245 | 88,350 |
| Fund balance, beginning of year | <u>309,221</u> | <u>309,221</u> | <u>-0-</u> | <u>220,871</u> |
| Fund balance, end of year | <u>\$ 189,321</u> | <u>\$ 198,566</u> | <u>\$ 9,245</u> | <u>\$ 309,221</u> |
| <u>H.U.D. GRANT</u> | | | | |
| REVENUES | \$ - | \$ - | \$ -0- | \$ - |
| EXPENDITURES | <u>-</u> | <u>-</u> | <u>-0-</u> | <u>-</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | -0- | -0- | -0- | -0- |
| Fund balance, beginning of year | 4,770 | 4,770 | \$ -0- | 250,001 |
| Prior period adjustment | <u>-</u> | <u>-</u> | <u>-0-</u> | <u>(245,231)</u> |
| Fund balance, end of year | <u>\$ 4,770</u> | <u>\$ 4,770</u> | <u>\$ -0-</u> | <u>\$ 4,770</u> |

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

| | Amended <u>Budget</u> | 2000 <u>Actual</u> | Variance Favorable (Unfavorable) | 1999 <u>Actual</u> |
|--|--------------------------|-----------------------|--|-----------------------|
| <u>Heritage Park</u> | | | | |
| REVENUES | \$ 416 | \$ - | \$ (416) | \$ - |
| EXPENDITURES | | | | |
| Recreation and cultural | | | | |
| Salaries and wages | 200 | - | 200 | - |
| Fringe benefits | 16 | - | 16 | - |
| Supplies | 200 | - | 200 | - |
| TOTAL EXPENDITURES | 416 | -0- | 416 | -0- |
| EXCESS OF REVENUES OVER EXPENDITURES | -0- | -0- | -0- | -0- |
| Fund balance, beginning of year | 885 | 885 | -0- | 885 |
| Fund balance, end of year | <u>\$ 885</u> | <u>\$ 885</u> | <u>\$ -0-</u> | <u>\$ 885</u> |
| <u>Library Building</u> | | | | |
| REVENUES | | | | |
| Interest | \$ 1,000 | \$ 1,380 | \$ 380 | \$ 616 |
| EXPENDITURES | - | - | -0- | - |
| EXCESS OF REVENUES OVER EXPENDITURES | 1,000 | 1,380 | 380 | 616 |
| OTHER FINANCING SOURCES | | | | |
| Operating transfers in | - | - | -0- | 10,644 |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES | 1,000 | 1,380 | 380 | 11,260 |
| Fund balance, beginning of year | 26,249 | 26,249 | -0- | 14,989 |
| Fund balance, end of year | <u>\$ 27,249</u> | <u>\$ 27,629</u> | <u>\$ 380</u> | <u>\$ 26,249</u> |

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

City Improvements

| | Amended <u>Budget</u> | 2000 <u>Actual</u> | Variance Favorable <u>(Unfavorable)</u> | 1999 <u>Actual</u> |
|---|--------------------------|-------------------------|---|-------------------------|
| REVENUES | | | | |
| Taxes | \$ 221,818 | \$ 227,155 | \$ 5,337 | \$ 218,640 |
| Interest | 4,000 | 7,829 | 3,829 | 4,895 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL REVENUES | 225,818 | 234,984 | 9,166 | 223,535 |
| EXPENDITURES | <hr/> - | <hr/> - | <hr/> -0- | <hr/> - |
| EXCESS OF REVENUES OVER EXPENDITURES | 225,818 | 234,984 | 9,166 | 223,535 |
| OTHER FINANCING USES | | | | |
| Operating transfers out | <hr/> (130,531) | <hr/> (130,531) | <hr/> -0- | <hr/> (122,028) |
| EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES | 95,287 | 104,453 | 9,166 | 101,507 |
| Fund balance, beginning of year | 161,087 | 161,087 | -0- | 59,580 |
| Prior period adjustment | <hr/> - | <hr/> (13,638) | <hr/> -0- | <hr/> - |
| Fund balance, end of year | <hr/> <u>\$ 256,374</u> | <hr/> <u>\$ 251,902</u> | <hr/> <u>\$ 9,166</u> | <hr/> <u>\$ 161,087</u> |

City of Corunna

Special Revenue Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

Library Technology

| | Amended <u>Budget</u> | 2000 <u>Actual</u> | Variance Favorable <u>(Unfavorable)</u> | 1999 <u>Actual</u> |
|---|--------------------------|-----------------------|---|-----------------------|
| REVENUES | | | | |
| Interest | \$ - | \$ 237 | \$ 237 | \$ - |
| Other | | | | |
| Contributions | - | 20,483 | 20,483 | - |
| TOTAL REVENUES | - | 20,720 | 20,720 | - |
| EXPENDITURES | - | - | -0- | - |
| EXCESS OF REVENUES OVER EXPENDITURES | -0- | 20,720 | 20,720 | -0- |
| OTHER FINANCING SOURCES | | | | |
| Operating transfer in | - | - | -0- | 7,800 |
| EXCESS OF REVEUNES OVER EXPENDITURES AND OTHER FINANCING SOURCES | -0- | 20,720 | 20,720 | 7,800 |
| Fund balance, beginning of year | 10,000 | 10,000 | -0- | 2,200 |
| Fund balance, end of year | <u>\$ 10,000</u> | <u>\$ 30,720</u> | <u>\$ 20,720</u> | <u>\$ 10,000</u> |

City of Corunna

Debt Service Funds

COMBINING BALANCE SHEET

June 30, 2000

| | <u>Fire Truck Loan</u> | <u>1985 Loan Program</u> | <u>1996 G.O. Limited Tax Bonds</u> | <u>Building Authority</u> | <u>1998 MTF Bonds</u> | <u>Total</u> |
|--|--------------------------------|----------------------------------|--|-------------------------------|-------------------------------|------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$21,020 | \$ - | \$ 4,422 | \$ 6,632 | \$ - | \$ 32,074 |
| Investments | - | - | - | 20,410 | - | 20,410 |
| Interest receivable | 231 | - | - | 200 | - | 431 |
| TOTAL ASSETS | <u>\$21,251</u> | <u>\$ -0-</u> | <u>\$ 4,422</u> | <u>\$ 27,242</u> | <u>\$ -0-</u> | <u>\$ 52,915</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Due to other funds | \$ - | \$ - | \$ 4,329 | \$ - | \$ - | \$ 4,329 |
| FUND BALANCES | | | | | | |
| Reserved for debt service | - | - | 93 | - | - | 93 |
| Unreserved-undesignated | 21,251 | - | - | 27,242 | - | 48,493 |
| TOTAL FUND BALANCES | <u>21,251</u> | <u>-0-</u> | <u>93</u> | <u>27,242</u> | <u>-0-</u> | <u>48,586</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$21,251</u> | <u>\$ -0-</u> | <u>\$ 4,422</u> | <u>\$ 27,242</u> | <u>\$ -0-</u> | <u>\$ 52,915</u> |

