

**City of Corunna
Shiawassee County, Michigan**

FINANCIAL STATEMENTS

June 30, 1999

City of Corunna

Shiawassee County, Michigan

June 30, 1999

CITY COUNCIL AND ADMINISTRATION

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

City of Corunna

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ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

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Michigan Association of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of the City of Corunna, Michigan as of and for the year ended June 30, 1999, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Corunna, Michigan as of June 30, 1999, 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 24, 1999 on our consideration of the City of Corunna's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

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

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

September 24, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS

City of Corunna

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1999

	Primary				
	Governmental Fund Types				Proprietary
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>
ASSETS					
Cash and cash equivalents	\$ 164,709	\$ 704,276	\$ 31,068	\$ 67,004	\$ 508,495
Cash and cash equivalents - restricted	12,545	-	-	-	6,102
Investments	-	98,746	19,398	-	138,571
Receivables					
Taxes	5,036	-	-	-	-
Accounts	-	-	-	-	179,663
Contracts	-	57,690	-	-	-
Accrued interest	-	1,796	168	-	534
Due from other funds	69,124	48,872	-	-	17,074
Due from other governmental units					
State	-	35,087	-	-	-
Federal	1,207	-	-	-	-
Local	101,283	5,605	-	-	-
Treatment rights (net of accumulated amortization)	-	-	-	-	67,238
Inventory	-	2,623	-	-	-
Advances to other funds	30,000	-	-	-	-
Fixed assets (net of accumulated depreciation)	-	-	-	-	3,773,884
Amount available for retirement of general long-term debt	-	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-	-
TOTAL ASSETS	<u>\$ 383,904</u>	<u>\$ 954,695</u>	<u>\$ 50,634</u>	<u>\$ 67,004</u>	<u>\$ 4,691,561</u>

See accompanying notes to general purpose financial statements.

Government				Component Unit		Reporting Entity Totals (Memorandum Only)
Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	Downtown Development Authority	
Internal Service (Motor Pool)	Trust and Agency	General Fixed Assets	General Long-Term Debt			
\$ 60,445	\$ 104,192	\$ -	\$ -	\$ 1,640,189	\$ 27,246	\$ 1,667,435
-	-	-	-	18,647	-	18,647
-	33,953	-	-	290,668	-	290,668
-	-	-	-	5,036	-	5,036
-	-	-	-	179,663	5,384	185,047
-	-	-	-	57,690	-	57,690
-	346	-	-	2,844	-	2,844
-	-	-	-	135,070	-	135,070
-	-	-	-	35,087	-	35,087
-	-	-	-	1,207	-	1,207
-	-	-	-	106,888	-	106,888
-	-	-	-	67,238	-	67,238
-	-	-	-	2,623	-	2,623
-	-	-	-	30,000	-	30,000
184,915	-	2,713,769	-	6,672,568	765,499	7,438,067
-	-	-	2,878	2,878	-	2,878
-	-	-	974,880	974,880	364,376	1,339,256
<u>\$ 245,360</u>	<u>\$ 138,491</u>	<u>\$ 2,713,769</u>	<u>\$ 977,758</u>	<u>\$10,223,176</u>	<u>\$ 1,162,505</u>	<u>\$11,385,681</u>

City of Corunna

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

June 30, 1999

	Primary				
	Governmental Fund Types				Proprietary
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
LIABILITIES					
Payables					
Accounts	\$ 24,689	\$ 3,065		\$ 5,300	\$ 17,232
Wages	32,621	1,884	-	-	1,106
Other accrued liabilities	4,422	144	-	-	16,710
Due to other funds	4,897	26,888	27,516	-	5,064
Due to other governmental units	-	-	-	-	-
Due to individuals and agencies	927	-	-	-	-
Deferred revenue	-	57,495	-	-	-
Bonds payable	-	-	-	-	1,330,000
Capital lease payable	-	-	-	-	16,612
Loans and contracts payable	-	-	-	-	47,840
Advances from other funds	-	30,000	-	-	-
TOTAL LIABILITIES	67,556	119,476	27,516	5,300	1,434,564
FUND EQUITY					
Contributed capital	-	-	-	-	2,239,282
Investment in general fixed assets	-	-	-	-	-
Retained earnings					
Reserved for bonds	-	-	-	-	63,603
Reserved for debt service	-	-	-	-	11,312
Reserved for replacement	-	-	-	-	177,286
Unreserved	-	-	-	-	765,514
Fund balance (deficits)					
Reserved for					
Inventory	-	2,623	-	-	-
Debt service	-	-	(23,187)	-	-
Advances to other funds	30,000	-	-	-	-
Trust activities	-	-	-	-	-
Retirement benefits	12,545	-	-	-	-
Unreserved - undesignated	273,803	832,596	46,305	61,704	-
TOTAL FUND EQUITY	316,348	835,219	23,118	61,704	3,256,997
TOTAL LIABILITIES AND FUND EQUITY	\$ 383,904	\$ 954,695	\$ 50,634	\$ 67,004	\$ 4,691,561

See accompanying notes to general purpose financial statements.

Government					Component Unit	Reporting Entity
Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	Downtown Development Authority	Totals (Memorandum Only)
Internal Service (Motor Pool)	Trust and Agency	General Fixed Assets	General Long-Term Debt			
\$ 11,138	\$ -	\$ -	\$ -	\$ 61,424	\$ 508	\$ 61,932
244	-	-	-	35,855	-	35,855
293	-	-	26,176	47,745	-	47,745
-	74,705	-	-	139,070	-	139,070
-	1,959	-	-	1,959	8,766	10,725
-	1,620	-	-	2,547	3,292	5,839
-	-	-	-	57,495	-	57,495
-	-	-	950,000	2,280,000	-	2,280,000
43,274	-	-	1,582	61,468	-	61,468
-	-	-	-	47,840	364,376	412,216
-	-	-	-	30,000	-	30,000
54,949	78,284	-0-	977,758	2,765,403	376,942	3,142,345
-	-	-	-	2,239,282	-	2,239,282
-	-	2,713,769	-	2,713,769	765,499	3,479,268
-	-	-	-	63,603	-	63,603
-	-	-	-	11,312	-	11,312
-	-	-	-	177,286	-	177,286
190,411	-	-	-	955,925	-	955,925
-	-	-	-	2,623	-	2,623
-	-	-	-	(23,187)	-	(23,187)
-	-	-	-	30,000	-	30,000
-	60,207	-	-	60,207	-	60,207
-	-	-	-	12,545	-	12,545
-	-	-	-	1,214,408	20,064	1,234,472
190,411	60,207	2,713,769	-0-	7,457,773	785,563	8,243,336
<u>\$ 245,360</u>	<u>\$ 138,491</u>	<u>\$ 2,713,769</u>	<u>\$ 977,758</u>	<u>\$10,223,176</u>	<u>\$ 1,162,505</u>	<u>\$11,385,681</u>

City of Corunna

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

Year Ended June 30, 1999

	<u>Primary</u>	
	<u>Governmental</u>	
	<u>General</u>	<u>Special Revenue</u>
REVENUES		
Taxes	\$ 593,658	\$ 218,640
Licenses and permits	28,103	-
Intergovernmental	398,028	217,703
Charges for services	210,826	11,983
Fines and forfeits	24,035	17,884
Interest and rents	63,557	27,471
Special assessments	1,478	-
Other	29,172	129,073
TOTAL REVENUES	1,348,857	622,754
EXPENDITURES		
Legislative	7,514	-
General government	400,513	-
Public safety	487,109	142
Highways and streets	-	98,512
Public works	256,950	-
Health and welfare	-	17,252
Recreation and cultural	115,515	121,959
Other	-	267
Debt service	28,209	6,604
TOTAL EXPENDITURES	1,295,810	244,736
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	53,047	378,018
OTHER FINANCING SOURCES (USES)		
Operating transfers in	3,700	85,710
Operating transfers out	(49,963)	(190,217)
TOTAL OTHER FINANCING SOURCES (USES)	(46,263)	(104,507)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	6,784	273,511
Fund balances (deficit), beginning of year	309,564	805,994
Prior period adjustments	-	(244,286)
Fund balances (deficit), end of year	\$ 316,348	\$ 835,219

See accompanying notes to general purpose financial statements.

Government			Component Unit		
Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	Downtown Development Authority	Reporting Entity Totals (Memorandum Only)
Debt Service	Capital Projects	Expendable Trust (Fireworks)			
\$ -	\$ -	\$ -	812,298	\$ 29,527	\$ 841,825
-	-	-	28,103	-	28,103
-	-	-	615,731	-	615,731
-	-	-	222,809	-	222,809
-	-	-	41,919	-	41,919
2,002	51	-	93,081	56,624	149,705
-	-	-	1,478	-	1,478
-	-	-	158,245	13,516	171,761
2,002	51	-	1,973,664	99,667	2,073,331
-	-	-	7,514	-	7,514
-	-	-	400,513	-	400,513
-	-	-	487,251	-	487,251
-	-	-	98,512	-	98,512
-	124,673	-	381,623	-	381,623
-	-	-	17,252	-	17,252
-	-	-	237,474	-	237,474
67	-	-	334	36,216	36,550
164,078	-	-	198,891	36,808	235,699
164,145	124,673	-0-	1,829,364	73,024	1,902,388
(162,143)	(124,622)	-0-	144,300	26,643	170,943
153,416	19,343	1,054	263,223	-	263,223
-	-	-	(240,180)	(3,700)	(243,880)
153,416	19,343	1,054	23,043	(3,700)	19,343
(8,727)	(105,279)	1,054	167,343	22,943	190,286
31,845	166,983	(1,054)	1,313,332	(248,110)	1,065,222
-	-	-	(244,286)	245,231	945
\$ 23,118	\$ 61,704	\$ -0-	\$ 1,236,389	\$ 20,064	\$ 1,256,453

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, 1999

	General Fund		
	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 579,380	\$ 593,658	\$ 14,278
Licenses and permits	29,335	28,103	(1,232)
Intergovernmental	437,665	398,028	(39,637)
Charges for services	213,065	210,826	(2,239)
Fines and forfeits	26,000	24,035	(1,965)
Interest and rents	58,920	63,557	4,637
Special assessments	2,650	1,478	(1,172)
Other	35,995	29,172	(6,823)
TOTAL REVENUES	1,383,010	1,348,857	(34,153)
EXPENDITURES			
Legislative	9,451	7,514	1,937
General government	421,057	400,513	20,544
Public safety	494,756	487,109	7,647
Highways and streets	-	-	-0-
Public works	257,149	256,950	199
Health and welfare	-	-	-0-
Recreation and cultural	127,690	115,515	12,175
Other	-	-	-0-
Debt service	26,952	28,209	(1,257)
TOTAL EXPENDITURES	1,337,055	1,295,810	41,245
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	45,955	53,047	7,092
OTHER FINANCING SOURCES (USES)			
Operating transfers in	3,700	3,700	-0-
Operating transfers out	(63,199)	(49,963)	13,236
TOTAL OTHER FINANCING SOURCES (USES)	(59,499)	(46,263)	13,236
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(13,544)	6,784	20,328
Fund balances, beginning of year	309,564	309,564	-0-
Prior period adjustments	-	-	-
Fund balances, end of year	\$ 296,020	\$ 316,348	\$ 20,328

See accompanying notes to general purpose financial statements.

