

**City of Corunna
Shiawassee County, Michigan**

FINANCIAL STATEMENTS

June 30, 1995

City of Corunna
Shiawassee County, Michigan

June 30, 1995

CITY COUNCIL AND ADMINISTRATION

Mr. Michael Sarrazin	Mayor
Mr. Stephen Corey	Council Member
Ms. Angela Fernette	Council Member
Mr. Calvin Hornus	Council Member
Mr. Dennis Livingston	Council Member
Ms. Cecilia Sumner	Council Member
Ms. Janet Washburn	Council Member
Ms. Lisa Hitchcock	City Manager
Mr. Ronald Smith	Finance Director/ Treasurer

City of Corunna

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City of Corunna

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ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

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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 combined financial statements of the City of Corunna, Michigan as of and for the year ended June 30, 1995, as listed in the Table of Contents. These combined 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.

The City has not maintained a complete record of its primary government general fixed assets, and accordingly, a statement of General Fixed Assets, required by generally accepted accounting principles, is not included in the financial statements. The amount that should be recorded in the General Fixed Assets Account Group is not known.

In our opinion, except for the effect on the financial statements of the omission described in the preceding paragraph, the combined financial statements referred to above present fairly, in all material respects, the financial position of the City of Corunna, Michigan as of June 30, 1995, 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 September 21, 1995 on our consideration of the City of Corunna's internal control structure and a report dated September 21, 1995 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the combined 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 combined financial statements of the City of Corunna, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

September 21, 1995

COMBINED FINANCIAL STATEMENTS

City of Corunna

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

June 30, 1995

	<u>Primary</u>		
	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
ASSETS			
Cash and cash equivalents	\$ 169,580	\$ 256,771	\$ 53,174
Cash and cash equivalents - restricted	10,175	-	-
Investments	-	-	23,777
Receivables			
Taxes	3,771	-	-
Accounts	1,102	300	-
Contracts	-	171,011	-
Special assessments	2,080	24,000	-
Accrued interest	128	180	56
Inventory	-	950	-
Due from other funds	1,928	4,769	-
Due from other governmental units	38,753	30,403	-
Advances to component units	-	285,231	-
Treatment rights (net of accumulated amortization)	-	-	-
Fixed assets (net of accumulated depreciation)	-	-	-
Amount available for retirement of general long-term debt	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 227,517</u>	 <u>\$ 773,615</u>	 <u>\$ 77,007</u>

See accompanying notes to combined financial statements.

<u>Proprietary Fund Types</u>		<u>Government</u>			<u>Component Unit</u>		<u>Reporting Entity</u>
<u>Enterprise</u>	<u>Internal Service (Motor Pool)</u>	<u>Fiduciary Fund Types</u>	<u>Trust and Agency</u>	<u>Account Group</u>	<u>Totals (Memorandum Only)</u>	<u>Downtown Development Authority</u>	<u>Totals (Memorandum Only)</u>
				<u>General</u>			
				<u>Long-term Debt</u>			
\$ 643,716	\$ 21,994	\$ 18,401	\$ -	\$ -	\$ 1,163,636	\$ 9,093	\$ 1,172,729
-	-	-	-	-	10,175	-	10,175
-	-	48,593	-	-	72,370	-	72,370
-	-	-	-	-	3,771	-	3,771
142,755	-	-	-	-	144,157	1,938	146,095
-	-	-	-	-	171,011	-	171,011
-	-	-	-	-	26,080	-	26,080
926	-	345	-	-	1,635	-	1,635
-	-	-	-	-	950	-	950
15,873	7,900	-	-	-	30,470	-	30,470
-	5,000	-	-	-	74,156	-	74,156
-	-	-	-	-	285,231	-	285,231
157,726	-	-	-	-	157,726	-	157,726
1,799,473	112,428	-	-	-	1,911,901	752,024	2,663,925
-	-	-	77,007	-	77,007	-	77,007
-	-	-	161,188	-	161,188	413,685	574,873
<u>\$ 2,760,469</u>	<u>\$ 147,322</u>	<u>\$ 67,339</u>	<u>\$ 238,195</u>	<u>\$ 4,291,464</u>	<u>\$ 1,176,740</u>	<u>\$ 5,468,204</u>	

City of Corunna

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

June 30, 1995

	<u>Primary</u>		
	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
LIABILITIES			
Payables			
Accounts	\$ 28,373	\$ 3,509	\$ -
Wages	24,036	738	-
Other accrued liabilities	7,744	-	-
Due to other funds	2,000	22,405	-
Due to other governmental units	-	-	-
Due to individuals and agencies	362	-	-
Deferred revenue	2,080	195,011	-
Contracts payable	-	-	-
General obligation bonds	-	-	-
Revenue bonds	-	-	-
Capital leases	-	-	-
Loans payable	-	-	-
Advances from primary government	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	64,595	221,663	-0-
FUND EQUITY			
Investment in general fixed assets	-	-	-
Contributed capital			
Other governmental units	-	-	-
Other funds	-	-	-
Taxpayers	-	-	-
Retained earnings			
Reserved for bonds	-	-	-
Reserved for debt service	-	-	-
Reserved for replacement	-	-	-
Unreserved	-	-	-
Fund balance (deficits)			
Reserved for retirement benefits	10,175	-	-
Reserved for debt service	-	-	77,007
Reserved for advances to component units	-	285,231	-
Reserved for perpetual care	-	-	-
Reserved for inventories	-	950	-
Reserved for Fourth of July fireworks	-	-	-
Unreserved			
Designated	-	77,278	-
Undesignated	152,747	188,493	-
	<hr/>	<hr/>	<hr/>
TOTAL FUND EQUITY	162,922	551,952	77,007
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 227,517</u>	<u>\$ 773,615</u>	<u>\$ 77,007</u>

See accompanying notes to combined financial statements.

		Government			Component		
		Fiduciary	Account			Unit	Reporting
<u>Proprietary</u>	<u>Fund Types</u>	<u>Fund Types</u>	<u>Group</u>				<u>Entity</u>
	Internal	Trust and	General	Totals	Downtown		<u>Totals</u>
<u>Enterprise</u>	<u>(Motor Pool)</u>	<u>Agency</u>	<u>Long-term</u>	<u>(Memorandum</u>	<u>Development</u>	<u>(Memorandum</u>	<u>Only)</u>
			<u>Debt</u>	<u>Only)</u>	<u>Authority</u>	<u>Only)</u>	
\$ 25,754	\$ 1,571	\$ -	\$ -	\$ 59,207	\$ 298	\$ 59,505	
372	982	-	-	26,128	-	26,128	
18,523	-	-	-	26,267	-	26,267	
5,064	-	2,001	-	31,470	-	31,470	
-	-	-	-	-0-	8,766	8,766	
-	-	14,639	30,097	45,098	2,964	48,062	
-	-	-	-	197,091	-	197,091	
164,200	-	-	-	164,200	-	164,200	
625,000	-	-	-	625,000	-	625,000	
345,000	-	-	9,000	354,000	-	354,000	
70,000	20,749	-	-	90,749	-	90,749	
41,163	-	-	199,098	240,261	413,685	653,946	
-	-	-	-	-0-	285,231	285,231	
1,295,076	23,302	16,640	238,195	1,859,471	710,944	2,570,415	
-	-	-	-	-0-	752,024	752,024	
42,308	-	-	-	42,308	-	42,308	
54,134	-	-	-	54,134	-	54,134	
887,961	-	-	-	887,961	-	887,961	
30,000	-	-	-	30,000	-	30,000	
11,813	-	-	-	11,813	-	11,813	
341,008	-	-	-	341,008	-	341,008	
98,169	124,020	-	-	222,189	-	222,189	
-	-	-	-	10,175	-	10,175	
-	-	-	-	77,007	-	77,007	
-	-	-	-	285,231	-	285,231	
-	-	43,149	-	43,149	-	43,149	
-	-	-	-	950	-	950	
-	-	7,550	-	7,550	-	7,550	
-	-	-	-	77,278	-	77,278	
-	-	-	-	341,240	(286,228)	55,012	
1,465,393	124,020	50,699	-0-	2,431,993	465,796	2,897,789	
\$ 2,760,469	\$ 147,322	\$ 67,339	\$ 238,195	\$ 4,291,464	\$ 1,176,740	\$ 5,468,204	

City of Corunna

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

Year Ended June 30, 1995

	<u>Primary</u>	
	<u>Governmental Fund</u>	
	<u>General</u>	<u>Special Revenue</u>
REVENUES		
Taxes	\$ 447,127	\$ -
Licenses and permits	24,305	-
Intergovernmental	288,446	167,660
Charges for services	156,173	11,074
Fines and forfeits	14,864	12,319
Interest and rents	48,733	13,141
Special assessments	2,439	14,080
Other	<u>25,706</u>	<u>104,372</u>
TOTAL REVENUES	1,007,793	322,646
EXPENDITURES		
Legislative	6,018	-
General government	212,642	-
Public safety	243,734	-
Highways and streets	-	117,144
Public works	81,288	-
Health and welfare	-	21,362
Recreation and cultural	62,893	97,234
Other	251,278	20
Debt service	-	14,085
Capital outlay	<u>-</u>	<u>935</u>
TOTAL EXPENDITURES	<u>857,853</u>	<u>250,780</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	149,940	71,866
OTHER FINANCING SOURCES (USES)		
Operating transfers in	-	54,920
Operating transfers out	<u>(56,967)</u>	<u>(52,525)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(56,967)</u>	<u>2,395</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	92,973	74,261
Fund balances (deficit), beginning of year	69,949	477,691
Prior period adjustment	<u>-</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ 162,922</u>	<u>\$ 551,952</u>

See accompanying notes to combined financial statements.

<u>Types</u>	<u>Government</u>		<u>Component Unit</u>		<u>Reporting Entity Totals (Memorandum Only)</u>
	<u>Fiduciary Fund Type Expendable Trust (Fireworks)</u>	<u>Totals (Memorandum Only)</u>	<u>Downtown Development Authority</u>		
Debt Service					
\$ 65,376	\$ -	\$ 512,503	\$ 18,876	\$ 531,379	
-	-	24,305	-	24,305	
-	-	456,106	-	456,106	
-	-	167,247	-	167,247	
-	-	27,183	-	27,183	
2,752	50	64,676	43,913	108,589	
-	-	16,519	-	16,519	
<u>9,680</u>	<u>7,500</u>	<u>147,258</u>	<u>53</u>	<u>147,311</u>	
77,808	7,550	1,415,797	62,842	1,478,639	
-	-	6,018	-	6,018	
-	-	212,642	-	212,642	
-	-	243,734	-	243,734	
-	-	117,144	-	117,144	
-	-	81,288	-	81,288	
-	-	21,362	-	21,362	
-	-	160,127	-	160,127	
-	-	251,298	21,529	272,827	
140,981	-	155,066	32,423	187,489	
-	-	935	-	935	
<u>140,981</u>	<u>-0-</u>	<u>1,249,614</u>	<u>53,952</u>	<u>1,303,566</u>	
(63,173)	7,550	166,183	8,890	175,073	
55,350	-	110,270	-	110,270	
-	-	(109,492)	-	(109,492)	
<u>55,350</u>	<u>-0-</u>	<u>778</u>	<u>-0-</u>	<u>778</u>	
(7,823)	7,550	166,961	8,890	175,851	
84,830	-	632,470	(305,478)	326,992	
-	-	-	10,360	10,360	
<u>\$ 77,007</u>	<u>\$ 7,550</u>	<u>\$ 799,431</u>	<u>\$ (286,228)</u>	<u>\$ 513,203</u>	

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, 1995

	General Fund		
	Amended <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 446,812	\$ 447,127	\$ 315
Licenses and permits	23,411	24,305	894
Intergovernmental	291,313	288,446	(2,867)
Charges for services	150,476	156,173	5,697
Fines and forfeits	12,650	14,864	2,214
Interest and rents	41,620	48,733	7,113
Special assessments	1,911	2,439	528
Other	<u>25,250</u>	<u>25,706</u>	<u>456</u>
TOTAL REVENUES	993,443	1,007,793	14,350
EXPENDITURES			
Legislative	6,090	6,018	72
General government	233,358	212,642	20,716
Public safety	255,333	243,734	11,599
Highways and streets	-	-	-0-
Public works	87,000	81,288	5,712
Health and welfare	-	-	-0-
Recreation and cultural	74,164	62,893	11,271
Other	261,301	251,278	10,023
Debt service	-	-	-0-
Capital outlay	-	-	-0-
TOTAL EXPENDITURES	<u>917,246</u>	<u>857,853</u>	<u>59,393</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	76,197	149,940	73,743
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-0-
Operating transfers out	<u>(56,967)</u>	<u>(56,967)</u>	<u>-0-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(56,967)</u>	<u>(56,967)</u>	<u>-0-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	19,230	92,973	73,743
Fund balances, beginning of year	<u>69,949</u>	<u>69,949</u>	<u>-0-</u>
Fund balances, end of year	<u>\$ 89,179</u>	<u>\$ 162,922</u>	<u>\$ 73,743</u>

See accompanying notes to combined financial statements.