City of Corunna

Debt Service Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

Year Ended June 30, 2000

| | Fire Truck <u>Loan</u> | 1985 Loan <u>Program</u> | 1996 G.O. Limited <u>Tax Bonds</u> | Building Authority | 1998 MTF <u>Bonds</u> | <u>Total</u> |
|---|------------------------------|--------------------------------|--|-----------------------|-----------------------------|------------------|
| REVENUES | | | | | | |
| Interest | \$ 1,011 | \$ - | \$ 93 | \$ 1,244 | \$ - | \$ 2,348 |
| EXPENDITURES | | | | | | |
| Other | - | - | - | 67 | - | 67 |
| Debt service | | | | | | |
| Principal redemption | - | - | 75,000 | - | 10,000 | 85,000 |
| Interest and fiscal charges | - | - | 35,343 | - | 10,188 | 45,531 |
| TOTAL EXPENDITURES | -0- | -0- | 110,343 | 67 | 20,188 | 130,598 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 1,011 | -0- | (110,250) | 1,177 | (20,188) | (128,250) |
| OTHER FINANCING SOURCES | | | | | | |
| Operating transfers in | - | - | 110,343 | - | 20,188 | 130,531 |
| EXCESS OF REVENUES AND AND OTHER FINANCING SOURCES OVER EXPENDITURES | 1,011 | -0- | 93 | 1,177 | -0- | 2,281 |
| Fund balances (deficits), beginning of year | 20,240 | (9,549) | (13,638) | 26,065 | -0- | 23,118 |
| Prior period adjustments | - | 9,549 | 13,638 | - | - | 23,187 |
| Fund balances, end of year | \$21,251 | \$ -0- | \$ 93 | \$ 27,242 | \$ -0- | \$ 48,586 |

City of Corunna

Debt Service Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

Fire Truck Loan

| | <u>Amended Budget</u> | <u>2000 Actual</u> | <u>Variance Favorable (Unfavorable)</u> | <u>1999 Actual</u> |
|---|---------------------------|------------------------|---|------------------------|
| REVENUES | | | | |
| Interest | \$ - | \$ 1,011 | \$ 1,011 | \$ 741 |
| EXPENDITURES | - | - | -0- | - |
| EXCESS OF REVENUES OVER EXPENDITURES | -0- | 1,011 | 1,011 | 741 |
| Fund balance, beginning of year | <u>20,240</u> | <u>20,240</u> | <u>-0-</u> | <u>19,499</u> |
| Fund balance, end of year | <u>\$ 20,240</u> | <u>\$ 21,251</u> | <u>\$ 1,011</u> | <u>\$ 20,240</u> |

City of Corunna

Debt Service Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

1985 Loan Program

| | Amended <u>Budget</u> | 2000 <u>Actual</u> | Variance Favorable <u>(Unfavorable)</u> | 1999 <u>Actual</u> |
|---|--------------------------|-----------------------|---|-----------------------|
| REVENUES | | | | |
| Other | \$ - | \$ - | \$ -0- | \$ - |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal redemption | - | - | -0- | 37,424 |
| Interest and fiscal charges | - | - | -0- | 4,421 |
| TOTAL EXPENDITURES | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>41,845</u> |
| EXCESS OF REVENUES (UNDER) EXPENDITURES | -0- | -0- | -0- | (41,845) |
| OTHER FINANCING SOURCES | | | | |
| Operating transfers in | - | - | -0- | 31,388 |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES (UNDER) EXPENDITURES | -0- | -0- | -0- | (10,457) |
| Fund balance (deficit), beginning of year | (9,549) | (9,549) | -0- | 908 |
| Prior period adjustment | - | 9,549 | 9,549 | - |
| Fund balance (deficit), end of year | <u>\$ (9,549)</u> | <u>-0-</u> | <u>\$ 9,549</u> | <u>\$ (9,549)</u> |

City of Corunna

Debt Service Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

1996 G.O. Limited Tax Bonds

| | Amended <u>Budget</u> | 2000 <u>Actual</u> | Variance Favorable <u>(Unfavorable)</u> | 1999 <u>Actual</u> |
|--|--------------------------|-----------------------|---|--------------------------|
| REVENUES | | | | |
| Interest | \$ - | \$ 93 | \$ 93 | \$ 95 |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal redemption | 75,000 | 75,000 | -0- | 65,000 |
| Interest and fiscal charges | 35,343 | 35,343 | -0- | 38,341 |
| TOTAL EXPENDITURES | <u>110,343</u> | <u>110,343</u> | <u>-0-</u> | <u>103,341</u> |
| EXCESS OF REVENUES (UNDER) EXPENDITURES | (110,343) | (110,250) | 93 | (103,246) |
| OTHER FINANCING SOURCES | | | | |
| Operating transfers in | <u>110,343</u> | <u>110,343</u> | <u>-0-</u> | <u>103,136</u> |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES | -0- | 93 | 93 | (110) |
| Fund (deficit), beginning of year | (13,638) | (13,638) | -0- | (13,528) |
| Prior period adjustment | - | 13,638 | 13,638 | - |
| Fund balance (deficit), end of year | <u><u>\$(13,638)</u></u> | <u><u>\$ 93</u></u> | <u><u>\$ 13,731</u></u> | <u><u>\$(13,638)</u></u> |

City of Corunna

Debt Service Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

Building Authority

| | <u>Budget</u> | <u>2000 Actual</u> | <u>Variance Favorable (Unfavorable)</u> | <u>1999 Actual</u> |
|---|------------------|------------------------|---|------------------------|
| REVENUES | | | | |
| Interest | \$ - | \$ 1,244 | \$ 1,244 | \$ 1,166 |
| EXPENDITURES | | | | |
| Other | | | | |
| Miscellaneous | - | 67 | (67) | 67 |
| EXCESS OF REVENUES OVER EXPENDITURES | -0- | 1,177 | 1,177 | 1,099 |
| Fund balance, beginning of year | 26,065 | 26,065 | -0- | 24,966 |
| Fund balance, end of year | <u>\$ 26,065</u> | <u>\$ 27,242</u> | <u>\$ 1,177</u> | <u>\$ 26,065</u> |

City of Corunna

Debt Service Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 2000
With Actual Amounts for Year Ended June 30, 1999

1998 MTF Bonds

| | <u>Budget</u> | <u>2000 Actual</u> | <u>Variance Favorable (Unfavorable)</u> | <u>1999 Actual</u> |
|--|---------------|------------------------|---|------------------------|
| REVENUES | \$ - | \$ - | \$ -0- | \$ - |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal redemption | 10,000 | 10,000 | -0- | 10,000 |
| Interest and fiscal charges | 10,188 | 10,188 | -0- | 8,892 |
| TOTAL EXPENDITURES | <u>20,188</u> | <u>20,188</u> | <u>-0-</u> | <u>18,892</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | (20,188) | (20,188) | -0- | (18,892) |
| OTHER FINANCING SOURCES | | | | |
| Operating transfers in | <u>20,188</u> | <u>20,188</u> | <u>-0-</u> | <u>18,892</u> |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES | -0- | -0- | -0- | -0- |
| Fund balance, beginning of year | <u>-</u> | <u>-</u> | <u>-0-</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |

