

**CITY OF GREENFIELD
CALIFORNIA**

FINANCIAL STATEMENTS
June 30, 2013

CITY OF GREENFIELD

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FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

City Council of the City of Greenfield
Greenfield, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenfield, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining information of the City of Greenfield, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in note 1 to the basic financial statements effective July 1, 2012, the City of Greenfield adopted Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, Statement No. 61, *The Financial Reporting Entity: Omnibus*, Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8, and the budgetary comparison information on pages 49 through 54, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Greenfield's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and combining fiduciary funds financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, and combining fiduciary funds financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2014, on our consideration of the City of Greenfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Moss, Renz & Spitzheim LLP

Santa Maria, California
February 5, 2014

CITY OF GREENFIELD

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, management of the City of Greenfield (the City) provides the following narrative overview and analysis for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

Financial Highlights

- The assets of the City exceeded its liabilities, at fiscal year end June 30, 2013, by \$49,727,503. This represents a decrease of \$1,880,441 from the prior fiscal year.
- As of June 30, 2013, the City's governmental funds reported combined ending fund balances of \$9,801,311. This represents a decrease of \$399,643 from the prior fiscal year.
- As of June 30, 2013, the unassigned fund balance for the General Fund was \$1,362,169 or 25% of total General Fund expenditures.

Overview of Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which includes three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Greenfield is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes; earned, but unused, vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues, known as governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, known as business-type activities. The governmental activities of the City include general government, public works, building and planning, parks and recreation, community development, public safety, and streets and roads. The business-type activities of the City include water and sewer.

These financial statements present the financial activity of the City, which is the primary government, along with the financial activities of its component unit, the Successor Agency to the Redevelopment Agency of the City of Greenfield (the Agency), which is an entity for which the City is financially accountable. Although they are separate legal entities, blended component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements.

The government-wide financial statements can be found on pages 9 through 13 of this report.

Fund Financial Statements

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

CITY OF GREENFIELD

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because of the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The financial statements also provide a reconciliation of the governmental funds to the government-wide financial statements to facilitate this comparison.

The City maintains 19 individual governmental funds. GASB Statement No. 34 requires the City's major funds be identified and presented separately in the fund financial statements. The General Fund, the Home Grant Fund, the Traffic Impact Fund, the Water Impact Fund, the General Facilities Impact Fund, and the Housing Fund are reported as major funds. Data from the other 13 governmental funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type. Individual fund data for each of these non-major governmental funds are provided in the form of *combining statements* in the supplemental information section of this report.

The City adopts an annual appropriations budget for most of its governmental funds. A budgetary comparison schedule has been provided for each major special revenue governmental fund in order to depict excess expenditures.

The basic governmental fund financial statements can be found on pages 14 through 20 of this report.

Proprietary Funds

The City maintains two proprietary funds: the Water Fund and the Sewer Fund.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, but in more detail. Each proprietary fund is considered major and is presented individually in the fund financial statements.

The proprietary funds financial statements can be found on pages 21 through 24 of this report.

Fiduciary Funds

The City maintains three fiduciary funds: the RDA Successor Agency Admin Fund, the RDA Successor Agency Capital Projects Fund, and the RDA Successor Agency Debt Service Fund. These three funds are private-purpose trust funds of the City. The fiduciary funds financial statements can be found on pages 25 and 26 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 through 47 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that includes budgetary comparison schedules for the General Fund and Major Special Revenue Funds. Required supplementary information can be found on pages 49 through 54 of this report. The supplemental information section, mentioned above, can be found on pages 56 through 64 of this report.

CITY OF GREENFIELD

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Greenfield, assets exceeded liabilities by \$49,727,503 at June 30, 2013.

The largest portion of the City's net position (72.8%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The *Statement of Net Position* is presented below:

Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 14,465,705	\$ 14,558,768	\$ 2,774,793	\$ 3,052,716	\$ 17,240,498	\$ 17,611,484
Capital assets	29,614,853	30,816,420	13,743,188	13,976,260	43,358,041	44,792,680
Total assets	<u>44,080,558</u>	<u>45,375,188</u>	<u>16,517,981</u>	<u>17,028,976</u>	<u>60,598,539</u>	<u>62,404,164</u>
Current liabilities	1,192,309	842,508	490,322	321,328	1,682,631	1,163,836
Noncurrent liabilities	3,983,200	4,256,532	5,205,205	5,375,852	9,188,405	9,632,384
Total liabilities	<u>5,175,509</u>	<u>5,099,040</u>	<u>5,695,527</u>	<u>5,697,180</u>	<u>10,871,036</u>	<u>10,796,220</u>
Net investment in						
in capital assets	27,679,978	28,749,047	8,537,983	8,600,408	36,217,961	37,349,455
Restricted	8,496,794	11,966,907			8,496,794	11,966,907
Unrestricted	2,728,277	(439,806)	2,284,471	2,731,388	5,012,748	2,291,582
Total net position	<u>\$ 38,905,049</u>	<u>\$ 40,276,148</u>	<u>\$ 10,822,454</u>	<u>\$ 11,331,796</u>	<u>\$ 49,727,503</u>	<u>\$ 51,607,944</u>

The City's total net position decreased by \$1,880,441 for the fiscal year 2012-2013, of which an decrease of \$1,371,099 was related to governmental activities and a decrease of \$509,342 was related to business-type activities. These changes are presented below and on the following page:

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Program Revenues:						
Charges for services	\$ 1,333,901	\$ 2,420,455	\$ 1,993,546	\$ 1,711,477	\$ 3,327,447	\$ 4,131,932
Operating contributions						
and grants	517,776	852,230			517,776	852,230
Capital contributions						
and grants	383,784	891,783			383,784	891,783
General Revenues:						
Property taxes	1,398,113	2,423,172			1,398,113	2,423,172
Other taxes	1,685,527	1,363,566			1,685,527	1,363,566
Other revenue	138,637	201,361	19,073	26,833	157,710	228,194
Special and extraordinary						
items		12,309,971				12,309,971
Transfers	511,900	379,671	(511,900)	(379,671)		
Total	<u>5,969,638</u>	<u>20,842,209</u>	<u>1,500,719</u>	<u>1,358,639</u>	<u>7,470,357</u>	<u>22,200,848</u>

CITY OF GREENFIELD

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

(continued from previous page)

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Expenses:						
General government	1,643,850	1,341,794			1,643,850	1,341,794
Public works	637,602	709,938			637,602	709,938
Building and planning	546,506	106,495			546,506	106,495
Parks and recreation	404,867	348,605			404,867	348,605
Community development	49,665	221,817			49,665	221,817
Public safety	2,864,847	2,848,453			2,864,847	2,848,453
Streets and roads	746,840	850,618			746,840	850,618
Interest on long-term debt	134,469	311,510			134,469	311,510
Water			1,224,323	1,201,540	1,224,323	1,201,540
Sewer			785,738	808,799	785,738	808,799
Total expenses	7,028,646	6,739,230	2,010,061	2,010,339	9,038,707	8,749,569
Change in net position	(1,059,008)	14,102,979	(509,342)	(651,700)	(1,568,350)	13,451,279
Net position-beginning	40,276,148	26,173,169	11,331,796	11,983,496	51,607,944	38,156,665
Prior period adjustment	(312,091)				(312,091)	
Net position-ending	\$ 38,905,049	\$ 40,276,148	\$ 10,822,454	\$ 11,331,796	\$ 49,727,503	\$ 51,607,944

Fund Financial Analysis

At June 30, 2013, the City's governmental funds reported combined ending fund balances of \$9,801,311, a decrease of \$399,643 in comparison to the prior year. Unassigned fund balances amounted to \$(747,677) at June 30, 2013. The remainder of fund balance is not available for new spending because it has already been restricted or is nonspendable.

The General Fund is the chief operating fund of the City. At the end of the fiscal year, the fund balance of the General Fund was \$3,393,279, of which \$2,031,110 (59.8%) is nonspendable. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures.

During the 2012-13 fiscal year, the fund balance of the City's General Fund decreased by \$1,374,967, due in large part to a prior period adjustment of \$(900,000).

Fund balances and changes in fund balances for the other major funds are summarized as follows:

- The Home Grant Fund balance increased by \$42.
- The Traffic Impact Fund balance increased by \$8,142.
- The Water Impact Fund balance increased by \$67,283.
- The General Government Impact Fund balance increased from \$(2,386,482) to \$(1,985,110) due primarily to a prior period adjustment of \$400,000.
- The Housing Fund balance decreased by \$16,936.

CITY OF GREENFIELD

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the proprietary funds at the end of the fiscal year amounted to \$2,284,471, a decrease of \$446,917. The total decline in net position was \$509,342.

Fund level net position and changes in net position are summarized as follows:

- The Water Fund net position decreased from \$5,764,940 to \$5,384,427.
- The Sewer Fund net position decreased from \$5,566,856 to \$5,438,027.

General Fund Budgetary Highlights

Revenues were \$393,339 above estimates. Actual expenditures were \$908,406 more than budgeted.

Capital Assets

The City's investment in capital assets for its governmental activities and business-type activities as of June 30, 2013, amounts to \$29,614,853 and \$13,743,188 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings, park improvements, vehicles, computer equipment, and furniture and other equipment. During the current fiscal year, the City's net decrease in capital assets was \$1,434,639.

Major capital asset events during the current fiscal year included the following:

- Construction in Progress – Walnut Avenue Interim Project, \$33,101; Walnut Avenue Overcrossing Study, \$44,311; Street Rejuvenation Project, \$19,219; Corporation Yard Paving, \$11,315; Grinding 13th to Oak, \$22,102; and Proposition 84 Grant Park Development, \$24,975.
- Property and Equipment – Oak Avenue Water Tank Refurbishment, total cost of \$365,376; and a Special Alert Radio System for the Police Department, at a cost of \$26,698.

Schedule of Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 4,039,010	\$ 4,039,010	\$ 323,537	\$ 323,537	\$ 4,362,547	\$ 4,362,547
Construction in progress	5,068,604	5,145,104	15,012	17,330	5,083,616	5,162,434
Building and improvements	22,948,103	22,950,279			22,948,103	22,950,279
Property and equipment	2,530,193	2,572,748	20,492,935	20,127,559	23,023,128	22,700,307
Infrastructure	1,910,692	1,910,692			1,910,692	1,910,692
Total capital assets	36,496,602	36,617,833	20,831,484	20,468,426	57,328,086	57,086,259
Accumulated depreciation	6,881,749	5,801,413	7,088,296	6,492,166	13,970,045	12,293,579
Net capital assets	<u>\$ 29,614,853</u>	<u>\$ 30,816,420</u>	<u>\$ 13,743,188</u>	<u>\$ 13,976,260</u>	<u>\$ 43,358,041</u>	<u>\$ 44,792,680</u>

Additional information on the City's capital assets can be found in note 5 on pages 37 and 38 of this report.