<u>Special Revenue Funds</u>			<u>Debt Service Funds</u>		
<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ -	\$ -	\$ -0-	\$ 93,675	\$ 65,376	\$ (28,299)
-	-	-0-	-	-	-0-
167,280	167,660	380	-	-	-0-
8,300	11,074	2,774	-	-	-0-
9,600	12,319	2,719	-	-	-0-
4,500	13,141	8,641	666	2,752	2,086
9,420	14,080	4,660	-	-	-0-
<u>94,761</u>	<u>104,372</u>	<u>9,611</u>	<u>-</u>	<u>9,680</u>	<u>9,680</u>
293,861	322,646	28,785	94,341	77,808	(16,533)
-	-	-0-	-	-	-0-
-	-	-0-	-	-	-0-
-	-	-0-	-	-	-0-
131,960	117,144	14,816	-	-	-0-
-	-	-0-	-	-	-0-
22,567	21,362	1,205	-	-	-0-
83,248	97,234	(13,886)	-	-	-0-
78,046	20	78,026	-	-	-0-
12,590	14,085	(1,495)	131,179	140,981	(9,802)
<u>-</u>	<u>935</u>	<u>(935)</u>	<u>-</u>	<u>-</u>	<u>-0-</u>
<u>328,411</u>	<u>250,780</u>	<u>77,631</u>	<u>131,179</u>	<u>140,981</u>	<u>(9,802)</u>
(34,550)	71,866	106,416	(36,838)	(63,173)	(26,335)
56,967	54,920	(2,047)	54,000	55,350	1,350
<u>(56,800)</u>	<u>(52,525)</u>	<u>4,275</u>	<u>-</u>	<u>-</u>	<u>-0-</u>
<u>167</u>	<u>2,395</u>	<u>2,228</u>	<u>54,000</u>	<u>55,350</u>	<u>1,350</u>
(34,383)	74,261	108,644	17,162	(7,823)	(24,985)
<u>477,691</u>	<u>477,691</u>	<u>-0-</u>	<u>84,830</u>	<u>84,830</u>	<u>-0-</u>
<u>\$ 443,308</u>	<u>\$ 551,952</u>	<u>\$ 108,644</u>	<u>\$ 101,992</u>	<u>\$ 77,007</u>	<u>\$ (24,985)</u>

City of Corunna

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

Year Ended June 30, 1995

	<u>Proprietary Fund Types</u>	
	<u>Enterprise</u>	<u>Internal Service (Motor Pool)</u>
OPERATING REVENUES		
Charges for services	\$ 649,453	\$ -
Rents	-	73,787
Capital charges	58,423	-
Other	<u>1,613</u>	<u>1,299</u>
TOTAL OPERATING REVENUES	709,489	75,086
OPERATING EXPENSES		
Salaries and wages	65,729	9,163
Fringe benefits	10,620	-
Administrative charges	7,300	4,481
Contractual services	47,235	2,411
Supplies	38,970	28,467
Utilities	15,402	3,285
Treatment costs	318,599	-
Communications	-	1,415
Other	254	-
Repairs and maintenance	10,694	-
Equipment rental	9,031	-
Depreciation	96,077	20,561
Amortization	<u>26,248</u>	<u>-</u>
TOTAL OPERATING EXPENSES	<u>646,159</u>	<u>69,783</u>
OPERATING INCOME	63,330	5,303
NON-OPERATING REVENUES (EXPENSES)		
Interest revenue	24,277	-
Rent	24,930	-
Gain on sale of fixed assets	-	5,864
Interest expense	<u>(65,717)</u>	<u>(2,379)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(16,510)</u>	<u>3,485</u>
NET INCOME	46,820	8,788
Retained earnings/fund balance, beginning of year	<u>434,170</u>	<u>115,232</u>
Retained earnings/fund balance, end of year	<u>\$ 480,990</u>	<u>\$ 124,020</u>

See accompanying notes to combined financial statements.

Fiduciary Fund Type

Nonexpendable
Trust Fund
(Cemetery
Perpetual Care)

Totals
(Memorandum
Only)

\$ 3,318	\$ 652,771
-	73,787
-	58,423
-	<u>2,912</u>
3,318	787,893
-	74,892
-	10,620
-	11,781
-	49,646
-	67,437
-	18,687
-	318,599
-	1,415
-	254
-	10,694
-	9,031
-	116,638
-	<u>26,248</u>
<u>-0-</u>	<u>715,942</u>
3,318	71,951
1,648	25,925
-	24,930
-	5,864
-	<u>(68,096)</u>
<u>1,648</u>	<u>(11,377)</u>
4,966	60,574
<u>38,183</u>	<u>587,585</u>
<u>\$ 43,149</u>	<u>\$ 648,159</u>

City of Corunna

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

Year Ended June 30, 1995

	<u>Proprietary Fund Types</u>	
	<u>Enterprise</u>	<u>Internal Service (Motor Pool)</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$ 63,330	\$ 5,303
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	122,325	20,561
(Increase) in receivables	(25,222)	-
Decrease (increase) in due from other funds	(1,627)	-
(Increase) in due from other governmental units	-	(5,000)
Increase (decrease) in accounts payable	7,646	(503)
Increase in accrued liabilities	173	101
(Decrease) in accrued interest payable	<u>(2,169)</u>	<u>-</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	164,456	20,462
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Rent revenue	<u>24,930</u>	<u>-</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	24,930	-0-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital purchases	(33,512)	(11,892)
Interest expense	(65,717)	(2,379)
Payments on borrowings	(72,651)	(12,503)
Proceeds from sale of fixed assets	<u>-</u>	<u>5,000</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(171,880)	(21,774)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest revenue	24,277	-
Purchase of investments	-	-
Maturities of investments	<u>-</u>	<u>-</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	24,277	-0-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING YEAR	41,783	(1,312)
Cash and cash equivalents, beginning of year	<u>601,933</u>	<u>23,306</u>
Cash and cash equivalents, end of year	<u>\$ 643,716</u>	<u>\$ 21,994</u>

See accompanying notes to combined financial statements.

NOTE: The City purchased \$70,000 in capital items through a capital lease in the Enterprise Funds.

<u>Fiduciary Fund Type</u>		<u>Totals</u>
Nonexpendable Trust Fund (Cemetery Perpetual Care)		(Memorandum Only)
\$ 3,318		\$ 71,951
-		142,886
(345)		(25,567)
-		(1,627)
-		(5,000)
-		7,143
-		274
-		(2,169)
<hr/>		<hr/>
2,973		187,891
-		24,930
<hr/>		<hr/>
-0-		24,930
-		(45,404)
-		(68,096)
-		(85,154)
-		5,000
<hr/>		<hr/>
-0-		(193,654)
1,648		25,925
(33,954)		(33,954)
<hr/>		<hr/>
33,954		33,954
1,648		25,925
4,621		45,092
<hr/>		<hr/>
4,229		629,468
<hr/>		<hr/>
\$ 8,850		\$ 674,560

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

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 combined 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, 1994.

2. 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:

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

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

2. Jointly Governed Organizations - continued

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 non-profit 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 \$13,563 in per dwelling charges to Corunna Area Ambulance Service, Inc. for the year ended June 30, 1995.

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 each from the City of Corunna, City of Owosso, Caledonia Township, and Owosso Township and two (2) members from Shiawassee County. The Airport has been reported as a fund in the December 31, 1994 financial statements of Shiawassee County. The Airport is expected to be self-sufficient but if expenditures exceed revenues, the City would make an appropriation as needed. The City paid \$2,850 to the Board for the year ended June 30, 1995.

3. 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 are grouped in the financial statements in this report into four (4) fund types and one account group 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.

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

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

3. Basis of Presentation - continued

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.

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. Expendable trust funds are accounted for in essentially the same manner as governmental 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 GROUP

- a. 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 FUND

The City of Corunna Downtown Development Authority component unit funds and account groups have been aggregated for presentation within the City Combined 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.

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

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

- 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.

4. 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.

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.

5. 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.

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

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

6. 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. Budgets were not properly adopted for the Historical Commission and Fourth of July Commission (Special Revenue) Funds and 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.

7. 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 certificates of deposit and mutual funds with an original maturity of 90 days or less.

Investments include deferred compensation fund securities and certificates of deposit with an original maturity of greater than 90 days from the date of purchase. All certificates of deposit are stated at cost, which approximates market value. The deferred compensation fund securities are stated at market value.

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

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

8. Inventories

Inventories are stated at cost on a first in/first out basis. Inventories consist of softballs purchased at year-end for the next season. Inventory amounts are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

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 assessed valuation) for general governmental services other than the payment of Debt Service Fund expenses. Due to recent legislation, starting with the 1994 tax levy, the City levied six (6) mills for the State Education Tax on all property in the City. All property classified as non-homestead had an additional eighteen mills levied against it for school operations. For the year ended June 30, 1995, the City levied the following mills per \$1,000 of assessed valuation:

<u>Fund</u>	<u>Mills</u>
July Levy	
General Fund	13.7600
1980 Street Debt Fund	2.0000
State of Michigan (State Education Tax)	3.0000
December Levy	
County	6.3173
State of Michigan (State Education Tax)	3.0000
Schools	
Corunna (non-homestead)	18.0000
Corunna Debt	2.8000
Shiawassee County Intermediate School District	3.8119

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

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

10. Advances to Component Units

Long-term advances from some funds to component unit funds are made to finance new activities during their initial operations. The applicable fund balance is reserved for such advances to reflect the amount of fund balance not currently available for expenditure.

11. 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.

12. 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, 1995 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.

13. 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. However, the City has not included the General Fixed Assets Account Group in this report. The Downtown Development Authority has included the General Fixed Asset Account Group in their separate report and in their fund as discretely presented.

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.

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

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

13. Fixed Assets and Long-Term Liabilities - continued

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

14. 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.

15. 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.

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

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

16. 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

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 in which the principal and interest is fully guaranteed by the United States. This subdivision shall include securities issued or guaranteed by the Government National Mortgage Association.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging 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 21.156 of the 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. Not more than 50% of any fund may be invested in commercial paper at any time.
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.

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 do not allow collateralization of government deposits.

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

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

Deposits

As of June 30, 1995, 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	\$ 81,688	\$ 91,773
Money market checking	7,910	7,910
Savings and certificates of deposit	<u>804,272</u>	<u>804,272</u>
	<u>\$ 893,870</u>	<u>\$ 903,955</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, 1995, the City accounts were insured by the FDIC for \$499,683, and the amount of \$404,272 was uninsured and uncollateralized.

Investments

As of June 30, 1995, 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>\$ 346,765</u>	<u>\$ 346,765</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.

Deferred compensation is deposited with the Public Employees Benefit Service Corporation (PEBSCO), which is administered by the United State Conference of Mayors (USCM). Investments are directed by participants into money market funds, fixed interest accounts, and mutual stock and bond funds. As of June 30, 1995, the market value which is the carrying amount of the deferred compensation plan assets is \$14,639. The deferred compensation plan assets include uninsured and registered investments for which the securities are held by the insurance carrier's trust department but not in the City's name.

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

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

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, 1995:

Cash and cash equivalents	\$ 1,172,729
Cash - restricted	10,175
Investments	<u>72,370</u>
	<u>\$ 1,255,274</u>

The amounts identified above include General Fund restricted cash of \$10,175 as of June 30, 1995 to be used to fund retirement benefits in the future.

NOTE C: INTERFUND RECEIVABLES AND PAYABLES

The amount of interfund receivables and payables at June 30, 1995, are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General		General	
Water System	\$ 295	Motor Pool	\$ 2,000
Trust and Agency	<u>1,633</u>		
	1,928	Special Revenue	
Special Revenue		Local Street	
H.U.D. Grant		Sewer System	15,505
Sewer system	4,769	Softball Commission	
		Motor Pool	<u>6,900</u>
Enterprise			22,405
Sewer System		Enterprise	
Local Street	15,505	Sewer System	
Water System		H.U.D. Grant	4,769
Trust and Agency	<u>368</u>	Water System	
Sewer System	15,873	General	<u>295</u>
			5,064
Internal Service		Trust and Agency	
Motor Pool		Current Tax	
General	2,000	Collections	
Corunna Softball		General	1,633
Commission	<u>5,900</u>	Water System	<u>368</u>
	<u>7,900</u>		<u>2,001</u>
	<u>\$ 30,470</u>		<u>\$ 31,470</u>

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

NOTE C: INTERFUND RECEIVABLES AND PAYABLES - CONTINUED

The Internal Service Fund (Motor Pool) has an amount due from the Corunna Softball Commission at June 30, 1995 of \$5,900. The Corunna Softball Commission financial statements have been reported on the fiscal year end of October 31, 1994. This timing difference of \$1,000, causes the interfund receivables and payables to not be in balance.

NOTE D: ADVANCES RECEIVABLE AND PAYABLE

On July 6, 1993, the City of Corunna (primary government) loaned the Downtown Development Authority (component unit) \$250,000 which was used to construct the Corunna City Center. The amount is due in fifteen (15) annual installments, including interest at 4 percent, commencing on August 20, 1998 through August 30, 2007. Interest does not begin to accrue until August 20, 1998. The City, pursuant to the May 2, 1994 subordination agreement, agreed to forego any payments on this advance until the commercial loan with Old Kent Bank is paid in full.

In May, 1994, the City of Corunna (primary government) loaned the Downtown Development Authority (component unit) \$50,000 which was used to complete the Corunna City Center project. The amount is due in annual installments commencing in May 1999 in the sum of \$10,000 plus annual interest on the unpaid balance at a rate of .5 percent under the prime rate. The Downtown Development Authority (component unit) made their first payment, \$10,000, plus accrued interest of \$2,750 in the current year, ahead of schedule.

The following summarizes the outstanding balances of advances receivable and payable at June 30, 1995:

<u>Fund</u>	<u>Advance To</u>	<u>Fund</u>	<u>Advance From</u>
Special Revenue Funds		Component Unit Funds	
H.U.D. Grant		Downtown Development	
Component Unit Fund		Authority	
Downtown Development		Special Revenue Funds	
Authority	\$ 245,231	H.U.D.	\$ 245,231
Economic Development		Economic	
Component Unit Fund		Development	<u>40,000</u>
Authority	<u>40,000</u>		
	<u>\$ 285,231</u>		<u>\$ 285,231</u>

NOTE E: OPERATING TRANSFERS

The transfers of cash between the various City funds are budgeted but reported separately from revenues and expenditures as operating transfers (in) or out.

Total operating transfers (in) and out at June 30, 1995 totalled \$(110,270) and \$109,492, respectively. The difference of \$(778) is due to timing of interfund transfers between funds with different year ends.