Special Revenue Funds		
Amended Budget	Actual	Variance Favorable (Unfavorable)
\$ 202,500	\$ 218,640	\$ 16,140
-	-	-0-
179,964	217,703	37,739
12,445	11,983	(462)
15,722	17,884	2,162
25,200	27,471	2,271
-	-	-0-
150,871	129,073	(21,798)
<u>586,702</u>	<u>622,754</u>	<u>36,052</u>
-	-	-0-
-	-	-0-
-	142	(142)
151,214	98,512	52,702
-	-	-0-
31,800	17,252	14,548
154,550	121,959	32,591
-	267	-0-
191,596	6,604	184,992
<u>529,160</u>	<u>244,736</u>	<u>284,691</u>
57,542	378,018	320,743
114,585	85,710	(28,875)
(289,270)	(190,217)	99,053
<u>(174,685)</u>	<u>(104,507)</u>	<u>70,178</u>
(117,143)	273,511	390,921
805,994	805,994	-0-
-	(244,286)	(244,286)
<u>\$ 688,851</u>	<u>\$ 835,219</u>	<u>\$ 146,635</u>

Debt Service Funds		
Amended Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -0-
-	-	-0-
-	-	-0-
-	-	-0-
-	-	-0-
800	2,002	1,202
-	-	-0-
-	-	-0-
800	2,002	1,202
-	-	-0-
-	-	-0-
-	-	-0-
-	-	-0-
-	-	-0-
-	67	(67)
163,872	164,078	(206)
<u>163,872</u>	<u>164,145</u>	<u>(273)</u>
(163,072)	(162,143)	929
163,879	153,416	(10,463)
-	-	-0-
<u>163,879</u>	<u>153,416</u>	<u>(10,463)</u>
807	(8,727)	(9,534)
31,845	31,845	-0-
-	-	-
<u>\$ 32,652</u>	<u>\$ 23,118</u>	<u>\$ (9,534)</u>

City of Corunna

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

Year Ended June 30, 1999

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals</u> (Memorandum Only)
	<u>Enterprise</u>	<u>Internal Service (Motor Pool)</u>	<u>Nonexpendable Trust Fund (Cemetery Perpetual Care)</u>	
OPERATING REVENUES				
Charges for services	\$ 733,277	\$ 141,914	\$ 1,772	\$ 876,963
Capital charges	137,570	-	-	137,570
Other	8,224	5,235	-	13,459
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL OPERATING REVENUES	879,071	147,149	1,772	1,027,992
OPERATING EXPENSES				
Salaries and wages	83,830	10,652	-	94,482
Fringe benefits	36,294	11,828	-	48,122
Administrative charges	7,300	-	-	7,300
Contractual services	57,889	25,986	-	83,875
Supplies	23,341	29,994	-	53,335
Utilities	12,617	5,560	-	18,177
Treatment costs	268,101	-	-	268,101
Repairs and maintenance	3,511	-	-	3,511
Equipment rental	9,662	37	-	9,699
Other	1,042	-	-	1,042
Depreciation	133,122	45,164	-	178,286
Amortization	27,758	-	-	27,758
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TOTAL OPERATING EXPENSES	664,467	129,221	-0-	793,688
OPERATING INCOME	214,604	17,928	1,772	234,304
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	19,293	-	1,318	20,611
Rent revenue	11,658	-	-	11,658
Interest expense and fees	(78,922)	(3,167)	-	(82,089)
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	(47,971)	(3,167)	1,318	(49,820)
INCOME BEFORE TRANSFERS	166,633	14,761	3,090	184,484
TRANSFERS OUT	(19,343)	-	-	(19,343)
NET INCOME	147,290	14,761	3,090	165,141

City of Corunna

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

Year Ended June 30, 1999

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>Enterprise</u>	Internal Service (Motor Pool)	Nonexpendable Trust Fund (Cemetery Perpetual Care)	
Retained earnings, beginning of year	870,425	183,550	57,117	1,111,092
Prior period adjustments	-	(7,900)	-	(7,900)
Retained earnings, end of year	<u>\$ 1,017,715</u>	<u>\$ 190,411</u>	<u>\$ 60,207</u>	<u>\$ 1,268,236</u>

See accompanying notes to general purpose financial statements.

City of Corunna

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

Year Ended June 30, 1999

	<u>Proprietary Fund Types</u>	
	<u>Enterprise</u>	<u>Internal Service (Motor Pool)</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$ 214,604	\$ 17,928
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	160,880	45,164
Decrease (increase) in receivables	7,987	-
(Decrease) in due to other funds	236,476	-
Increase (decrease) in accounts payable	(247,171)	5,877
Increase (decrease) in accrued liabilities	(672)	378
NET CASH PROVIDED BY OPERATING ACTIVITIES	372,104	69,347
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Rent revenue	11,658	-
Transfers out	(19,343)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(7,685)	-0-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of investments	(138,571)	-
Maturity of investments	-	-
Interest expense	(78,922)	(3,167)
Capital purchases	(6,825)	(13,509)
Payment of borrowing	(95,748)	(12,949)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(320,066)	(29,625)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest revenue	19,293	-
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING YEAR	63,646	39,722
Cash and cash equivalents, beginning of year	450,951	20,723
Cash and cash equivalents, end of year	<u>\$ 514,597</u>	<u>\$ 60,445</u>

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

See accompanying notes to general purpose financial statements.

<u>Fiduciary Fund Type</u> Nonexpendable Trust Funds (Cemetery Perpetual Care)	Totals (Memorandum Only)
\$ 1,772	\$ 234,304
-	206,044
(26)	7,961
-	236,476
-	(241,294)
-	(294)
\$ 1,746	\$ 443,197
-	11,658
-	(19,343)
-	-
-0-	(7,685)
(33,953)	(172,524)
34,393	34,393
-	(82,089)
-	(20,334)
-	(108,697)
440	(349,251)
1,318	20,611
3,504	106,872
22,404	494,078
\$ 25,908	\$ 600,950
\$ 25,908	\$ 600,950

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

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

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

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

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

1. Reporting Entity

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

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

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

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

The Corunna Softball Commission activities are reported on the fiscal year end of October 31, 1998.

2. Joint Venture

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

Owosso Community Airport Board - The City of Corunna along with the City of Owosso, Shiawassee County, and Owosso and Caledonia Townships have entered into an agreement which created the Owosso Community Airport Board. The Airport Board is composed of one (1) member from each of the member municipalities. The Airport has been reported as a fund in the December 31, 1997 financial statements of Shiawassee County. The Airport is expected to be self-sufficient but based on a "10 Year Funding Model" approved by the Board each participating municipality shall make a direct appropriation to cover operations and development costs. The percentage share for the funding model for each municipality is Shiawassee County and the City of Owosso 33%, Owosso and Caledonia Townships 13%, and the City of Corunna 8%. The City made no payments to the Board for the year ended June 30, 1999.

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

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

3. Jointly Governed Organizations

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

Corunna Area Ambulance Service, Inc. - The City of Corunna along with the Townships of New Haven and Caledonia have entered into a service agreement with Corunna Area Ambulance Service, Inc., a Michigan nonprofit Corporation. The Corporation's board is composed of seven (7) members appointed by the corporation and one each from the City of Corunna, and New Haven and Caledonia Townships. The City is responsible to pay a per dwelling or equivalent unit charge for all dwellings in the City limits which is assessed to all residents on their summer tax bills. The City paid \$15,220 in per dwelling charges to Corunna Area Ambulance Service, Inc. for the year ended June 30, 1999.

4. Basis of Presentation

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

GOVERNMENTAL FUNDS

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

PROPRIETARY FUNDS

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

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

4. Basis of Presentation - continued

FIDUCIARY FUNDS

- a. Trust Funds - The Trust Funds are used to account for assets held by the City in a trustee capacity. Nonexpendable trust funds are reported similar to proprietary funds. 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 GROUPS

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

COMPONENT UNIT FUNDS

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

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

5. Measurement Focus

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

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

5. Measurement Focus - continued

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

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

6. Basis of Accounting

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

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

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

7. Budgets and Budgetary Accounting

The General, Special Revenue, and Debt Service Funds' budgets shown in the financial statements were prepared on a basis consistent with the modified accrual basis used to reflect actual results. Budgets were not properly adopted for the Historical Commission (Special Revenue) Fund 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.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

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

8. Cash, Cash Equivalents, and Investments

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

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

9. Property Tax

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

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

The City is permitted to levy taxes up to 15 mills (\$15 per \$1,000 of taxable valuation) for general governmental services other than the payment of Debt Service Fund expenses and up to an additional five (5) mills (\$5 per \$1,000 of taxable valuation) for City Public Improvements. For the year ended June 30, 1999, the City levied 13.76 mills per \$1,000 of assessed valuation for general governmental services and five (5) mills for City Public Improvements. The total Taxable Value for the 1998 levy for property within the City was \$42,195,438.

10. Interfund Transactions

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

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

11. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation days. Employees are not paid for accumulated sick leave. All employees with accumulated unused vacation pay at June 30, 1999 were vested and the total due to them, along with the related payroll taxes, is recorded entirely in the General Long-Term Debt Account Group.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

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

12. Fixed Assets and Long-Term Liabilities

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

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

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

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

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

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

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

The estimated useful lives are:

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

13. Treatment Rights

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

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

14. Comparative Data

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

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

15. Total Columns on Combined Statements

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

NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

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

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

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

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

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

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

Deposits

As of June 30, 1999, 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	\$ 76,055	\$ 140,503
Money market checking	6,498	6,498
Savings and certificates of deposit	<u>1,214,155</u>	<u>1,214,155</u>
	<u>\$ 1,296,708</u>	<u>\$ 1,361,156</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, 1999, the City accounts were insured by the FDIC for \$469,109, and the amount of \$892,047 was uninsured and uncollateralized.

Investments

As of June 30, 1999, 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>\$ 680,042</u>	<u>\$ 680,042</u>

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

The cash and cash equivalents and investments referred to above have been reported in either the cash and cash equivalents or investments captions on the combined balance sheet, based upon criteria disclosed in Note A. The following summarizes the categorization of these amounts as of June 30, 1999:

Cash and cash equivalents	\$ 1,667,435
Cash and cash equivalents - restricted	18,647
Investments	<u>290,668</u>
	<u>\$ 1,976,750</u>

The amounts identified above include General Fund restricted cash of \$12,028 as of June 30, 1999 to be used to fund retirement benefits in the future and Enterprise (Sewer System) Fund restricted cash of \$20,096 as of June 30, 1999 to be used to fund Sewer System improvements.

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE C: INTERFUND RECEIVABLES AND PAYABLES

The amount of interfund receivables and payables at June 30, 1999, are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General		General	
Water System	\$ 295	City Improvements	\$ 4,897
Tax	58,168		
1996 G.O. Bonds	212		
1985 Loan Program	9,549	Special Revenue	
Softball Commission	<u>900</u>	Major Street	
		Local Street	6,483
	69,124	Local Street	
		Sewer System	15,505
		Softball Commission	
		General Fund	<u>4,900</u>
Special Revenue			26,888
Local Street		Debt Service	
Major Street	\$ 6,483	1996 G.O. Limited Tax Bonds	
City Improvements		City Improvements	17,755
1996 G.O. Limited Tax Bonds	17,755	General	<u>212</u>
Tax	14,968		17,967
General	<u>4,897</u>		
	37,620	1985 G.O. Limited Tax Bonds	
		General	<u>9,549</u>
H.U.D. Grant			27,516
Sewer	<u>4,769</u>		
	48,872	Enterprise	
		Water System	
Sewer System		General Fund	295
Local Street	15,505	Sewer	
		H.U.D. Grant	<u>4,769</u>
Water System			5,064
Tax	<u>1,569</u>	Trust and Agency	
	<u>17,074</u>	Current Tax Collections	
		General Fund	58,168
		City Improvements	14,968
		Water System	<u>1,569</u>
			<u>74,705</u>
	<u>\$ 135,070</u>		<u>\$ 139,070</u>

The interfund receivables and payables do not balance by \$4,000 due to a timing difference of reporting of the Softball Commission on the commission's fiscal year end of October 31, 1998.

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE D: ADVANCES RECEIVABLE AND PAYABLE

On July 7, 1997, the City General Fund loaned the Historical Commission (Special Revenue) Fund \$35,000, which was used to move a home into the historical village. The amount is due within three (3) years with no interest. During the current year the commission repaid \$5,000 in principal.

The following summarizes the outstanding balances of advances receivable and payable to other funds at June 30, 1999:

<u>Fund</u>	<u>Advance To</u>	<u>Fund</u>	<u>Advance From</u>
General Fund		Special Revenue Funds	
Special Revenue Funds		Historical Commission Fund	
Historical Commission Fund	<u>\$ 30,000</u>	General Fund	<u>\$ 30,000</u>

NOTE E: LONG-TERM CONTRACTS RECEIVABLE

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

<u>Years ending June 30,</u>	
2000	20,512
2001	12,709
2002	<u>32,368</u>
	65,589
Less: interest	<u>(8,094)</u>
	<u>\$ 57,495</u>

NOTE F: FIXED ASSETS

A summary of Proprietary Fund Type fixed assets at June 30, 1999 follows:

PRIMARY GOVERNMENT

	<u>Enterprise</u>	<u>Internal Service (Motor Pool)</u>
Land	\$ 127	\$ -
System and improvements	5,425,106	-
Equipment	<u>80,000</u>	<u>692,689</u>
Total	5,505,233	692,689
Less: accumulated depreciation	<u>(1,731,349)</u>	<u>(507,774)</u>
Net fixed assets	<u>\$ 3,773,884</u>	<u>\$ 184,915</u>

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE F: FIXED ASSETS - CONTINUED

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

PRIMARY GOVERNMENT

	Restated Balance <u>July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 1999</u>
Land, buildings, and improvements	\$ 2,128,850	\$ -	\$ -	\$ 2,128,850
Vehicles and equipment	536,331	53,181	(4,594)	584,918
	<u>\$ 2,665,181</u>	<u>\$ 53,181</u>	<u>\$ (4,594)</u>	<u>\$ 2,713,769</u>

COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY

	Balance <u>July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 1999</u>
Land	\$ 27,000	\$ -	\$ -	\$ 27,000
Parking lot	42,171	-	-	42,171
Building	688,363	-	-	688,363
Improvements	-	7,965	-	7,965
	<u>\$ 757,534</u>	<u>\$ 7,965</u>	<u>\$ -0-</u>	<u>\$ 765,499</u>

NOTE G: LONG-TERM DEBT

The following is a summary of changes in long-term debt (including current portion) of the City for the year ended June 30, 1999:

	Balance <u>July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 1999</u>
PRIMARY GOVERNMENT				
General Long-Term Debt				
1998 Transportation Bonds	\$ 220,000	\$ -	\$ 10,000	\$ 210,000
1996 G.O. Public Improvement Bonds	805,000	-	65,000	740,000
Michigan Bond Loan Fund	5,910	-	5,910	-0-
1985 Michigan Local Project Loan	37,424	-	37,424	-0-
Capital lease	4,118	-	2,536	1,582
Accumulated Vacation	33,997	-	7,821	26,176
	<u>1,106,449</u>	<u>-</u>	<u>128,691</u>	<u>977,758</u>