CITY OF GREENFIELD

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2013

Long-term Debt

At the end of the fiscal year, the City had total governmental activities debt outstanding of \$3,983,200. This represents a decline from the prior balance of \$4,256,532. The decline is attributed to two prior period adjustments: decreasing the loan from the former Redevelopment Agency by \$708,217, to reflect an adjustment made by the State Department of Finance; and an increase to report the Public Employees Retirement System (PERS) side fund, which has been a liability since the City joined the PERS Risk Pool. At the end of the fiscal year, the City had total business-type activities debt outstanding of \$5,205,205.

Schedule of Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Loan payable	\$ 1,191,783	\$ 1,900,000	\$ 5,110,171	\$ 5,251,391	\$ 6,301,954	\$ 7,151,391
Capital lease payable	1,934,875	2,067,373	95,034	124,461	2,029,909	2,191,834
PERS side fund	563,285				563,285	
Compensated absences	293,257	289,159			293,257	289,159
	<u>\$ 3,983,200</u>	<u>\$ 4,256,532</u>	<u>\$ 5,205,205</u>	<u>\$ 5,375,852</u>	<u>\$ 9,188,405</u>	<u>\$ 9,632,384</u>

The City’s total debt decreased by \$443,979. Additional information on the City’s long-term debt can be found in notes 6 and 7 on pages 38 through 41 of this report.

Economic Factors and Next Year’s Budgets and Rates

- While assessed valuation data has not been released by the Monterey County Assessor’s office, it is anticipated that local property values for the General Fund will be slightly more than their present values for the current fiscal year. The economy, and the residential housing market in particular, has begun to turn around. In addition, new commercial development has begun to pick up. As assessed valuations begin to increase faster than the normal 2% limit, market conditions will dictate how quickly assessed valuation may rise, until such time as valuations reach pre-decline levels, at which time they will return to the Proposition 13 maximum of 2% annually.
- The voter-approved a permanent sales tax override, increasing the City’s portion of sales tax rate from 1% to 2%, is expected to raise an additional \$600,000 annually in General Fund revenues.
- During fiscal year 2013-14, management successfully negotiated the continuation of wage and benefit concessions from all bargaining units, permanently reducing the overall salary schedule by 5%.

Request for Information

This financial report is designed to provide a general overview of the financial position of the City of Greenfield for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, City of Greenfield, 599 El Camino Real, Greenfield, California 93927.

CITY OF GREENFIELD
STATEMENT OF NET POSITION
June 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 9,423,074	\$ 2,541,915	\$ 11,964,989
Accounts receivable, net	539,512	231,383	770,895
Interest receivable	4,804	1,495	6,299
Notes receivable	3,654,585		3,654,585
Prepaid expenses	46,000		46,000
Deposits	797,730		797,730
Capital assets:			
Nondepreciable:			
Land	4,039,010	323,537	4,362,547
Construction in progress	5,068,604	15,012	5,083,616
Depreciable:			
Building and improvements	22,948,103		22,948,103
Property and equipment	2,530,193	20,492,935	23,023,128
Infrastructure	1,910,692		1,910,692
Accumulated depreciation	<u>(6,881,749)</u>	<u>(7,088,296)</u>	<u>(13,970,045)</u>
 Total assets	 <u>44,080,558</u>	 <u>16,517,981</u>	 <u>60,598,539</u>

The notes to basic financial statements are an integral part of this statement

CITY OF GREENFIELD
STATEMENT OF NET POSITION
June 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
LIABILITIES			
Accounts payable	647,568	194,697	842,265
Due to Successor Agency Trust Fund	124,736		124,736
Accrued payroll	126,418	27,549	153,967
Accrued interest payable	182,500	67,071	249,571
Service deposits	107,210	199,105	306,315
Unearned revenue	3,877	1,900	5,777
Noncurrent liabilities:			
Due within one year	208,920	176,193	385,113
Due in more than one year	3,774,280	5,029,012	8,803,292
	<u>5,175,509</u>	<u>5,695,527</u>	<u>10,871,036</u>
Total liabilities			
NET POSITION			
Net investment in capital assets	27,679,978	8,537,983	36,217,961
Restricted for:			
Community development	1,539,373		1,539,373
Public safety	117,258		117,258
Streets and roads	463,121		463,121
Building and planning	2,111,912		2,111,912
Public works	4,265,130		4,265,130
Unrestricted	2,728,277	2,284,471	5,012,748
	<u>\$ 38,905,049</u>	<u>\$ 10,822,454</u>	<u>\$ 49,727,503</u>
Total net position			

The notes to basic financial statements are an integral part of this statement

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CITY OF GREENFIELD

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2013

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Contributions and Grants</u>
Governmental activities:			
General government	\$ 1,643,850	\$ 11,059	\$ 248,750
Public works	637,602	1,200,894	
Building and planning	546,506	68,331	
Parks and recreation	404,867		
Community development	49,665		
Public safety	2,864,847	53,617	191,540
Streets and roads	746,840		77,486
Interest on long-term debt	134,469		
Total governmental activities	<u>7,028,646</u>	<u>1,333,901</u>	<u>517,776</u>
Business-type activities:			
Water	1,224,323	1,081,408	
Sewer	785,738	912,138	
Total business-type activities	<u>2,010,061</u>	<u>1,993,546</u>	
Total	<u>\$ 9,038,707</u>	<u>\$ 3,327,447</u>	<u>\$ 517,776</u>

General Revenues

Taxes:

 Secured and unsecured property taxes

 Sales and use tax

 Transient lodging tax

 Franchise taxes

 Business license tax

 Vehicle in-lieu fees

Investment income

Other

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of fiscal year

Prior period adjustment

Net position - beginning of fiscal year, restated

Net position - end of fiscal year

The notes to basic financial statements are an integral part of this statement

Capital Contributions and Grants	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
\$ -	\$ (1,384,041)	\$ -	\$ (1,384,041)
	563,292		563,292
	(478,175)		(478,175)
	(404,867)		(404,867)
	(49,665)		(49,665)
28,700	(2,590,990)		(2,590,990)
355,084	(314,270)		(314,270)
	(134,469)		(134,469)
<u>383,784</u>	<u>(4,793,185)</u>		<u>(4,793,185)</u>
		(142,915)	(142,915)
		126,400	126,400
		(16,515)	(16,515)
<u>\$ 383,784</u>	<u>(4,793,185)</u>	<u>(16,515)</u>	<u>(4,809,700)</u>
	1,398,113		1,398,113
	1,571,275		1,571,275
	12,155		12,155
	62,538		62,538
	22,791		22,791
	16,768		16,768
	32,561	19,073	51,634
	106,076		106,076
	511,900	(511,900)	
	<u>3,734,177</u>	<u>(492,827)</u>	<u>3,241,350</u>
	<u>(1,059,008)</u>	<u>(509,342)</u>	<u>(1,568,350)</u>
	40,276,148	11,331,796	51,607,944
	(312,091)		(312,091)
	<u>39,964,057</u>	<u>11,331,796</u>	<u>51,295,853</u>
	<u>\$ 38,905,049</u>	<u>\$ 10,822,454</u>	<u>\$ 49,727,503</u>

CITY OF GREENFIELD
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2013

	<u>General Fund</u>	<u>Home Grant Fund</u>	<u>Traffic Impact Fund</u>	<u>Water Impact Fund</u>
ASSETS				
Cash and investments	\$ 851,683	\$ 21,084	\$ 2,111,009	\$ 2,297,135
Accounts receivable, net	514,456			
Interest receivable	511		1,078	1,173
Notes receivable		1,142,903		
Prepaid expenditures	46,000			
Deposits	797,730			
Due from other funds				
Advances receivable	<u>1,985,110</u>			
Total assets	<u><u>\$ 4,195,490</u></u>	<u><u>\$ 1,163,987</u></u>	<u><u>\$ 2,112,087</u></u>	<u><u>\$ 2,298,308</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 565,017	\$ -	\$ 175	\$ -
Due to Successor Agency trust fund				
Accrued payroll	106,034			
Unearned revenue	3,877	1,142,903		
Service deposits	107,210			
Due to other funds	20,073			
Advances payable				
Total liabilities	<u>802,211</u>	<u>1,142,903</u>	<u>175</u>	
Fund Balances				
Nonspendable				
Prepaid expenditures	46,000			
Advances receivable	1,985,110			
Restricted				
Housing		21,084		
Community development				
Public safety				
Streets and roads				
Building and planning			2,111,912	
Public works				2,298,308
Unassigned	<u>1,362,169</u>			
Total fund balances	<u>3,393,279</u>	<u>21,084</u>	<u>2,111,912</u>	<u>2,298,308</u>
Total liabilities and fund balances	<u><u>\$ 4,195,490</u></u>	<u><u>\$ 1,163,987</u></u>	<u><u>\$ 2,112,087</u></u>	<u><u>\$ 2,298,308</u></u>

The notes to basic financial statements are an integral part of this statement

General Facilities Impact Fund	Housing Fund	Other Governmental Funds	Totals
\$ -	\$ -	\$ 4,142,163	\$ 9,423,074
		25,056	539,512
		2,042	4,804
	2,511,682		3,654,585
			46,000
			797,730
		20,073	20,073
			1,985,110
<u>\$ -</u>	<u>\$ 2,511,682</u>	<u>\$ 4,189,334</u>	<u>\$ 16,470,888</u>
\$ -	\$ -	\$ 82,376	\$ 647,568
	124,736		124,736
		20,384	126,418
	2,511,682		3,658,462
			107,210
			20,073
<u>1,985,110</u>			<u>1,985,110</u>
<u>1,985,110</u>	<u>2,636,418</u>	<u>102,760</u>	<u>6,669,577</u>
			46,000
			1,985,110
			21,084
		1,539,373	1,539,373
		117,258	117,258
		463,121	463,121
			2,111,912
		1,966,822	4,265,130
<u>(1,985,110)</u>	<u>(124,736)</u>		<u>(747,677)</u>
<u>(1,985,110)</u>	<u>(124,736)</u>	<u>4,086,574</u>	<u>9,801,311</u>
<u>\$ -</u>	<u>\$ 2,511,682</u>	<u>\$ 4,189,334</u>	<u>\$ 16,470,888</u>