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

NOTE F: 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:

Years ending <u>June 30,</u>	
1996	\$ 49,663
1997	43,989
1998	86,717
1999	<u>14,722</u>
	195,091
Less: interest	<u>(26,481)</u>
	<u>\$ 168,610</u>

NOTE G: FIXED ASSETS

A summary of Proprietary Fund Type fixed assets at June 30, 1995 follows:

	<u>Enterprise</u>	Internal Service <u>(Motor Pool)</u>
Land	\$ 127	\$ -
System and improvements	3,020,328	-
Equipment	<u>80,000</u>	<u>501,431</u>
Total	3,100,455	501,431
Less: accumulated depreciation	<u>(1,300,982)</u>	<u>(389,003)</u>
Net fixed assets	<u>\$ 1,799,473</u>	<u>\$ 112,428</u>

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

NOTE H: 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, 1995:

	<u>Balance</u> <u>July 1, 1994</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 1995</u>
PRIMARY GOVERNMENT				
General Long-Term Debt				
1980 Street Improvement				
Serial Bonds	\$ 75,000	\$ -	\$ 75,000	\$ -0-
Building Authority				
Revenue Bonds	18,000	-	9,000	9,000
Comstock Street Loan	34,285	-	5,714	28,571
Michigan Bond Loan Fund	24,465	-	3,985	20,480
1985 Michigan Local				
Project Loan	155,593	-	25,489	130,104
Fire Truck Loan	29,073	-	9,130	19,943
Accumulated Vacation	<u>25,622</u>	<u>4,475</u>	<u>-</u>	<u>30,097</u>
	362,038	4,475	128,318	238,195
Enterprise Funds				
Sewer System Fund				
Improvement Bonds	355,000	-	10,000	345,000
Loans payable	53,174	-	12,011	41,163
Contracts payable	189,840	-	25,640	164,200
Capital lease	-0-	70,000	-	70,000
Water Fund				
General Obligation				
Bonds	<u>650,000</u>	<u>-</u>	<u>25,000</u>	<u>625,000</u>
	1,248,014	70,000	72,651	1,245,363
Internal Service Fund				
Capital Lease	<u>33,251</u>	<u>-</u>	<u>12,502</u>	<u>20,749</u>
TOTAL PRIMARY GOVERNMENT	1,643,303	74,475	213,471	1,504,307
COMPONENT UNIT FUND				
Downtown Development Authority				
Loan payable	<u>420,000</u>	<u>-</u>	<u>6,315</u>	<u>413,685</u>
	<u>\$ 2,063,303</u>	<u>\$ 74,475</u>	<u>\$ 219,786</u>	<u>\$ 1,917,992</u>

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

NOTE H: LONG-TERM DEBT - CONTINUED

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

PRIMARY GOVERNMENT

Loans Payable

\$80,000 Comstock Street loan dated August 7, 1992, due in annual installments ranging from \$11,428 to \$11,429 through July 1, 1999, with interest at 5.14 percent, payable semi-annually. This loan is split between the Local Street Special Revenue and the Sewer System Enterprise Funds, \$28,571 and \$28,571, respectively.	\$ 57,142
\$50,000 1984 Michigan Bond Loan Fund loan dated July 5, 1984, due in annual installments ranging from \$4,380 to \$5,910 through June 1, 1999, with interest at 5.0 percent, payable annually.	20,480
\$310,000 1985 Michigan Local Projects Loan dated June 6, 1985, due in annual installments ranging from \$27,938 to \$37,424 through June 1, 1999, with interest at 10.22 percent, payable annually.	130,104
\$60,000 Fire Truck loan dated May 15, 1990, due in annual installments ranging from \$9,770 to \$10,173 through June 1, 1997, with interest at 7.0 percent, payable annually.	19,943
\$25,186 Sewer pump loan dated September 3, 1992, due in annual installments of \$6,296 through August 1, 1996 with interest at 6.0 percent, payable annually.	12,592

Contracts Payable

\$253,000 1978 City of Owosso contract payable dated June 1, 1978 due in annual installments ranging from \$16,100 to \$23,000 through April 1, 2001, with interest at 7.25 percent, payable annually.	115,000
\$36,000 1980 City of Owosso contract payable dated September 1, 1980 due in annual principle installments of \$1,840 through June 1, 2000.	9,200
\$199,000 1978 Owosso-Caledonia Township Utility Authority contract payable dated December 1, 1978, due in annual installments of \$10,000 through December 1, 1998, with interest at 5.0 percent, payable annually.	40,000

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

NOTE H: LONG-TERM DEBT - CONTINUED

General Obligation Bonds

\$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 4.60 to 6.25 percent, payable annually. \$ 625,000

Revenue Bonds

\$160,000 1968 Building Authority Revenue Bonds dated February 23, 1968, due in annual installments of \$9,000 through May 1, 1996, with interest at 5.35 percent, payable semi-annually. 9,000

\$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. 345,000

TOTAL PRIMARY GOVERNMENT 1,383,461

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. 413,685

\$ 1,797,146

Capital Leases - Primary Government

The City has entered into a lease purchase agreement to finance the acquisition of a street sweeper, for which the liability is recorded in the Internal Service 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 \$76,000.

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

Year ending	
<u>June 30,</u>	
1996	\$ 14,881
1997	<u>7,441</u>
	22,322
Less: amount representing interest	<u>(1,573)</u>
Present value of minimum lease payments	<u>\$ 20,749</u>

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

NOTE H: LONG-TERM DEBT - CONTINUED

Capital Leases - Primary Government - continued

The City has entered into a lease purchase agreement to finance the acquisition of a sewer vactor, for which the liability is recorded in the Sewer System 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 \$80,000.

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

<u>Year ending</u> <u>June 30,</u>	
1996	\$ 17,072
1997	17,073
1998	17,072
1999	17,073
2000	<u>17,072</u>
	85,362
Less: amount representing interest	<u>(15,362)</u>
Present value of minimum lease payments	<u>\$ 70,000</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 \$30,097 at June 30, 1995.

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

<u>Year Ending</u> <u>June 30,</u>	<u>Loans</u> <u>Payable</u>	<u>Contracts</u> <u>Payable</u>	<u>Capital</u> <u>Leases</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Revenue</u> <u>Bonds</u>	<u>Total</u>
1996	\$ 117,080	\$ 36,574	\$ 24,513	\$ 61,200	\$ 36,482	\$ 275,849
1997	115,835	35,124	24,513	60,050	26,500	262,022
1998	97,700	35,958	24,513	58,850	26,000	243,021
1999	97,100	34,354	17,073	57,600	25,500	231,627
2000	48,123	27,600	17,072	56,300	25,000	174,095
2001-2005	180,540	24,380	-	331,450	127,000	663,370

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

NOTE H: LONG-TERM DEBT - CONTINUED

Year Ending <u>June 30,</u>	Loans <u>Payable</u>	Contracts <u>Payable</u>	Capital <u>Leases</u>	General Obligation <u>Bonds</u>	Revenue <u>Bonds</u>	<u>Total</u>
2006-2010	\$ 180,540	\$ -	\$ -	\$ 311,975	\$ 123,375	\$ 615,890
2011-2015	159,943	-	-	53,125	105,625	318,693
2016-2020	-	-	-	-	96,375	96,375
	996,861	193,990	107,684	990,550	591,857	2,880,942
Less:						
interest	(342,915)	(29,790)	(16,935)	(365,550)	(237,857)	(993,047)
	<u>\$ 653,946</u>	<u>\$ 164,200</u>	<u>\$ 90,749</u>	<u>\$ 625,000</u>	<u>\$ 354,000</u>	<u>\$ 1,887,895</u>

NOTE I: RETIREMENT PLAN

Plan Description

The City contributes to the Michigan Municipal Employees Retirement System (the "System") as an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for governmental entities in the State of Michigan. The City's payroll for employees covered by the System for the year ended December 31, 1994 was \$387,832 which approximated total payroll.

All full-time City employees are eligible to participate in the System. City employees who retire at or after 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 are entitled to annual retirement benefits in an amount equal to 2.5% of final average compensation, computed over five years, with a maximum benefit of 80% of final average compensation. The system also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and City Ordinance.

City employees are required to contribute 0% of their salary to the system. The City is required to contribute the remaining amounts necessary to fund the System using the actuarial basis specified by statute.

Funding Status and Progress

The amount shown below as the "pension benefits obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is called the "actuarial present value of credited projected benefits" and is intended to help users assess the funding status of the System on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and allow for comparisons among public employee retirement plans. The measure is independent of the funding method used to determine contributions to the plan.

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

NOTE I: RETIREMENT PLAN - CONTINUED

The pension benefits obligation was determined as part of an actuarial valuation performed as of December 31, 1994, which is the latest valuation available. Significant actuarial assumptions used in determining the pension obligation earned include (a) a rate of return on the investment of present and future assets of 8% per year compounded annually, (b) projected salary increases of 5% per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0% to 4.2% per year, depending on age, attributable to seniority/merit, and (d) the assumption benefits will not increase after retirement.

At January 1, 1995, the unfunded pension benefit obligation was \$420,152 determined as follows:

Pension benefit obligation	
Retirees and beneficiaries currently receiving benefits	\$ 611,008
Terminated employees not yet receiving benefits	25,853
Current employees:	
Accumulated employee contributions including allocated investment income	61,747
Employer financed, vested	705,686
Employer financed, nonvested	<u>27,466</u>
Total pension benefit obligation	1,431,760
Net assets available for benefits, at cost (market value of \$1,065,021)	<u>1,011,608</u>
Unfunded Pension Benefit Obligation	<u>\$ 420,152</u>

During the plan year December 31, 1994, the plan experienced a net change of \$387,201 in the pension benefit obligation. The combined change in the pension benefit obligation resulting from benefit changes, if any, and revisions in actuarial assumptions is \$0.

Actuarially Determined Contribution Requirements and Contributions Made

The system's funding policy provides for actuarially determined periodic contributions at rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The contribution rate for normal cost is determined using an attained age actuarial cost method of valuation. Unfunded accrued liabilities are amortized as a level percent of payroll over a period of 30 future years.

The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation as described above.

During the year ended June 30, 1995, contributions amounted to \$39,860 in accordance with contribution requirements determined by the actuarial valuation of the plan as of December 31, 1992.

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

NOTE I: RETIREMENT PLAN - CONTINUED

The effect of changes in actuarial assumptions or methods affecting the December 31, 1992 actuarial valuation and the effect of changes in benefit provisions, if any, on the computed employer contribution was not computed.

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten-year trend information may be found in the City's annual actuarial valuation report. For the three plan years ended December 1994, 1993, and 1992, available assets were sufficient to fund 71%, 91%, and 94% of the pension benefits earned. For the plan years ended December 1994, 1993, and 1992, net assets (less than) the pension benefits obligation were (108%), (23%), and (14%), respectively, of the covered annual payroll. In addition, for the three plan years ended December 1994, 1993, and 1992, the City's contributions to the system, all made in accordance with actuarially determined requirements, were 10%, 0%, and 0%, respectively, of annual covered payroll.

NOTE J: DEFERRED COMPENSATION PLAN

The City of Corunna offers its employees a deferred compensation plan sponsored by the United States Conference of Mayors (USCM) which is a compensation plan created in accordance with IRC Section #457. The plan, available to all City employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency.

The City's deferred compensation program is administered by the United States Conference of Mayors (USCM) through the Public Employees Benefit Services Corporation (PEBSO). The property and rights held under the City deferred compensation plan are reported in an Agency Fund at market value under the caption "Investments".

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights are, until made available to the employee or other beneficiary, solely the property and rights of the City without being restricted to the provisions of benefits under the plan, subject only to the claims of the City of Corunna's general creditors. Participants' rights created under the plan are equivalent to those of general creditors of the City of Corunna and only in an amount equal to the fair market value of the deferred account maintained with respect to each participant.

The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors. It is the opinion of the City of Corunna that the City has no liability for losses under the plan but does have the duty of care that would be required of an ordinary prudent investor.

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

NOTE K: 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, 1995, is as follows:

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
Operating revenues	\$ 384,722	\$ 324,767	\$ 709,489
Operating expenses			
Depreciation and amortization	79,463	42,862	122,325
Other	270,744	253,090	523,834
Operating income	34,515	28,815	63,330
Net income	29,534	17,286	46,820
Contributed capital	888,614	95,789	984,403
Net increase in fixed assets	103,512	-	103,512
Net working capital	380,910	283,697	664,607
Total assets	1,698,528	1,061,941	2,760,469
Long-term liabilities			
Loans payable	29,153	-	29,153
Contracts payable	136,260	-	136,260
Capital lease payable	57,828	-	57,828
General obligation bonds payable	-	600,000	600,000
Revenue improvement bonds payable	335,000	-	335,000
Total equity	1,051,575	413,818	1,465,393

NOTE L: 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, 1995, the City incurred expenditures in the General Fund, four (4) Special Revenue Funds, and one (1) Debt Service Fund in excess of the amounts appropriated as follows:

	<u>Amounts Appropriated</u>	<u>Amounts Expended</u>	<u>Variance</u>
General Fund			
General government			
Treasurer/Assessor	\$ 43,452	\$ 44,290	\$ 838
City services	24,350	29,013	4,663
Public safety			
Zoning	13,800	13,908	108

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

NOTE L: EXCESS OF EXPENDITURES OVER APPROPRIATIONS - CONTINUED

	<u>Amounts</u> <u>Appropriated</u>	<u>Amounts</u> <u>Expended</u>	<u>Variance</u>
Other			
Insurance	\$ 36,400	\$ 38,686	\$ 2,286
Special Revenue Funds			
Historical Commission	-	5,377	5,377
Softball Commission	34,448	42,352	7,904
Fourth of July Commission	-	5,813	5,813
Stu Coutts Recreation	5,500	6,152	652
Debt Service Fund			
Building Authority	-	10,140	10,140

NOTE M: 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, 1995:

Fund Balance

General Fund

 Reserved for retirement benefits \$ 10,175

Special Revenue

 Economic Development

 Reserved for advances to component units 40,000

 H.U.D. Grant

 Reserved for advances to component units 245,231

 Softball Commission

 Reserved for inventories 950

286,181

Debt Service Funds

 Fire Truck loan

 Reserved for debt service 15,543

 1985 Loan program

 Reserved for debt service 910

 1980 Street debt

 Reserved for debt service 36,417

 Building Authority

 Reserved for debt service 24,137

77,007

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

NOTE M: FUND EQUITY RESERVES AND DESIGNATIONS - CONTINUED

Fiduciary Funds	
Cemetery Perpetual Care	
Reserved for perpetual care	\$ 43,149
Fireworks	
Reserved for Fourth of July fireworks	<u>7,550</u>
	<u>50,699</u>
	<u>\$ 423,962</u>
 <u>Retained Earnings</u>	
Enterprise Funds	
Sewer System Fund	
Reserved for bonds	\$ 30,000
Reserved for debt service	11,813
Reserved for replacement	<u>91,372</u>
	133,185
Water System Fund	
Reserved for replacement	<u>249,636</u>
	<u>\$ 382,821</u>

The following are the various fund balance designations as of June 30, 1995:

Special Revenue Funds	
Major Street	
Designated for subsequent year's expenditures	\$ 19,578
Stu Coutts Recreation	
Designated for subsequent year's expenditures	7,500
Economic Development	
Designated for subsequent year's expenditures	50,000
Heritage Park	
Designated for Subsequent year's expenditures	<u>200</u>
	<u>\$ 77,278</u>

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

NOTE N: PRIOR PERIOD ADJUSTMENTS

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

	June 30,		
	<u>1995</u>	<u>1994</u>	<u>Description</u>
Component Unit Funds			
Downtown Development Authority			
Accounts payable	\$ -	\$(7,435)	Correct overstated
Fund balance - beginning	7,435	-	accounts payable
Cash and cash equivalents	-	2,925	Correct escrow cash
Fund balance	2,925	-	recorded previously as an expenditure

NOTE O: FUND DEFICITS

The following funds had fund equity deficits at June 30, 1995:

	<u>Deficit</u>
Special Revenue Funds	
Softball Commission	\$ 3,922
Component Unit Funds	
Downtown Development Authority	286,228

NOTE P: 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 which currently have non-cancelable lease agreements.