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE G: LONG-TERM DEBT - CONTINUED

Enterprise Funds

Sewer System Fund

Improvement Bonds - 1980	315,000	-	10,000	305,000
Improvement Bonds - 1996	515,000	-	15,000	500,000
Contracts payable	78,080	-	30,240	47,840
Capital lease	32,120	-	15,508	16,612

Water Fund

General Obligation Bonds	<u>550,000</u>	<u>-</u>	<u>25,000</u>	<u>525,000</u>
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	1,490,200	-0-	95,748	1,394,452
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Internal Service Fund

Capital Lease	<u>56,223</u>	<u>-0-</u>	<u>12,949</u>	<u>43,274</u>
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TOTAL PRIMARY GOVERNMENT	2,652,872	-0-	237,388	2,415,484
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COMPONENT UNIT FUND

Downtown Development Authority

Loan payable	<u>377,483</u>	<u>-</u>	<u>13,107</u>	<u>364,376</u>
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	<u>\$ 3,030,355</u>	<u>\$ -0-</u>	<u>\$ 250,495</u>	<u>\$ 2,779,860</u>
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Significant details regarding outstanding long-term debt (including current portion) are presented below:

PRIMARY GOVERNMENT

Contracts Payable

\$253,000 1978 City of Owosso contract payable dated June 1, 1978 due in annual installments of \$23,000 through April 1, 2001, with interest at 7.25 percent, payable annually. 46,000

\$36,000 1980 City of Owosso contract payable dated September 1, 1980 due in annual principal installments of \$1,840 through June 1, 2000. 1,840

General Obligation Bonds

\$220,000 1998 County of Shiawassee, City of Corunna Transportation Bonds dated April 1, 1998, due in annual installments ranging from \$10,000 to \$20,000 through August 1, 2012, with interest ranging from 4.70 to 5.05 percent, payable annually. 210,000

\$870,000 1996 County of Shiawassee, City of Corunna Public Improvement Bonds dated September 1, 1996, due in annual installments ranging from \$75,000 to \$110,000 through September 1, 2006, with interest ranging from 4.40 to 5.30 percent, payable semi-annually. 740,000

\$700,000 1992 Shiawassee County, City of Corunna Water Supply System Improvement Bonds dated May 1, 1991, due in annual installments ranging from \$25,000 to \$50,000 through May 1, 2011, with interest ranging from 5.40 to 6.25 percent, payable annually. 525,000

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE G: LONG-TERM DEBT - CONTINUED

Revenue Bonds

\$550,000 1996 Wastewater Treatment System Revenue Bonds dated February 1, 1998, due in annual installments ranging from \$15,000 to \$40,000 through November 1, 2015, with interest ranging from 4.30 to 5.45 percent, payable annually.	500,000
\$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.	<u>305,000</u>
TOTAL PRIMARY GOVERNMENT	2,327,840

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.	\$ <u>364,376</u>
	<u>\$ 2,692,216</u>

Capital Leases - Primary Government

The City has entered into a lease purchase agreement to finance the acquisition of a copier. 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 \$6,750.

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

Years ending <u>June 30,</u>	
2000	<u>1,723</u>
	1,723
Less: amount representing interest	<u>(141)</u>
Present value of minimum lease payments	<u>\$ 1,582</u>

The City has entered into a lease purchase agreement to finance the acquisition of a sewer vector, 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.

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE G: LONG-TERM DEBT - CONTINUED

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

Years ending <u>June 30,</u>	
2000	<u>17,489</u>
	17,489
Less: amount representing interest	<u>(877)</u>
Present value of minimum lease payments	<u>\$ 16,612</u>

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

Years ending <u>June 30,</u>	
2000	15,823
2001	15,823
2002	<u>15,823</u>
	47,469
Less: amount representing interest	<u>(4,195)</u>
Present value of minimum lease payments	\$ <u>43,274</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 \$26,176 at June 30, 1999.

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE G: LONG-TERM DEBT - CONTINUED

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

<u>Year Ending June 30,</u>	<u>Loans Payable</u>	<u>Contracts Payable</u>	<u>General Obligation Bonds</u>	<u>Revenue Improvements Bonds</u>	<u>Total</u>
2000	\$ 36,108	\$ 27,600	\$ 186,106	\$ 65,382	\$ 315,196
2001	36,108	24,380	185,794	69,065	315,347
2002	36,108	-	185,092	67,705	288,905
2003	36,108	-	208,997	66,325	311,430
2004	36,108	-	210,980	69,800	316,888
2005-2009	180,540	-	197,400	354,900	732,840
2010-2014	180,540	-	771,321	351,985	1,303,846
2015-2019	16,308	-	-	181,920	198,228
2020-2022	-	-	-	20,500	20,500
	557,928	51,980	1,945,690	1,247,582	3,803,180
Less: interest	(193,552)	(4,140)	(470,690)	(442,582)	(1,110,964)
	<u>\$ 364,376</u>	<u>\$ 47,840</u>	<u>\$ 1,475,000</u>	<u>\$ 805,000</u>	<u>\$ 2,692,216</u>

NOTE H: RETIREMENT PLAN

Plan Description

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

Funding Policy

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

Annual Pension Cost

For year ended June 30, 1999 the City's annual pension cost of \$115,032 for the plan was equal to the City's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 1996, using the entry age normal cost method. Significant actuarial assumptions used include (a) a 8.00 percent investment rate of return (b) projected salary increases of 4.5 percent per year compounded annually, attributable to inflation (c) additional salary increases ranging from 0% to 4.2% per year depending on age, seniority and merit, and (d) assumption benefits will not increase after retirement. The actuarial value of assets was determined using techniques that smooth the effects of short term volatility over a four (4) year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is ten (10) years.

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE H: RETIREMENT PLAN – CONTINUED

Three (3) year trend information

	Year Ended December 31,		
	<u>1995</u>	<u>1996</u>	<u>1997</u>
Actuarial value of assets	\$ 1,199,132	\$ 1,312,058	\$ 1,451,163
Actuarial accrued liability (AAL) (entry age)	1,848,396	2,075,723	2,234,124
Unfunded AAL	649,264	763,665	782,961
Funded ratio	65 %	63 %	65 %
Covered payroll	\$ 380,968	\$ 395,506	\$ 456,350
UAAL as a percentage of covered payroll	170 %	193 %	171%

	Year Ended June 30,		
	<u>1997</u>	<u>1998</u>	<u>1999</u>
Annual pension cost	\$ 55,716	\$ 76,240	\$ 115,032
Percentage of APC contributed	100 %	100 %	100 %
Net pension obligation	-	-	

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

NOTE I: 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 (PEBSCO). The property and rights held under the City deferred compensation plan are reported in an Agency Fund at market value under the caption "Investments".

Legislative change has been made to 457 plans which mandates that by no later than January 1, 1999, all existing 457 plan assets must be held in a custodial account, trust, or annuity contract for the benefit of participants and their beneficiaries.

Once a trust, custodial account, or annuity contract exists, assets are owned or held by the trust, custodian, or insurer for the exclusive benefit of participants and beneficiaries, and are not subject to the claims of public employees creditors nor can they be used by the public employee for any purpose other than the payment of benefits to these individuals participating in the plan or their designated beneficiaries.

During the current period the County has transferred ownership of the deferred compensation plan to an outside custodian for the exclusive benefit of the plans participants and beneficiaries. Due to this transfer the Deferred Compensation Fund has been eliminated from the financial statements in accordance with the new legislation and GASB #32.

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE J: 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, 1999, is as follows:

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
Operating revenues	\$ 468,412	\$ 410,659	\$ 879,071
Operating expenses			
Depreciation and amortization	112,882	47,998	160,880
Other	246,871	256,716	503,587
Operating income	108,659	105,945	214,604
Net income	54,087	93,203	147,290
Contributed capital	2,075,344	163,938	2,239,282
Net working capital	349,977	368,898	718,875
Total assets	3,295,371	1,396,190	4,691,561
Long-term liabilities			
Contracts payable	23,000	-	23,000
General obligation bonds payable	-	500,000	500,000
Revenue improvement bonds payable	780,000	-	780,000
Total equity	2,406,300	850,697	3,256,997

NOTE K: 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, 1999, the City incurred expenditures in the General Fund, one (1) Special Revenue Fund, and three (3) Debt Service Funds in excess of the amounts appropriated as follows:

	<u>Appropriated</u>	<u>Amounts Expended</u>	<u>Amounts Variance</u>
General Fund			
Other	\$ 26,952	\$ 28,209	\$ 1,257
Special Revenue Funds			
Softball Commission	31,418	31,848	430
Debt Service Fund			
1985 Loan Program	41,843	41,845	2
1996 G.O. Limited Tax Bonds	103,136	103,341	205
Building Authority	-	67	67

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE L: 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, 1999:

Fund Balance

General Fund	
Reserved for retirement benefits	\$ 12,545
Reserved for advances to other funds	<u>30,000</u>
	42,545
Special Revenue	
Softball Commission	
Reserved for inventory	\$ 2,623
Debt Service Funds	
1985 Loan program	
Reserved for debt service	(9,549)
1996 G.O. Limited Tax Bonds	
Reserved for debt service	<u>(13,638)</u>
	(23,187)
Fiduciary Funds	
Cemetery Perpetual Care	
Reserved for perpetual care	<u>60,207</u>
	<u>\$ 82,188</u>

Retained Earnings

Enterprise Funds	
Sewer System Fund	
Reserved for bonds	63,603
Reserved for debt service	11,312
Reserved for replacement	<u>46,032</u>
	120,947
Water System Fund	
Reserved for replacement	<u>131,254</u>
	<u>\$ 252,201</u>

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE M: FUND DEFICITS

The following funds had fund equity deficits at June 30, 1999:

	<u>Deficit</u>
Special Revenue Funds	
Historical Commission	\$ 15,096
Softball Commission	1,239
Debt Service Funds	
1985 Loan Program	9,549
1996 G.O. Limited Tax Bond	13,638

NOTE N: 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.

<u>Year ending</u> <u>June 30,</u>	
2000	54,656
2001	51,143
2002	46,973
2003	<u>21,057</u>
	<u>\$ 173,829</u>

NOTE O: 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, 1999, three retirees received benefits. The costs for the year ended June 30, 1999 totaled \$16,287 and were paid from the General Fund.

NOTE P: RISK MANAGEMENT

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

City of Corunna

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE P: RISK MANAGEMENT- CONTINUED

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

NOTE Q: PRIOR PERIOD ADJUSTMENTS

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

	June 30,		
	<u>1999</u>	<u>1998</u>	<u>Description</u>
Special Revenue Funds			
HUD Grant			
Advance to Component Unit - DDA	\$ -	\$(245,231)	Primary Government forgave advance to Component Unit - DDA
Fund Balance – beginning	(245,231)	-	
Softball Commission			
Inventory	-	945	Correct understatement of inventory
Fund Balance	945	-	
Component Unit – DDA			
Advance from Primary Government	-	245,231	Primary Government forgave advance to Component Unit - DDA
Fund Balance - beginning	245,231	-	

NOTE R: IMPACT OF YEAR 2000 (UNAUDITED)

The year 2000 contingency is the result of shortcomings in many electronic data processing systems and other equipment that may adversely effect operations in the year 1999 and beyond. The year 2000 issue has a wide range of potential implications including a computer system programming issue. Unfortunately, many programs (if not corrected) will not be able to distinguish between the year 2000 and the year 1900. This may cause the programs to process data inaccurately or to stop processing data altogether.

The City recognizes the need to ensure its operations will not be adversely impacted by year 2000 software failure. They are working with third parties to identify, evaluate, and implement changes to computer systems and the applications necessary to achieve a year 2000 date conversion with no disruption to its business operations. The problems caused by the year 2000 creates risks for the City from unforeseen problems in its own and in third parties' computer systems. Such failures of the City's and/or third parties' computer systems could have a material adverse impact on the City's ability to conduct its business. Management believes it is taking appropriate steps to address the issues raised by the year 2000 software problem. The City has identified various computer systems an electronic equipment groups which are mission-critical (i.e., critical to conducting operations) and is subjecting those systems and equipment to the following stages of work to address year 2000 issues:

- a. Awareness Stage – Establishing a budget and project plan for dealing with the year 2000 issue
- b. Assessments Stage – Identifying the systems and components for which the year 2000 compliance work is needed

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE R: IMPACT OF YEAR 2000 (UNAUDITED) - CONTINUED

- c. Remediation Stage – Making changes to systems and equipment
- d. Validation/Testing Stage – Validating and testing the changes that were made during the remediation stage

The city has completed the awareness and assessment stages for all of its mission critical systems and electronic equipment and is currently in the remediation stage with all mission critical systems and electronic equipment. All mission-critical systems and electronic equipment are still subject to the validation/testing stage. Completion of these various stages for the various systems is not a guarantee that the systems and equipment will be year 2000 compliant.

NOTE S: SUBSEQUENT EVENTS

In July 1999, the City purchased a backhoe at a cost of \$50,700. This purchase was financed by a 60 month capital lease. The backhoe lease interest rate is 5.5 percent annually. The payments on this capital lease are expected to be paid from the Motor Pool Fund which appears to have sufficient funds to make the future payments.