CITY OF GREENFIELD

RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2013

Total fund balances - governmental funds \$ 9,801,311

Amounts reported for governmental activities in the statement of net assets are different because:

In governmental funds, only current assets are reported. In the statement of net assets, all assets are reported, including capital assets and accumulated depreciation:

Capital assets at historical cost	\$ 36,496,602	
Accumulated depreciation	<u>(6,881,749)</u>	
Net		29,614,853

In governmental funds, long-term notes receivable are not current available resources and therefore, are recognized as deferred revenue. In the government-wide statements, all assets, including long-term notes receivable are reported. 3,654,585

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In government-wide statement of activities, it is recognized in the period that it is incurred. (182,500)

In governmental funds, only current liabilities are reported. In the statement of net assets, all liabilities, including long-term liabilities are reported. Long-term liabilities relating to governmental activities consist of:

2005 CalHFA Loan	\$ 500,000	
2009 CalHFA Loan	500,000	
Capital leases payable	1,934,875	
CalPERS side fund	563,285	
Loan payable	191,783	
Compensated absences payable	<u>293,257</u>	
Total		<u>(3,983,200)</u>

Total net position - governmental activities \$ 38,905,049

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CITY OF GREENFIELD

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended June 30, 2013

	General Fund	Home Grant Fund	Traffic Impact Fund	Water Impact Fund
REVENUES				
Taxes and assessments	\$ 3,042,472	\$ -	\$ -	\$ -
Licenses and permits	47,342			
Fines and penalties	64,937			
Use of money and property	14,878	42	4,093	4,352
Intergovernmental revenues	359,427			
Charges for services	611,844		37,151	62,931
Other revenues	41,139			
	<u>4,182,039</u>	<u>42</u>	<u>41,244</u>	<u>67,283</u>
Total revenues				
EXPENDITURES				
Current:				
General government	1,408,898			
Public works	337,304		111	
Building and planning	545,320			
Parks and recreation	185,784			
Community development				
Public safety	2,724,141			
Streets and roads				
Capital outlay	2,695		32,991	
Debt service:				
Principal	117,784			
Interest	99,880			
	<u>5,421,806</u>	<u>42</u>	<u>33,102</u>	<u>67,283</u>
Total expenditures				
Excess of revenues over (under) expenditures	<u>(1,239,767)</u>	<u>42</u>	<u>8,142</u>	<u>67,283</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	764,800			
Transfers out				
	<u>764,800</u>	<u>42</u>	<u>8,142</u>	<u>67,283</u>
Total other financing sources (uses)				
Net change in fund balances	<u>(474,967)</u>	<u>42</u>	<u>8,142</u>	<u>67,283</u>
Fund balances, beginning of fiscal year	4,768,246	21,042	2,103,770	2,231,025
Prior period adjustment	(900,000)			
Fund balances, beginning of fiscal year-restated	<u>3,868,246</u>	<u>21,042</u>	<u>2,103,770</u>	<u>2,231,025</u>
Fund balances, end of fiscal year	<u>\$ 3,393,279</u>	<u>\$ 21,084</u>	<u>\$ 2,111,912</u>	<u>\$ 2,298,308</u>

The notes to basic financial statements are an integral part of this statement

CITY OF GREENFIELD

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2013

Net change in fund balances - governmental funds	\$ (399,643)
Amounts reported for governmental activities in the statement of activities are different because:	
In governmental funds, capital outlays are reported as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This amount by which additions to capital outlay of \$270,053 was less than depreciation expense \$(1,080,336) in the period:	(810,283)
In governmental funds, the issuance or proceeds of long-term notes receivable provides current financial resources and therefore, are recognized as expenditures or revenues, respectively. In the government-wide statements, issuance or proceeds are reported as increases or reductions in assets, respectively. This amount is net change in the long-term notes receivable.	(10,721)
Governmental funds report repayments of the PERS side fund debt as retirement expenditures. However, in the statement of activities, the repayments are reported as a decrease in the long-term liabilities. This is the amount by which contributions of \$108,906 exceeded the interest incurred of \$43,167 in the period.	65,739
In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during but owing from the prior period was:	(32,500)
In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities.	132,498
In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, expenditures for these items are measured by the amount of financial resources used (essentially the amount paid). This fiscal year, vacation earned exceeded the amount used by:	<u>(4,098)</u>
Change in net position - governmental activities	<u>\$ (1,059,008)</u>

The notes to basic financial statements are an integral part of this statement

CITY OF GREENFIELD
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2013

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and investments	\$ 1,746,037	\$ 795,878	\$ 2,541,915
Accounts receivable, net	130,263	101,120	231,383
Interest receivable	<u>1,000</u>	<u>495</u>	<u>1,495</u>
Total current assets	<u>1,877,300</u>	<u>897,493</u>	<u>2,774,793</u>
Capital assets:			
Land	265,409	58,128	323,537
Construction in progress	15,012		15,012
Property and equipment	<u>9,750,990</u>	<u>10,741,945</u>	<u>20,492,935</u>
	10,031,411	10,800,073	20,831,484
Less accumulated depreciation	<u>(3,139,783)</u>	<u>(3,948,513)</u>	<u>(7,088,296)</u>
Total capital assets (net of accumulated depreciation)	<u>6,891,628</u>	<u>6,851,560</u>	<u>13,743,188</u>
Total assets	<u>8,768,928</u>	<u>7,749,053</u>	<u>16,517,981</u>
LIABILITIES			
Current liabilities:			
Accounts payable	148,942	45,755	194,697
Accrued payroll	17,616	9,933	27,549
Accrued interest payable	39,659	27,412	67,071
Service deposits	107,210	91,895	199,105
Unearned revenue	1,900		1,900
Debt due within one year	<u>101,397</u>	<u>74,796</u>	<u>176,193</u>
Total current liabilities	<u>416,724</u>	<u>249,791</u>	<u>666,515</u>
Noncurrent liabilities:			
Capital lease payable	32,254	32,255	64,509
Notes payable	<u>2,935,523</u>	<u>2,028,980</u>	<u>4,964,503</u>
Total noncurrent liabilities	<u>2,967,777</u>	<u>2,061,235</u>	<u>5,029,012</u>
Total liabilities	<u>3,384,501</u>	<u>2,311,026</u>	<u>5,695,527</u>
NET POSITION			
Net investment in capital assets	3,822,454	4,715,529	8,537,983
Unrestricted	<u>1,561,973</u>	<u>722,498</u>	<u>2,284,471</u>
Total net position	<u>\$ 5,384,427</u>	<u>\$ 5,438,027</u>	<u>\$ 10,822,454</u>

The notes to basic financial statements are an integral part of this statement

CITY OF GREENFIELD

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Fiscal Year Ended June 30, 2013

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>
OPERATING REVENUES:			
Charges for services	\$ 1,069,482	\$ 911,302	\$ 1,980,784
Connection fees	11,686	318	12,004
Other operating revenues	240	518	758
	<u>1,081,408</u>	<u>912,138</u>	<u>1,993,546</u>
OPERATING EXPENSES:			
Salaries and benefits	367,582	183,080	550,662
Contractual services	121,248	64,793	186,041
Office expense, supplies, and materials	27,316	2,231	29,547
Special departmental expenses	31,687	20,471	52,158
Repairs and maintenance	54,371	52,606	106,977
Memberships and dues	280	807	1,087
Travel, meetings, and conferences	832	1,483	2,315
Utilities	235,038	61,349	296,387
Taxes	2,526	4,959	7,485
Depreciation	276,638	319,492	596,130
	<u>1,117,518</u>	<u>711,271</u>	<u>1,828,789</u>
Total operating expenses	<u>1,117,518</u>	<u>711,271</u>	<u>1,828,789</u>
Operating income (loss)	<u>(36,110)</u>	<u>200,867</u>	<u>164,757</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	18,302	771	19,073
Interest expense	(106,805)	(74,467)	(181,272)
	<u>(88,503)</u>	<u>(73,696)</u>	<u>(162,199)</u>
Total non-operating revenues (expenses)	<u>(88,503)</u>	<u>(73,696)</u>	<u>(162,199)</u>
Loss before transfers	<u>(124,613)</u>	<u>127,171</u>	<u>2,558</u>
TRANSFERS			
Transfers out	(255,900)	(256,000)	(511,900)
	<u>(255,900)</u>	<u>(256,000)</u>	<u>(511,900)</u>
Total transfers	<u>(255,900)</u>	<u>(256,000)</u>	<u>(511,900)</u>
Change in net position	(380,513)	(128,829)	(509,342)
Net position - July 1	5,764,940	5,566,856	11,331,796
Net position - June 30	<u>\$ 5,384,427</u>	<u>\$ 5,438,027</u>	<u>\$ 10,822,454</u>

The notes to basic financial statements are an integral part of this statement

CITY OF GREENFIELD

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended June 30, 2013

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 1,052,699	\$ 904,567	\$ 1,957,266
Payments to suppliers	(349,664)	(181,889)	(531,553)
Payments to employees	(349,966)	(177,586)	(527,552)
Net cash provided (used) by operating activities	<u>353,069</u>	<u>545,092</u>	<u>898,161</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(363,058)		(363,058)
Principal payments on long-term debt	(98,218)	(72,429)	(170,647)
Interest paid on long-term debt	(107,901)	(75,224)	(183,125)
Net cash used by capital and related financing activities	<u>(569,177)</u>	<u>(147,653)</u>	<u>(716,830)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	(255,900)	(256,000)	(511,900)
Net cash provided (used) by noncapital financing activities	<u>(255,900)</u>	<u>(256,000)</u>	<u>(511,900)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	19,272	723	19,995
Net cash provided by investing activities	<u>19,272</u>	<u>723</u>	<u>19,995</u>
Net increase (decrease) in cash and cash equivalents	(452,736)	142,162	(310,574)
Cash and cash equivalents - July 1	<u>2,198,773</u>	<u>653,716</u>	<u>2,852,489</u>
Cash and cash equivalents - June 30	<u>\$ 1,746,037</u>	<u>\$ 795,878</u>	<u>\$ 2,541,915</u>

The notes to basic financial statements are an integral part of this statement

CITY OF GREENFIELD

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended June 30, 2013

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash net cash provided (used) by operating activities:			
Operating income (loss)	\$ (36,110)	\$ 200,867	\$ 164,757
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	276,638	319,492	596,130
Change in assets and liabilities:			
Receivables, net	(20,538)	(13,035)	(33,573)
Accounts payable	123,634	26,810	150,444
Accrued payroll	17,616	5,494	23,110
Service deposits	6,374	5,464	11,838
Unearned revenue	<u>(14,545)</u>	<u> </u>	<u>(14,545)</u>
Net cash provided (used) by operating activities	<u>\$ 353,069</u>	<u>\$ 545,092</u>	<u>\$ 898,161</u>

The notes to basic financial statements are an integral part of this statement

CITY OF GREENFIELD

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2013

	<u>Private Purpose Trust Funds</u>
	<u>Successor Agency</u>
ASSETS	
Cash and cash equivalents	\$ 7,217,814
Interest receivable	1,034
Note receivable	10,035
Due from City of Greenfield	316,519
Debt issuance costs-net of accumulated amortization	762,623
Capital assets, net	
Non-depreciable	<u>2,253,309</u>
Total assets	<u>10,561,334</u>
LIABILITIES	
Accounts payable	43,259
Accrued interest payable	438,951
Noncurrent liabilities:	
Due within one year	723,862
Due in more than one year	<u>22,895,769</u>
Total liabilities	<u>24,101,841</u>
NET POSITION	
Held in trust	<u>\$ (13,540,507)</u>

The notes to basic financial statements are an integral part of this statement.