Year ending <u>June 30,</u>	
1996	\$ 39,472
1997	37,152
1998	20,590
1999	13,587
2000	12,788
2001-2005	<u>62,668</u>
	<u>\$ 186,257</u>

City of Corunna

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1995

NOTE Q: 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, 1995, three retirees received benefits. The costs for the year ended June 30, 1995 totalled \$14,910 and were paid from the General Fund.

SUPPLEMENTAL FINANCIAL INFORMATION

City of Corunna

General Fund

STATEMENT OF REVENUES - BUDGET AND ACTUAL

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

	<u>Amended Budget</u>	<u>1995 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
REVENUES				
Taxes				
Property taxes	\$ 430,000	\$ 430,315	\$ 315	\$ 374,067
Industrial and commercial facilities	<u>16,812</u>	<u>16,812</u>	<u>-0-</u>	<u>16,837</u>
Total taxes	446,812	447,127	315	390,904
Licenses and permits				
Cable T.V. fees	10,551	10,551	-0-	10,176
Inspection fees	1,595	1,610	15	90
City licenses and permits	<u>11,265</u>	<u>12,144</u>	<u>879</u>	<u>8,684</u>
Total licenses and permits	23,411	24,305	894	18,950
Intergovernmental				
State				
Income tax	64,786	64,786	-0-	59,614
Sales tax	156,618	156,618	-0-	150,968
Single business tax	48,331	48,331	-0-	43,103
Personal inventory tax	12,630	12,630	-0-	13,385
Michigan justice training	1,000	581	(419)	517
River walkway grant	5,448	-	(5,448)	21,364
McCurdy Park grant	2,500	2,500	-0-	-
Historical Village grant	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total intergovernmental	291,313	288,446	(2,867)	288,951
Charges for services				
Fire protection - townships	50,008	53,742	3,734	57,182
Tax collection fees	20,000	17,518	(2,482)	25,271
Administration charges	75,000	79,341	4,341	115,295
Other fees	<u>5,468</u>	<u>5,572</u>	<u>104</u>	<u>7,578</u>
Total charges for services	150,476	156,173	5,697	205,326
Fines and forfeits				
Parking	650	876	226	873
Ordinance	<u>12,000</u>	<u>13,988</u>	<u>1,988</u>	<u>13,240</u>
Total fines and forfeits	12,650	14,864	2,214	14,113

City of Corunna

General Fund

STATEMENT OF REVENUES - BUDGET AND ACTUAL - CONTINUED

Year Ended June 30, 1995

With Actual Amounts for Year Ended June 30, 1994

	<u>Amended Budget</u>	<u>1995 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
REVENUES - continued				
Interest and rents				
Interest	\$ 17,200	\$ 20,940	\$ 3,740	\$ 12,844
Rents	<u>24,420</u>	<u>27,793</u>	<u>3,373</u>	<u>16,817</u>
Total interest and rents	41,620	48,733	7,113	29,661
Special assessments				
Sidewalk and other	1,911	2,439	528	4,192
Other				
Sale of land	-	-	-0-	31,000
Reimbursements	8,250	8,337	87	-
Refunds	4,448	4,448	-0-	-
Other	<u>12,552</u>	<u>12,921</u>	<u>369</u>	<u>12,133</u>
Total other	<u>25,250</u>	<u>25,706</u>	<u>456</u>	<u>43,133</u>
TOTAL REVENUES	<u>\$ 993,443</u>	<u>\$ 1,007,793</u>	<u>\$ 14,350</u>	<u>\$ 995,230</u>

City of Corunna

General Fund

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

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

	<u>Amended Budget</u>	<u>1995 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
EXPENDITURES				
Legislative				
Council, boards, and commissions	\$ 6,090	\$ 6,018	\$ 72	\$ 5,707
General government				
City manager	35,770	33,654	2,116	29,532
Treasurer/assessor	43,452	44,290	(838)	46,981
Clerk	31,070	30,143	927	-
Internal services	30,396	25,308	5,088	65,175
Legal services	18,000	9,542	8,458	21,100
Elections	2,570	2,446	124	3,180
City hall and grounds	33,150	23,646	9,504	26,641
City services	<u>38,950</u>	<u>43,613</u>	<u>(4,663)</u>	<u>22,252</u>
Total general government	233,358	212,642	20,716	214,861
Public safety				
Police department	158,760	154,300	4,460	169,693
Crossing guard	1,700	1,359	341	1,359
Fire department	79,173	73,090	6,083	76,700
Zoning	13,800	13,908	(108)	15,969
Planning commission	<u>1,900</u>	<u>1,077</u>	<u>823</u>	<u>5,564</u>
Total public safety	255,333	243,734	11,599	269,285
Public works				
General services	79,500	73,788	5,712	72,181
Sidewalk program	<u>7,500</u>	<u>7,500</u>	<u>-0-</u>	<u>8,363</u>
Total public works	87,000	81,288	5,712	80,544
Recreation and cultural				
Parks maintenance	44,900	42,657	2,243	56,460
Community promotion	2,364	2,317	47	3,985
Historical village	4,500	4,295	205	12,297
Casino building	<u>22,400</u>	<u>13,624</u>	<u>8,776</u>	<u>7,399</u>
Total recreation and cultural	74,164	62,893	11,271	80,141

City of Corunna

General Fund

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

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

	<u>Amended</u> <u>Budget</u>	<u>1995</u> <u>Actual</u>	Variance Favorable (Unfavorable)	<u>1994</u> <u>Actual</u>
EXPENDITURES - CONTINUED				
Other				
Insurance	\$ 36,400	\$ 38,686	\$(2,286)	\$ 31,966
Fringe benefits	<u>224,901</u>	<u>212,592</u>	<u>12,309</u>	<u>224,990</u>
Total other	<u>261,301</u>	<u>251,278</u>	<u>10,023</u>	<u>256,956</u>
TOTAL EXPENDITURES	917,246	857,853	59,393	907,494
OTHER FINANCING USES				
Operating transfers out				
Local Street Fund	1,000	1,000	-0-	-
Cemetery Fund	15,067	15,067	-0-	13,050
Library Fund	15,000	15,000	-0-	22,000
Fire Truck Fund	12,000	12,000	-0-	12,000
1985 Debt Fund	5,000	-	5,000	-
Building Authority	6,000	11,000	(5,000)	9,000
Fourth of July Commission	<u>2,900</u>	<u>2,900</u>	<u>-0-</u>	<u>2,110</u>
TOTAL OTHER FINANCING USES	<u>56,967</u>	<u>56,967</u>	<u>-0-</u>	<u>58,160</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 974,213</u>	<u>\$ 914,820</u>	<u>\$ 59,393</u>	<u>\$ 965,654</u>

City of Corunna
Special Revenue Funds
COMBINING BALANCE SHEET

June 30, 1995

	<u>Major Street</u>	<u>Local Street</u>	<u>Cemetery</u>	<u>Library</u>	<u>Historical Commission</u>	<u>Softball Commission</u>
ASSETS						
Cash and cash equivalents	\$ 39,692	\$ 10,538	\$ 7,386	\$ 14,534	\$ 15,529	\$ 2,678
Receivables						
Accounts	-	-	-	-	-	300
Special assessment	-	24,000	-	-	-	-
Contracts	-	-	-	-	-	-
Interest	-	-	-	16	-	-
Due from other funds	-	-	-	-	-	-
Due from other governmental units						
State	19,636	7,209	-	-	-	-
County	-	-	-	3,558	-	-
Inventory	-	-	-	-	-	950
Advances to component units	-	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 59,328</u>	<u>\$ 41,747</u>	<u>\$ 7,386</u>	<u>\$ 18,108</u>	<u>\$ 15,529</u>	<u>\$ 3,928</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 77	\$ 753	\$ 17	\$ 590	\$ 688	\$ 950
Accrued wages	25	73	98	422	-	-
Due to other funds	-	15,505	-	-	-	6,900
Deferred revenue	-	24,000	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	102	40,331	115	1,012	688	7,850
FUND BALANCES (DEFICITS)						
Reserved for advances to component units	-	-	-	-	-	-
Reserved for inventories	-	-	-	-	-	950
Unreserved						
Designated for subsequent year's expenditures	19,578	-	-	-	-	-
Undesignated	39,648	1,416	7,271	17,096	14,841	(4,872)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES (DEFICITS)	<u>59,226</u>	<u>1,416</u>	<u>7,271</u>	<u>17,096</u>	<u>14,841</u>	<u>(3,922)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 59,328</u>	<u>\$ 41,747</u>	<u>\$ 7,386</u>	<u>\$ 18,108</u>	<u>\$ 15,529</u>	<u>\$ 3,928</u>

<u>Fourth of July Commission</u>	<u>Stu Coutts Recreation</u>	<u>Economic Development</u>	<u>H.U.D. Grant</u>	<u>Heritage Park</u>	<u>Library Building</u>	<u>Total</u>
\$ 4,674	\$ 56,166	\$ 92,404	\$ 1	\$ 1,096	\$ 12,073	\$ 256,771
-	-	-	-	-	-	300
-	-	-	-	-	-	24,000
-	-	171,011	-	-	-	171,011
-	89	56	-	-	19	180
-	-	-	4,769	-	-	4,769
-	-	-	-	-	-	26,845
-	-	-	-	-	-	3,558
-	-	-	-	-	-	950
-	-	<u>40,000</u>	<u>245,231</u>	-	-	<u>285,231</u>
<u>\$ 4,674</u>	<u>\$ 56,255</u>	<u>\$ 303,471</u>	<u>\$ 250,001</u>	<u>\$ 1,096</u>	<u>\$ 12,092</u>	<u>\$ 773,615</u>
\$ 180	\$ 254	\$ -	\$ -	\$ -	\$ -	\$ 3,509
-	120	-	-	-	-	738
-	-	-	-	-	-	22,405
-	-	<u>171,011</u>	-	-	-	<u>195,011</u>
180	374	171,011	-0-	-0-	-0-	221,663
-	-	40,000	245,231	-	-	285,231
-	-	-	-	-	-	950
-	7,500	50,000	-	200	-	77,278
<u>4,494</u>	<u>48,381</u>	<u>42,460</u>	<u>4,770</u>	<u>896</u>	<u>12,092</u>	<u>188,493</u>
<u>4,494</u>	<u>55,881</u>	<u>132,460</u>	<u>250,001</u>	<u>1,096</u>	<u>12,092</u>	<u>551,952</u>
<u>\$ 4,674</u>	<u>\$ 56,255</u>	<u>\$ 303,471</u>	<u>\$ 250,001</u>	<u>\$ 1,096</u>	<u>\$ 12,092</u>	<u>\$ 773,615</u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1995

	Major <u>Street</u>	Local <u>Street</u>	<u>Cemetery</u>	<u>Library</u>	Historical <u>Commission</u>	Softball <u>Commission</u>
REVENUES						
Intergovernmental	\$ 113,497	\$ 41,662	\$ -	\$ 12,501	\$ -	\$ -
Charges for services	-	-	10,390	684	-	-
Fines and forfeits	-	-	-	12,319	-	-
Interest and rents	391	-	-	293	4,297	-
Special assessments	-	14,080	-	-	-	-
Other	-	-	-	4	6,768	42,512
TOTAL REVENUES	113,888	55,742	10,390	25,801	11,065	42,512
EXPENDITURES						
Highways and streets	70,060	47,084	-	-	-	-
Health and welfare	-	-	21,362	-	-	-
Recreation and cultural	-	-	-	38,475	4,442	42,352
Other	-	-	-	-	-	-
Debt service	-	14,085	-	-	-	-
Capital outlay	-	-	-	-	935	-
TOTAL EXPENDITURES	70,060	61,169	21,362	38,475	5,377	42,352
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	43,828	(5,427)	(10,972)	(12,674)	5,688	160
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	21,175	15,067	15,000	-	778
Operating transfers out	(38,925)	(13,600)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(38,925)	7,575	15,067	15,000	-0-	778
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	4,903	2,148	4,095	2,326	5,688	938
Fund balances (deficits), beginning of year	<u>54,323</u>	<u>(732)</u>	<u>3,176</u>	<u>14,770</u>	<u>9,153</u>	<u>(4,860)</u>
Fund balances (deficits), end of year	<u>\$ 59,226</u>	<u>\$ 1,416</u>	<u>\$ 7,271</u>	<u>\$ 17,096</u>	<u>\$ 14,841</u>	<u>\$(3,922)</u>