City of Corunna

Capital Projects Funds

COMBINING BALANCE SHEET

June 30, 2000

| | Streetscape Construction Fund | 1997 Construction Fund | King/Kingsley/ McArthur Construction | Total |
|--|-------------------------------------|------------------------------|--|--------------------|
| ASSETS | | | | |
| Cash and cash equivalents | <u>\$ (74,488)</u> | <u>\$ -0-</u> | <u>\$ 30,081</u> | <u>\$ (44,407)</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts payable | - | - | - | -0- |
| TOTAL LIABILITIES | -0- | -0- | -0- | -0- |
| FUND BALANCES | | | | |
| Unreserved - undesignated | <u>(74,488)</u> | <u>-</u> | <u>30,081</u> | <u>(44,407)</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ (74,488)</u> | <u>\$ -0-</u> | <u>\$ 30,081</u> | <u>\$ (44,407)</u> |

City of Corunna

Capital Project Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

Year Ended June 30, 2000

| | Streetscape Construction Fund | 1997 Construction Fund | King/Kingsley/ McArthur Construction | Total |
|--|-------------------------------------|------------------------------|--|--------------------|
| REVENUES | | | | |
| LOCAL SOURCES | | | | |
| Contributions | \$ - | \$ - | \$ 20,000 | \$ 20,000 |
| EXPENDITURES | | | | |
| Public Works | | | | |
| Engineering | 65,000 | - | 51,223 | 116,223 |
| Other | 9,488 | - | 400 | 9,888 |
| TOTAL EXPENDITURES | 74,488 | -0- | 51,623 | 126,111 |
| EXCESS REVENUES (UNDER) EXPENDITURES | (74,488) | -0- | (31,623) | (106,111) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers from other funds | - | - | 61,704 | 61,704 |
| Transfers to other funds | - | (61,704) | - | (61,704) |
| TOTAL OTHER FINANCING SOURCES (USES) | -0- | (61,704) | 61,704 | - |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | (74,488) | (61,704) | 30,081 | (106,111) |
| Fund balances, beginning of year | - | 61,704 | - | 61,704 |
| Fund balances (deficit), end of year | \$ (74,488) | \$ -0- | \$ 30,081 | \$ (44,407) |

City of Corunna
Enterprise Funds
COMBINING BALANCE SHEET
June 30, 2000

| | <u>Sewer System</u> | <u>Water System</u> | <u>Total</u> |
|--|-------------------------|-------------------------|---------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 263,967 | \$ 299,724 | \$ 563,691 |
| Cash and cash equivalents-restricted | 6,292 | - | 6,292 |
| Accounts receivable | 160,226 | 46,438 | 206,664 |
| Accrued interest receivable | 4,148 | 1,683 | 5,831 |
| Due from other funds | 15,505 | 810 | 16,315 |
| | <hr/> | <hr/> | <hr/> |
| Total current assets | 450,138 | 348,655 | 798,793 |
| Other assets | | | |
| Treatment rights | 555,164 | - | 555,164 |
| Accumulated amortization | (515,684) | - | (515,684) |
| | <hr/> | <hr/> | <hr/> |
| Net treatment rights | 39,480 | -0- | 39,480 |
| Investments | 142,937 | 170,014 | 312,951 |
| | <hr/> | <hr/> | <hr/> |
| Total other assets | 182,417 | 170,014 | 352,431 |
| Fixed assets | | | |
| Equipment | 80,000 | - | 80,000 |
| Land | 1 | 126 | 127 |
| System and improvements | 4,001,847 | 1,685,881 | 5,687,728 |
| Accumulated depreciation | (1,370,788) | (511,065) | (1,881,853) |
| | <hr/> | <hr/> | <hr/> |
| Total fixed assets, net of accumulated depreciation | 2,711,060 | 1,174,942 | 3,886,002 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL ASSETS | \$ 3,343,615 | \$ 1,693,611 | \$ 5,037,226 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

City of Corunna

Enterprise Funds

COMBINING BALANCE SHEET - CONTINUED

June 30, 2000

| | <u>Sewer System</u> | <u>Water System</u> | <u>Total</u> |
|--|-------------------------|-------------------------|---------------------|
| LIABILITIES AND FUND EQUITY | | | |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable | \$ 4,054 | \$ 16,498 | \$ 20,552 |
| Accrued wages | 126 | 613 | 739 |
| Due to other funds | 4,769 | 295 | 5,064 |
| Accrued interest payable | 10,585 | 6,990 | 17,575 |
| Current portion of long-term debt | 53,000 | 33,770 | 86,770 |
| | <hr/> | <hr/> | <hr/> |
| Total current liabilities | 72,534 | 58,166 | 130,700 |
| Other liabilities | | | |
| Contracts payable | - | 206,967 | 206,967 |
| General obligation bond payable | - | 475,000 | 475,000 |
| Revenue improvement bond payable | 750,000 | - | 750,000 |
| | <hr/> | <hr/> | <hr/> |
| Total other liabilities | 750,000 | 681,967 | 1,431,967 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL LIABILITIES | 822,534 | 740,133 | 1,562,667 |
| FUND EQUITY | | | |
| Contribution in aid of construction | | | |
| Other governmental units | 292,308 | - | 292,308 |
| Other funds | 54,134 | - | 54,134 |
| Taxpayers | 1,728,902 | 163,938 | 1,892,840 |
| Retained earnings | | | |
| Reserved for bonds | 69,327 | - | 69,327 |
| Reserved for debt service | 11,187 | - | 11,187 |
| Reserved for replacement | 107,343 | - | 107,343 |
| Unreserved | 257,880 | 789,540 | 1,047,420 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL FUND EQUITY | 2,521,081 | 953,478 | 3,474,559 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL LIABILITIES AND FUND EQUITY | \$ 3,343,615 | \$ 1,693,611 | \$ 5,037,226 |
| | <hr/> | <hr/> | <hr/> |