CITY OF GREENFIELD**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

For the Fiscal Year Ended June 30, 2013

	<u>Private Purpose Trust Funds</u>
	<u>Successor Agency</u>
ADDITIONS:	
Taxes	\$ 1,694,068
Investment earnings	(15,505)
Other	<u>9,434</u>
Total additions	<u>1,687,997</u>
DEDUCTIONS:	
Community development	116,887
Capital outlay	214,024
Amortization	18,361
Interest expense	<u>1,083,322</u>
Total deductions	<u>1,432,594</u>
Increase (decrease) before transfers and special item	255,403
Special item-gain from early bond retirement	<u>171,354</u>
Change in net position	<u>426,757</u>
Total net position-beginning	(13,347,029)
Prior period adjustment	<u>(620,235)</u>
Total net position-beginning, restated	<u>(13,967,264)</u>
Total net position-ending	<u><u>\$ (13,540,507)</u></u>

The notes to basic financial statements are an integral part of this statement.

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The reporting entity is the City of Greenfield. There are no component units included in this report which meet the reporting entity definition criteria of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39 and GASB Statement No. 61.

B. Basis of Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

Government-wide Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component unit. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Government activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program, and (c) fees, grants, and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category—*governmental, proprietary and fiduciary*—are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for all proprietary funds.

Proprietary funds and fiduciary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operation of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Fiduciary Funds use the full accrual basis of accounting for reporting receivables and payables. Fiduciary funds are reported in the fund financial statements but are not included for government-wide reporting purposes.

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds

GASB Statement No. 34 defines major funds and requires that the City's major funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures/expenses equal to ten percent of their fund-type total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund – This fund accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund of the City.

Home Grant Fund – This fund accounts for the loans provided to eligible citizens for housing rehabilitation and down payment assistance.

Traffic Impact Fund – This fund accounts for receipt of Traffic Mitigation Development Impact Fees and their expenditures on projects to mitigate traffic impacts.

Water Impact Fund – This fund accounts for receipt of Water Development Impact Fees and their expenditures on projects to manage the impacts and expansion of water services.

General Facilities Impact Fund – This fund accounts for receipt of General Facilities Development Fees and their expenditures on projects to expand governmental facilities.

Housing Fund – This fund accounts for the receipt of the low-moderate loan repayments and related low-moderate expenditures.

The City reported the following major proprietary funds:

Water Fund – This fund accounts for the activities of providing water to residents of the City.

Sewer Fund – This fund accounts for the activities associated with the sewage treatment plant, pumping stations, and collections systems.

D. Basis of Accounting

The government-wide, proprietary funds, and fiduciary funds financial statements are reported using the *economic resources measurement focus* and the *full accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent that they have matured.

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

Capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Other revenues susceptible to accrual include other taxes, intergovernmental revenues, interest, and charges for services.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program expenditures/expenses. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues, if necessary.

E. Property Taxes

California Constitution Article XIII A limits the combined property tax rate to one percent of a property's assessed valuation. Additional taxes may be imposed with voter's approval. Assessed value is calculated at one hundred percent of a property's fair value, as defined by Article XIII A, and may be increased no more than two percent per year, unless a change in ownership occurs. The State legislature has determined the method of distributing the one percent tax levy among the various taxing jurisdictions.

Property tax revenues are recognized in the fiscal year for which taxes have been levied, and collected within sixty days of fiscal year end. Property taxes are billed and collected as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation/Lien Dates	January 1	January 1
Levy Dates	July 1	July 1
Due Dates	November 1 (50%) February 1 (50%)	August 1
Delinquency Dates	December 10 (Nov.) April 10 (Feb.)	August 31

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenditures or expenses as appropriate. Actual results could differ from those estimates.

G. Cash Equivalents

For purposes of the statement of cash flows, the City considers all highly liquid investment instruments purchased with maturity of three months or less to be cash equivalents.

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed. The City’s policy is to capitalize all capital assets with costs exceeding certain minimum thresholds of \$2,500 and with useful lives exceeding one year.

With the implementation of GASB Statement No. 34, the City was not required to record infrastructure assets existing or acquired prior to July 1, 2001. The City elected not to record such infrastructure assets. The City may elect to record such infrastructure assets in the future.

The purpose of depreciation is to spread cost of capital assets equitably among all users over the lives of these assets. The amount charged to depreciation expense each fiscal year represents that fiscal year’s pro rata share of the cost of capital assets. GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation is provided using the straight line method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each fiscal year until the asset is fully depreciated. The City has assigned the useful lives listed below, to capital assets.

Utility lines and equipment	10-40 years
Building and improvements	10-40 years
Infrastructure	10-40 years
Property and equipment	5-10 years
Vehicles	5 years

I. Unearned Revenue

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as unearned revenue. On the governmental funds financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as unearned revenue.

J. Compensated Absences

In compliance with Governmental Accounting Standards Board Statement No. 16, the City has established a liability for accrued sick leave and vacation in relevant funds. For governmental type funds, the current liability appears in the respective funds. All vacation paid is accrued when incurred in the government-wide and proprietary fund financial statements. This liability is set up for the current employees at the current rates of pay. If sick leave and vacation are not used by the employee during the term of employment, a portion of the compensation is payable to the employee at the time of retirement. Such compensation is calculated at the employee’s prevailing rate at the time of retirement or termination. Each fiscal year, an adjustment to the liability is made based on pay rate changes and adjustments for the current portion. The General Fund is primarily responsible for the repayment of the governmental portion of compensated absences.

K. Fund Balances

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Fund Balances (Continued)

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the City’s governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the City intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund’s primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the City.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

L. Net Position

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislations. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

M. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 60

For the fiscal year ended June 30, 2013, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 60, “Accounting and Financial Reporting for Service Concession Arrangements.” This Statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to improve financial reporting by addressing issues related to Service Concession Arrangements. This Statement improves consistency in reporting and enhances the comparability of the accounting and financial reporting of Service Concession Arrangements among state and local governments. Implementation of the GASB Statement No. 60, did not have an impact on the City’s financial statements for the fiscal year ended June 30, 2013.

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. New Accounting Pronouncements (Continued)

Governmental Accounting Standards Board Statement No. 61

For the fiscal year ended June 30, 2013, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 61 “The Financial Reporting Entity: Omnibus.” This statement is effective for periods beginning after June 15, 2012. The objective of this Statement is to improve financial reporting for component units. The Statement modifies certain requirements for inclusion of component units in the financial reporting entity and clarifies the reporting of equity interests in legally separate organizations. Implementation of the GASB Statement No. 61, did not have an impact on the City’s financial statements for the fiscal year ended June 30, 2013.

Governmental Accounting Standards Board Statement No. 62

For the fiscal year ended June 30, 2013, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 62 “Codification of Accounting and Financial Reporting Guidance Contained in *Pre-November 30, 1989 FASB and AICPA Pronouncements.*” This Statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements issued on or before November 30, 1989. This Statement specifically identifies and consolidates the accounting and financial reporting provisions that apply to state and local governments. Implementation of the GASB Statement No. 62, did not have an impact on the City’s financial statements for the fiscal year ended June 30, 2013.

Governmental Accounting Standards Board Statement No. 63

For the fiscal year ended June 30, 2013, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.” This Statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to establish guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. This Statement sets forth framework that specifies where deferred outflows of resources and deferred inflows of resources, as well as assets and liabilities, should be displayed. This Statement also specifies how net position, no longer referred to as net assets, should be displayed. Implementation of the Statement and the impact of the City’s financial statements are explained in Note 1 – L - Net Position.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for governmental funds. The City’s budget ordinances requires that in April of each fiscal year, the City Manager must submit a preliminary budget that includes projected expenditures and the means of financing them, to the City Council for the fiscal year commencing the following July 1. As modified during public study sessions, the preliminary budget becomes the proposed budget. Following public hearings on the proposed budget, the final annual budget is adopted by the City Council in June for the following fiscal year. After adoption of the final budget, transfers of appropriations within a general fund department, or within other funds, can be made by the City Manager. Budget modifications between funds; increases or decreases to a fund’s overall budget; transfers between general fund departments; or transfers that affect capital projects, must be approved by the City Council. Numerous properly authorized amendments are made during the fiscal year.

Budgetary control is enhanced by integrating the budget into the general ledger accounts. Encumbrance accounting is employed (e.g., purchase orders) to avoid expenditures over the budget. Encumbrances outstanding at fiscal year end are automatically rebudgeted in the following fiscal year.

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

B. Excess of Expenditures Over Appropriations

Excess of expenditures over appropriations in individual funds are as follows:

Major Funds	
General Fund	\$ 908,406
Housing Fund	\$ 27,819

C. Deficit Fund Balances

A deficit fund balance of \$1,985,110 exists in the General Facilities Impact Fund. This fund balance deficit is due to the City incurring costs in advance of receiving revenue. The City expects to fund the deficit through future revenues and/or transfers of funds.

Major Funds:

A deficit fund balance of \$124,736 exists in the Housing Fund. This fund balance deficit is due to the City incurring costs in advance of receiving revenue. The City expects to fund the deficit through future revenues and/or transfers of funds.