<u>Fourth of July Commission</u>	<u>Stu Coutts Recreation</u>	<u>Economic Development</u>	<u>H.U.D. Grant</u>	<u>Heritage Park</u>	<u>Library Building</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,660
-	-	-	-	-	-	11,074
-	-	-	-	-	-	12,319
-	3,115	4,603	-	-	442	13,141
-	-	-	-	-	-	14,080
<u>5,299</u>	<u>-</u>	<u>49,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,372</u>
5,299	3,115	54,392	-0-	-0-	442	322,646
-	-	-	-	-	-	117,144
-	-	-	-	-	-	21,362
5,813	6,152	-	-	-	-	97,234
-	-	20	-	-	-	20
-	-	-	-	-	-	14,085
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>935</u>
<u>5,813</u>	<u>6,152</u>	<u>20</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>250,780</u>
(514)	(3,037)	54,372	-0-	-0-	442	71,866
2,900	-	-	-	-	-	54,920
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,525)</u>
<u>2,900</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,395</u>
2,386	(3,037)	54,372	-0-	-0-	442	74,261
<u>2,108</u>	<u>58,918</u>	<u>78,088</u>	<u>-0-</u>	<u>1,096</u>	<u>11,650</u>	<u>477,691</u>
<u>\$ 4,494</u>	<u>\$ 55,881</u>	<u>\$ 132,460</u>	<u>\$ -0-</u>	<u>\$ 1,096</u>	<u>\$ 12,092</u>	<u>\$ 551,952</u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

Major Street

	<u>Amended Budget</u>	<u>1995 Actual</u>	Variance Favorable (Unfavorable)	<u>1994 Actual</u>
REVENUES				
Intergovernmental - State				
Gas and weight tax	\$ 111,240	\$ 113,497	\$ 2,257	\$ 110,920
Interest	<u>-</u>	<u>391</u>	<u>391</u>	<u>-</u>
TOTAL REVENUES	111,240	113,888	2,648	110,920
EXPENDITURES				
Highways and streets				
Construction				
Contracted services	29,300	28,285	1,015	-
Routine maintenance				
Salaries and wages	6,274	5,182	1,092	4,543
Fringe benefits	1,638	1,443	195	2,674
Contractual services	2,000	1,160	840	4,591
Supplies	3,400	2,213	1,187	192
Equipment rental	<u>13,000</u>	<u>12,113</u>	<u>887</u>	<u>9,387</u>
Total routine maintenance	26,312	22,111	4,201	21,387
Traffic services				
Salaries and wages	1,114	868	246	486
Fringe benefits	275	241	34	304
Contractual services	2,000	1,882	118	3,928
Supplies	500	118	382	262
Equipment rental	<u>7,500</u>	<u>6,577</u>	<u>923</u>	<u>2,632</u>
Total traffic service	11,389	9,686	1,703	7,612
Winter maintenance				
Salaries and wages	3,987	3,202	785	5,220
Fringe benefits	1,012	891	121	3,100
Contractual services	100	-	100	-
Supplies	200	-	200	-

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

Major Street

	<u>Amended Budget</u>	<u>1995 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
EXPENDITURES - CONTINUED				
Winter maintenance - continued				
Equipment rental	\$ 2,800	\$ 2,211	\$ 589	\$ 5,248
Capital outlay	<u>4,000</u>	<u>3,674</u>	<u>326</u>	<u>3,463</u>
Total winter maintenance	<u>12,099</u>	<u>9,978</u>	<u>2,121</u>	<u>17,031</u>
TOTAL EXPENDITURES	<u>79,100</u>	<u>70,060</u>	<u>9,040</u>	<u>46,030</u>
EXCESS OF REVENUES OVER EXPENDITURES	32,140	43,828	11,688	64,890
OTHER FINANCING (USES)				
Operating transfers out	<u>(40,800)</u>	<u>(38,925)</u>	<u>1,875</u>	<u>(54,600)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(8,660)	4,903	13,563	10,290
Fund balance, beginning of year	54,323	54,323	-0-	27,046
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-0-</u>	<u>16,987</u>
Fund balance, end of year	<u>\$ 45,663</u>	<u>\$ 59,226</u>	<u>\$ 13,563</u>	<u>\$ 54,323</u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

Local Street

	<u>Budget</u>	<u>1995 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
REVENUES				
Intergovernmental - State				
Gas and weight tax	\$ 45,140	\$ 41,662	\$ (3,478)	\$ 40,728
Special assessments	<u>9,420</u>	<u>14,080</u>	<u>4,660</u>	<u>11,890</u>
TOTAL REVENUES	54,560	55,742	1,182	52,618
EXPENDITURES				
Highways and streets				
Routine maintenance				
Salaries and wages	15,054	12,090	2,964	14,428
Fringe benefits	6,643	4,317	2,326	8,900
Contractual services	4,000	-	4,000	1,962
Maintenance	1,000	218	782	448
Equipment rental	11,000	14,116	(3,116)	13,296
Capital outlay	<u>1,000</u>	<u>4,053</u>	<u>(3,053)</u>	<u>2,052</u>
Total routine maintenance	38,697	34,794	3,903	41,086
Traffic services				
Salaries and wages	723	882	(159)	329
Fringe benefits	485	315	170	234
Contractual services	250	76	174	200
Supplies	500	18	482	195
Equipment rental	<u>1,500</u>	<u>1,388</u>	<u>112</u>	<u>2,628</u>
Total traffic services	3,458	2,679	779	3,586
Winter maintenance				
Salaries and wages	3,695	2,750	945	4,301
Fringe benefits	1,510	982	528	2,576
Equipment rental	2,500	2,031	469	5,255
Capital outlay	<u>3,000</u>	<u>3,848</u>	<u>(848)</u>	<u>3,414</u>
Total winter maintenance	<u>10,705</u>	<u>9,611</u>	<u>1,094</u>	<u>15,546</u>
Total highways and streets	52,860	47,084	5,776	60,218

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

Local Street

	<u>Budget</u>	<u>1995 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
Debt service				
Principal retirement	\$ 9,705	\$ 9,705	\$ -0-	\$ 9,344
Interest and fiscal charges	<u>2,885</u>	<u>4,380</u>	<u>(1,495)</u>	<u>4,714</u>
Total debt service	<u>12,590</u>	<u>14,085</u>	<u>(1,495)</u>	<u>14,058</u>
TOTAL EXPENDITURES	<u>65,450</u>	<u>61,169</u>	<u>4,281</u>	<u>74,276</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(10,890)	(5,427)	5,463	(21,658)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	26,900	21,175	(5,725)	27,600
Operating transfers out	<u>(16,000)</u>	<u>(13,600)</u>	<u>2,400</u>	<u>(15,000)</u>
TOTAL FINANCING SOURCES (USES)	<u>10,900</u>	<u>7,575</u>	<u>(3,325)</u>	<u>12,600</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	10	2,148	2,138	(9,058)
Fund balance (deficit), beginning of year	(732)	(732)	-0-	9,866
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-0-</u>	<u>(1,540)</u>
Fund balance (deficit), end of year	<u>\$(722)</u>	<u>\$ 1,416</u>	<u>\$ 2,138</u>	<u>\$(732)</u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

Cemetery

	<u>Budget</u>	<u>1995 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
REVENUES				
Charges for services	\$ 7,500	\$ 10,390	\$ 2,890	\$ 6,815
EXPENDITURES				
Health and welfare				
Salaries and wages	9,000	7,571	1,429	8,138
Administrative charges	4,367	2,046	2,321	4,359
Supplies	1,000	656	344	977
Utilities	200	146	54	168
Equipment rental	<u>8,000</u>	<u>10,943</u>	<u>(2,943)</u>	<u>13,219</u>
TOTAL EXPENDITURES	<u>22,567</u>	<u>21,362</u>	<u>1,205</u>	<u>26,861</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(15,067)	(10,972)	4,095	(20,046)
OTHER FINANCING SOURCES				
Operating transfers in	<u>15,067</u>	<u>15,067</u>	<u>-0-</u>	<u>13,050</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	-0-	4,095	4,095	(6,996)
Fund balance, beginning of year	<u>3,176</u>	<u>3,176</u>	<u>-0-</u>	<u>10,172</u>
Fund balance, end of year	<u>\$ 3,176</u>	<u>\$ 7,271</u>	<u>\$ 4,095</u>	<u>\$ 3,176</u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

Library

	<u>Budget</u>	<u>1995 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
REVENUES				
Intergovernmental -				
State	\$ 1,900	\$ 2,706	\$ 806	\$ 1,855
Local	9,000	9,795	795	6,915
Charges for services	800	684	(116)	689
Fines and forfeits	9,600	12,319	2,719	6,445
Interest	-	293	293	-
Other	-	4	4	-
	<u>21,300</u>	<u>25,801</u>	<u>4,501</u>	<u>15,904</u>
TOTAL REVENUES				
EXPENDITURES				
Recreation and cultural				
Salaries and wages	26,100	24,571	1,529	24,589
Administrative charges	2,400	2,094	306	2,037
Contractual services	1,500	1,223	277	1,581
Supplies	7,700	7,593	107	2,390
Utilities	2,250	1,902	348	2,003
Communication	750	637	113	557
Equipment rental	1,500	40	1,460	45
Miscellaneous	1,100	415	685	-
Capital outlay	-	-	-0-	2,873
	<u>43,300</u>	<u>38,475</u>	<u>4,825</u>	<u>36,075</u>
TOTAL EXPENDITURES				
EXCESS OF REVENUES (UNDER) EXPENDITURES	(22,000)	(12,674)	9,326	(20,171)
OTHER FINANCING SOURCES				
Operating transfers in	<u>15,000</u>	<u>15,000</u>	<u>-0-</u>	<u>22,000</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES				
	(7,000)	2,326	9,326	1,829
Fund balance, beginning of year	14,770	14,770	-0-	11,746
Prior period adjustments	-	-	-0-	1,195
Fund balance, end of year	<u>\$ 7,770</u>	<u>\$ 17,096</u>	<u>\$ 9,326</u>	<u>\$ 14,770</u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

Historical Commission

	<u>Budget</u>	<u>1995 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
REVENUES				
Interest and rents	\$ -	\$ 4,297	\$ 4,297	\$ 3,386
Other				
Dues and contributions	-	3,849	3,849	2,791
Fundraising	-	<u>2,919</u>	<u>2,919</u>	<u>7,333</u>
TOTAL REVENUES	-0-	11,065	11,065	13,510
EXPENDITURES				
Recreation and cultural				
Contracted services	-	1,275	(1,275)	450
Repairs and maintenance	-	1,276	(1,276)	1,747
Fundraising	-	942	(942)	2,077
Office supplies	-	66	(66)	781
Reimbursements	-	79	(79)	1,118
Miscellaneous	-	279	(279)	166
Utilities - Church building	-	<u>525</u>	<u>(525)</u>	-
Total recreation and cultural	-0-	4,442	(4,442)	6,339
Capital outlay				
Equipment	-	<u>935</u>	<u>(935)</u>	<u>4,406</u>
TOTAL EXPENDITURES	-0-	<u>5,377</u>	<u>(5,377)</u>	<u>10,745</u>
EXCESS OF REVENUES OVER EXPENDITURES	-0-	5,688	5,688	2,765
Fund balance, beginning of year	9,153	9,153	-0-	6,473
Prior period adjustment	-	-	-0-	(85)
Fund balance, end of year	<u>\$ 9,153</u>	<u>\$ 14,841</u>	<u>\$ 5,688</u>	<u>\$ 9,153</u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

Softball Commission

	<u>Budget</u>	<u>1995 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
REVENUES				
Other				
Fees	\$ 30,845	\$ 33,305	\$ 2,460	\$ 34,015
Concessions	5,510	5,720	210	10,374
Shirt sales	-	421	421	-
Advertising	-	1,245	1,245	-
Parking fees	-	410	410	-
Sale of fixed assets	-	515	515	-
Refunds and reimbursements	-	590	590	-
Miscellaneous	-	306	306	3,100
TOTAL REVENUES	36,355	42,512	6,157	47,489
EXPENDITURES				
Recreation and cultural				
Contracted services	23,431	28,088	(4,657)	29,090
Registration and fees	1,980	3,540	(1,560)	-
M.A.S.A. expense	-	-	-0-	7,683
Supplies	2,379	2,080	299	-
Concession supplies	1,964	2,557	(593)	4,188
Awards	1,789	453	1,336	674
Telephone	525	529	(4)	538
Insurance	1,000	200	800	-
Miscellaneous	1,380	2,608	(1,228)	4,472
Tractor purchase	-	-	-0-	7,900
Field improvements	-	2,297	(2,297)	-
TOTAL EXPENDITURES	34,448	42,352	(7,904)	54,545
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,907	160	(1,747)	(7,056)
OTHER FINANCING SOURCES				
Operating transfers in	-	778	778	-

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

Softball Commission

	<u>Budget</u>	<u>1995 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	\$ 1,907	\$ 938	\$ (969)	\$ (7,056)
Fund balance (deficit), beginning of year	<u>(4,860)</u>	<u>(4,860)</u>	<u>-0-</u>	<u>2,196</u>
Fund (deficit), end of year	<u><u>\$ (2,953)</u></u>	<u><u>\$ (3,922)</u></u>	<u><u>\$ (969)</u></u>	<u><u>\$ (4,860)</u></u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