City of Corunna

Enterprise Funds

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS

Year Ended June 30, 2000

| | <u>Sewer System</u> | <u>Water System</u> | <u>Total</u> |
|---|-------------------------|-------------------------|---------------------|
| OPERATING REVENUES | | | |
| Charges for services | | | |
| User charges | \$ 414,642 | \$ 348,081 | \$ 762,723 |
| Tap in fees | 12,000 | 10,500 | 22,500 |
| Capital charges | 74,799 | 67,608 | 142,407 |
| Other | 370 | 1,133 | 1,503 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL OPERATING REVENUES | 501,811 | 427,322 | 929,133 |
| OPERATING EXPENSES | | | |
| Salaries and wages | 35,595 | 54,277 | 89,872 |
| Fringe benefits | 11,382 | 14,720 | 26,102 |
| Contractual service | 44,888 | 26,477 | 71,365 |
| Supplies | 4,287 | 15,087 | 19,374 |
| Utilities | 4,071 | 7,116 | 11,187 |
| Treatment costs | 133,739 | 132,230 | 265,969 |
| Repairs and maintenance | 218 | - | 218 |
| Equipment rental | 4,833 | 7,924 | 12,757 |
| Other | 425 | 905 | 1,330 |
| Depreciation | 94,512 | 55,992 | 150,504 |
| Amortization | 27,758 | - | 27,758 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL OPERATING EXPENSES | 361,708 | 314,728 | 676,436 |
| OPERATING INCOME | 140,103 | 112,594 | 252,697 |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Interest revenue | 13,510 | 13,663 | 27,173 |
| Rent revenue | 3,872 | 15,900 | 19,772 |
| Interest expense and fees | (42,704) | (39,376) | (82,080) |
| | <hr/> | <hr/> | <hr/> |
| TOTAL NONOPERATING REVENUES (EXPENSES) | (25,322) | (9,813) | (35,135) |
| NET INCOME | 114,781 | 102,781 | 217,562 |
| Retained earnings, beginning of year | 330,956 | 686,759 | 1,017,715 |
| | <hr/> | <hr/> | <hr/> |
| Retained earnings, end of year | <u>\$ 445,737</u> | <u>\$ 789,540</u> | <u>\$ 1,235,277</u> |

City of Corunna

Enterprise Funds

COMBINING STATEMENT OF CASH FLOWS

Year Ended June 30, 2000

| | <u>Sewer System</u> | <u>Water System</u> | <u>Total</u> |
|--|-------------------------|-------------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Operating income | \$ 140,103 | \$ 112,594 | \$ 252,697 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | | |
| Depreciation and amortization | 122,270 | 55,992 | 178,262 |
| (Increase) decrease in receivables | (22,330) | (9,968) | (32,298) |
| Decrease in due from other funds | - | 265 | 265 |
| Increase in accounts payable | 926 | 2,394 | 3,320 |
| (Decrease) in accrued liabilities | (103) | (264) | (367) |
| Increase (decrease) in accrued interest payable | (908) | 1,773 | 865 |
| | <hr/> | <hr/> | <hr/> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 239,958 | 162,786 | 402,744 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Rent revenue | 3,872 | 15,900 | 19,772 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Interest expense and fees | (42,704) | (39,376) | (82,080) |
| Capital purchases | (13,487) | (249,135) | (262,622) |
| Proceeds from loans | - | 224,200 | 224,200 |
| Payment of borrowing | (66,452) | (33,463) | (99,915) |
| | <hr/> | <hr/> | <hr/> |
| NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | (122,643) | (97,774) | (220,417) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest revenue | 13,510 | 13,663 | 27,173 |
| Purchase of investments | (142,937) | (170,014) | (312,951) |
| Maturity of investments | 138,571 | - | 138,571 |
| | <hr/> | <hr/> | <hr/> |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | 9,144 | (156,351) | (147,207) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING YEAR | | | |
| | 130,331 | (75,439) | 54,892 |
| Cash and cash equivalents, beginning of year | <hr/> | <hr/> | <hr/> |
| | 139,928 | 374,669 | 514,597 |
| Cash and cash equivalents, end of year | <hr/> | <hr/> | <hr/> |
| | <u>\$ 270,259</u> | <u>\$ 299,230</u> | <u>\$ 569,489</u> |

City of Corunna

Enterprise Funds

COMPARATIVE BALANCE SHEET - SEWER SYSTEM

June 30, 2000 and 1999

| | <u>2000</u> | <u>1999</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 263,967 | \$ 133,826 |
| Cash and cash equivalents - restricted | 6,292 | 6,102 |
| Accounts receivable | 160,226 | 141,892 |
| Accrued interest receivable | 4,148 | 152 |
| Due from other funds | 15,505 | 15,505 |
| | <hr/> | <hr/> |
| Total current assets | 450,138 | 297,477 |
| Other assets | | |
| Treatment rights | 555,164 | 555,164 |
| Accumulated amortization | (515,684) | (487,926) |
| | <hr/> | <hr/> |
| Net treatment rights | 39,480 | 67,238 |
| Investments | 142,937 | 138,571 |
| | <hr/> | <hr/> |
| Total other assets | 182,417 | 205,809 |
| Fixed assets | | |
| Equipment | 80,000 | 80,000 |
| Land | 1 | 1 |
| System and improvements | 4,001,847 | 3,988,360 |
| Accumulated depreciation | (1,370,788) | (1,276,276) |
| | <hr/> | <hr/> |
| Total fixed assets, net of accumulated depreciation | 2,711,060 | 2,792,085 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | \$ 3,343,615 | \$ 3,295,371 |

City of Corunna

Enterprise Funds

COMPARATIVE BALANCE SHEET - SEWER SYSTEM - CONTINUED

June 30, 2000 and 1999

| | <u>2000</u> | <u>1999</u> |
|--|----------------------------|----------------------------|
| LIABILITIES AND FUND EQUITY | | |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable | \$ 4,054 | \$ 3,128 |
| Accrued wages | 126 | 229 |
| Due to other funds | 4,769 | 4,769 |
| Accrued interest payable | 10,585 | 11,493 |
| Current portion of long-term debt | <u>53,000</u> | <u>66,452</u> |
| Total current liabilities | 72,534 | 86,071 |
| Other liabilities | | |
| Contracts payable | - | 23,000 |
| Capital lease payable | - | - |
| Revenue improvement bond payable | <u>750,000</u> | <u>780,000</u> |
| Total other liabilities | <u>750,000</u> | <u>803,000</u> |
| TOTAL LIABILITIES | 822,534 | 889,071 |
| FUND EQUITY | | |
| Contribution in aid of construction | | |
| Other governmental units | 292,308 | 292,308 |
| Other funds | 54,134 | 54,134 |
| Taxpayers | 1,728,902 | 1,728,902 |
| Retained earnings | | |
| Reserved for bonds | 69,327 | 63,603 |
| Reserved for debt service | 11,187 | 11,312 |
| Reserved for replacement | 107,343 | 46,032 |
| Unreserved | <u>257,880</u> | <u>210,009</u> |
| TOTAL FUND EQUITY | <u>2,521,081</u> | <u>2,406,300</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$ 3,343,615</u> | <u>\$ 3,295,371</u> |

City of Corunna

Enterprise Funds

COMPARATIVE STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS - SEWER SYSTEM