SUPPLEMENTAL FINANCIAL INFORMATION

City of Corunna

General Fund

STATEMENT OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL

Year Ended June 30, 1999

With Actual Amounts for Year Ended June 30, 1998

	Amended <u>Budget</u>	1999 <u>Actual</u>	Variance Favorable (Unfavorable)	1998 <u>Actual</u>
REVENUES				
Taxes				
Property taxes	\$ 557,280	\$ 571,602	\$ 14,322	\$ 522,793
Industrial and commercial facilities	22,100	22,056	(44)	16,487
	<hr/>	<hr/>	<hr/>	<hr/>
Total taxes	579,380	593,658	14,278	539,280
Licenses and permits				
Cable television license	15,000	15,335	335	13,646
City licenses and permits	14,335	12,768	(1,567)	9,992
	<hr/>	<hr/>	<hr/>	<hr/>
Total licenses and permits	29,335	28,103	(1,232)	23,638
Intergovernmental				
State				
Sales tax	372,793	363,581	(9,212)	346,357
Michigan justice training	1,000	604	(396)	3,607
Federal				
FEMA	45,900	22,966	(22,934)	-
COPS grant	17,972	10,877	(7,095)	18,554
	<hr/>	<hr/>	<hr/>	<hr/>
Total intergovernmental	437,665	398,028	(39,637)	368,518
Charges for services				
Fire protection - Townships	65,505	58,911	(6,594)	68,301
Tax collection fees	23,000	21,610	(1,390)	22,471
Recreational fees	13,460	9,904	(3,556)	17,281
Administration charges	111,100	120,401	9,301	112,092
Other fees	-	-	-0-	1,845
	<hr/>	<hr/>	<hr/>	<hr/>
Total charges for services	213,065	210,826	(2,239)	221,990

City of Corunna

General Fund

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

	<u>Amended Budget</u>	<u>1999 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1998 Actual</u>
REVENUES - CONTINUED				
Fines and forfeits				
Parking	\$ 1,000	\$ 1,530	\$ 530	\$ 1,452
Ordinance	25,000	22,505	(2,495)	28,575
	<hr/>	<hr/>	<hr/>	<hr/>
Total fines and forfeits	26,000	24,035	(1,965)	30,027
Interest and rents				
Interest	36,000	39,490	3,490	47,187
Rents	22,920	24,067	1,147	20,484
	<hr/>	<hr/>	<hr/>	<hr/>
Total interest and rents	58,920	63,557	4,637	67,671
Special assessments				
Sidewalk and other	2,650	1,478	(1,172)	1,575
Other				
Reimbursements	32,000	24,255	(7,745)	28,676
Refunds	-	-	-0-	3,960
Contributions	1,895	2,207	312	3,200
Other	2,100	2,710	610	20,450
	<hr/>	<hr/>	<hr/>	<hr/>
Total other	35,995	29,172	(6,823)	56,286
TOTAL REVENUES	1,383,010	1,348,857	(34,153)	1,308,985
OTHER FINANCING SOURCES				
Operating transfers in	3,700	3,700	-0-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 1,386,710</u>	<u>\$ 1,352,557</u>	<u>\$ (34,153)</u>	<u>\$ 1,308,985</u>

City of Corunna

General Fund

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

	<u>Amended Budget</u>	<u>1999 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1998 Actual</u>
EXPENDITURES				
Legislative				
Council, boards, and commissions	\$ 9,451	\$ 7,514	\$ 1,937	\$ 7,662
General government				
City Manager	77,762	73,289	4,473	62,132
Treasurer/Assessor	94,154	93,878	276	67,011
Clerk	68,148	67,763	385	63,079
Internal services	65,880	63,389	2,491	50,014
Legal services	23,000	15,682	7,318	22,762
Elections	3,941	3,889	52	11,535
City hall and grounds	41,833	38,494	3,339	34,113
City services	46,339	44,129	2,210	47,682
Total general government	421,057	400,513	20,544	358,328
Public safety				
Police department	352,304	350,027	2,277	341,808
Crossing guard	4,513	4,246	267	2,685
Fire department	112,939	109,105	3,834	106,885
Zoning	17,000	15,740	1,260	16,722
Planning commission	8,000	7,991	9	5,544
Total public safety	494,756	487,109	7,647	473,644
Public Works				
General services	256,149	256,042	107	198,694
Storm drain program	1,000	908	92	3,578
Total public works	257,149	256,950	199	202,272
Recreation and cultural				
Parks maintenance	61,393	56,871	4,522	64,787
Community promotion	17,931	17,705	226	32,030
Summer recreation	18,028	15,149	2,879	14,463
Historical village	2,098	1,724	374	4,625
Casino building	28,240	24,066	4,174	11,106
Total recreation and cultural	127,690	115,515	12,175	127,011

City of Corunna

General Fund

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

	<u>Amended Budget</u>	<u>1999 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1998 Actual</u>
EXPENDITURES - CONTINUED				
Other				
Insurance	\$ 11,752	\$ 11,752	\$ -	\$ 11,947
Fringe benefits	15,200	16,457	(1,257)	15,118
Total other	<u>26,952</u>	<u>28,209</u>	<u>(1,257)</u>	<u>27,065</u>
TOTAL EXPENDITURES	1,337,055	1,295,810	41,245	1,195,982
OTHER FINANCING USES				
Operating transfers out				
Cemetery Fund	19,845	14,534	5,311	12,000
Library Fund	26,700	20,025	6,675	26,000
1985 Debt Fund	5,000	3,750	1,250	5,000
Fourth of July Commission	3,000	3,000	-0-	3,000
Historical Commission	7,600	7,600	-0-	-
Fireworks Fund	1,054	1,054	-0-	-
TOTAL OTHER FINANCING USES	<u>63,199</u>	<u>49,963</u>	<u>13,236</u>	<u>46,000</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u><u>\$ 1,400,254</u></u>	<u><u>\$ 1,345,773</u></u>	<u><u>\$ 54,481</u></u>	<u><u>\$ 1,241,982</u></u>

City of Corunna

Special Revenue Funds

COMBINING BALANCE SHEET

June 30, 1998

	<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	\$ 194,482	\$ 25,150	\$ 28,748	\$ 13,083	\$ 15,025	\$ 843
Investments	-	-	-	-	-	-
Receivables						
Contracts	-	-	-	-	-	195
Interest	-	-	-	-	-	-
Inventory	-	-	-	-	-	2,623
Due from other funds	-	6,483	-	-	-	-
Due from other governmental units						
State	26,283	8,804	-	-	-	-
Local	-	-	-	5,605	-	-
TOTAL ASSETS	<u>\$220,765</u>	<u>\$ 40,437</u>	<u>\$ 28,748</u>	<u>\$ 18,688</u>	<u>\$ 15,025</u>	<u>\$ 3,661</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 1,394	\$ 121	\$ 346	\$ 830	\$ 121	\$ -
Accrued wages	607	6	-	1,225	-	-
Other accrued liabilities	46	-	-	94	-	-
Due to other funds	6,483	15,505	-	-	-	4,900
Deferred revenue	-	-	-	-	-	-
Advance from other funds	-	-	-	-	30,000	-
TOTAL LIABILITIES	<u>8,530</u>	<u>15,632</u>	<u>346</u>	<u>2,149</u>	<u>30,121</u>	<u>4,900</u>
FUND BALANCES (DEFICITS)						
Reserved for inventory	-	-	-	-	-	2,623
Unreserved - undesignated	<u>212,235</u>	<u>24,805</u>	<u>28,402</u>	<u>16,539</u>	<u>(15,096)</u>	<u>(3,862)</u>
TOTAL FUND BALANCES (DEFICITS)	<u>212,235</u>	<u>24,805</u>	<u>28,402</u>	<u>16,539</u>	<u>(15,096)</u>	<u>(1,239)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$220,765</u>	<u>\$ 40,437</u>	<u>\$ 28,748</u>	<u>\$ 18,688</u>	<u>\$ 15,025</u>	<u>\$ 3,661</u>

<u>Fourth of July Commission</u>	<u>Stu Coutts Recreation</u>	<u>Asset Seizure</u>	<u>Economic Development</u>	<u>H.U.D. Grant</u>	<u>Heritage Park</u>	<u>Library Building</u>	<u>City Improvements</u>	<u>Library Technology</u>	<u>Total</u>
\$ 10,083	\$ 41,840	\$ 346	\$214,074	\$ 1	\$ 885	\$ 26,249	\$ 123,467	\$10,000	\$ 704,276
5,362	-	-	93,384	-	-	-	-	-	98,746
-	-	-	57,495	-	-	-	-	-	57,690
33	-	-	1,763	-	-	-	-	-	1,796
-	-	-	-	-	-	-	-	-	2,623
-	-	-	-	4,769	-	-	37,620	-	48,872
-	-	-	-	-	-	-	-	-	35,087
-	-	-	-	-	-	-	-	-	5,605
<u>\$ 15,478</u>	<u>\$ 41,840</u>	<u>\$ 346</u>	<u>\$366,716</u>	<u>\$ 4,770</u>	<u>\$ 885</u>	<u>\$ 26,249</u>	<u>\$ 161,087</u>	<u>\$10,000</u>	<u>\$ 954,695</u>
\$ 240	\$ 13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,065
-	46	-	-	-	-	-	-	-	1,884
-	4	-	-	-	-	-	-	-	144
-	-	-	-	-	-	-	-	-	26,888
-	-	-	57,495	-	-	-	-	-	57,495
-	-	-	-	-	-	-	-	-	30,000
240	63	-0-	57,495	-0-	-0-	-0-	-0-	-0-	119,476
-	-	-	-	-	-	-	-	-	2,623
15,238	41,777	346	309,221	4,770	885	26,249	161,087	10,000	832,596
15,238	41,777	346	309,221	4,770	885	26,249	161,087	10,000	835,219
<u>\$ 15,478</u>	<u>\$ 41,840</u>	<u>\$ 346</u>	<u>\$366,716</u>	<u>\$ 4,770</u>	<u>\$ 885</u>	<u>\$ 26,249</u>	<u>\$ 161,087</u>	<u>\$10,000</u>	<u>\$ 954,695</u>

City of Corunna

Special Revenue Funds

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

Year ended June 30, 1999

	<u>Major Street</u>	<u>Local Street</u>	<u>Cemetery</u>	<u>Library</u>	<u>Historical Commission</u>	<u>Softball Commission</u>
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	148,629	48,573	-	20,501	-	-
Charges for services	-	-	11,538	445	-	-
Fines and forfeits	-	-	-	17,590	-	-
Interest and rents	1,111	-	-	452	7,816	-
Other revenues	-	-	-	-	7,775	28,522
TOTAL REVENUES	149,740	48,573	11,538	38,988	15,591	28,522
EXPENDITURES						
Highways and streets	40,000	58,512	-	-	-	-
Health and welfare	-	-	17,252	-	-	-
Recreation and cultural	-	-	-	60,109	13,305	31,848
Public safety	-	-	-	-	-	-
Other	-	-	-	-	-	-
Debt service	-	6,604	-	-	-	-
TOTAL EXPENDITURES	40,000	65,116	17,252	60,109	13,305	31,848
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	109,740	(16,543)	(5,714)	(21,121)	2,286	(3,326)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	22,107	14,534	20,025	7,600	-
Operating transfers out	(37,745)	(12,000)	-	(18,444)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(37,745)	10,107	14,534	1,581	7,600	-0-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	71,995	(6,436)	8,820	(19,540)	9,886	(3,326)
Fund balances, beginning of year	140,240	31,241	19,582	36,079	(24,982)	1,142
Prior period adjustment	-	-	-	-	-	945
Fund balances (deficits), end of year	\$212,235	\$ 24,805	\$ 28,402	\$ 16,539	\$ (15,096)	\$ (1,239)

<u>Fourth of July Commission</u>	<u>Stu Coutts Recreation</u>	<u>Asset Seizure</u>	<u>Economic Development</u>	<u>H.U.D. Grant</u>	<u>Heritage Park</u>	<u>Library Building</u>	<u>City Improvements</u>	<u>Library Technology</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 218,640	\$ -	\$ 218,640
-	-	-	-	-	-	-	-	-	217,703
-	-	-	-	-	-	-	-	-	11,983
-	-	294	-	-	-	-	-	-	17,884
279	3,113	-	9,189	-	-	616	4,895	-	27,471
13,348	-	-	79,428	-	-	-	-	-	129,073
13,627	3,113	294	88,617	-0-	-0-	616	223,535	-0-	622,754
-	-	-	-	-	-	-	-	-	98,512
-	-	-	-	-	-	-	-	-	17,252
12,862	3,835	-	-	-	-	-	-	-	121,959
-	-	142	-	-	-	-	-	-	142
-	-	-	267	-	-	-	-	-	267
-	-	-	-	-	-	-	-	-	6,604
12,862	3,835	142	267	-0-	-0-	-0-	-0-	-0-	244,736
765	(722)	152	88,350	-0-	-0-	616	223,535	-0-	378,018
3,000	-	-	-	-	-	10,644	-	7,800	85,710
-	-	-	-	-	-	-	(122,028)	-	(190,217)
3,000	-0-	-0-	-0-	-0-	-0-	10,644	(122,028)	7,800	(104,507)
3,765	(722)	152	88,350	-0-	-0-	11,260	101,507	7,800	273,511
11,473	42,499	194	220,871	250,001	885	14,989	59,580	2,200	805,994
-	-	-	-	(245,231)	-	-	-	-	(244,286)
<u>\$ 15,238</u>	<u>\$ 41,777</u>	<u>\$ 346</u>	<u>\$309,221</u>	<u>\$ 4,770</u>	<u>\$ 885</u>	<u>\$ 26,249</u>	<u>\$ 161,087</u>	<u>\$10,000</u>	<u>\$ 835,219</u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