NOTE 3 – CASH AND INVESTMENTS

The composition of cash and investments as of June 30, 2013, by fund is as follows:

	Available For Operations	Restricted	Total
General Fund	\$ 851,683	\$ -	\$ 851,683
Special Revenue and Capital Projects Funds	8,571,391		8,571,391
Proprietary Funds	2,541,915		2,541,915
Fiduciary Funds		7,217,814	7,217,814
Total	<u>\$ 11,964,989</u>	<u>\$ 7,217,814</u>	<u>\$ 19,182,803</u>

Cash and investments at June 30, 2013, consisted of the following:

Cash in banks and on hand	\$ 1,622,618
Investments	<u>10,342,371</u>
Total cash and investments, statement of net position	<u>11,964,989</u>
Cash in banks and on hand	191,012
Cash and investments with fiscal agent	4,872,971
Investments	<u>2,153,831</u>
Total cash and investments, statement of fiduciary net assets	<u>7,217,814</u>
Total	<u>\$ 19,182,803</u>

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investments Authorized by the California Government Code and the City’s Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers’ Acceptance	180 days	40%	30%
Commercial Paper	180 days	15%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Time Deposits	5 years	25%	None
Repurchase Agreements	90 days	None	None
Reverse Repurchase Agreements	90 days	20%	None
Medium-Term Notes	5 years	30%	15%
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
JPA Pools (other investment pools)	N/A	None	None

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by the provisions of the debt agreements, rather than the general provisions of the California Government Code or the City’s investment policy. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Bankers’ Acceptance	1 year	None	None
Commercial Paper	None	None	None
Negotiable Certificates of Deposit	None	None	None
Investment Agreements	None	None	None
Repurchase Agreements	30 days	None	None
Money Market Mutual Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Local Agency Bonds	None	None	None

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 3 – CASH AND INVESTMENTS (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations.

Information about the sensitivity of the fair values of the City’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City’s investments by maturity:

Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months Or Less	13-24 Months	25-60 Months	More than 60 Months
LAIF	\$ 12,390,804	\$ 12,390,804	\$ -	\$ -	\$ -
Time deposits	15,398		105,398		
Held by fiscal agent:					
Municipal bonds	246,777				246,777
Money market funds	4,626,194	4,626,194			
Total	\$ 17,279,173	\$ 17,016,998	\$ 105,398	\$ -	\$ 246,777

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, and the actual rating as of fiscal year end for each investment type.

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End	
				AAA	Not Rated
LAIF	\$ 12,390,804	N/A	\$ -	\$ -	\$ 12,390,804
Time deposits	105,398	N/A			105,398
Held by fiscal agent:					
Municipal bonds	246,777	N/A		246,777	
Money market funds	4,626,194	N/A		4,626,194	
Total	\$ 17,369,173		\$ -	\$ 4,872,971	\$ 12,496,202

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represents 5% or more of the total City’s investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the City’s deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

None of the City’s deposits with financial institutions in excess of the Federal Depository Insurance Corporation’s limits were held in uncollateralized accounts.

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 3 – CASH AND INVESTMENTS (Continued)

Custodial Credit Risk (Continued)

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or governmental investment pools (such as LAIF).

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying basic financial statements at the amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

NOTE 4 – NOTES RECEIVABLE

A. 2005 Community Housing Improvement Systems and Planning Association

On December 28, 2005, the City entered into an agreement with the Community Housing Improvement Systems and Planning Association (CHISPA), a nonprofit housing agency, in which the City contributed \$500,000 toward the cost of developing a 40 unit multi-family residential project, named Walnut Place, for low and moderate income households. In exchange for the City contribution, the City obtained a promissory note and deed of trust secured by the housing project. CHISPA agrees to maintain the project in accordance with certain low and moderate income restrictions imposed upon it by the City. Repayment of the \$500,000 note is not due as long as CHISPA meets the requirements of the various restrictions. Accordingly, the City has recorded a note receivable and offsetting unearned revenue since the value of the note is not a source of readily available funding.

B. 2007 Community Housing Improvement Systems and Planning Association

On May 2, 2007, the City entered into an agreement with the Community Housing Improvement Systems and Planning Association (CHISPA), a nonprofit housing agency, in which the City contributed \$500,000 toward the cost of developing a 40 unit multi-family residential project, named Vineyard Green Townhomes, for low and moderate income households. In exchange for the City contribution, the City obtained a promissory note and deed of trust secured by the housing project. CHISPA agrees to maintain the project in accordance with certain low and moderate income restrictions imposed upon it by the City. Repayment of the \$500,000 note is not due until 55 years from the date the agreement was signed. Accordingly, the City has recorded a note receivable and offsetting unearned revenue since the value of the note is not a source of readily available funding.

C. 2009 Community Housing Improvement Systems and Planning Association

On April 20, 2009, the City entered into an agreement with the Community Housing Improvement Systems and Planning Association (CHISPA), a nonprofit housing agency, in which the City contributed \$700,000 toward the cost of developing a 40 unit multi-family residential project, named Vineyard Green Townhomes, for low and moderate income households. In exchange for the City contribution, the City obtained a promissory note and deed of trust secured by the housing project. CHISPA agrees to maintain the project in accordance with certain low and moderate income restrictions imposed upon it by the City. Repayment of the \$700,000 note is not due until 55 years from the date the agreement was signed. Accordingly, the City has recorded a note receivable and offsetting unearned revenue since the value of the note is not a source of readily available funding.

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 4 – NOTES RECEIVABLE (Continued)

D. Down Payment Assistance Program

At June 30, 2013, the City held \$811,682 in promissory notes secured by deeds of trust for various residential properties for households that participated in the City’s down payment assistance program for low and moderate income households. The promissory note accrues simple interest of 3.0 percent and repayment of the principal and interest is deferred for 30 years, unless the property is sold or transferred. Accordingly, the City has recorded notes receivable and offsetting unearned revenue since the value of the notes are not a source of readily available funding.

E. Housing Rehabilitation

The City provides loans to eligible citizens through the Housing Fund and Home Grant Fund for housing rehabilitation. Interest is generally deferred and repayment occurs when property ownership changes. The balance outstanding at June 30, 2013, is \$1,142,903, which is offset by unearned revenue in the governmental funds financial statements.

NOTE 5 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2013, was as follows:

	Balance July, 1 2012	Additions	Deletions	Prior Period Adjustment	Balance June 30, 2013
Governmental Activities					
Nondepreciable capital assets:					
Land	\$ 4,039,010	\$ -	\$ -	\$ -	\$ 4,039,010
Construction in progress	5,145,104	161,336		(237,836)	5,068,604
Total nondepreciable capital assets	<u>\$ 9,184,114</u>	<u>\$ 161,336</u>	<u>\$ -</u>	<u>\$ (237,836)</u>	<u>\$ 9,107,614</u>
Depreciable capital assets:					
Buildings and improvements	\$ 22,950,279	\$ -	\$ -	\$ (2,176)	\$ 22,948,103
Property and equipment	2,572,748	108,717		(151,272)	2,530,193
Infrastructure	1,910,692				1,910,692
Total depreciable capital assets	27,433,719	108,717		(153,448)	27,388,988
Less accumulated depreciation	5,801,413	1,080,336			6,881,749
Net depreciable capital assets	<u>21,632,306</u>	<u>\$ (971,619)</u>	<u>\$ -</u>	<u>\$ (153,448)</u>	<u>\$ 20,507,239</u>
Net capital assets	<u>\$ 30,816,420</u>	<u>\$ (810,283)</u>	<u>\$ -</u>	<u>\$ (391,284)</u>	<u>\$ 29,614,853</u>
	Balance July, 1 2012	Additions	Deletions	Transfers	Balance June 30, 2013
Business-Type Activities					
Nondepreciable capital assets:					
Land	\$ 323,537	\$ -	\$ -	\$ -	\$ 323,537
Construction in progress	17,330	363,058		(365,376)	15,012
Total nondepreciable capital assets	<u>\$ 340,867</u>	<u>\$ 363,058</u>	<u>\$ -</u>	<u>\$ (365,376)</u>	<u>\$ 338,549</u>
Depreciable capital assets:					
Property and equipment	\$ 20,127,559	\$ -	\$ -	\$ 365,376	\$ 20,492,935
Total depreciable capital assets	20,127,559			365,376	20,492,935
Less accumulated depreciation	6,492,166	596,130			7,088,296
Net depreciable capital assets	<u>\$ 13,635,393</u>	<u>\$ (596,130)</u>	<u>\$ -</u>	<u>\$ 365,376</u>	<u>\$ 13,404,639</u>
Net capital assets	<u>\$ 13,976,260</u>	<u>\$ (233,072)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,743,188</u>

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 5 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to function and programs based on their usage of the related assets. The amounts allocated to each function or program were as follows:

Governmental Activities:	
General government	\$ 117,618
Public works	24,636
Building and planning	1,186
Parks and recreation	194,109
Community development	21,793
Public safety	150,246
Streets and roads	<u>570,748</u>
Total depreciation expense-governmental activities	<u>\$ 1,080,336</u>
Business-type Activities:	
Water	\$ 276,638
Sewer	<u>319,492</u>
Total depreciation expense-business-type activities	<u>\$ 596,130</u>

NOTE 6 – LONG-TERM DEBT

A. 2005 California Housing Finance Agency Loan Agreement

On April 10, 2005, the City entered into a loan agreement with the California Housing Finance Agency (CalHFA) in the amount of \$500,000. On December 28, 2005, the City also entered into agreement with Community Housing Improvement Systems and Planning Association (CHISPA), a nonprofit housing agency, where the City contributed the loan proceeds from CalHFA to CHISPA for the development and construction of Walnut Place, a 40-unit multifamily rental complex. See note 4 for further detail. In the loan agreement between the City and CalHFA, principal and interest is due 10 years from the date of the agreement with interest accruing at simple interest of 3 percent from March 16, 2006, the date of disbursement. The City intends to use housing funds for the repayment of the loan. All principal and interest amounts are payable at maturity on April 10, 2015. The accumulated interest amount payable at June 30, 2013, was \$108,125.

The future minimum payment obligation for the loan agreement at June 30, 2013, is as follows:

Fiscal Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 500,000	\$ 150,000	\$ 650,000

B. 2009 California Housing Finance Agency Loan Agreement

On May 2, 2007, the City entered into a loan agreement with the California Housing Finance Agency (CalHFA) in the amount of \$500,000. On April 10, 2009, the City also entered into agreement with Community Housing Improvement Systems and Planning Association (CHISPA), a nonprofit housing agency, where the Agency contributed the loan proceeds from CalHFA to CHISPA for the development and construction of Vineyard Green Townhomes Project, a 40-unit rental development. See note 4 for further detail. In the loan agreement between the Agency and CalHFA, principal and interest is due 10 years from the date of the agreement with interest accruing at simple interest of 3.5 percent from March 11, 2009, the date of disbursement. The City intends to use housing funds for the repayment of the loan. All principal and interest amounts are payable at maturity on May 10, 2017. The accumulated interest amount payable at June 30, 2013, was \$74,375.