Years Ended June 30, 2000 and 1999

| | <u>2000</u> | <u>1999</u> |
|---|-------------------|-------------------|
| OPERATING REVENUES | | |
| Charges for services | | |
| User charges | \$ 414,642 | \$ 382,116 |
| Tap in fees | 12,000 | 12,122 |
| Capital charges | 74,799 | 72,200 |
| Other | 370 | 1,974 |
| | <hr/> | <hr/> |
| TOTAL OPERATING REVENUES | 501,811 | 468,412 |
| OPERATING EXPENSES | | |
| Salaries and wages | 35,595 | 33,071 |
| Fringe benefits | 11,382 | 16,190 |
| Administrative charges | - | 3,650 |
| Contractual service | 44,888 | 39,858 |
| Supplies | 4,287 | 3,670 |
| Utilities | 4,071 | 5,283 |
| Treatment costs | 133,739 | 138,218 |
| Repairs and maintenance | 218 | 3,511 |
| Equipment rental | 4,833 | 2,940 |
| Other | 425 | 480 |
| Depreciation | 94,512 | 85,124 |
| Amortization | 27,758 | 27,758 |
| | <hr/> | <hr/> |
| TOTAL OPERATING EXPENSES | 361,708 | 359,753 |
| OPERATING INCOME | 140,103 | 108,659 |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest revenue | 13,510 | 10,827 |
| Rent revenue | 3,872 | 483 |
| Interest expense and fees | (42,704) | (46,539) |
| | <hr/> | <hr/> |
| TOTAL NONOPERATING REVENUES (EXPENSES) | (25,322) | (35,229) |
| INCOME BEFORE TRANSFERS | 114,781 | 73,430 |
| TRANSFERS OUT | | |
| Transfer out | - | (19,343) |
| | <hr/> | <hr/> |
| NET INCOME (LOSS) | 114,781 | 54,087 |
| Retained earnings, beginning of year | 330,956 | 276,869 |
| | <hr/> | <hr/> |
| Retained earnings, end of year | <u>\$ 445,737</u> | <u>\$ 330,956</u> |

City of Corunna

Enterprise Funds

COMPARATIVE STATEMENT OF CASH FLOWS - SEWER SYSTEM

Years Ended June 30, 2000 and 1999

| | <u>2000</u> | <u>1999</u> |
|---|-------------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Operating income | \$ 140,103 | \$ 108,659 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | |
| Depreciation and amortization | 122,270 | 112,882 |
| (Increase) decrease in receivables | (22,330) | 556 |
| Increase in due to other funds | - | 3,522 |
| Increase (decrease) in accounts payable | 926 | (7,700) |
| (Decrease) in accrued liabilities | (103) | (53) |
| (Decrease) in accrued interest payable | (908) | (1,033) |
| | <hr/> | <hr/> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 239,958 | 216,833 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Rent revenue | 3,872 | 483 |
| Transfers out | - | (19,343) |
| | <hr/> | <hr/> |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | 3,872 | (18,860) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Interest expense | (42,704) | (46,539) |
| Capital purchases | (13,487) | (6,825) |
| Payment of borrowing | (66,452) | (70,748) |
| | <hr/> | <hr/> |
| NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | (122,643) | (124,112) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest revenue | 13,510 | 10,827 |
| Purchase of investments | (142,937) | (138,571) |
| Maturity of investments | 138,571 | |
| | <hr/> | <hr/> |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | 9,144 | (127,744) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING YEAR | 130,331 | (53,883) |
| Cash and cash equivalents, beginning of year | <hr/> | <hr/> |
| | 139,928 | 193,811 |
| Cash and cash equivalents, end of year | <hr/> | <hr/> |
| | \$ 270,259 | \$ 139,928 |

Note: For the year ended June 30, 1999 the Enterprise (Water System) Fund recorded an increase to Contributed Taxpayers of \$68,149 as a result of construction costs related to water improvement projects. These expenditures were reported in the Capital Projects Funds.

City of Corunna

Trust and Agency Funds

COMBINING BALANCE SHEET

June 30, 2000

| | <u>Trust Funds</u> | <u>Agency Funds</u> | | <u>Total</u> |
|--|----------------------|---------------------|-----------------|------------------|
| | <u>Nonexpendable</u> | | | |
| | <u>Cemetery</u> | <u>Current Tax</u> | <u>Payroll</u> | |
| | <u>Perpetual</u> | <u>Collection</u> | <u>Clearing</u> | |
| | <u>Care</u> | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 29,709 | \$ 12,695 | \$ 3,129 | \$ 45,533 |
| Investments | 33,953 | - | - | 33,953 |
| Accrued interest receivable | 431 | - | - | 431 |
| TOTAL ASSETS | <u>\$ 64,093</u> | <u>\$ 12,695</u> | <u>\$ 3,129</u> | <u>\$ 79,917</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Due to other funds | \$ - | \$ 4,743 | \$ - | \$ 4,743 |
| Due to component unit | - | 2,128 | - | 2,128 |
| Due to other governmental units | | | | |
| Local | - | 2,609 | - | 2,609 |
| State | - | - | 21 | 21 |
| Federal | - | - | 1,938 | 1,938 |
| Due to individuals and agencies | - | 3,215 | 1,170 | 4,385 |
| TOTAL LIABILITIES | -0- | 12,695 | 3,129 | 15,824 |
| FUND BALANCES | | | | |
| Reserved for | | | | |
| Perpetual care | 64,093 | - | - | 64,093 |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 64,093</u> | <u>\$ 12,695</u> | <u>\$ 3,129</u> | <u>\$ 79,917</u> |

City of Corunna

Agency Funds

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year Ended June 30, 2000

| | <u>Balance</u> <u>July 1, 1999</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>June 30, 2000</u> |
|-------------------------------------|---------------------------------------|---------------------|---------------------|--|
| <u>Current Tax Collections Fund</u> | | | | |
| ASSETS | | | | |
| Cash | \$ 76,915 | \$ 2,254,361 | \$ 2,318,581 | \$ 12,695 |
| LIABILITIES | | | | |
| Due to other funds | | | | |
| General | \$ 58,168 | \$ 677,017 | \$ 731,252 | \$ 3,933 |
| Water | 1,569 | 5,620 | 6,379 | 810 |
| City Improvement | 14,968 | 224,146 | 239,114 | -0- |
| Due to component unit | | | | |
| Downtown Development Authority | - | 33,775 | 31,647 | 2,128 |
| Due to other governmental units | | | | |
| State | - | 67,123 | 67,123 | -0- |
| County | | | | |
| State Education Tax | - | 246,971 | 246,380 | 591 |
| Other | - | 352,180 | 351,700 | 480 |
| Schools | - | 626,770 | 625,232 | 1,538 |
| Due to individuals and agencies | 2,210 | 20,759 | 19,754 | 3,215 |
| | <u>\$ 76,915</u> | <u>\$ 2,254,361</u> | <u>\$ 2,318,581</u> | <u>\$ 12,695</u> |
| <u>Payroll Clearing</u> | | | | |
| ASSETS | | | | |
| Cash | \$ 1,369 | \$ 645,820 | \$ 644,060 | \$ 3,129 |
| LIABILITIES | | | | |
| Due to other governmental units | | | | |
| State | \$ 21 | \$ 25,497 | \$ 25,497 | \$ 21 |
| Federal | 1,938 | 126,125 | 126,125 | 1,938 |
| Due to individuals and agencies | (590) | 619,356 | 617,596 | 1,170 |
| | <u>\$ 1,369</u> | <u>\$ 770,978</u> | <u>\$ 769,218</u> | <u>\$ 3,129</u> |