Fourth of July Commission

	<u>Budget</u>	<u>1995 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
REVENUES				
Other				
Dues and contributions	\$ -	\$ 1,020	\$ 1,020	\$ 3,250
Festivities	-	<u>4,279</u>	<u>4,279</u>	<u>6,389</u>
TOTAL REVENUES	-0-	5,299	5,299	9,639
EXPENDITURES				
Recreation and cultural				
Festivities	-	5,094	(5,094)	8,913
Office supplies	-	579	(579)	185
Reimbursements	-	-	-0-	217
Miscellaneous	-	<u>140</u>	<u>(140)</u>	<u>115</u>
TOTAL EXPENDITURES	-0-	<u>5,813</u>	<u>(5,813)</u>	<u>9,430</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-0-	(514)	(514)	209
OTHER FINANCING SOURCES				
Operating transfers in	-	<u>2,900</u>	<u>2,900</u>	<u>2,110</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	-0-	2,386	2,386	2,319
Fund balance (deficit), beginning of year	<u>2,108</u>	<u>2,108</u>	<u>-0-</u>	<u>(211)</u>
Fund balance, end of year	<u>\$ 2,108</u>	<u>\$ 4,494</u>	<u>\$ 2,386</u>	<u>\$ 2,108</u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

Stu Coutts Recreation

	<u>Budget</u>	<u>1995 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
REVENUES				
Interest and rents	\$ 1,500	\$ 3,115	\$ 1,615	\$ 1,296
EXPENDITURES				
Recreation and cultural				
Salaries and wages	1,500	1,513	(13)	1,846
Administrative charges	1,000	1,138	(138)	1,015
Contractual services	-	115	(115)	-
Supplies	1,000	1,274	(274)	514
Utilities	1,500	1,849	(349)	1,068
Equipment rental	<u>500</u>	<u>263</u>	<u>237</u>	<u>245</u>
TOTAL EXPENDITURES	<u>5,500</u>	<u>6,152</u>	<u>(652)</u>	<u>4,688</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(4,000)	(3,037)	963	(3,392)
Fund balance, beginning of year	<u>58,918</u>	<u>58,918</u>	<u>-0-</u>	<u>62,310</u>
Fund balance, end of year	<u>\$ 54,918</u>	<u>\$ 55,881</u>	<u>\$ 963</u>	<u>\$ 58,918</u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

Economic Development

	<u>Budget</u>	<u>1995 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
REVENUES				
Interest	\$ 3,000	\$ 4,603	\$ 1,603	\$ 2,503
Other				
Loan repayments	<u>58,406</u>	<u>49,789</u>	<u>(8,617)</u>	<u>34,317</u>
TOTAL REVENUES	61,406	54,392	(7,014)	36,820
EXPENDITURES				
Other				
Loans	78,046	-	78,046	85,000
Other	<u>-</u>	<u>20</u>	<u>(20)</u>	<u>-</u>
TOTAL EXPENDITURES	<u>78,046</u>	<u>20</u>	<u>78,026</u>	<u>85,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(16,640)	54,372	71,012	(48,180)
Fund balance, beginning of year	78,088	78,088	-0-	276,106
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-0-</u>	<u>(149,838)</u>
Fund balance, end of year	<u>\$ 61,448</u>	<u>\$ 132,460</u>	<u>\$ 71,012</u>	<u>\$ 78,088</u>

H.U.D. Grant

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	250,001	250,001	-0-	1
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-0-</u>	<u>250,000</u>
Fund balance, end of year	<u>\$ 250,001</u>	<u>\$ 250,001</u>	<u>\$ -0-</u>	<u>\$ 250,001</u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

Heritage Park

	<u>Budget</u>	<u>1995 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</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	<u>1,096</u>	<u>1,096</u>	<u>-0-</u>	<u>1,096</u>
Fund balance, end of year	<u>\$ 1,096</u>	<u>\$ 1,096</u>	<u>\$ -0-</u>	<u>\$ 1,096</u>

Library Building

REVENUES				
Interest	\$ -	\$ 442	\$ 442	\$ 189
Other Contributions	<u>-</u>	<u>-</u>	<u>-0-</u>	<u>2,127</u>
TOTAL REVENUES	-0-	442	442	2,316
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-0-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-0-	442	442	2,316
Fund balance, beginning of year	<u>11,650</u>	<u>11,650</u>	<u>-0-</u>	<u>9,334</u>
Fund balance, end of year	<u>\$ 11,650</u>	<u>\$ 12,092</u>	<u>\$ 442</u>	<u>\$ 11,650</u>

City of Corunna

Debt Service Funds

COMBINING BALANCE SHEET

June 30, 1995

	<u>Fire Truck Loan</u>	<u>1985 Loan Program</u>	<u>1980 Street Debt</u>	<u>Building Authority</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 15,520	\$ 910	\$ 36,384	\$ 360	\$ 53,174
Investments	-	-	-	23,777	23,777
Accrued interest receivable	<u>23</u>	<u>-</u>	<u>33</u>	<u>-</u>	<u>56</u>
TOTAL ASSETS	<u>\$ 15,543</u>	<u>\$ 910</u>	<u>\$ 36,417</u>	<u>\$ 24,137</u>	<u>\$ 77,007</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -0-
FUND BALANCES					
Reserved for debt service	<u>15,543</u>	<u>910</u>	<u>36,417</u>	<u>24,137</u>	<u>77,007</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 15,543</u>	<u>\$ 910</u>	<u>\$ 36,417</u>	<u>\$ 24,137</u>	<u>\$ 77,007</u>

City of Corunna

Debt Service Funds

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

Year Ended June 30, 1995

	<u>Fire Truck Loan</u>	<u>1985 Loan Program</u>	<u>1980 Street Debt</u>	<u>Building Authority</u>	<u>Total</u>
REVENUES					
Taxes	\$ -	\$ -	\$ 65,376	\$ -	\$ 65,376
Interest	597	-	1,103	1,052	2,752
Other	<u>-</u>	<u>9,680</u>	<u>-</u>	<u>-</u>	<u>9,680</u>
TOTAL REVENUES	597	9,680	66,479	1,052	77,808
EXPENDITURES					
Debt service					
Principal redemption	9,130	25,489	75,000	9,000	118,619
Interest and fiscal charges	2,036	16,362	2,824	963	22,185
Services charges	-	-	-	49	49
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>128</u>	<u>128</u>
TOTAL EXPENDITURES	<u>11,166</u>	<u>41,851</u>	<u>77,824</u>	<u>10,140</u>	<u>140,981</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(10,569)	(32,171)	(11,345)	(9,088)	(63,173)
OTHER FINANCING SOURCES					
Operating transfers in	<u>12,000</u>	<u>32,350</u>	<u>-</u>	<u>11,000</u>	<u>55,350</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	1,431	179	(11,345)	1,912	(7,823)
Fund balances, beginning of year	<u>14,112</u>	<u>731</u>	<u>47,762</u>	<u>22,225</u>	<u>84,830</u>
Fund balances, end of year	<u>\$ 15,543</u>	<u>\$ 910</u>	<u>\$ 36,417</u>	<u>\$ 24,137</u>	<u>\$ 77,007</u>

City of Corunna

Debt Service Funds

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

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

Fire Truck Loan

	<u>Budget</u>	<u>1995 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
REVENUES				
Interest	\$ 166	\$ 597	\$ 431	\$ 221
EXPENDITURES				
Debt service				
Principal redemption	7,500	9,130	(1,630)	8,533
Interest and fiscal charges	<u>3,700</u>	<u>2,036</u>	<u>1,664</u>	<u>2,633</u>
TOTAL EXPENDITURES	<u>11,200</u>	<u>11,166</u>	<u>34</u>	<u>11,166</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(11,034)	(10,569)	465	(10,945)
OTHER FINANCING SOURCES				
Operating transfers in	<u>12,000</u>	<u>12,000</u>	<u>-0-</u>	<u>12,000</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	966	1,431	465	1,055
Fund balance, beginning of year	<u>14,112</u>	<u>14,112</u>	<u>-0-</u>	<u>13,057</u>
Fund balance, end of year	<u>\$ 15,078</u>	<u>\$ 15,543</u>	<u>\$ 465</u>	<u>\$ 14,112</u>

City of Corunna

Debt Service Funds

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

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

1985 Loan Program

	<u>Budget</u>	<u>1995 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
REVENUES				
Other	\$ -	\$ 9,680	\$ 9,680	\$ -
EXPENDITURES				
Debt service				
Principal redemption	25,489	25,489	-0-	23,288
Interest and fiscal charges	<u>16,365</u>	<u>16,362</u>	<u>3</u>	<u>18,553</u>
TOTAL EXPENDITURES	<u>41,854</u>	<u>41,851</u>	<u>3</u>	<u>41,841</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(41,854)	(32,171)	9,683	(41,841)
OTHER FINANCING SOURCES				
Operating transfers in	<u>42,000</u>	<u>32,350</u>	<u>(9,650)</u>	<u>42,000</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	146	179	33	159
Fund balance, beginning of year	<u>731</u>	<u>731</u>	<u>-0-</u>	<u>572</u>
Fund balance, end of year	<u>\$ 877</u>	<u>\$ 910</u>	<u>\$ 33</u>	<u>\$ 731</u>

City of Corunna

Debt Service Funds

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

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

1980 Street Debt

	<u>Budget</u>	<u>1995 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
REVENUES				
Taxes	\$ 93,675	\$ 65,376	\$ (28,299)	\$ 93,122
Interest	<u>500</u>	<u>1,103</u>	<u>603</u>	<u>638</u>
TOTAL REVENUES	94,175	66,479	(27,696)	93,760
EXPENDITURES				
Debt service				
Principal redemption	75,000	75,000	-0-	75,000
Interest and fiscal charges	<u>3,125</u>	<u>2,824</u>	<u>301</u>	<u>8,234</u>
TOTAL EXPENDITURES	<u>78,125</u>	<u>77,824</u>	<u>301</u>	<u>83,234</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	16,050	(11,345)	(27,395)	10,526
Fund balance, beginning of year	<u>47,762</u>	<u>47,762</u>	<u>-0-</u>	<u>37,236</u>
Fund balance, end of year	<u>\$ 63,812</u>	<u>\$ 36,417</u>	<u>\$ (27,395)</u>	<u>\$ 47,762</u>

City of Corunna

Debt Service Funds

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

Year Ended June 30, 1995
With Actual Amounts for Year Ended June 30, 1994

Building Authority

	<u>Budget</u>	<u>1995 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1994 Actual</u>
REVENUES				
Interest	\$ -	\$ 1,052	\$ 1,052	\$ 886
Other	-	-	-0-	2,127
TOTAL REVENUES	-0-	1,052	1,052	3,013
EXPENDITURES				
Debt service				
Principal redemption	-	9,000	(9,000)	9,000
Interest and fiscal charges	-	963	(963)	1,444
Service charges	-	49	(49)	47
Miscellaneous	-	128	(128)	101
TOTAL EXPENDITURES	-0-	10,140	(10,140)	10,592
EXCESS OF REVENUES (UNDER) EXPENDITURES	-0-	(9,088)	(9,088)	(7,579)
OTHER FINANCING SOURCES				
Operating transfers in	-	11,000	11,000	9,000
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	-0-	1,912	1,912	1,421
Fund balance, beginning of year	22,225	22,225	-0-	20,804
Fund balance, end of year	<u>\$ 22,225</u>	<u>\$ 24,137</u>	<u>\$ 1,912</u>	<u>\$ 22,225</u>

City of Corunna
 Enterprise Funds
 COMBINING BALANCE SHEET
 June 30, 1995

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 359,245	\$ 284,471	\$ 643,716
Accounts receivable	96,211	46,544	142,755
Accrued interest receivable	489	437	926
Due from other funds	<u>15,505</u>	<u>368</u>	<u>15,873</u>
Total current assets	471,450	331,820	803,270
Other assets			
Treatment rights	536,709	-	536,709
Accumulated amortization	<u>(378,983)</u>	<u>-</u>	<u>(378,983)</u>
Total other assets	157,726	-0-	157,726
Fixed assets			
Land	1	126	127
Equipment	80,000	-	80,000
System and improvements	2,011,657	1,008,671	3,020,328
Accumulated depreciation	<u>(1,022,306)</u>	<u>(278,676)</u>	<u>(1,300,982)</u>
Total fixed assets, net of accumulated depreciation	<u>1,069,352</u>	<u>730,121</u>	<u>1,799,473</u>
TOTAL ASSETS	<u>\$ 1,698,528</u>	<u>\$ 1,061,941</u>	<u>\$ 2,760,469</u>

City of Corunna

Enterprise Funds

COMBINING BALANCE SHEET - CONTINUED

June 30, 1995

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Current liabilities			
Accounts payable	\$ 9,121	\$ 16,633	\$ 25,754
Accrued wages	210	162	372
Due to other funds	4,769	295	5,064
Accrued interest payable	12,490	6,033	18,523
Current portion of long-term debt	<u>62,122</u>	<u>25,000</u>	<u>87,122</u>
Total current liabilities	88,712	48,123	136,835
Other liabilities			
Loans payable	29,153	-	29,153
Contracts payable	136,260	-	136,260
Capital lease payable	57,828	-	57,828
General obligation bonds payable	-	600,000	600,000
Revenue improvement bonds payable	<u>335,000</u>	<u>-</u>	<u>335,000</u>
Total other liabilities	<u>558,241</u>	<u>600,000</u>	<u>1,158,241</u>
TOTAL LIABILITIES	646,953	648,123	1,295,076
FUND EQUITY			
Contribution in aid of construction			
Other governmental units	42,308	-	42,308
Other funds	54,134	-	54,134
Taxpayers	792,172	95,789	887,961
Retained earnings			
Reserved for bonds	30,000	-	30,000
Reserved for debt service	11,813	-	11,813
Reserved for replacement	91,372	249,636	341,008
Unreserved	<u>29,776</u>	<u>68,393</u>	<u>98,169</u>
TOTAL FUND EQUITY	<u>1,051,575</u>	<u>413,818</u>	<u>1,465,393</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,698,528</u>	<u>\$ 1,061,941</u>	<u>\$ 2,760,469</u>