Major Street

	<u>Amended Budget</u>	<u>1999 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1998 Actual</u>
REVENUES				
Intergovernmental - State				
Gas and weight tax	\$ 116,707	\$ 148,629	\$ 31,922	\$ 137,790
Interest	1,200	1,111	(89)	1,456
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	117,907	149,740	31,833	139,246
EXPENDITURES				
Highways and streets				
Construction				
Contracted services	-	-	-0-	349
Routine maintenance				
Salaries and wages	4,236	4,290	(54)	2,741
Fringe benefits	3,054	1,616	1,438	939
Contractual services	20,000	4,136	15,864	2,279
Supplies	3,800	1,025	2,775	2,747
Equipment rental	3,000	707	2,293	2,469
	<hr/>	<hr/>	<hr/>	<hr/>
Total routine maintenance	34,090	11,774	22,316	11,175
Traffic services				
Salaries and wages	649	362	287	288
Fringe benefits	129	112	17	125
Contractual services	2,800	4,131	(1,331)	4,648
Supplies	700	(1,119)	1,819	2,794
Equipment rental	500	73	427	20
	<hr/>	<hr/>	<hr/>	<hr/>
Total traffic services	4,778	3,559	1,219	7,875
Winter maintenance				
Salaries and wages	7,075	7,593	(518)	5,100
Fringe benefits	2,191	2,352	(161)	3,142
Supplies	9,100	6,997	2,103	6,405
Equipment rental	6,000	7,725	(1,725)	2,188
	<hr/>	<hr/>	<hr/>	<hr/>
Total winter maintenance	24,366	24,667	(301)	16,835

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

Major Street

	<u>Amended Budget</u>	<u>1999 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1998 Actual</u>
TOTAL EXPENDITURES	<u>63,234</u>	<u>40,000</u>	<u>23,234</u>	<u>36,234</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ 54,673	\$ 109,740	\$ 55,067	\$ 103,012
OTHER FINANCING USES				
Operating transfers out	<u>(50,326)</u>	<u>(37,745)</u>	<u>12,581</u>	<u>(54,244)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	4,347	71,995	67,648	48,768
Fund balance, beginning of year	<u>140,240</u>	<u>140,240</u>	<u>-0-</u>	<u>91,472</u>
Fund balance, end of year	<u>\$ 144,587</u>	<u>\$ 212,235</u>	<u>\$ 67,648</u>	<u>\$ 140,240</u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

Local Street

	Amended Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
REVENUES				
Intergovernmental - State				
Gas and weight tax	\$ 42,848	\$ 48,573	\$ 5,725	\$ 50,501
Other	-	-	-	9,209
Special assessments	-	-	-0-	8,000
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	42,848	48,573	5,725	67,710
EXPENDITURES				
Highways and streets				
Construction				
Contracted services	18,500	18,500	-0-	200
Routine maintenance				
Salaries and wages	9,080	8,032	1,048	10,305
Fringe benefits	6,604	3,386	3,218	4,318
Contractual services	12,900	-	12,900	469
Supplies	5,500	3,500	2,000	1,293
Equipment rental	9,000	2,927	6,073	13,616
	<hr/>	<hr/>	<hr/>	<hr/>
Total routine maintenance	43,084	17,845	25,239	30,001
Traffic services				
Salaries and wages	1,745	939	806	2,007
Fringe benefits	590	367	223	811
Contractual services	100	14	86	-
Supplies	600	269	331	1,324
Equipment rental	700	197	503	667
	<hr/>	<hr/>	<hr/>	<hr/>
Total traffic services	3,735	1,786	1,949	4,809
Winter maintenance				
Salaries and wages	6,755	6,651	104	3,065
Fringe benefits	3,806	2,623	1,183	1,245
Supplies	7,100	4,171	2,929	3,737
Equipment rental	5,000	6,936	(1,936)	2,987
	<hr/>	<hr/>	<hr/>	<hr/>
Total winter maintenance	22,661	20,381	2,280	11,034
	<hr/>	<hr/>	<hr/>	<hr/>
Total highways and streets	87,980	58,512	29,468	46,044

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

Local Street

	<u>Amended Budget</u>	<u>1999 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1998 Actual</u>
Debt service				
Principal retirement	\$ 5,910	\$ 5,910	\$ -	\$ 22,492
Interest and fiscal charges	686	694	(8)	2,515
	<u>6,596</u>	<u>6,604</u>	<u>(8)</u>	<u>25,007</u>
Total debt service				
	<u>6,596</u>	<u>6,604</u>	<u>(8)</u>	<u>25,007</u>
TOTAL EXPENDITURES	<u>94,576</u>	<u>65,116</u>	<u>29,460</u>	<u>71,051</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(51,728)	(16,543)	35,185	(3,341)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	38,596	22,107	(16,489)	33,394
Operating transfers out	<u>(16,000)</u>	<u>(12,000)</u>	<u>4,000</u>	<u>(16,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>22,596</u>	<u>10,107</u>	<u>(12,489)</u>	<u>17,394</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(29,132)	(6,436)	22,696	14,053
Fund balance, beginning of year	<u>31,241</u>	<u>31,241</u>	<u>-0-</u>	<u>17,188</u>
Fund balance, end of year	<u>\$ 2,109</u>	<u>\$ 24,805</u>	<u>\$ 22,696</u>	<u>\$ 31,241</u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

Cemetery

	Amended <u>Budget</u>	1999 <u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	1998 <u>Actual</u>
REVENUES				
Charges for services	\$ 12,000	\$ 11,538	\$ (462)	\$ 12,167
EXPENDITURES				
Health and welfare				
Salaries and wages	10,300	8,811	1,489	6,262
Fringe benefits	2,450	3,017	(567)	839
Administrative charges	-	-	-0-	1,172
Supplies	2,000	-	2,000	861
Contractual services	1,800	1,772	28	1,505
Utilities	250	186	64	155
Equipment rental	15,000	3,466	11,534	8,379
TOTAL EXPENDITURES	<u>31,800</u>	<u>17,252</u>	<u>14,548</u>	<u>19,173</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(19,800)	(5,714)	14,086	(7,006)
OTHER FINANCING SOURCES				
Operating transfers in	<u>19,845</u>	<u>14,534</u>	<u>(5,311)</u>	<u>12,000</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	45	8,820	8,775	4,994
Fund balance, beginning of year	<u>19,582</u>	<u>19,582</u>	<u>-0-</u>	<u>14,588</u>
Fund balance, end of year	<u>\$ 19,627</u>	<u>\$ 28,402</u>	<u>\$ 8,775</u>	<u>\$ 19,582</u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

Library

	<u>Amended Budget</u>	<u>1999 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1998 Actual</u>
REVENUES				
Intergovernmental				
State	\$ 6,803	\$ 6,922	\$ 119	\$ 6,616
Local	13,606	13,579	(27)	9,908
Charges for services	445	445	-	386
Fines and forfeits	15,722	17,590	1,868	15,365
Interest	800	452	(348)	696
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	37,376	38,988	1,612	32,971
EXPENDITURES				
Recreation and cultural				
Salaries and wages	35,500	33,815	1,685	28,708
Fringe benefits	3,955	3,926	29	2,375
Contractual services	6,017	5,834	183	5,834
Supplies	14,479	12,508	1,971	11,956
Utilities	2,300	2,293	7	2,306
Communication	1,225	1,315	(90)	800
Equipment rental	100	116	(16)	29
Miscellaneous	500	302	198	123
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	64,076	60,109	3,967	52,131
EXCESS OF REVENUES (UNDER) EXPENDITURES	(26,700)	(21,121)	5,579	(19,160)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	26,700	20,025	(6,675)	26,000
Operating transfer out	(18,444)	(18,444)	-0-	(2,200)
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	8,256	1,581	(6,675)	23,800
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(18,444)	(19,540)	(1,096)	4,640
Fund balance, beginning of year	36,079	36,079	-0-	31,439
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 17,635</u>	<u>\$ 16,539</u>	<u>\$ (1,096)</u>	<u>\$ 36,079</u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

Historical Commission

	Amended <u>Budget</u>	1999 <u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	1998 <u>Actual</u>
REVENUES				
Interest and rents	\$ 7,500	\$ 7,816	\$ 316	\$ 8,397
Other				
Contributions	14,750	7,768	(6,982)	2,380
Fundraising	-	-	-0-	1,020
Miscellaneous	-	7	7	256
	<u>22,250</u>	<u>15,591</u>	<u>(6,659)</u>	<u>12,053</u>
TOTAL REVENUES	22,250	15,591	(6,659)	12,053
EXPENDITURES				
Recreation and cultural				
Office supplies	-	2,376	(2,376)	331
Repairs and maintenance	19,302	6,757	12,545	38,607
Janitorial services	500	1,800	(1,300)	1,800
Utilities	800	1,988	(1,188)	1,334
Miscellaneous	9,648	384	9,264	523
	<u>30,250</u>	<u>13,305</u>	<u>16,945</u>	<u>42,595</u>
TOTAL EXPENDITURES	30,250	13,305	16,945	42,595
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,000)	2,286	10,286	(30,542)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	8,000	7,600	(400)	-
	<u>8,000</u>	<u>7,600</u>	<u>(400)</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	-0-	9,886	9,886	(30,542)
Fund balance (deficit), beginning of year	(24,982)	(24,982)	-0-	5,560
	<u>(24,982)</u>	<u>(24,982)</u>	<u>-0-</u>	<u>5,560</u>
Fund balance (deficit), end of year	<u>\$ (24,982)</u>	<u>\$ (15,096)</u>	<u>\$ 9,886</u>	<u>\$ (24,982)</u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

Softball Commission

	Amended <u>Budget</u>	1999 <u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	1998 <u>Actual</u>
REVENUES				
Interest	\$ -	\$ -	\$ -0-	\$ 93
Other				
Fees	24,104	24,179	75	23,655
Concessions	1,539	3,597	2,058	2,675
Advertising	-	-	-0-	1,400
Donations	-	-	-0-	6,115
Miscellaneous	615	746	131	527
	<u>26,258</u>	<u>28,522</u>	<u>2,264</u>	<u>34,465</u>
TOTAL REVENUES	26,258	28,522	2,264	34,465
EXPENDITURES				
Recreation and cultural				
Contractual services	20,035	20,074	(39)	20,323
Registration and fees	2,005	2,241	(236)	1,586
Field improvements	4,106	4,273	(167)	7,037
Supplies	800	1,231	(431)	1,214
Concession supplies	1,503	1,437	66	2,503
Awards	800	564	236	689
Telephone	73	275	(202)	466
Insurance	200	200	-0-	200
Refunds	945	945	-0-	665
Miscellaneous	401	58	343	3,541
Equipment	550	550	-0-	-
	<u>31,418</u>	<u>31,848</u>	<u>(430)</u>	<u>38,224</u>
TOTAL EXPENDITURES	31,418	31,848	(430)	38,224
EXCESS OF REVENUES (UNDER) EXPENDITURES	(5,160)	(3,326)	1,834	(3,759)
Fund balance, beginning of year	1,142	1,142	\$ -0-	4,901
Prior period adjustment	-	945	945	-
Fund balance (deficit), end of year	\$ (4,018)	\$ (1,239)	\$ 2,779	\$ 1,142

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

Fourth of July Commission

	<u>Amended Budget</u>	<u>1999 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1998 Actual</u>
REVENUES				
Interest	\$ -	\$ 279	\$ 279	\$ 129
Other				
Festivities	15,225	12,299	(2,926)	8,113
Contributions	-	1,049	1,049	1,051
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	15,225	13,627	(1,598)	9,293
EXPENDITURES				
Recreation and cultural				
Festivities	13,750	11,381	2,369	8,112
Seminars and dues	600	466	134	370
Office supplies	1,375	777	598	855
Fundraising	2,500	238	2,262	30
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	18,225	12,862	5,363	9,367
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,000)	765	3,765	(74)
OTHER FINANCING SOURCES				
Operating transfers in	3,000	3,000	-0-	3,000
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	-0-	3,765	3,765	2,926
Fund balance, beginning of year	11,473	11,473	-0-	8,547
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	\$ 11,473	\$ 15,238	\$ 3,765	\$ 11,473
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