The future minimum payment obligation for the loan agreement at June 30, 2013 is as follows:

Fiscal Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 500,000	\$ 175,000	\$ 675,000

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 6 – LONG-TERM DEBT (Continued)C. Capital Leases Payable

On January 1, 2006, the City entered into a capital lease agreement with Municipal Finance Corporation. The lease proceeds were used to construct, acquire, and install certain capital improvements (consisting primarily of a new City Hall facility). The amount of the lease is \$2,500,000 and accrues interest at 5.1 percent. The lease is secured by revenues in the general fund. Semi-annual lease payments are due June 30 and December 30 of each year, commencing on June 30, 2009. Future minimum lease payments are as follows:

Fiscal Year Ending June 30	Amount
2014	\$ 200,862
2015	200,862
2016	200,862
2017	200,862
2018	200,862
2019-2023	1,004,310
2024-2025	<u>502,155</u>
Total minimum lease payments	2,510,775
Less amount representing interest	<u>(670,934)</u>
Present value on net minimum lease payments	<u>\$ 1,839,841</u>

On May 3, 2011, the City entered into a capital lease agreement with Municipal Finance Corporation. The lease proceeds were used to buy four pieces of equipment for public works (25%), streets (25%), water fund (25%), and sewer fund (25%). The amount of the lease was \$305,660 and accrues interest at 3.68%. The lease is secured by the investments in the acquisition fund. Quarterly lease payments are due each year commencing September 2011. Future minimum lease payments are as follows:

Fiscal Year Ending June 30	Amount
2014	\$ 67,208
2015	67,208
2016	<u>67,209</u>
Total minimum lease payments	201,625
Less amount representing interest	<u>(11,557)</u>
Present value on net minimum lease payments	<u>\$ 190,068</u>

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 6 – LONG-TERM DEBT (Continued)

D. California Infrastructure and Economic Development Bank Loan Agreement

In September 2006, the City entered into two agreements with the California Infrastructure and Economic Development Bank (CIEDB). The agreements provide financing for two projects within the City; the 10th Street Water Expansion Project and for the Wastewater Treatment Plant Expansion. The Water Expansion Project financing agreement is \$3,700,000 and the Wastewater Plant Expansion financing agreement is \$2,360,000.

The future minimum payment obligation for the Water Expansion Project loan agreement at June 30, 2013, is as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2014	\$ 86,134	\$ 93,825	\$ 179,959
2015	88,847	91,069	179,916
2016	91,646	88,227	179,873
2017	94,533	85,295	179,828
2018	97,511	82,270	179,781
2019-2023	535,609	362,538	898,147
2024-2028	625,452	271,279	896,731
2029-2033	730,366	164,713	895,079
2034-2037	671,559	43,129	714,688
	<u>\$ 3,021,657</u>	<u>\$ 1,282,345</u>	<u>\$ 4,304,002</u>

The future minimum payment obligation for the Wastewater Plant Expansion loan agreement at June 30, 2013, is as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2014	\$ 59,534	\$ 64,850	\$ 124,384
2015	61,410	62,945	124,355
2016	63,344	60,981	124,325
2017	65,339	58,954	124,293
2018	67,398	56,863	124,261
2019-2023	370,203	250,581	620,784
2024-2028	432,301	187,504	619,805
2029-2033	504,816	113,847	618,663
2034-2037	464,169	29,809	493,978
	<u>\$ 2,088,514</u>	<u>\$ 886,334</u>	<u>\$ 2,974,848</u>

E. Public Employees Retirement System Side Fund

At the time the City joined the Public Employees Retirement System (PERS) Risk Pool, a side fund was required to be created to account for the difference between the funded status of the pool and the funded status of the City's plan, in addition to the existing plans' unfunded liability. The side fund will be credited, in an annual basis, with the actuarial investment return assumption, which was 7.75% prior to July 1, 2012, and 7.5% after that date. A side fund liability will cause the City's required PERS employer contribution rate to be increased by the amortization of the side fund. The side fund liability for the City's plan as of June 30, 2013 was \$563,285.

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 6 – LONG-TERM DEBT (Continued)

F. Loan Payable

On July 1, 2009, the City agreed to repay the Greenfield Redevelopment Agency in the amount of \$191,783 for costs incurred to construct and furnish a new police facility as a component of the Civic Center Project with proceeds from the future sale of the existing police facility.

G. Compensated Absences

Governmental Accounting Standards Board Statement No. 16 identifies certain items that should be accrued as a liability as the benefits are earned by the employees, but only to the extent it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employee's termination or retirement.

The City's employees accumulate earned but unused benefits, which can be converted to cash at termination of employment. The non-current portion of these vested benefits, payable in accordance with various collective bargaining agreements, at June 30, 2013, total \$293,257 for governmental activities.

NOTE 7 – CHANGES IN LONG-TERM LIABILITIES

The following is a summary of long-term liability activities for the fiscal year ended June 30, 2013

	Balance July 1, 2012	Additions	Deletions	Prior Period Adjustment	Balance June 30, 2013	Due Within One Year
Governmental activities:						
2005 CalHFA	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ -
2009 CalHFA	500,000				500,000	
Capital leases payable	2,067,373		132,498		1,934,875	138,920
CalPERS side fund		43,167	108,906	629,024	563,285	70,000
Loan payable	900,000			(708,217)	191,783	
Compensated absences	289,159	276,839	272,741		293,257	
Total	<u>\$ 4,256,532</u>	<u>\$ 320,006</u>	<u>\$ 514,145</u>	<u>\$ (79,193)</u>	<u>\$ 3,983,200</u>	<u>\$ 208,920</u>
	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013	Due Within One Year	
Business-type activities:						
CIEDB water loan	\$ 3,105,161	\$ -	\$ 83,504	\$ 3,021,657	\$ 86,134	
CIEDB sewer loan	2,146,230		57,716	2,088,514	59,534	
Capital lease payable	124,461		29,427	95,034	30,525	
Total	<u>\$ 5,375,852</u>	<u>\$ -</u>	<u>\$ 170,647</u>	<u>\$ 5,205,205</u>	<u>\$ 176,193</u>	

NOTE 8 – INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds are netted as part of the reconciliation to the government-wide financial statements.

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 8 – INTERFUND TRANSACTIONS (Continued)

Due From/To Other Funds

Individual fund interfund receivable and payable balances at June 30, 2013, are as follows:

Fund	Due From	Due To
Major Governmental Fund:		
General Fund	\$ -	\$ 20,073
Nonmajor Governmental Fund:		
Police Impact Fees	20,073	
Total	<u>\$ 20,073</u>	<u>\$ 20,073</u>

Advances Receivable and Payable

Advances receivable and payable constitute long-term borrowing between funds. Individual advance receivable and payable balances at June 30, 2013, are as follows:

Fund	Advance Receivable	Advance Payable
Major Governmental Fund:		
General Fund	\$ 1,985,110	\$ -
Nonmajor Governmental Fund:		
General Facilities Impact Fees		1,985,110
Totals	<u>\$ 1,985,110</u>	<u>\$ 1,985,110</u>

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Interfund transfers for the 2012-2013 fiscal year, are as follows:

Fund	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund	\$ 764,800	\$ -
Nonmajor Governmental Funds:		
Gas Tax Fund		138,100
Lexington Square Assessment Fund		29,300
Terra Verde Assessment Fund		85,500
Proprietary Funds:		
Water Fund		255,900
Sewer Fund		256,000
	<u>\$ 764,800</u>	<u>\$ 764,800</u>

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 9 – CITY EMPLOYEES' RETIREMENT PLAN

Plan Description

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

Funding Policy

The City contributes the employer share for the Miscellaneous Plan and the Safety Plan. The City of Greenfield is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. For members prior to January 1, 2013, the required employer contribution rate for the fiscal year 2012/2013 was 10.672% for miscellaneous employees, and 25.927% for safety employees. As part of the California Public Employees' Pension Reform Act (PEPRA) of 2013, the required contribution rate for new employees and member as of January 1, 2013 and thereafter was 6.25% for miscellaneous employees and 11.5% for safety employees. The contribution requirements of the plan members are established by the State statutes and the employer contribution rate is established and may be amended by CalPERS. The City's contributions to CalPERS for fiscal years ending June 30, 2013, 2012, and 2011, were \$401,663, \$445,473, and \$397,968, respectively, and equal 100% of the required contributions for each fiscal year.

NOTE 10 – LIABILITY, WORKERS' COMPENSATION, AND PURCHASED INSURANCE

A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Greenfield is a member of the Monterey Bay Area Self Insurance Authority (Authority). The Authority is composed of 10 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et. seq.. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage.

B. Self-Insurance Programs of the Authority

General Liability – The City is self-insured for the first \$10,000 of each liability claim. Claims above \$10,000 up to \$1 million are paid by the Authority. Claims above \$1 million are covered by California Affiliated Risk Management Authorities, purchased by the Authority.

Workers' Compensation – The City does not retain a self-insured portion of workers' compensation claims. Annual premiums for coverage up to statutory levels are paid to the Authority based on the level of claims activity. A third party administrator is contracted by the Authority to manage claims activity.

C. Purchased Insurance

Property Insurance – The City purchases other policies through a commercial insurance agency. The coverage includes property (including earthquake) damage, commercial crime, and commercial inland marine. Coverage limits are \$4,780,000 for property and \$360,000 for commercial crime.

D. Adequacy of Protection

During the past three fiscal (claims) years, none of the above programs of protection have had settlements or judgements that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior fiscal year.

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 11 – CONTINGENCIES AND COMMITMENTS

The City is involved in various litigations. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the City’s financial statements.

The City has received State and Federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

NOTE 12 – REVENUE LIMITATIONS IMPOSED BY CALIFORNIA PROPOSITION 218

Proposition 218, which was approved by the voters in November 1996, will regulate the City’s ability to impose, increase, and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218, require voter’s approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter’s initiative process and may be rescinded in the future years by the voters.