City of Corunna

Component Unit Funds

COMBINING BALANCE SHEET - ALL FUND TYPES AND ACCOUNT
GROUPS - DOWNTOWN DEVELOPMENT AUTHORITY

June 30, 2000

| | Governmental | | Account Groups | | Total |
|--|------------------|-------------------|-------------------|--|---------------------|
| | Fund Type | | | | |
| | Special | General | General Long- | | |
| | Revenue | Fixed Assets | Term Debt | | |
| ASSETS | | | | | |
| Cash | \$ 46,495 | \$ - | \$ - | | \$ 46,495 |
| Accounts receivable | 8,277 | - | - | | 8,277 |
| Due from primary government | 2,128 | - | - | | 2,128 |
| Fixed assets | - | 765,499 | - | | 765,499 |
| Amount to be provided for retirement of general long-term debt | - | - | 345,636 | | 345,636 |
| TOTAL ASSETS | \$ 56,900 | \$ 765,499 | \$ 345,636 | | \$ 1,168,035 |
| LIABILITIES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | \$ 405 | \$ - | \$ - | | \$ 405 |
| Due to individuals | 3,292 | - | - | | 3,292 |
| Due to other governmental units | | | | | |
| State | 8,766 | - | - | | 8,766 |
| Loans payable | - | - | 345,636 | | 345,636 |
| TOTAL LIABILITIES | 12,463 | -0- | 345,636 | | 358,099 |
| FUND EQUITY | | | | | |
| Investment in general fixed assets | - | 765,499 | - | | 765,499 |
| Unreserved - undesignated | 44,437 | - | - | | 44,437 |
| TOTAL FUND EQUITY | 44,437 | 765,499 | -0- | | 809,936 |
| TOTAL LIABILITIES AND FUND EQUITY | \$ 56,900 | \$ 765,499 | \$ 345,636 | | \$ 1,168,035 |

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 2000

1996 County of Shiawassee, City of Corunna G.O. Public Improvement Bonds

Purpose: To defray the costs of acquiring and constructing additions and improvements to the City of Corunna's Water supply, sanitary sewer, and storm sewer system.

Issue: \$ 870,000

Dated: September 1, 1996

| <u>Due Date</u> | <u>Interest Rate (%)</u> | <u>Bonds Maturing</u> | <u>Actual Interest Due</u> | <u>Total Amount Due</u> |
|-----------------|--------------------------|-----------------------|----------------------------|-------------------------|
| 9/1/2000 | 4.60 | \$ 80,000 | \$ 31,427 | \$ 111,427 |
| 9/1/2001 | 4.75 | 85,000 | 27,569 | 112,569 |
| 9/1/2002 | 4.90 | 90,000 | 23,345 | 113,345 |
| 9/1/2003 | 5.00 | 95,000 | 18,765 | 113,765 |
| 9/1/2004 | 5.10 | 100,000 | 13,840 | 113,840 |
| 9/1/2005 | 5.20 | 105,000 | 8,560 | 113,560 |
| 9/1/2006 | 5.30 | 110,000 | 2,915 | 112,915 |
| | | <u>\$ 665,000</u> | <u>\$ 126,421</u> | <u>\$ 791,421</u> |

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 2000

1992 Shiawassee County, City of Corunna Water Supply System Improvement Bonds

Purpose: To defray the cost of acquiring and constructing additions and improvements to the water system of the City of Corunna.

Issue: \$ 700,000

Dated: May 1, 1991

| <u>Due Date</u> | <u>Interest Rate (%)</u> | <u>Bonds Maturing</u> | <u>Actual Interest Due</u> | <u>Total Amount Due</u> |
|-----------------|--------------------------|-----------------------|----------------------------|-------------------------|
| 5/1/2001 | 5.50 | \$ 25,000 | \$ 29,950 | \$ 54,950 |
| 5/1/2002 | 5.60 | 25,000 | 28,575 | 53,575 |
| 5/1/2003 | 5.70 | 50,000 | 27,175 | 77,175 |
| 5/1/2004 | 5.80 | 50,000 | 24,325 | 74,325 |
| 5/1/2005 | 5.90 | 50,000 | 21,425 | 71,425 |
| 5/1/2006 | 6.00 | 50,000 | 18,475 | 68,475 |
| 5/1/2007 | 6.10 | 50,000 | 15,475 | 65,475 |
| 5/1/2008 | 6.15 | 50,000 | 12,425 | 62,425 |
| 5/1/2009 | 6.20 | 50,000 | 9,350 | 59,350 |
| 5/1/2010 | 6.25 | 50,000 | 6,250 | 56,250 |
| 5/1/2011 | 6.25 | 50,000 | 3,125 | 53,125 |
| | | <u>\$ 500,000</u> | <u>\$ 196,550</u> | <u>\$ 696,550</u> |

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 2000

1996 Wastewater Treatment System Revenue Bonds

Purpose: To defray the cost of acquiring and constructing improvements to the wastewater treatment system of the City of Corunna.

Issue: \$ 550,000

Dated: February 1, 1996

| <u>Due Date</u> | <u>Interest Rate (%)</u> | <u>Bonds Maturing</u> | <u>Actual Interest Due</u> | <u>Total Amount Due</u> |
|-----------------|--------------------------|-----------------------|----------------------------|-------------------------|
| 11/1/2000 | 4.30 | \$ 20,000 | \$ 24,565 | \$ 44,565 |
| 11/1/2001 | 4.40 | 20,000 | 23,705 | 43,705 |
| 11/1/2002 | 4.50 | 20,000 | 22,825 | 42,825 |
| 11/1/2003 | 4.60 | 20,000 | 21,925 | 41,925 |
| 11/1/2004 | 4.70 | 25,000 | 21,005 | 46,005 |
| 11/1/2005 | 4.80 | 25,000 | 19,830 | 44,830 |
| 11/1/2006 | 4.90 | 25,000 | 18,630 | 43,630 |
| 11/1/2007 | 5.00 | 30,000 | 17,405 | 47,405 |
| 11/1/2008 | 5.10 | 30,000 | 15,905 | 45,905 |
| 11/1/2009 | 5.20 | 35,000 | 14,375 | 49,375 |
| 11/1/2010 | 5.30 | 35,000 | 12,555 | 47,555 |
| 11/1/2011 | 5.35 | 40,000 | 10,700 | 50,700 |
| 11/1/2012 | 5.35 | 40,000 | 8,560 | 48,560 |
| 11/1/2013 | 5.35 | 40,000 | 6,420 | 46,420 |
| 11/1/2014 | 5.35 | 40,000 | 4,280 | 44,280 |
| 11/1/2015 | 5.35 | 40,000 | 2,140 | 42,140 |
| | | <u>\$ 485,000</u> | <u>\$ 244,825</u> | <u>\$ 729,825</u> |

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 2000

USDA - FmHA Sewer Revenue Bonds

Purpose: To defray the cost of acquiring and constructing additions and improvements to the sanitary sewer system of the City of Corunna.