	<u>Amended Budget</u>	<u>1999 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1998 Actual</u>
<u>Stu Coumts Recreation</u>				
REVENUES				
Interest and rents	\$ 4,000	\$ 3,113	\$ (887)	\$ 3,944
EXPENDITURES				
Recreation and cultural				
Salaries and wages	1,500	834	666	735
Fringe benefits	1,165	387	778	94
Administrative charges	-	-	-0-	690
Contractual services	400	339	61	5,790
Supplies	2,800	305	2,495	1,448
Utilities	3,500	1,695	1,805	3,025
Equipment rental	800	275	525	654
TOTAL EXPENDITURES	<u>10,165</u>	<u>3,835</u>	<u>6,330</u>	<u>12,436</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(6,165)	(722)	5,443	(8,492)
Fund balance, beginning of year	<u>42,499</u>	<u>42,499</u>	\$ -0-	<u>50,991</u>
Fund balance, end of year	<u>\$ 36,334</u>	<u>\$ 41,777</u>	<u>\$ 5,443</u>	<u>\$ 42,499</u>
<u>Asset Seizure</u>				
REVENUES				
Fines and forfeits	\$ -	\$ 294	\$ 294	\$ 142
EXPENDITURES				
Public safety				
Supplies	-	142	(142)	-
EXCESS OF REVENUES OVER EXPENDITURES	-0-	152	152	142
Fund balance, beginning of year	<u>194</u>	<u>194</u>	-0-	<u>52</u>
Fund balance, end of year	<u>\$ 194</u>	<u>\$ 346</u>	<u>\$ 152</u>	<u>\$ 194</u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

	Amended <u>Budget</u>	1999 <u>Actual</u>	Variance Favorable (Unfavorable)	1998 <u>Actual</u>
<u>Economic Development</u>				
REVENUES				
Interest	\$ 7,000	\$ 9,189	\$ 2,189	\$ 8,678
Other				
Loan repayment	94,438	79,428	(15,010)	34,853
Miscellaneous	-	-	-0-	50
	<u>101,438</u>	<u>88,617</u>	<u>(12,821)</u>	<u>43,581</u>
TOTAL REVENUES				
EXPENDITURES				
Other				
Loans	185,000	267	184,733	-
	<u>185,000</u>	<u>267</u>	<u>184,733</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(83,562)	88,350	171,912	43,581
Fund balance, beginning of year	<u>220,871</u>	<u>220,871</u>	<u>-0-</u>	<u>177,290</u>
Fund balance, end of year	<u><u>\$ 137,309</u></u>	<u><u>\$ 309,221</u></u>	<u><u>\$ 171,912</u></u>	<u><u>\$ 220,871</u></u>
<u>H.U.D. GRANT</u>				
REVENUES	\$ -	\$ -	\$ -0-	\$ -
EXPENDITURES	-	-	-0-	-
EXCESS OF REVENUES OVER EXPENDITURES	-0-	-0-	-0-	-0-
Fund balance, beginning of year	250,001	250,001	\$ -0-	250,001
Prior period adjustment	-	(245,231)	(245,231)	-
Fund balance, end of year	<u><u>\$ 250,001</u></u>	<u><u>\$ 4,770</u></u>	<u><u>\$ (245,231)</u></u>	<u><u>\$ 250,001</u></u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

	Amended Budget	1999 Actual	Variance Favorable (Unfavorable)	1998 Actual
<u>Heritage Park</u>				
REVENUES	\$ -	\$ -	\$ -0-	\$ -
EXPENDITURES				
Recreation and cultural				
Salaries and wages	200	-	200	-
Fringe benefits	16	-	16	-
Supplies	200	-	200	-
TOTAL EXPENDITURES	<u>416</u>	<u>-0-</u>	<u>416</u>	<u>-0-</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(416)	-0-	416	-0-
Fund balance, beginning of year	<u>885</u>	<u>885</u>	<u>-0-</u>	<u>885</u>
Fund balance, end of year	<u>\$ 469</u>	<u>\$ 885</u>	<u>\$ 416</u>	<u>\$ 885</u>
<u>Library Building</u>				
REVENUES				
Interest	\$ 700	\$ 616	\$ (84)	\$ 794
Other	200	-	(200)	563
TOTAL REVENUES	900	616	(284)	1,357
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-0-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	900	616	(284)	1,357
OTHER FINANCING SOURCES				
Operating transfers in	<u>10,644</u>	<u>10,644</u>	<u>-0-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	11,544	11,260	(284)	1,357
Fund balance, beginning of year	<u>14,989</u>	<u>14,989</u>	<u>-0-</u>	<u>13,632</u>
Fund balance, end of year	<u>\$ 26,533</u>	<u>\$ 26,249</u>	<u>\$ (284)</u>	<u>\$ 14,989</u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

City Improvements

	<u>Amended Budget</u>	<u>1999 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1998 Actual</u>
REVENUES				
Taxes	\$ 202,500	\$ 218,640	\$ 16,140	\$ 196,252
Interest	4,000	4,895	895	4,138
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	206,500	223,535	17,035	200,390
EXPENDITURES	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-0-	-
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING USES				
Operating transfers out	(204,500)	(122,028)	82,472	(305,990)
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	2,000	101,507	99,507	(105,600)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	59,580	59,580	-0-	165,180
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 61,580</u>	<u>\$ 161,087</u>	<u>\$ 99,507</u>	<u>\$ 59,580</u>

City of Corunna

Special Revenue Funds

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

Library Technology

	<u>Amended Budget</u>	<u>1999 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1998 Actual</u>
REVENUES	\$ -	\$ -	\$ -0-	\$ -
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-0-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-0-	-0-	-0-	-0-
OTHER FINANCING SOURCES				
Operating transfer in	<u>7,800</u>	<u>7,800</u>	<u>-0-</u>	<u>2,200</u>
EXCESS OF REVEUNES OVER EXPENDITURES AND OTHER FINANCING SOURCES	7,800	7,800	-	2,200
Fund balance, beginning of year	<u>2,200</u>	<u>2,200</u>	<u>-0-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -0-</u>	<u>\$ 2,200</u>

City of Corunna

Debt Service Funds

COMBINING BALANCE SHEET

June 30, 1999

	Fire Truck Loan	1985 Loan Program	1996 G.O. Limited Tax Bonds	Building Authority	1998 MTF Bonds	Total
ASSETS						
Cash and cash equivalents	\$ 20,240	\$ -	\$ 4,329	\$ 6,499	\$ -	\$ 31,068
Investments	-	-	-	19,398	-	19,398
Interest receivable	-	-	-	168	-	168
TOTAL ASSETS	\$ 20,240	\$ -0-	\$ 4,329	\$ 26,065	\$ -0-	\$ 50,634
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Due to other funds	\$ -	\$ 9,549	\$ 17,967	\$ -	\$ -	\$ 27,516
FUND BALANCES (DEFICITS)						
Reserved for debt service	-	(9,549)	(13,638)	-	-	(23,187)
Unreserved-undesignated	20,240	-	-	26,065	-	46,305
TOTAL FUND BALANCES (DEFICITS)	20,240	(9,549)	(13,638)	26,065	-0-	23,118
TOTAL LIABILITIES AND FUND BALANCES	\$ 20,240	\$ -0-	\$ 4,329	\$ 26,065	\$ -0-	\$ 50,634

City of Corunna

Debt Service Funds

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

Year Ended June 30, 1999

	Fire Truck Loan	1985 Loan Program	1996 G.O. Limited Tax Bonds	Building Authority	1998 MTF Bonds	Total
REVENUES						
Interest	\$ 741	\$ -	\$ 95	\$ 1,166	\$ -	\$ 2,002
EXPENDITURES						
Other	-	-	-	67	-	67
Debt service						
Principal redemption	-	37,424	65,000	-	10,000	112,424
Interest and fiscal charges	-	4,421	38,341	-	8,892	51,654
TOTAL EXPENDITURES	<u>-0-</u>	<u>41,845</u>	<u>103,341</u>	<u>67</u>	<u>18,892</u>	<u>164,145</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	741	(41,845)	(103,246)	1,099	(18,892)	(162,143)
OTHER FINANCING SOURCES						
Operating transfers in	-	31,388	103,136	-	18,892	153,416
EXCESS OF REVENUES AND AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	741	(10,457)	(110)	1,099	-0-	(8,727)
Fund balances (deficits), beginning of year	<u>19,499</u>	<u>908</u>	<u>(13,528)</u>	<u>24,966</u>	<u>-</u>	<u>31,845</u>
Fund balances (deficits), end of year	<u>\$ 20,240</u>	<u>\$ (9,549)</u>	<u>\$ (13,638)</u>	<u>\$ 26,065</u>	<u>\$ -0-</u>	<u>\$ 23,118</u>

City of Corunna

Debt Service Funds

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

Fire Truck Loan

	<u>Amended Budget</u>	<u>1999 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1998 Actual</u>
REVENUES				
Interest	\$ 800	\$ 741	\$ (59)	\$ 998
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-0-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	800	741	(59)	998
Fund balance, beginning of year	<u>19,499</u>	<u>19,499</u>	<u>-0-</u>	<u>18,501</u>
Fund balance, end of year	<u>\$ 20,299</u>	<u>\$ 20,240</u>	<u>\$ (59)</u>	<u>\$ 19,499</u>

City of Corunna

Debt Service Funds

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

1985 Loan Program

	<u>Amended Budget</u>	<u>1999 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1998 Actual</u>
REVENUES				
Other	\$ -	\$ -	\$ -0-	\$ -
EXPENDITURES				
Debt service				
Principal redemption	37,424	37,424	-0-	33,952
Interest and fiscal charges	4,419	4,421	(2)	7,900
TOTAL EXPENDITURES	<u>41,843</u>	<u>41,845</u>	<u>(2)</u>	<u>41,852</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(41,843)	(41,845)	(2)	(41,852)
OTHER FINANCING SOURCES				
Operating transfers in	<u>41,850</u>	<u>31,388</u>	<u>(10,462)</u>	<u>41,850</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES (UNDER) EXPENDITURES	7	(10,457)	(10,464)	(2)
Fund balance, beginning of year	<u>908</u>	<u>908</u>	<u>-0-</u>	<u>910</u>
Fund balance, end of year	<u>\$ 915</u>	<u>\$ (9,549)</u>	<u>\$ (10,464)</u>	<u>\$ 908</u>

City of Corunna

Debt Service Funds

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

1996 G.O. Limited Tax Bonds

	<u>Amended Budget</u>	<u>1999 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1998 Actual</u>
REVENUES				
Interest	\$ -	\$ 95	\$ 95	\$ 100
EXPENDITURES				
Debt service				
Principal redemption	65,000	65,000	-	65,000
Interest and fiscal charges	<u>38,136</u>	<u>38,341</u>	<u>(205)</u>	<u>40,990</u>
TOTAL EXPENDITURES	<u>103,136</u>	<u>103,341</u>	<u>(205)</u>	<u>105,990</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(103,136)	(103,246)	(110)	(105,890)
OTHER FINANCING SOURCES				
Operating transfers in	<u>103,136</u>	<u>103,136</u>	<u>-0-</u>	<u>105,990</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	-0-	(110)	(110)	100
Fund (deficit), beginning of year	<u>(13,528)</u>	<u>(13,528)</u>	<u>-0-</u>	<u>(13,628)</u>
Fund (deficit), end of year	<u><u>\$ (13,528)</u></u>	<u><u>\$ (13,638)</u></u>	<u><u>\$ (110)</u></u>	<u><u>\$ (13,528)</u></u>

City of Corunna

Debt Service Funds

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

Building Authority

	<u>Budget</u>	<u>1999 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1998 Actual</u>
REVENUES				
Interest	\$ -	\$ 1,166	\$ 1,166	\$ 1,209
EXPENDITURES				
Other				
Miscellaneous	-	67	(67)	545
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-0-	1,099	1,099	664
Fund balance, beginning of year	<u>24,966</u>	<u>24,966</u>	<u>-0-</u>	<u>24,302</u>
Fund balance, end of year	<u>\$ 24,966</u>	<u>\$ 26,065</u>	<u>\$ -0-</u>	<u>\$ 24,966</u>

City of Corunna

Debt Service Funds

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

Year Ended June 30, 1999
With Actual Amounts for Year Ended June 30, 1998

1998 MTF Bonds

	<u>Budget</u>	<u>1999 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1998 Actual</u>
REVENUES	\$ -	\$ -	\$ -0-	\$ -
EXPENDITURES				
Debt service				
Principal redemption	10,000	10,000	-0-	-
Interest and fiscal charges	8,893	8,892	1	-
TOTAL EXPENDITURES	<u>18,893</u>	<u>18,892</u>	<u>1</u>	<u>-0-</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(18,893)	(18,892)	1	-0-
OTHER FINANCING SOURCES				
Operating transfers in	<u>18,893</u>	<u>18,892</u>	<u>(1)</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	-0-	-0-	-0-	-0-
Fund balance, beginning of year	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund balance, end of year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

City of Corunna

Capital Projects Funds

COMBINING BALANCE SHEET

June 30, 1999

	1996 Construction Fund	1997 Construction Fund	Total
ASSETS			
Cash and cash equivalents	\$ -	\$ 67,004	\$ 67,004
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	-	5,300	5,300
TOTAL LIABILITIES	-0-	5,300	5,300
FUND BALANCES			
Unreserved - undesignated	-	61,704	61,704
TOTAL LIABILITIES AND FUND BALANCES	\$ -0-	\$ 67,004	\$ 67,004