NOTE 13 – SUCCESSOR AGENCY

Capital Assets

	Balance July, 1 2012	Additions	Deletions	Prior Period Adjustment	Balance June 30, 2013
Agency					
Nondepreciable capital assets:					
Land	\$ 850,939	\$ 1,182,000	\$ -	\$ -	\$ 2,032,939
Construction in progress		132,388		87,982	220,370
Total nondepreciable capital assets	<u>\$ 850,939</u>	<u>\$ 1,314,388</u>	<u>\$ -</u>	<u>\$ 87,982</u>	<u>\$ 2,253,309</u>
Depreciable capital assets:					
Property and equipment	\$ 29,727	\$ -	\$ -	\$ -	\$ 29,727
Total depreciable capital assets	29,727				29,727
Less accumulated depreciation	29,727				29,727
Net depreciable capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net capital assets	<u>\$ 850,939</u>	<u>\$ 1,314,388</u>	<u>\$ -</u>	<u>\$ 87,982</u>	<u>\$ 2,253,309</u>

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 13 – SUCCESSOR AGENCY (Continued)2002 Tax Allocation Bonds

On April 18, 2002, the Agency adopted a resolution authorizing the sale of \$4,005,000 aggregate principal amount of Tax Allocation Refunding and Escrow Bonds at interest rates ranging from 4.125 to 5.8 percent. The purpose of the bond was to retire \$1,500,000 of tax allocation notes issued on December 1, 2000 and to provide additional redevelopment project funds. A portion of these bonds were advance refunded by the 2006 Tax Allocation Refunding Bonds. As of June 30, 2013, the principal balance outstanding was \$1,405,000.

The future minimum payment obligation for the bonds payable at June 30, 2013, is as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2014	\$ 40,000	\$ 82,868	\$ 122,868
2015	40,000	80,767	120,767
2016	40,000	78,618	118,618
2017	45,000	76,418	121,418
2018	45,000	73,886	118,886
2019-2023	285,000	325,548	610,548
2024-2028	385,000	230,100	615,100
2029-2032	525,000	91,500	616,500
	<u>\$ 1,405,000</u>	<u>\$ 1,039,705</u>	<u>\$ 2,444,705</u>

2006 Tax Allocation Bonds

On December 5, 2006, the Agency issued \$29,810,000 in Tax Allocation Bonds Series 2006 to defease its 2005 Tax Allocation Bonds, partially defease its 2002 Tax Allocation Bonds, provide approximately \$23,000,000 in new funding for various redevelopment projects, fund a debt service reserve fund, fund capitalized interest, and pay issuance costs related to the bonds. The interest rates on the bonds vary from 3.625 to 4.75 percent. During the fiscal year, the City retired the par value of \$1,085,000 at a discounted amount of \$913,646. The resulting gain of \$171,354 is shown as a special item within the financial statements. As of June 30, 2013, the principal balance outstanding was \$21,875,000.

The future minimum payment obligation for the bonds payable at June 30, 2013, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2014	\$ 670,000	\$ 970,615	\$ 1,640,615
2015	585,000	943,815	1,528,815
2016	740,000	920,415	1,660,415
2017	770,000	887,115	1,657,115
2018	400,000	859,203	1,259,203
2019-2023	4,090,000	3,924,013	8,014,013
2024-2028	4,160,000	3,083,000	7,243,000
2029-2033	4,650,000	2,066,725	6,716,725
2034-2037	5,810,000	624,388	6,434,388
	<u>\$ 21,875,000</u>	<u>\$ 14,279,289</u>	<u>\$ 36,154,289</u>

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 13 – SUCCESSOR AGENCY (Continued)

Changes in Long-Term Liabilities

Long term liability activity for the fiscal year ended June 30, 2013, was as follows:

	Balance <u>July 1, 2012</u>	Additions	Deletions	Balance <u>June 30, 2013</u>	Due Within <u>One Year</u>
2002 Tax Allocation Bonds	\$ 1,445,000	\$ -	\$ 40,000	\$ 1,405,000	\$ 40,000
2006 Tax Allocation Bonds	23,460,000		1,585,000	21,875,000	670,000
Bond premium	353,493		13,862	339,631	13,862
	<u>\$ 25,258,493</u>	<u>\$ -</u>	<u>\$ 1,638,862</u>	<u>\$ 23,619,631</u>	<u>\$ 723,862</u>

NOTE 14 – PRIOR PERIOD ADJUSTMENT

Prior period adjustments consisted of the following:

Government-wide:

Unrecorded CalPERS miscellaneous and safety side fund plan.	\$ (629,024)
State Controller's AB1484 review of loans receivable from the City of Greenfield to Successor Agency to be inconsistent with the dissolution law.	708,217
Prior fiscal year construction in progress not transferred to the Successor Agency.	(87,982)
Overstatement of capital assets in prior fiscal year.	<u>(303,302)</u>
	<u>\$ (312,091)</u>

Governmental funds:

Overstatement of interfund loans due to the State Controller's AB1484 review noted above.

General fund	\$ (900,000)
General facilities impact fund	400,000
Police impact fees fund	500,000
	<u>\$ -</u>

Successor agency:

State Controller's AB1484 review of loans receivable from the City of Greenfield to Successor Agency to be inconsistent with the dissolution law.	\$ (708,217)
Prior fiscal year construction in progress not transferred to the Successor Agency.	87,982
	<u>\$ (620,235)</u>

CITY OF GREENFIELD

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available for issuance which is February 5, 2014.

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REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF GREENFIELD

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 2,840,700	\$ 2,840,700	\$ 3,042,472	\$ 201,772
Licenses and permits	52,000	52,000	47,342	(4,658)
Fines and penalties	77,000	77,000	64,937	(12,063)
Use of money and property	23,000	23,000	14,878	(8,122)
Intergovernmental revenues	155,800	155,800	359,427	203,627
Charges for services	598,900	598,900	611,844	12,944
Other revenues	41,300	41,300	41,139	(161)
Total revenues	<u>3,788,700</u>	<u>3,788,700</u>	<u>4,182,039</u>	<u>393,339</u>
EXPENDITURES				
Current:				
General government	1,019,200	1,019,200	1,408,898	(389,698)
Public works	306,300	306,300	337,304	(31,004)
Building and planning	215,300	215,300	545,320	(330,020)
Parks and recreation	163,600	163,600	185,784	(22,184)
Public safety	2,517,800	2,517,800	2,724,141	(206,341)
Capital outlay	23,200	23,200	2,695	20,505
Debt service:				
Principal	155,100	155,100	117,784	37,316
Interest	112,900	112,900	99,880	13,020
Total expenditures	<u>4,513,400</u>	<u>4,513,400</u>	<u>5,421,806</u>	<u>(908,406)</u>
Excess of revenues over (under) expenditures	<u>(724,700)</u>	<u>(724,700)</u>	<u>(1,239,767)</u>	<u>(515,067)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>640,700</u>	<u>640,700</u>	<u>764,800</u>	<u>124,100</u>
Total other financing sources	<u>640,700</u>	<u>640,700</u>	<u>764,800</u>	<u>124,100</u>
Net change in fund balance	<u>(84,000)</u>	<u>(84,000)</u>	<u>(474,967)</u>	<u>(390,967)</u>
Fund balance, beginning of fiscal year	4,768,246	4,768,246	4,768,246	
Prior period adjustment			(900,000)	(900,000)
Fund balances, beginning of fiscal year-re-stated	<u>4,768,246</u>	<u>4,768,246</u>	<u>3,868,246</u>	<u>(900,000)</u>
Fund balance, end of fiscal year	<u>\$ 4,684,246</u>	<u>\$ 4,684,246</u>	<u>\$ 3,393,279</u>	<u>\$ (1,290,967)</u>

CITY OF GREENFIELD

HOME GRANT SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 42	\$ 42
Total revenues			42	42
EXPENDITURES				
Current:				
Community development				
Total expenditures				
Excess of revenues over (under) expenditures			42	42
Fund balance, beginning of fiscal year	21,042	21,042	21,042	
Fund balance, end of fiscal year	\$ 21,042	\$ 21,042	\$ 21,084	\$ 42

CITY OF GREENFIELD

TRAFFIC IMPACT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 15,000	\$ 15,000	\$ 4,093	\$ (10,907)
Charges for services			37,151	37,151
Total revenues	15,000	15,000	41,244	26,244
EXPENDITURES				
Current:				
Public works			111	(111)
Capital outlay	242,800	242,800	32,991	209,809
Total expenditures	242,800	242,800	33,102	209,698
Excess of revenues over expenditures	(227,800)	(227,800)	8,142	235,942
Fund balance, beginning of fiscal year	2,103,770	2,103,770	2,103,770	
Fund balance, end of fiscal year	\$ 1,875,970	\$ 1,875,970	\$ 2,111,912	\$ 235,942

CITY OF GREENFIELD

WATER IMPACT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 4,352	\$ 4,352
Charges for services	15,000	15,000	62,931	47,931
Total revenues	15,000	15,000	67,283	52,283
EXPENDITURES				
Capital outlay	945,000	945,000		945,000
Total expenditures	945,000	945,000		945,000
Excess of revenues over expenditures	(930,000)	(930,000)	67,283	997,283
Fund balance, beginning of fiscal year	2,231,025	2,231,025	2,231,025	
Fund balance, end of fiscal year	<u>\$ 1,301,025</u>	<u>\$ 1,301,025</u>	<u>\$ 2,298,308</u>	<u>\$ 997,283</u>

CITY OF GREENFIELD

GENERAL FACILITIES IMPACT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 1,372	\$ 1,372
Total revenues			1,372	1,372
EXPENDITURES				
Capital outlay				
Total expenditures				
Excess of revenues over expenditures			1,372	1,372
Fund balance, beginning of fiscal year	(2,386,482)	(2,386,482)	(2,386,482)	
Prior period adjustment			400,000	400,000
Fund balance, beginning of fiscal year, restated	(2,386,482)	(2,386,482)	(1,986,482)	400,000
Fund balance, end of fiscal year	<u>\$ (2,386,482)</u>	<u>\$ (2,386,482)</u>	<u>\$ (1,985,110)</u>	<u>\$ 401,372</u>

CITY OF GREENFIELD

HOUSING FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 163	\$ 163
Other revenues			10,720	10,720
Total revenues			10,883	10,883
EXPENDITURES				
Current:				
Community development			27,819	(27,819)
Total expenditures			27,819	(27,819)
Excess of revenues over expenditures			(16,936)	(16,936)
Fund balance, beginning of fiscal year	(107,800)	(107,800)	(107,800)	
Fund balance, end of fiscal year	\$ (107,800)	\$ (107,800)	\$ (124,736)	\$ (16,936)

SUPPLEMENTAL INFORMATION SECTION

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CITY OF GREENFIELD
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2013