City of Corunna

Enterprise Funds

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

Year Ended June 30, 1995

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services			
Usage charges	\$ 326,030	\$ 261,673	\$ 587,703
Tap in fees	26,500	35,250	61,750
Capital charges	31,910	26,513	58,423
Other	<u>282</u>	<u>1,331</u>	<u>1,613</u>
 TOTAL OPERATING REVENUES	 384,722	 324,767	 709,489
OPERATING EXPENSES			
Salaries and wages	26,540	39,189	65,729
Fringe benefits	1,775	8,845	10,620
Administrative charges	3,650	3,650	7,300
Contractual services	39,009	8,226	47,235
Supplies	5,762	33,208	38,970
Utilities	4,119	11,283	15,402
Treatment costs	175,409	143,190	318,599
Repairs and maintenance	10,694	-	10,694
Equipment rental	3,786	5,245	9,031
Other	-	254	254
Depreciation	53,215	42,862	96,077
Amortization	<u>26,248</u>	<u>-</u>	<u>26,248</u>
 TOTAL OPERATING EXPENSES	 <u>350,207</u>	 <u>295,952</u>	 <u>646,159</u>
 OPERATING INCOME	 34,515	 28,815	 63,330
NON-OPERATING REVENUES (EXPENSES)			
Interest revenue	13,289	10,988	24,277
Rent revenue	10,330	14,600	24,930
Interest expense	<u>(28,600)</u>	<u>(37,117)</u>	<u>(65,717)</u>
 TOTAL NON-OPERATING REVENUES (EXPENSES)	 <u>(4,981)</u>	 <u>(11,529)</u>	 <u>(16,510)</u>
 NET INCOME	 29,534	 17,286	 46,820
Retained earnings, beginning of year	<u>133,427</u>	<u>300,743</u>	<u>434,170</u>
Retained earnings, end of year	<u>\$ 162,961</u>	<u>\$ 318,029</u>	<u>\$ 480,990</u>

City of Corunna

Enterprise Funds

COMBINING STATEMENT OF CASH FLOWS

Year Ended June 30, 1995

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 34,515	\$ 28,815	\$ 63,330
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation and amortization	79,463	42,862	122,325
(Increase) in accounts receivable	(7,548)	(17,488)	(25,036)
Decrease in special assessment receivable	740	-	740
(Increase) in accrued interest receivable	(489)	(437)	(926)
(Increase) in due from other funds	(1,345)	(282)	(1,627)
Increase in accounts payable	5,928	1,718	7,646
Increase (decrease) in accrued liabilities	174	(1)	173
(Decrease) in accrued interest payable	<u>(1,986)</u>	<u>(183)</u>	<u>(2,169)</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 109,452	 55,004	 164,456
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Rent revenue	<u>10,330</u>	<u>14,600</u>	<u>24,930</u>
 NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	 10,330	 14,600	 24,930
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital purchases	(33,512)	-	(33,512)
Interest expense	(28,600)	(37,117)	(65,717)
Payments of borrowing	<u>(47,651)</u>	<u>(25,000)</u>	<u>(72,651)</u>
 NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	 (109,763)	 (62,117)	 (171,880)

City of Corunna

Enterprise Funds

COMBINING STATEMENT OF CASH FLOWS - CONTINUED

Year Ended June 30, 1995

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest revenue	\$ 13,289	\$ 10,988	\$ 24,277
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING YEAR	23,308	18,475	41,783
Cash and cash equivalents, beginning of year	<u>335,937</u>	<u>265,996</u>	<u>601,933</u>
Cash and cash equivalents, end of year	<u>\$ 359,245</u>	<u>\$ 284,471</u>	<u>\$ 643,716</u>

NOTE: The City purchased \$70,000 in capital items through a capital lease which is recorded in the Sewer System Fund.

City of Corunna

Enterprise Funds

COMPARATIVE BALANCE SHEET - SEWER SYSTEM

June 30, 1995 and 1994

	<u>1995</u>	<u>1994</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 359,245	\$ 335,937
Accounts receivable	96,211	88,663
Accrued interest receivable	489	-
Special assessment receivable	-	740
Due from other funds	<u>15,505</u>	<u>14,160</u>
Total current assets	471,450	439,500
Other assets		
Treatment rights	536,709	513,197
Accumulated amortization	<u>(378,983)</u>	<u>(352,735)</u>
Total other assets	157,726	160,462
Fixed assets		
Land	1	1
Equipment	80,000	-
System and improvements	2,011,657	2,011,657
Accumulated depreciation	<u>(1,022,306)</u>	<u>(969,091)</u>
Total fixed assets, net of accumulated depreciation	<u>1,069,352</u>	<u>1,042,567</u>
TOTAL ASSETS	<u>\$ 1,698,528</u>	<u>\$ 1,642,529</u>

City of Corunna

Enterprise Funds

COMPARATIVE BALANCE SHEET - SEWER SYSTEM - CONTINUED

June 30, 1995 and 1994

	<u>1995</u>	<u>1994</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable	\$ 9,121	\$ 3,193
Accrued wages	210	36
Due to other funds	4,769	4,769
Accrued interest payable	12,490	14,476
Current portion of long-term debt	<u>62,122</u>	<u>47,651</u>
Total current liabilities	88,712	70,125
Other liabilities		
Loans payable	29,153	41,163
Contracts payable	136,260	164,200
Capital lease payable	57,828	-
Revenue improvement bonds payable	<u>335,000</u>	<u>345,000</u>
Total other liabilities	<u>558,241</u>	<u>550,363</u>
TOTAL LIABILITIES	646,953	620,488
FUND EQUITY		
Contribution in aid of construction		
Other governmental units	42,308	42,308
Other funds	54,134	54,134
Taxpayers	792,172	792,172
Retained earnings		
Reserved for bonds	30,000	30,000
Reserved for debt service	11,813	11,938
Reserved for replacement	91,372	59,462
Unreserved	<u>29,776</u>	<u>32,027</u>
TOTAL FUND EQUITY	<u>1,051,575</u>	<u>1,022,041</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,698,528</u>	<u>\$ 1,642,529</u>

City of Corunna

Enterprise Funds

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

Years Ended June 30, 1995 and 1994

	<u>1995</u>	<u>1994</u>
OPERATING REVENUES		
Charges for services		
Usage charges	\$ 326,030	\$ 341,879
Tap in fees	26,500	4,850
Capital charges	31,910	31,722
Other	<u>282</u>	<u>-</u>
TOTAL OPERATING REVENUES	384,722	378,451
OPERATING EXPENSES		
Salaries and wages	26,540	33,377
Fringe benefits	1,775	11,253
Administrative charges	3,650	3,650
Contractual services	39,009	44,285
Supplies	5,762	3,836
Utilities	4,119	5,214
Treatment costs	175,409	175,408
Repairs and maintenance	10,694	9,675
Equipment rental	3,786	6,856
Other	-	294
Depreciation	53,215	51,922
Amortization	<u>26,248</u>	<u>25,660</u>
TOTAL OPERATING EXPENSES	<u>350,207</u>	<u>371,430</u>
OPERATING INCOME	34,515	7,021
NON-OPERATING REVENUES (EXPENSES)		
Interest revenue	13,289	8,714
Rent revenue	10,330	-
Interest expense	<u>(28,600)</u>	<u>(31,451)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(4,981)</u>	<u>(22,737)</u>
NET INCOME (LOSS)	29,534	(15,716)
Retained earnings, beginning of year	133,427	130,867
Prior period adjustments	<u>-</u>	<u>18,276</u>
Retained earnings, end of year	<u>\$ 162,961</u>	<u>\$ 133,427</u>

City of Corunna

Enterprise Funds

COMPARATIVE STATEMENT OF CASH FLOWS - SEWER SYSTEM

Years Ended June 30, 1995 and 1994

	<u>1995</u>	<u>1994</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$ 34,515	\$ 7,021
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	79,463	77,582
(Increase) in accounts receivable	(7,548)	(12,747)
(Increase) in interest receivable	(489)	-
Decrease in special assessment receivable	740	987
(Increase) decrease in due from other funds	(1,345)	5,340
Increase in accounts payable	5,928	1,220
Increase (decrease) in accrued liabilities	174	(9)
Increase in due to other funds	-	4,769
Increase (decrease) in accrued interest payable	<u>(1,986)</u>	<u>19</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	109,452	84,182
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Rent revenue	<u>10,330</u>	<u>-</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	10,330	-0-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital purchases	(33,512)	(4,770)
Interest expense	(28,600)	(31,451)
Payments of borrowing	<u>(47,651)</u>	<u>(47,651)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(109,763)	(83,872)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest revenue	13,289	8,714
Purchase of investments	-	(842,614)
Maturity of investments	<u>-</u>	<u>842,614</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>13,289</u>	<u>8,714</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	23,308	9,024
Cash and cash equivalents, beginning of year	<u>335,937</u>	<u>326,913</u>
Cash and cash equivalents, end of year	<u>\$ 359,245</u>	<u>\$ 335,937</u>

NOTE: The City purchased \$70,000 in capital items in the fiscal year ended June 30, 1995 through a capital lease which is recorded in the Sewer System Fund.

City of Corunna
Trust and Agency Funds
COMBINING BALANCE SHEET
June 30, 1995

	<u>Trust Funds</u>		<u>Agency Funds</u>		
	<u>Nonexpendable</u>	<u>Expendable</u>			
	Cemetery Perpetual Care	Fireworks	Current Tax Collection	Deferred Compensation	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 8,850	\$ 7,550	\$ 2,001	\$ -	\$ 18,401
Accrued interest receivable	345	-	-	-	345
Investments	<u>33,954</u>	<u>-</u>	<u>-</u>	<u>14,639</u>	<u>48,593</u>
TOTAL ASSETS	<u>\$ 43,149</u>	<u>\$ 7,550</u>	<u>\$ 2,001</u>	<u>\$ 14,639</u>	<u>\$ 67,339</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ 2,001	\$ -	\$ 2,001
Due to individuals	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,639</u>	<u>14,639</u>
TOTAL LIABILITIES	-0-	-0-	2,001	14,639	16,640
FUND BALANCES					
Reserved for Perpetual care	43,149	-	-	-	43,149
Fourth of July fireworks	<u>-</u>	<u>7,550</u>	<u>-</u>	<u>-</u>	<u>7,550</u>
TOTAL FUND BALANCES	<u>43,149</u>	<u>7,550</u>	<u>-0-</u>	<u>-0-</u>	<u>50,699</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 43,149</u>	<u>\$ 7,550</u>	<u>\$ 2,001</u>	<u>\$ 14,639</u>	<u>\$ 67,339</u>

City of Corunna

Agency Funds

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year Ended June 30, 1995

Current Tax Collections Fund

	<u>Balance</u> <u>July 1, 1994</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 1995</u>
ASSETS				
Cash	\$ 6,140	\$ 1,448,424	\$ 1,452,563	\$ 2,001
LIABILITIES				
Due to other funds				
General	\$ 5,096	\$ 469,275	\$ 472,738	\$ 1,633
1980 Street Debt	808	65,729	66,537	-0-
Local	-	14,130	14,130	-0-
Water	86	3,690	3,408	368
Sewer	150	5,535	5,685	-0-
Due to component unit	-	18,875	18,875	-0-
Due to other governmental units				
County	-	188,868	188,868	-0-
State	-	214,203	214,203	-0-
Schools	-	448,012	448,012	-0-
Due to individuals and agencies	-	20,107	20,107	-0-
	<u>\$ 6,140</u>	<u>\$ 1,448,424</u>	<u>\$ 1,452,563</u>	<u>\$ 2,001</u>

Deferred Compensation Fund

ASSETS				
Investments	\$ 6,338	\$ 8,456	\$ 155	\$ 14,639
LIABILITIES				
Due to individuals	\$ 6,338	\$ 8,456	\$ 155	\$ 14,639

City of Corunna

Component Unit Funds

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

June 30, 1995

	Governmental	Account Groups		Totals
	<u>Fund Type</u>	<u>General</u>	<u>General Long-</u>	
	<u>Special</u>	<u>Fixed Assets</u>	<u>Term Debt</u>	
	<u>Revenue</u>			
ASSETS				
Cash	\$ 9,093	\$ -	\$ -	\$ 9,093
Accounts receivable	1,938	-	-	1,938
Fixed assets	-	752,024	-	752,024
Amount to be provided for retirement of general long-term debt	-	-	413,685	413,685
TOTAL ASSETS	<u>\$ 11,031</u>	<u>\$ 752,024</u>	<u>\$ 413,685</u>	<u>\$ 1,176,740</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ 298	\$ -	\$ -	\$ 298
Due to others	2,964	-	-	2,964
Due to other governmental units - State	8,766	-	-	8,766
Advances from primary government	285,231	-	-	285,231
Loans payable	-	-	413,685	413,685
TOTAL LIABILITIES	297,259	-0-	413,685	710,944
FUND EQUITY (DEFICIT)				
Investment in general fixed assets	-	752,024	-	752,024
Unreserved - undesignated	(286,228)	-	-	(286,228)
TOTAL FUND EQUITY (DEFICIT)	<u>(286,228)</u>	<u>752,024</u>	<u>-0-</u>	<u>465,796</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 11,031</u>	<u>\$ 752,024</u>	<u>\$ 413,685</u>	<u>\$ 1,176,740</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1995

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>
5/1/96	4.60 %	\$ 25,000	\$ 36,200	\$ 61,200
5/1/97	4.80	25,000	35,050	60,050
5/1/98	5.00	25,000	33,850	58,850
5/1/99	5.20	25,000	32,600	57,600
5/1/2000	5.40	25,000	31,300	56,300
5/1/01	5.50	25,000	29,950	54,950
5/1/02	5.60	25,000	28,575	53,575
5/1/03	5.70	50,000	27,175	77,175
5/1/04	5.80	50,000	24,325	74,325
5/1/05	5.90	50,000	21,425	71,425
5/1/06	6.00	50,000	18,475	68,475
5/1/07	6.10	50,000	15,475	65,475
5/1/08	6.15	50,000	12,425	62,425
5/1/09	6.20	50,000	9,350	59,350
5/1/10	6.25	50,000	6,250	56,250
5/1/11	6.25	<u>50,000</u>	<u>3,125</u>	<u>53,125</u>
		<u>\$ 625,000</u>	<u>\$ 365,550</u>	<u>\$ 990,550</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1995

1968 Building Authority Revenue Bonds

Purpose: To defray the cost of acquiring and constructing a building for the use of the City of Corunna as City Hall.