City of Corunna

Capital Project Funds

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

Year Ended June 30, 1999

	1996 Construction Fund	1997 Construction Fund	Total
REVENUES			
LOCAL SOURCES			
Interest	\$ 44	\$ 7	\$ 51
EXPENDITURES			
Public Works			
Capital outlay	15,808	108,800	124,608
Other	65	-	65
TOTAL EXPENDITURES	<u>15,873</u>	<u>108,800</u>	<u>124,673</u>
EXCESS REVENUES (UNDER) EXPENDITURES	(15,829)	(108,793)	(124,622)
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	15,690	3,653	19,343
Accrued interest	-	-	-
Bond proceeds	-	-	-
Bond discount	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>15,690</u>	<u>3,653</u>	<u>19,343</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(139)	(105,140)	(105,279)
Fund balances, beginning of year	<u>139</u>	<u>166,844</u>	<u>166,983</u>
Fund balances, end of year	<u>\$ -0-</u>	<u>\$ 61,704</u>	<u>\$ 61,704</u>

City of Corunna
 Enterprise Funds
 COMBINING BALANCE SHEET
 June 30, 1999

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 133,826	\$ 374,669	\$ 508,495
Cash and cash equivalents-restricted	6,102	-	6,102
Accounts receivable	141,892	37,771	179,663
Accrued interest receivable	152	382	534
Due from other funds	<u>15,505</u>	<u>1,569</u>	<u>17,074</u>
Total current assets	297,477	414,391	711,868
Other assets			
Treatment rights	555,164	-	555,164
Accumulated amortization	<u>(487,926)</u>	<u>-</u>	<u>(487,926)</u>
Net treatment rights	67,238	-0-	67,238
Investments	<u>138,571</u>	<u>-</u>	<u>138,571</u>
Total other assets	205,809	-0-	205,809
Fixed assets			
Equipment	80,000	-	80,000
Land	1	126	127
System and improvements	3,988,360	1,436,746	5,425,106
Accumulated depreciation	<u>(1,276,276)</u>	<u>(455,073)</u>	<u>(1,731,349)</u>
Total fixed assets, net of accumulated depreciation	<u>2,792,085</u>	<u>981,799</u>	<u>3,773,884</u>
TOTAL ASSETS	<u><u>\$ 3,295,371</u></u>	<u><u>\$ 1,396,190</u></u>	<u><u>\$ 4,691,561</u></u>

City of Corunna

Enterprise Funds

COMBINING BALANCE SHEET - CONTINUED

June 30, 1999

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Current liabilities			
Accounts payable	\$ 3,128	\$ 14,104	\$ 17,232
Accrued wages	229	877	1,106
Due to other funds	4,769	295	5,064
Accrued interest payable	11,493	5,217	16,710
Current portion of long-term debt	66,452	25,000	91,452
	<hr/>	<hr/>	<hr/>
Total current liabilities	86,071	45,493	131,564
Other liabilities			
Contracts payable	23,000	-	23,000
General obligation bond payable	-	500,000	500,000
Revenue improvement bond payable	780,000	-	780,000
	<hr/>	<hr/>	<hr/>
Total other liabilities	803,000	500,000	1,303,000
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	889,071	545,493	1,434,564
FUND EQUITY			
Contribution in aid of construction			
Other governmental units	292,308	-	292,308
Other funds	54,134	-	54,134
Taxpayers	1,728,902	163,938	1,892,840
Retained earnings			
Reserved for bonds	63,603	-	63,603
Reserved for debt service	11,312	-	11,312
Reserved for replacement	46,032	131,254	177,286
Unreserved	210,009	555,505	765,514
	<hr/>	<hr/>	<hr/>
TOTAL FUND EQUITY	2,406,300	850,697	3,256,997
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND EQUITY	\$ 3,295,371	\$ 1,396,190	\$ 4,691,561
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

City of Corunna

Enterprise Funds

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

Year Ended June 30, 1999

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services			
User charges	\$ 382,116	\$ 327,892	\$ 710,008
Tap in fees	12,122	11,147	23,269
Capital charges	72,200	65,370	137,570
Other	1,974	6,250	8,224
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING REVENUES	468,412	410,659	879,071
OPERATING EXPENSES			
Salaries and wages	33,071	50,759	83,830
Fringe benefits	16,190	20,104	36,294
Administrative charges	3,650	3,650	7,300
Contractual service	39,858	18,031	57,889
Supplies	3,670	19,671	23,341
Utilities	5,283	7,334	12,617
Treatment costs	138,218	129,883	268,101
Repairs and maintenance	3,511	-	3,511
Equipment rental	2,940	6,722	9,662
Other	480	562	1,042
Depreciation	85,124	47,998	133,122
Amortization	27,758	-	27,758
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	359,753	304,714	664,467
OPERATING INCOME	108,659	105,945	214,604
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	10,827	8,466	19,293
Rent revenue	483	11,175	11,658
Interest expense and fees	(46,539)	(32,383)	(78,922)
	<hr/>	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	(35,229)	(12,742)	(47,971)
INCOME BEFORE TRANSFERS	73,430	93,203	166,633
TRANSFERS OUT			
Transfers out	(19,343)	-	(19,343)
	<hr/>	<hr/>	<hr/>
NET INCOME	54,087	93,203	147,290
Retained earnings, beginning of year	276,869	593,556	870,425
	<hr/>	<hr/>	<hr/>
Retained earnings, end of year	<u>\$ 330,956</u>	<u>\$ 686,759</u>	<u>\$ 1,017,715</u>

City of Corunna

Enterprise Funds

COMBINING STATEMENT OF CASH FLOWS

Year Ended June 30, 1999

	<u>Sewer System</u>	<u>Water System</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 108,659	\$ 105,945	\$ 214,604
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation and amortization	112,882	47,998	160,880
Decrease in receivables	556	7,431	7,987
Decrease in due from other funds	3,522	232,954	236,476
(Decrease) in accounts payable	(7,700)	(239,471)	(247,171)
Increase (decrease) in accrued liabilities	(53)	630	577
(Decrease) in accrued interest payable	<u>(1,033)</u>	<u>(216)</u>	<u>(1,249)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	216,833	155,271	372,104
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Rent revenue	483	11,175	11,658
Transfers out	<u>(19,343)</u>	<u>-</u>	<u>(19,343)</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(18,860)	11,175	(7,685)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of investments	(138,571)	-	(138,571)
Interest expense and fees	(46,539)	(32,383)	(78,922)
Capital purchases	(6,825)	-	(6,825)
Payment of borrowing	<u>(70,748)</u>	<u>(25,000)</u>	<u>(95,748)</u>
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(262,683)	(57,383)	(320,066)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest revenue	<u>10,827</u>	<u>8,466</u>	<u>19,293</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING YEAR	(53,883)	117,529	63,646
Cash and cash equivalents, beginning of year	<u>193,811</u>	<u>257,140</u>	<u>450,951</u>
Cash and cash equivalents, end of year	<u><u>\$ 139,928</u></u>	<u><u>\$ 374,669</u></u>	<u><u>\$ 514,597</u></u>

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

City of Corunna

Enterprise Funds

COMPARATIVE BALANCE SHEET - SEWER SYSTEM

June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 133,826	\$ 173,716
Cash and cash equivalents - restricted	6,102	20,095
Accounts receivable	141,892	141,004
Accrued interest receivable	152	1,596
Due from other funds	<u>15,505</u>	<u>19,027</u>
Total current assets	297,477	355,438
Other assets		
Treatment rights	555,164	555,164
Accumulated amortization	<u>(487,926)</u>	<u>(460,168)</u>
Net treatment rights	67,238	94,996
Construction in progress	-	716,505
Investments	<u>138,571</u>	<u>-</u>
Total other assets	205,809	811,501
Fixed assets		
Equipment	80,000	80,000
Land	1	1
System and improvements	3,988,360	3,265,030
Accumulated depreciation	<u>(1,276,276)</u>	<u>(1,191,152)</u>
Total fixed assets, net of accumulated depreciation	<u>2,792,085</u>	<u>2,153,879</u>
TOTAL ASSETS	<u><u>\$ 3,295,371</u></u>	<u><u>\$ 3,320,818</u></u>

City of Corunna

Enterprise Funds

COMPARATIVE BALANCE SHEET - SEWER SYSTEM - CONTINUED

June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable	\$ 3,128	\$ 10,828
Accrued wages	229	282
Due to other funds	4,769	4,769
Accrued interest payable	11,493	12,526
Current portion of long-term debt	66,452	70,748
Total current liabilities	<u>86,071</u>	<u>99,153</u>
Other liabilities		
Contracts payable	23,000	47,840
Capital lease payable	-	16,612
Revenue improvement bond payable	780,000	805,000
Total other liabilities	<u>803,000</u>	<u>869,452</u>
TOTAL LIABILITIES	<u>889,071</u>	<u>968,605</u>
FUND EQUITY		
Contribution in aid of construction		
Other governmental units	292,308	292,308
Other funds	54,134	54,134
Taxpayers	1,728,902	1,728,902
Retained earnings		
Reserved for bonds	63,603	57,879
Reserved for debt service	11,312	11,375
Reserved for replacement	46,032	-
Unreserved	210,009	207,615
TOTAL FUND EQUITY	<u>2,406,300</u>	<u>2,352,213</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,295,371</u>	<u>\$ 3,320,818</u>

City of Corunna

Enterprise Funds

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

Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
OPERATING REVENUES		
Charges for services		
User charges	\$ 382,116	\$ 382,579
Tap in fees	12,122	20,250
Capital charges	72,200	70,030
Other	1,974	150
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	468,412	473,009
OPERATING EXPENSES		
Salaries and wages	33,071	34,710
Fringe benefits	16,190	17,048
Administrative charges	3,650	3,650
Contractual service	39,858	36,309
Supplies	3,670	6,867
Utilities	5,283	5,089
Treatment costs	138,218	150,879
Repairs and maintenance	3,511	22,280
Equipment rental	2,940	15,930
Other	480	97
Depreciation	85,124	60,415
Amortization	27,758	27,758
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	359,753	381,032
OPERATING INCOME	108,659	91,977
NONOPERATING REVENUES (EXPENSES)		
Interest revenue	10,827	14,327
Rent revenue	483	7,422
Interest expense and fees	(46,539)	(52,541)
	<hr/>	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	(35,229)	(30,792)
INCOME BEFORE TRANSFERS	73,430	61,185
TRANSFERS OUT		
Transfer out	(19,343)	-
	<hr/>	<hr/>
NET INCOME (LOSS)	54,087	61,185
Retained earnings, beginning of year	276,869	87,084
Prior period adjustment	-	128,600
	<hr/>	<hr/>
Retained earnings, end of year	\$ 330,956	\$ 276,869

City of Corunna

Enterprise Funds

COMPARATIVE STATEMENT OF CASH FLOWS - SEWER SYSTEM

Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$ 108,659	\$ 91,977
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	112,882	88,173
(Increase) decrease in receivables	556	(23,839)
Increase (decrease) in due to other funds	3,522	(48,600)
(Decrease) in accounts payable	(7,700)	(3,240)
Increase (decrease) in accrued liabilities	(53)	217
(Decrease) in accrued interest payable	<u>(1,033)</u>	<u>(1,902)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	216,833	102,786
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Rent revenue	483	7,422
Transfers out	<u>(19,343)</u>	<u>-</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(18,860)	7,422
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest expense	(46,539)	(52,541)
Capital purchases	(6,825)	(120,183)
Payment of borrowing	<u>(70,748)</u>	<u>(86,860)</u>
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(124,112)	(259,584)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest revenue	10,827	14,327
Purchase of investments	<u>(138,571)</u>	<u>-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(127,744)	14,327
NET (DECREASE) IN CASH AND CASH EQUIVALENTS DURING YEAR	(53,883)	(135,049)
Cash and cash equivalents, beginning of year	<u>193,811</u>	<u>328,860</u>
Cash and cash equivalents, end of year	<u><u>\$ 139,928</u></u>	<u><u>\$ 193,811</u></u>

Note: For the year ended June 30, 1998 the Enterprise (Sewer System) Fund recorded an increase in Construction in Progress and Contributed Capital - taxpayers of \$31,235 as a result of construction costs related to sewer improvements projects. These expenditures are reported in the Capital Projects Funds.