Issue: \$ 420,000

Dated: August 15, 1980

| <u>Due Date</u> | <u>Interest Rate (%)</u> | <u>Bonds Maturing</u> | <u>Actual Interest Due</u> | <u>Total Amount Due</u> |
|-----------------|--------------------------|-----------------------|----------------------------|-------------------------|
| 8/1/2000 | 5.00 | \$ 10,000 | \$ 14,500 | \$ 24,500 |
| 8/1/2001 | 5.00 | 10,000 | 14,000 | 24,000 |
| 8/1/2002 | 5.00 | 10,000 | 13,500 | 23,500 |
| 8/1/2003 | 5.00 | 15,000 | 12,875 | 27,875 |
| 8/1/2004 | 5.00 | 15,000 | 12,125 | 27,125 |
| 8/1/2005 | 5.00 | 15,000 | 10,875 | 25,875 |
| 8/1/2006 | 5.00 | 15,000 | 10,125 | 25,125 |
| 8/1/2007 | 5.00 | 15,000 | 9,875 | 24,875 |
| 8/1/2008 | 5.00 | 15,000 | 9,125 | 24,125 |
| 8/1/2009 | 5.00 | 15,000 | 8,375 | 23,375 |
| 8/1/2010 | 5.00 | 15,000 | 7,625 | 22,625 |
| 8/1/2011 | 5.00 | 15,000 | 6,875 | 21,875 |
| 8/1/2012 | 5.00 | 15,000 | 6,125 | 21,125 |
| 8/1/2013 | 5.00 | 15,000 | 5,375 | 20,375 |
| 8/1/2014 | 5.00 | 15,000 | 4,625 | 19,625 |
| 8/1/2015 | 5.00 | 15,000 | 3,875 | 18,875 |
| 8/1/2016 | 5.00 | 15,000 | 3,125 | 18,125 |
| 8/1/2017 | 5.00 | 15,000 | 2,375 | 17,375 |
| 8/1/2018 | 5.00 | 20,000 | 1,500 | 21,500 |
| 8/1/2019 | 5.00 | 20,000 | 500 | 20,500 |
| | | <u>\$ 295,000</u> | <u>\$ 157,375</u> | <u>\$ 452,375</u> |

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 2000

1978 City of Owosso - Contract Payable

Purpose: To finance payments for the City of Owosso wastewater treatment plant debt service agreement of August 17, 1977.

Issue: \$ 253,000

Dated: June 1, 1978

| <u>Due Date</u> | <u>Interest Rate (%)</u> | <u>Principal Maturing</u> | <u>Actual Interest Due</u> | <u>Total Amount Due</u> |
|-----------------|--------------------------|---------------------------|----------------------------|-------------------------|
| 4/1/2001 | 7.25 | <u>\$ 23,000</u> | <u>\$ 1,380</u> | <u>\$ 24,380</u> |

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 2000

Corunna Downtown Development Authority Commercial Loan

Purpose: To defray the cost of acquiring land and construction of the City Center building.
Repaying of loan is due in monthly installments.

Issue: \$ 420,000

Dated: May 3, 1994

| <u>Due Date</u> | <u>Interest Rate (%)</u> | <u>Principal Maturing</u> | <u>Actual Interest Due</u> | <u>Total Amount Due</u> |
|-----------------|--------------------------|---------------------------|----------------------------|-------------------------|
| 7/2000 - 6/01 | 6.00 | \$ 15,650 | \$ 20,458 | \$ 36,108 |
| 7/01 - 6/02 | 6.00 | 16,615 | 19,493 | 36,108 |
| 7/02 - 6/03 | 6.00 | 17,640 | 18,468 | 36,108 |
| 7/03 - 6/04 | 6.00 | 18,728 | 17,380 | 36,108 |
| 7/04 - 6/05 | 6.00 | 19,883 | 16,225 | 36,108 |
| 7/05 - 6/06 | 6.00 | 21,110 | 14,998 | 36,108 |
| 7/06 - 6/07 | 6.00 | 22,412 | 13,696 | 36,108 |
| 7/07 - 6/08 | 6.00 | 23,794 | 12,314 | 36,108 |
| 7/08 - 6/09 | 6.00 | 25,261 | 10,847 | 36,108 |
| 7/09 - 6/10 | 6.00 | 26,820 | 9,288 | 36,108 |
| 7/10 - 6/11 | 6.00 | 28,474 | 7,634 | 36,108 |
| 7/11 - 6/12 | 6.00 | 30,230 | 5,878 | 36,108 |
| 7/12 - 6/13 | 6.00 | 32,094 | 4,014 | 36,108 |
| 7/13 - 6/14 | 6.00 | 34,074 | 2,424 | 36,498 |
| 7/14 - 11/14 | 6.00 | 12,851 | 2,270 | 15,121 |
| | | <u>\$ 345,636</u> | <u>\$ 175,387</u> | <u>\$ 521,023</u> |

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 2000

1998 Michigan Transportation Bonds

Purpose: To help defray a portion of the costs of improvements and additions to the major and local streets in the City.

Issue: \$ 220,000

Dated: April 1, 1998

| <u>Due Date</u> | <u>Interest Rate (%)</u> | <u>Bonds Maturing</u> | <u>Actual Interest Due</u> | <u>Total Amount Due</u> |
|-----------------|--------------------------|-----------------------|----------------------------|-------------------------|
| 8/1/2000 | 4.70 | \$ 10,000 | \$ 9,417 | \$ 19,417 |
| 8/1/2001 | 4.70 | 10,000 | 8,948 | 18,948 |
| 8/1/2002 | 4.70 | 10,000 | 8,477 | 18,477 |
| 8/1/2003 | 4.70 | 15,000 | 7,890 | 22,890 |
| 8/1/2004 | 4.70 | 15,000 | 7,185 | 22,185 |
| 8/1/2005 | 4.70 | 15,000 | 6,480 | 21,480 |
| 8/1/2006 | 4.70 | 15,000 | 5,775 | 20,775 |
| 8/1/2007 | 4.70 | 15,000 | 5,066 | 20,066 |
| 8/1/2008 | 4.80 | 15,000 | 4,350 | 19,350 |
| 8/1/2009 | 4.90 | 20,000 | 3,500 | 23,500 |
| 8/1/2010 | 5.00 | 20,000 | 2,510 | 22,510 |
| 8/1/2011 | 5.00 | 20,000 | 1,510 | 21,510 |
| 8/1/2012 | 5.05 | 20,000 | 505 | 20,505 |
| | | <u>\$ 200,000</u> | <u>\$ 71,613</u> | <u>\$ 271,613</u> |

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 2000

Dump Truck Lease

Purpose: The finance cost of acquiring a dump truck to be used as part of the motor pool. Payments on the lease are due in semi-annual installments.