Issue: \$160,000

Dated: February 23, 1968

<u>Due Date</u>	<u>Interest Rate</u>	<u>Bonds Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
5/1/96	5.35 %	<u>\$ 9,000</u>	<u>\$ 482</u>	<u>\$ 9,482</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1995

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>
8/1/95	5.00 %	\$ 10,000	\$ 17,000	\$ 27,000
8/1/96	5.00	10,000	16,500	26,500
8/1/97	5.00	10,000	16,000	26,000
8/1/98	5.00	10,000	15,500	25,500
8/1/99	5.00	10,000	15,000	25,000
8/1/2000	5.00	10,000	14,500	24,500
8/1/01	5.00	10,000	14,000	24,000
8/1/02	5.00	10,000	13,500	23,500
8/1/03	5.00	15,000	12,875	27,875
8/1/04	5.00	15,000	12,125	27,125
8/1/05	5.00	15,000	10,875	25,875
8/1/06	5.00	15,000	10,125	25,125
8/1/07	5.00	15,000	9,875	24,875
8/1/08	5.00	15,000	9,125	24,125
8/1/09	5.00	15,000	8,375	23,375
8/1/10	5.00	15,000	7,625	22,625
8/1/11	5.00	15,000	6,875	21,875
8/1/12	5.00	15,000	6,125	21,125
8/1/13	5.00	15,000	5,375	20,375
8/1/14	5.00	15,000	4,625	19,625
8/1/15	5.00	15,000	3,875	18,875
8/1/16	5.00	15,000	3,125	18,125
8/1/17	5.00	15,000	2,375	17,375
8/1/18	5.00	20,000	1,500	21,500
8/1/19	5.00	20,000	500	20,500
		<u>\$ 345,000</u>	<u>\$ 237,375</u>	<u>\$ 582,375</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1995

1984 Michigan Bond Loan Fund

Purpose: To defray the costs of constructing roadway improvements and paying capital costs for transportation purposes.

Issue: \$50,000

Dated: July 5, 1984

<u>Due Date</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
6/1/96	5.00 %	\$ 4,380	\$ 2,216	\$ 6,596
6/1/97	5.00	4,840	1,756	6,596
6/1/98	5.00	5,350	1,248	6,598
6/1/99	5.00	<u>5,910</u>	<u>686</u>	<u>6,596</u>
		<u>\$ 20,480</u>	<u>\$ 5,906</u>	<u>\$ 26,386</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1995

1985 Michigan Local Project Loan

Purpose: To defray the costs of constructing roadway improvements and paying capital costs for transportation purposes.

Issue: \$310,000

Dated: June 6, 1985

<u>Due Date</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
6/1/96	10.22 %	\$ 27,938	\$ 13,855	\$ 41,793
6/1/97	10.22	30,790	11,003	41,793
6/1/98	10.22	33,952	7,852	41,804
6/1/99	10.22	<u>37,424</u>	<u>4,369</u>	<u>41,793</u>
		<u>\$ 130,104</u>	<u>\$ 37,079</u>	<u>\$ 167,183</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1995

Fire Truck Loan

Purpose: To finance the cost of acquiring and equipping a custom pumper fire truck.

Issue: \$60,000

Dated: May 15, 1990

<u>Due Date</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
6/1/96	7.00 %	\$ 9,770	\$ 1,396	\$ 11,166
6/1/97	7.00	<u>10,173</u>	<u>712</u>	<u>10,885</u>
		<u>\$ 19,943</u>	<u>\$ 2,108</u>	<u>\$ 22,051</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1995

Comstock Street Loan

Purpose: To defray the cost of acquiring and constructing improvements to the street system of the city.

Issue: \$80,000

Dated: August 7, 1992

<u>Due Date</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
7/1/95	5.14 %	\$ 11,428	\$ 2,937	\$ 14,365
7/1/96	5.14	11,429	2,350	13,779
7/1/97	5.14	11,428	1,762	13,190
7/1/98	5.14	11,429	1,174	12,603
7/1/99	5.14	<u>11,428</u>	<u>587</u>	<u>12,015</u>
		<u>\$ 57,142</u>	<u>\$ 8,810</u>	<u>\$ 65,952</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1995

Sewer Pump Loan

Purpose: To finance the cost of acquiring a sewer pump in conjunction with the Owosso-Caledonia Township Utility Authority.

Issue: \$25,186

Dated: September 3, 1992

<u>Due Date</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
8/1/95	6.00 %	\$ 6,296	\$ 756	\$ 7,052
8/1/96	6.00	<u>6,296</u>	<u>378</u>	<u>6,674</u>
		<u>\$ 12,592</u>	<u>\$ 1,134</u>	<u>\$ 13,726</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1995

Street Sweeper Capital Lease

Purpose: To finance the cost of acquiring a street sweeper to be used in the public works department.

Issue: \$76,000

Dated: July 15, 1991

<u>Due Date</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
7/10/95	7.49 %	\$ 6,664	\$ 777	\$ 7,441
1/10/96	7.49	6,913	527	7,440
7/10/96	7.49	<u>7,172</u>	<u>269</u>	<u>7,441</u>
		<u>\$ 20,749</u>	<u>\$ 1,573</u>	<u>\$ 22,322</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1995

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 Due</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
4/1/96	7.25 %	\$ 16,100	\$ 6,884	\$ 22,984
4/1/97	7.25	16,100	5,934	22,034
4/1/98	7.25	18,400	4,968	23,368
4/1/99	7.25	18,400	3,864	22,264
4/1/2000	7.25	23,000	2,760	25,760
4/1/01	7.25	<u>23,000</u>	<u>1,380</u>	<u>24,380</u>
		<u>\$ 115,000</u>	<u>\$ 25,790</u>	<u>\$ 140,790</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1995

1980 City of Owosso - Contract Payable

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

Issue: \$36,000

Dated: September 1, 1980

<u>Due Date</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
6/1/96	0.00 %	\$ 1,840	\$ -	\$ 1,840
6/1/97	0.00	1,840	-	1,840
6/1/98	0.00	1,840	-	1,840
6/1/99	0.00	1,840	-	1,840
6/1/2000	0.00	<u>1,840</u>	<u>-</u>	<u>1,840</u>
		<u>\$ 9,200</u>	<u>\$ -0-</u>	<u>\$ 9,200</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1995

1978 Owosso - Caledonia Township Utility Authority - Contract Payable

Purpose: To finance the payments to the Authority for a project to construct additions and improvements to the sanitary sewer system used by the City of Corunna.

Issue: \$199,000

Dated: December 1, 1978

<u>Due Date</u>	<u>Interest Rate</u>	<u>Bonds Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
12/1/95	5.00 %	\$ 10,000	\$ 1,750	\$ 11,750
12/1/96	5.00	10,000	1,250	11,250
12/1/97	5.00	10,000	750	10,750
12/1/98	5.00	<u>10,000</u>	<u>250</u>	<u>10,250</u>
		<u>\$ 40,000</u>	<u>\$ 4,000</u>	<u>\$ 44,000</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1995

Sewer Vector Capital Lease

Purpose: To finance the cost of acquiring a sewer vector to be used as part of the sanitary sewer system.

Issue: \$70,000

Dated: August 15, 1994

<u>Due Date</u>	<u>Interest Rate</u>	<u>Bonds Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
8/15/95	7.00 %	\$ 12,172	\$ 4,900	\$ 17,072
8/15/96	7.00	13,025	4,048	17,073
8/15/97	7.00	13,936	3,136	17,072
8/15/98	7.00	14,912	2,161	17,073
8/15/99	7.00	<u>15,955</u>	<u>1,117</u>	<u>17,072</u>
		<u>\$ 70,000</u>	<u>\$ 15,362</u>	<u>\$ 85,362</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1994

Corunna Downtown Development Authority Commercial Loan

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

Issue: \$420,000

Dated: May 3, 1994

<u>Due Dates</u>	<u>Interest Rate</u>	<u>Principal Due</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
7/1/95-6/30/96	6.00 %	\$ 11,603	\$ 24,505	\$ 36,108
7/1/96-6/30/97	6.00	12,318	23,790	36,108
7/1/97-6/30/98	6.00	13,078	23,030	36,108
7/1/98-6/30/99	6.00	13,885	22,223	36,108
7/1/99-6/30/2000	6.00	14,741	21,367	36,108
7/1/2000-6/30/01	6.00	15,650	20,458	36,108
7/1/01-6/30/02	6.00	16,615	19,493	36,108
7/1/02-6/30/03	6.00	17,640	18,468	36,108
7/1/03-6/30/04	6.00	18,728	17,380	36,108
7/1/04-6/30/05	6.00	19,883	16,225	36,108
7/1/05-6/30/06	6.00	21,110	14,998	36,108
7/1/06-6/30/07	6.00	22,412	13,696	36,108
7/1/07-6/30/08	6.00	23,794	12,314	36,108
7/1/08-6/30/09	6.00	25,261	10,847	36,108
7/1/09-6/30/10	6.00	26,820	9,288	36,108
7/1/10-6/30/11	6.00	28,474	7,634	36,108
7/1/11-6/30/12	6.00	30,230	5,878	36,108
7/1/12-6/30/13	6.00	32,094	4,014	36,108
7/1/13-6/30/14	6.00	34,074	2,034	36,108
7/1/14-11/30/14	6.00	<u>15,275</u>	<u>236</u>	<u>15,511</u>
		<u>\$ 413,685</u>	<u>\$ 287,878</u>	<u>\$ 701,563</u>



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INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the combined financial statements of the City of Corunna as of and for the year ended June 30, 1995, and have issued our report thereon, dated September 21, 1995. In our report, our opinion was qualified because primary government general fixed assets were not recorded in the financial statements.

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.

The management of the City of Corunna is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the combined financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the combined financial statements of the City of Corunna for the year ended June 30, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the combined financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the combined financial statements. We noted the following reportable conditions.

JOINTLY GOVERNED ACTIVITIES

As discussed in Note A to the combined financial statements, the City is party to a "jointly governed" activity (Owosso Community Airport).

In our discussions with City officials, it was indicated that a formal written agreement between the participants of the jointly governed unit does not exist. This issue was noted and reported in our audit comments last year.

We recommend implementing a formal written agreement between all the parties to the Owosso Community Airport.

ADMINISTRATIVE CODE MANUAL

During our review of the City's Administrative Code, we noted the City's practice has been to convert accrued sick leave to vacation leave or cash at a rate of 75% of accrual for non-union employees. The Administrative Code indicates the conversion or payoff should be at a rate of 50% of the sick leave accrual. We could not locate documentation supporting any modification to the Administrative Code. This issue was noted and reported in last years audit comments.

We recommend the Administrative Code be updated periodically to reflect current practices and intent.

The City is currently working on finalizing the new administrative code manual and assures this issue will be resolved by June 30, 1996.

FIXED ASSETS

As noted in the combined financial statements, the City has not recorded general fixed assets in the financial statements as required by generally accepted accounting principles. This issue was noted and reported in last years audit comments.

It is important that the City establish controls over the addition, disposal, and inventory processes related to fixed assets to assure accountability. The City should complete a physical inventory of all fixed assets and determine the historical or estimated historical cost of each item. Also, departments should annually confirm their fixed assets additions, disposals, and final balances as a means of verifying the detail records.

The City is currently working on finalizing the inventory of all assets owned by the City and assures this issue will be resolved by June 30, 1996.

BUDGETS

As noted in the annual financial statements, the Building Authority (Debt Service), Fourth of July and Historical Commissions (Special Revenue) Funds had not properly adopted budgets.

The Michigan Public Act 621 of 1978, as amended, provides that the City adopt formal budgets for the applicable General, Special Revenue, and Debt Service Funds, and shall not incur expenditures in excess of the amounts appropriated.

We recommend the City require the Building Authority, Fourth of July, and Historical Commissions to formally adopt budgets.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the combined 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, none of the reportable conditions referred to above are believed to be material weaknesses.

We also noted other matters involving the internal control structure and its operations that we have reported to the management of the City of Corunna in a separate letter dated September 21, 1995.

This report is intended solely 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

September 21, 1995



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON THE
AUDIT OF COMBINED FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the combined financial statements of the City of Corunna, Michigan as of and for the year ended June 30, 1995, and have issued our report thereon dated September 21, 1995. In our report, our opinion was qualified because primary government general fixed assets were not recorded in the financial statements.

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 combined financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City of Corunna is the responsibility of the City's management. As part of obtaining reasonable assurance about whether the combined financial statements are free of material misstatement, we performed tests on the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended solely for the information of management and the 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.
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September 21, 1995



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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, 1995. 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. This suggestion is a result of our evaluation of the internal control structure and our discussions with management. As noted in our Report on the Internal Control Structure, dated September 21, 1995, this weakness was not considered a reportable condition in relation to the combined financial statements of the City of Corunna, Michigan but may be an area of possible improvement.

1. Documentation to support the liability related to unused sick leave should be retained.

During our analysis of accrued liabilities, it was noted that although each payroll check stub indicates unused sick time at a particular point in time, the City payroll system does not provide a past history of earnings and usage. As a result, it was difficult to analyze sick leave activity. This issue was noted and reported in last years audit comments.

We suggest the City generate periodic reports from the payroll system to support the amounts of sick leave earnings, usage, and balances.

This condition was considered in determining the nature, timing, and extent of the audit tests to be applied in our audit of the combined financial statements, and this report does not affect our report on the combined financial statements dated September 21, 1995.

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 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 Mayor and Members of the City Council, is a matter of public record.

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.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

September 21, 1995