City of Corunna

Trust and Agency Funds

COMBINING BALANCE SHEET

June 30, 1999

	<u>Trust Funds</u>	<u>Agency Funds</u>		<u>Total</u>
	<u>Nonexpendable</u> Cemetery Perpetual Care	<u>Current Tax Collection</u>	<u>Payroll Clearing</u>	
ASSETS				
Cash and cash equivalents	\$ 25,908	\$ 76,915	\$ 1,369	\$ 104,192
Investments	33,953	-	-	33,953
Accrued interest receivable	346	-	-	346
TOTAL ASSETS	<u>\$ 60,207</u>	<u>\$ 76,915</u>	<u>\$ 1,369</u>	<u>\$ 138,491</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	\$ -	\$ 74,705	\$ -	\$ 74,705
Due to other governmental units				
State	-	-	21	21
Federal	-	-	1,938	1,938
Due to individuals and agencies	-	2,210	(590)	1,620
TOTAL LIABILITIES	-0-	76,915	1,369	78,284
FUND BALANCES (DEFICITS)				
Reserved for Perpetual care	60,207	-	-	60,207
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 60,207</u>	<u>\$ 76,915</u>	<u>\$ 1,369</u>	<u>\$ 138,491</u>

City of Corunna

Agency Funds

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year Ended June 30, 1999

	<u>Balance</u> <u>July 1, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 1999</u>
<u>Current Tax Collections Fund</u>				
ASSETS				
Cash	\$ 17,972	\$ 2,133,893	\$ 2,074,950	\$ 76,915
LIABILITIES				
Due to other funds				
General	\$ 17,972	\$ 627,379	\$ 587,183	\$ 58,168
Water	-	4,932	3,363	1,569
City Improvement	-	223,537	208,569	14,968
Due to component unit				
Downtown Development Authority	-	29,477	29,477	-0-
Due to other governmental units				
State	-	43,776	43,776	-0-
County				
State Education Tax	-	233,422	233,422	-0-
Other	-	307,024	307,024	-0-
Schools	-	642,418	642,418	-0-
Due to individuals and agencies	-	21,928	19,718	2,210
	<u>\$ 17,972</u>	<u>\$ 2,133,893</u>	<u>\$ 2,074,950</u>	<u>\$ 76,915</u>
<u>Payroll Clearing</u>				
ASSETS				
Cash	\$ 2,304	\$ 633,975	\$ 634,910	\$ 1,369
LIABILITIES				
Due to other governmental units				
State	\$ -	\$ 25,299	\$ 25,278	\$ 21
Federal	1,926	123,561	123,549	1,938
Due to individuals and agencies	378	584,160	585,128	(590)
	<u>\$ 2,304</u>	<u>\$ 733,020</u>	<u>\$ 733,955</u>	<u>\$ 1,369</u>
<u>Deferred Compensation</u>				
ASSETS				
Investments	\$ 66,070	\$ -	\$ 66,070	\$ -0-
LIABILITIES				
Due to individuals	\$ 66,070	\$ -	\$ 66,070	\$ -0-

City of Corunna

Component Unit Funds

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

June 30, 1999

	Governmental	Account Groups		Total
	Fund Type	General	General Long-	
	Special	Fixed Assets	Term Debt	
	Revenue			
ASSETS				
Cash	\$ 27,246	\$ -	\$ -	\$ 27,246
Accounts receivable	5,384	-	-	5,384
Fixed assets	-	765,499	-	765,499
Amount to be provided for retirement of general long-term debt	-	-	364,376	364,376
TOTAL ASSETS	\$ 32,630	\$ 765,499	\$ 364,376	\$ 1,162,505
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 508	\$ -	\$ -	\$ 508
Due to individuals	3,292	-	-	3,292
Due to other governmental units				
State	8,766	-	-	8,766
Loans payable	-	-	364,376	364,376
TOTAL LIABILITIES	12,566	-0-	364,376	376,942
FUND EQUITY (DEFICIT)				
Investment in general fixed assets	-	765,499	-	765,499
Unreserved - undesignated	20,064	-	-	20,064
TOTAL FUND EQUITY (DEFICIT)	20,064	765,499	-0-	785,563
TOTAL LIABILITIES AND FUND EQUITY	\$ 32,630	\$ 765,499	\$ 364,376	\$ 1,162,505

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1999

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

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

Issue: \$ 870,000

Dated: September 1, 1996

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Bonds Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
9/1/1999	4.40	\$ 75,000	\$ 34,918	\$ 109,918
9/1/2000	4.60	80,000	31,427	111,427
9/1/2001	4.75	85,000	27,569	112,569
9/1/2002	4.90	90,000	23,345	113,345
9/1/2003	5.00	95,000	18,765	113,765
9/1/2004	5.10	100,000	13,840	113,840
9/1/2005	5.20	105,000	8,560	113,560
9/1/2006	5.30	110,000	2,915	112,915
		<u>\$ 740,000</u>	<u>\$ 161,339</u>	<u>\$ 901,339</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1999

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>
5/1/2000	5.40	\$ 25,000	\$ 31,300	\$ 56,300
5/1/2001	5.50	25,000	29,950	54,950
5/1/2002	5.60	25,000	28,575	53,575
5/1/2003	5.70	50,000	27,175	77,175
5/1/2004	5.80	50,000	24,325	74,325
5/1/2005	5.90	50,000	21,425	71,425
5/1/2006	6.00	50,000	18,475	68,475
5/1/2007	6.10	50,000	15,475	65,475
5/1/2008	6.15	50,000	12,425	62,425
5/1/2009	6.20	50,000	9,350	59,350
5/1/2010	6.25	50,000	6,250	56,250
5/1/2011	6.25	50,000	3,125	53,125
		<u>\$ 525,000</u>	<u>\$ 227,850</u>	<u>\$ 752,850</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1999

1996 Wastewater Treatment System Revenue Bonds

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

Issue: \$ 550,000

Dated: February 1, 1996

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Bonds Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
11/1/1999	5.45	\$ 15,000	\$ 25,382	\$ 40,382
11/1/2000	4.30	20,000	24,565	44,565
11/1/2001	4.40	20,000	23,705	43,705
11/1/2002	4.50	20,000	22,825	42,825
11/1/2003	4.60	20,000	21,925	41,925
11/1/2004	4.70	25,000	21,005	46,005
11/1/2005	4.80	25,000	19,830	44,830
11/1/2006	4.90	25,000	18,630	43,630
11/1/2007	5.00	30,000	17,405	47,405
11/1/2008	5.10	30,000	15,905	45,905
11/1/2009	5.20	35,000	14,375	49,375
11/1/2010	5.30	35,000	12,555	47,555
11/1/2011	5.35	40,000	10,700	50,700
11/1/2012	5.35	40,000	8,560	48,560
11/1/2013	5.35	40,000	6,420	46,420
11/1/2014	5.35	40,000	4,280	44,280
11/1/2015	5.35	40,000	2,140	42,140
		<u>\$ 500,000</u>	<u>\$ 270,207</u>	<u>\$ 770,207</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1999

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>
8/1/1999	5.00	\$ 10,000	\$ 15,000	\$ 25,000
8/1/2000	5.00	10,000	14,500	24,500
8/1/2001	5.00	10,000	14,000	24,000
8/1/2002	5.00	10,000	13,500	23,500
8/1/2003	5.00	15,000	12,875	27,875
8/1/2004	5.00	15,000	12,125	27,125
8/1/2005	5.00	15,000	10,875	25,875
8/1/2006	5.00	15,000	10,125	25,125
8/1/2007	5.00	15,000	9,875	24,875
8/1/2008	5.00	15,000	9,125	24,125
8/1/2009	5.00	15,000	8,375	23,375
8/1/2010	5.00	15,000	7,625	22,625
8/1/2011	5.00	15,000	6,875	21,875
8/1/2012	5.00	15,000	6,125	21,125
8/1/2013	5.00	15,000	5,375	20,375
8/1/2014	5.00	15,000	4,625	19,625
8/1/2015	5.00	15,000	3,875	18,875
8/1/2016	5.00	15,000	3,125	18,125
8/1/2017	5.00	15,000	2,375	17,375
8/1/2018	5.00	20,000	1,500	21,500
8/1/2019	5.00	20,000	500	20,500
		<u>\$ 305,000</u>	<u>\$ 172,375</u>	<u>\$ 477,375</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1999

1978 City of Owosso - Contract Payable

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

Issue: \$ 253,000

Dated: June 1, 1978

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Principal Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
4/1/2000	7.25	\$ 23,000	\$ 2,760	\$ 25,760
4/1/2001	7.25	23,000	1,380	24,380
		<u>\$ 46,000</u>	<u>\$ 4,140</u>	<u>\$ 50,140</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1999

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 Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
6/1/2000	0.00	<u>\$ 1,840</u>	<u>\$ -</u>	<u>\$ 1,840</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1999

Sewer Vactor Capital Lease

Purpose: To finance the cost of acquiring a sewer vactor 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>Principal Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
8/15/1999	7.00	<u>\$ 16,612</u>	<u>\$ 877</u>	<u>\$ 17,489</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1999

Corunna Downtown Development Authority Commercial Loan

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

Issue: \$ 420,000

Dated: May 3, 1994

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Principal Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
7/99 - 6/2000	6.00	\$ 15,519	\$ 20,589	\$ 36,108
7/2000 - 6/01	6.00	15,650	20,458	36,108
7/01 - 6/02	6.00	16,615	19,493	36,108
7/02 - 6/03	6.00	17,640	18,468	36,108
7/03 - 6/04	6.00	18,728	17,380	36,108
7/04 - 6/05	6.00	19,883	16,225	36,108
7/05 - 6/06	6.00	21,110	14,998	36,108
7/06 - 6/07	6.00	22,412	13,696	36,108
7/07 - 6/08	6.00	23,794	12,314	36,108
7/08 - 6/09	6.00	25,261	10,847	36,108
7/09 - 6/10	6.00	26,820	9,288	36,108
7/10 - 6/11	6.00	28,474	7,634	36,108
7/11 - 6/12	6.00	30,230	5,878	36,108
7/12 - 6/13	6.00	32,094	4,014	36,108
7/13 - 6/14	6.00	34,074	2,034	36,108
7/14 - 11/14	6.00	16,072	236	16,308
		<u>\$ 364,376</u>	<u>\$ 193,552</u>	<u>\$ 557,928</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1999

Copier Capital Lease

Purpose: To finance the cost of acquiring a copier to be used by all City personnel.
Payments of lease are due in monthly installments.

Issue: \$ 6,750

Dated: December 17, 1996

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Principal Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
7/99 - 12/99	30.00	<u>\$ 1,582</u>	<u>\$ 141</u>	<u>\$ 1,723</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1999

1998 Michigan Transportation Bonds

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

Issue: \$ 220,000

Dated: April 1, 1998

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Bonds Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
8/1/1999	4.70	\$ 10,000	\$ 9,888	\$ 19,888
8/1/2000	4.70	10,000	9,417	19,417
8/1/2001	4.70	10,000	8,948	18,948
8/1/2002	4.70	10,000	8,477	18,477
8/1/2003	4.70	15,000	7,890	22,890
8/1/2004	4.70	15,000	7,185	22,185
8/1/2005	4.70	15,000	6,480	21,480
8/1/2006	4.70	15,000	5,775	20,775
8/1/2007	4.70	15,000	5,066	20,066
8/1/2008	4.80	15,000	4,350	19,350
8/1/2009	4.90	20,000	3,500	23,500
8/1/2010	5.00	20,000	2,510	22,510
8/1/2011	5.00	20,000	1,510	21,510
8/1/2012	5.05	20,000	505	20,505
		<u>\$ 210,000</u>	<u>\$ 81,501</u>	<u>\$ 291,501</u>

City of Corunna

SCHEDULE OF DEBT OUTSTANDING

June 30, 1999

Dump Truck Lease

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

Issue: \$ 69,936

Dated: September 15, 1997

<u>Due Date</u>	<u>Interest Rate (%)</u>	<u>Principal Maturing</u>	<u>Actual Interest Due</u>	<u>Total Amount Due</u>
6/15/2000	5.42	\$ 13,661	\$ 2,162	\$ 15,823
6/15/2001	5.42	14,410	1,413	15,823
6/15/2002	5.42	15,203	620	15,823
		<u>\$ 43,274</u>	<u>\$ 4,195</u>	<u>\$ 47,469</u>

Principals

Dale J. Abraham, CPA
Michael T. Gaffney, CPA
Steven R. Kirinovic, CPA



ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

Member:
American Institute of Certified
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and
Michigan Association of
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Eric J. Glashouwer, CPA
Tracee J. Langenfeld, CPA
Melissa M. Gangluff, CPA

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

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

We have audited the general purpose financial statements of the City of Corunna as of and for the year ended June 30, 1999, and have issued our report thereon dated September 24, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Corunna's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

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

We noted other matters involving the internal control over financial reporting that we have reported to the management of the City of Corunna in a separate letter dated September 24, 1999.

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

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

September 24, 1999

Principals

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ABRAHAM & GAFFNEY, P.C.

Certified Public Accountants

MANAGEMENT LETTER

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

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, 1999. In connection with the audit, we feel that certain changes in your accounting and administrative procedures would be helpful in improving management's control and the operational efficiency of the accounting and administrative functions. These suggestions are a result of our evaluation of the internal control structure and our discussions with management.

1. Cash and investment accounts should be reconciled to the general ledger

During the course of our audit, we noted the cash and investment accounts had again not been reconciled to the general ledger for the year ended June 30, 1999. After a significant amount of work and audit adjustments the cash was reconciled through June 30, 1999. This issue was noted and reported in our audit comments last year.

One of the most important components of a sound internal control structure is to assure timely reconciliation of cash and investment accounts to the general ledger records. It is very important to conduct these reconciliations on a timely basis (i.e., monthly).

We suggest the Treasurer or designee should perform monthly cash and investment account reconciliations. Any differences with the general ledger should be analyzed and corrected on a timely basis to ensure the City's cash and investments are properly stated and all transactions are reflected.

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

As noted in the general purpose financial statements, the City has four (4) funds which ended the year in a deficit financial position. As a result, the City will be required to submit a deficit reduction plan to the State of Michigan for each fund.

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

These conditions were considered in determining the nature, timing, and extent of the audit tests to be applied in our audit of the general purpose financial statements, and this report does not affect our report on the general purpose financial statements dated September 24, 1999.

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

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

Abraham & Gaffney, P.C.
ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

September 24, 1999