Issue: \$ 69,936

Dated: September 15, 1997

| <u>Due Date</u> | <u>Interest Rate (%)</u> | <u>Principal Maturing</u> | <u>Actual Interest Due</u> | <u>Total Amount Due</u> |
|-----------------|--------------------------|---------------------------|----------------------------|-------------------------|
| 6/15/2001 | 5.42 | \$ 14,410 | \$ 1,413 | \$ 15,823 |
| 6/15/2002 | 5.42 | 15,203 | 620 | 15,823 |
| | | <u>\$ 29,613</u> | <u>\$ 2,033</u> | <u>\$ 31,646</u> |

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 2000

Backhoe Lease

Purpose: To finance costs of acquiring a backhoe to be used as part of the motor pool. Payments on the lease are due in semi-annual installments.

Issue: \$ 50,700

Dated: July 30, 1999

| <u>Due Date</u> | <u>Interest Rate (%)</u> | <u>Principal Maturing</u> | <u>Actual Interest Due</u> | <u>Total Amount Due</u> |
|-----------------|--------------------------|---------------------------|----------------------------|-------------------------|
| 07/31/00 | 5.5 | \$ 4,120 | \$ 1,139 | \$ 5,259 |
| 01/31/00 | 5.5 | 4,233 | 1,026 | 5,259 |
| 07/31/01 | 5.5 | 4,350 | 909 | 5,259 |
| 01/31/02 | 5.5 | 4,469 | 790 | 5,259 |
| 07/31/02 | 5.5 | 4,592 | 667 | 5,259 |
| 01/31/03 | 5.5 | 4,718 | 541 | 5,259 |
| 07/31/03 | 5.5 | 4,848 | 411 | 5,259 |
| 01/31/04 | 5.5 | 4,982 | 278 | 5,260 |
| 07/31/04 | 5.5 | 5,119 | 141 | 5,260 |
| | | <u>\$ 41,431</u> | <u>\$ 5,902</u> | <u>\$ 47,333</u> |

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 2000

1999 Water Tower Installment Purchase Agreement

Purpose: To finance payments for the Installment Purchase Agreement with Old Kent Bank-Central for water tower improvements.

Issue: \$ 224,200

Dated: November 1, 1999

| <u>Due Date</u> | <u>Interest Rate (%)</u> | <u>Principal Maturing</u> | <u>Actual Interest Due</u> | <u>Total Amount Due</u> |
|-----------------|--------------------------|---------------------------|----------------------------|-------------------------|
| 11/1/2000 | 5.56 | \$ 8,838 | \$ 5,927 | \$ 14,765 |
| 5/1/2001 | 5.56 | 9,013 | 5,752 | 14,765 |
| 11/1/2001 | 5.56 | 9,264 | 5,501 | 14,765 |
| 5/1/2002 | 5.56 | 9,521 | 5,244 | 14,765 |
| 11/1/2002 | 5.56 | 9,786 | 4,979 | 14,765 |
| 5/1/2003 | 5.56 | 10,058 | 4,707 | 14,765 |
| 11/1/2003 | 5.56 | 10,338 | 4,427 | 14,765 |
| 5/1/2004 | 5.56 | 10,625 | 4,140 | 14,765 |
| 11/1/2004 | 5.56 | 10,920 | 3,845 | 14,765 |
| 5/1/2005 | 5.56 | 11,224 | 3,541 | 14,765 |
| 11/1/2005 | 5.56 | 11,536 | 3,229 | 14,765 |
| 5/1/2006 | 5.56 | 11,857 | 2,908 | 14,765 |
| 11/1/2006 | 5.56 | 12,186 | 2,579 | 14,765 |
| 5/1/2007 | 5.56 | 12,525 | 2,240 | 14,765 |
| 11/1/2007 | 5.56 | 12,873 | 1,892 | 14,765 |
| 5/1/2008 | 5.56 | 13,231 | 1,534 | 14,765 |
| 11/1/2008 | 5.56 | 13,599 | 1,166 | 14,765 |
| 5/1/2009 | 5.56 | 13,977 | 788 | 14,765 |
| 11/1/2009 | 5.56 | 14,366 | 399 | 14,765 |
| | | <u>\$ 215,737</u> | <u>\$ 64,798</u> | <u>\$ 280,535</u> |

Principals

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Steven R. Kirinovic, CPA

Eric J. Glashouwer, CPA
Aaron M. Stevens, CPA
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ABRAHAM & GAFFNEY, P.C.
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Michigan Association of
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and
Members of City Council
City of Corunna
Corunna, Michigan

We have audited the general purpose financial statements of the City of Corunna as of and for the year ended June 30, 2000, and have issued our report thereon dated August 18, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Corunna'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 and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Corunna's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one of more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to material weaknesses.

We noted other matters involving the internal control over financial reporting that we have reported to the management of the City of Corunna in a separate letter dated August 18, 2000.

This report is intended for the information and use of management and City Council and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the City Council, is a matter of public record.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

August 18, 2000

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MANAGEMENT LETTER

To the Honorable Mayor and
Members of the City Council
City of Corunna
Corunna, Michigan

As you know, we have recently completed our audit of the records of the City of Corunna, Michigan as of and for the year ended June 30, 2000. In connection with the audit, we feel that certain changes in your accounting and administrative procedures would be helpful in improving management's control and the operational efficiency of the accounting and administrative functions. These suggestions are a result of our evaluation of the internal control structure and our discussions with management.

1. The City should review the status of individual fund balances (deficits) near year-end

As noted in the general purpose financial statements, the City has two (2) funds which ended the year in a deficit financial position. As a result, the City will be required to submit a deficit reduction plan to the State of Michigan for each fund.

We suggest the City review the status of individual funds near year-end and make appropriate adjustments when possible to eliminate deficits.

These conditions were considered in determining the nature, timing, and extent of the audit tests to be applied in our audit of the general purpose financial statements, and this report does not affect our report on the general purpose financial statements dated August 18, 2000.

This report is intended solely for the information of management and the Mayor and Members of the City Council of the City of Corunna and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to express our appreciation for the courtesy and cooperation extended to us during our audit. We are available to discuss any or all of these suggestions with you and to provide assistance in the implementation of improvements.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

August 18, 2000