	Supplemental Law Enforcement Service Fund	Gas Tax Fund	Local Transportation Fund	Greenfield Science Workshop Fund
ASSETS				
Cash and investments	\$ 79,944	\$ 396,049	\$ 116,837	\$ 38,379
Accounts receivable	25,000			
Interest receivable		260		
Due from other funds				
Total assets	<u><u>\$ 104,944</u></u>	<u><u>\$ 396,309</u></u>	<u><u>\$ 116,837</u></u>	<u><u>\$ 38,379</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 7,759	\$ 27,465	\$ 7,109	\$ 2,113
Accrued payroll		15,451		4,093
Total liabilities	<u>7,759</u>	<u>42,916</u>	<u>7,109</u>	<u>6,206</u>
Fund Balances				
Restricted	<u>97,185</u>	<u>353,393</u>	<u>109,728</u>	<u>32,173</u>
Total fund balances	<u>97,185</u>	<u>353,393</u>	<u>109,728</u>	<u>32,173</u>
Total liabilities and fund balances	<u><u>\$ 104,944</u></u>	<u><u>\$ 396,309</u></u>	<u><u>\$ 116,837</u></u>	<u><u>\$ 38,379</u></u>

Special Revenue Funds

<u>Park Impact Fund</u>	<u>Police Impact Fund</u>	<u>Sewer Impact Fund</u>	<u>Community Center Impact Fund</u>	<u>Civic Center Construction Fund</u>	<u>Lexington Square Assessment Fund</u>
\$ 862,300	\$ -	\$ 1,027,408	\$ 108,873	\$ -	\$ 348,702
442		525	56		187
<u> </u>	<u>20,073</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>\$ 862,742</u>	<u>\$ 20,073</u>	<u>\$ 1,027,933</u>	<u>\$ 108,929</u>	<u>\$ -</u>	<u>\$ 348,889</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,004
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>179</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>9,183</u>
<u>862,742</u>	<u>20,073</u>	<u>1,027,933</u>	<u>108,929</u>	<u> </u>	<u>339,706</u>
<u>862,742</u>	<u>20,073</u>	<u>1,027,933</u>	<u>108,929</u>	<u> </u>	<u>339,706</u>
<u>\$ 862,742</u>	<u>\$ 20,073</u>	<u>\$ 1,027,933</u>	<u>\$ 108,929</u>	<u>\$ -</u>	<u>\$ 348,889</u>

Continued

CITY OF GREENFIELD
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2013

Special Revenue Funds

	<u>Terra Verde Assessment Fund</u>	<u>SMD #1 Fund</u>	<u>LLM #1 Fund</u>	<u>Totals</u>
ASSETS				
Cash and investments	\$ 633,772	\$ 453,791	\$ 76,108	\$ 4,142,163
Accounts receivable				25,056
Interest receivable	357	232	39	2,042
Due from other funds				20,073
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 634,129</u>	<u>\$ 454,023</u>	<u>\$ 76,147</u>	<u>\$ 4,189,334</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 28,538	\$ 388	\$ -	\$ 82,376
Accrued payroll	336	325		20,384
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>28,874</u>	<u>713</u>	<u> </u>	<u>102,760</u>
 Fund Balances				
Restricted	<u>605,255</u>	<u>453,310</u>	<u>76,147</u>	<u>4,086,574</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>605,255</u>	<u>453,310</u>	<u>76,147</u>	<u>4,086,574</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 634,129</u>	<u>\$ 454,023</u>	<u>\$ 76,147</u>	<u>\$ 4,189,334</u>

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CITY OF GREENFIELD

NONMAJOR GOVERNMENTAL FUNDS

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

For the Fiscal Year Ended June 30, 2013

	Supplemental Law Enforcement Service Fund	Gas Tax Fund	Local Transportation Fund	Greenfield Science Workshop Fund
REVENUES				
Use of money and property	\$ 8	\$ 712	\$ 139	\$ 255
Intergovernmental revenues	128,700	355,084	77,486	
Charges for services				11,019
Total revenues	128,708	355,796	77,625	11,274
EXPENDITURES				
Current:				
General government				120,231
Public works				
Parks and recreation				
Community development				
Public safety	49,204			
Streets and roads		315,123	9,383	
Capital outlay	29,698		56,255	
Debt service:				
Principal		14,714		
Interest		2,089		
Total expenditures	78,902	331,926	65,638	120,231
Excess of revenues over (under) expenditures	49,806	23,870	11,987	(108,957)
OTHER FINANCING SOURCES (USES)				
Transfers out		(138,100)		
Total other financing sources (uses)		(138,100)		
Net change in fund balances	49,806	(114,230)	11,987	(108,957)
Fund balances, beginning of fiscal year	47,379	467,623	97,741	141,130
Prior period adjustment				
Fund balances, beginning of fiscal year-restarted	47,379	467,623	97,741	141,130
Fund balances, end of fiscal year	\$ 97,185	\$ 353,393	\$ 109,728	\$ 32,173

Special Revenue Funds

<u>Park Impact Fund</u>	<u>Police Impact Fund</u>	<u>Sewer Impact Fund</u>	<u>Community Center Impact Fund</u>	<u>Civic Center Construction Fund</u>	<u>Lexington Square Assessment Fund</u>
\$ 3,480	\$ 4	\$ 1,839	\$ 193	\$ 53	\$ 570
<u>54,130</u>	<u>2,480</u>	<u>67,064</u>	<u>443</u>		<u>80,169</u>
<u>57,610</u>	<u>2,484</u>	<u>68,903</u>	<u>636</u>	<u>53</u>	<u>80,739</u>
24,974				53	67,731
<u>24,974</u>				<u>53</u>	<u>67,731</u>
<u>32,636</u>	<u>2,484</u>	<u>68,903</u>	<u>636</u>		<u>13,008</u>
					<u>(29,300)</u>
					<u>(29,300)</u>
<u>32,636</u>	<u>2,484</u>	<u>68,903</u>	<u>636</u>		<u>(16,292)</u>
<u>830,106</u>	<u>(482,411)</u> <u>500,000</u>	<u>959,030</u>	<u>108,293</u>		<u>355,998</u>
<u>830,106</u>	<u>17,589</u>	<u>959,030</u>	<u>108,293</u>		<u>355,998</u>
<u>\$ 862,742</u>	<u>\$ 20,073</u>	<u>\$ 1,027,933</u>	<u>\$ 108,929</u>	<u>\$ -</u>	<u>\$ 339,706</u>

Continued

CITY OF GREENFIELD

NONMAJOR GOVERNMENTAL FUNDS

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

For the Fiscal Year Ended June 30, 2013

Special Revenue Funds

	Terra Verde Assessment Fund	SMD #1 Fund	LLM #1 Fund	Totals
REVENUES				
Use of money and property	\$ 1,012	\$ 800	\$ (32)	\$ 9,033
Intergovernmental revenues				561,270
Charges for services	<u>277,784</u>	<u>25,285</u>	<u>76,919</u>	<u>595,293</u>
Total revenues	<u>278,796</u>	<u>26,085</u>	<u>76,887</u>	<u>1,165,596</u>
EXPENDITURES				
Current:				
General government				120,231
Public works	197,659	9,421	740	275,551
Parks and recreation				24,974
Community development				53
Public safety				49,204
Streets and roads				324,506
Capital outlay				85,953
Debt service:				
Principal				14,714
Interest				2,089
Total expenditures	<u>197,659</u>	<u>9,421</u>	<u>740</u>	<u>897,275</u>
Excess of revenues over (under) expenditures	<u>81,137</u>	<u>16,664</u>	<u>76,147</u>	<u>268,321</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(85,500)</u>			<u>(252,900)</u>
Total other financing sources (uses)	<u>(85,500)</u>			<u>(252,900)</u>
Net change in fund balances	<u>(4,363)</u>	<u>16,664</u>	<u>76,147</u>	<u>15,421</u>
Fund balances, beginning of fiscal year	609,618	436,646		3,571,153
Prior period adjustment				500,000
Fund balances, beginning of fiscal year-restated	<u>609,618</u>	<u>436,646</u>		<u>4,071,153</u>
Fund balances, end of fiscal year	<u>\$ 605,255</u>	<u>\$ 453,310</u>	<u>\$ 76,147</u>	<u>\$ 4,086,574</u>

CITY OF GREENFIELD

COMBINING STATEMENT OF FIDUCIARY NET POSITION

PRIVATE PURPOSE TRUST FUNDS

June 30, 2013

	RDA Successor Agency Admin Fund	RDA Successor Agency Capital Projects Fund	RDA Successor Agency Debt Service Fund	Total
Assets				
Cash and investments	\$ -	\$ 4,258,456	\$ 2,959,358	\$ 7,217,814
Interest receivable		757	277	1,034
Note receivable	10,035			10,035
Due from City of Greenfield		191,783	124,736	316,519
Debt issuance costs-net of accumulated amortization			762,623	762,623
Capital assets, net				
Non-depreciable		<u>2,253,309</u>		<u>2,253,309</u>
Total assets	<u>10,035</u>	<u>6,704,305</u>	<u>3,846,994</u>	<u>10,561,334</u>
Liabilities				
Accounts payable	7,056	36,203		43,259
Accrued interest payable			438,951	438,951
Noncurrent liabilities:				
Due within one year			723,862	723,862
Due in more than one year			<u>22,895,769</u>	<u>22,895,769</u>
Total liabilities	<u>7,056</u>	<u>36,203</u>	<u>24,058,582</u>	<u>24,101,841</u>
Net Position				
Held in trust	<u>\$ 2,979</u>	<u>\$ 6,668,102</u>	<u>\$ (20,211,588)</u>	<u>\$ (13,540,507)</u>

CITY OF GREENFIELD

COMBINING STATEMENT OF FIDUCIARY NET POSITIONS

PRIVATE PURPOSE TRUST FUNDS

For the Fiscal Year Ended June 30, 2013

	RDA Successor Agency Admin Fund	RDA Successor Agency Capital Projects Fund	RDA Successor Agency Debt Service Fund	Total
Additions:				
Taxes	\$ -	\$ -	\$ 1,694,068	\$ 1,694,068
Investment earnings		(15,676)	171	(15,505)
Other		9,434		9,434
Total additions		<u>(6,242)</u>	<u>1,694,239</u>	<u>1,687,997</u>
Deductions:				
Community development	116,615	153	119	116,887
Capital outlay		214,024		214,024
Amortization			18,361	18,361
Interest expense		282	1,083,040	1,083,322
Total deductions	<u>116,615</u>	<u>214,459</u>	<u>1,101,520</u>	<u>1,432,594</u>
Increase (decrease) before transfers and special item	(116,615)	(220,701)	592,719	255,403
Transfers	107,059	(926,107)	819,048	
Special item-gain from early bond retirement			171,354	171,354
Change in net position	<u>(9,556)</u>	<u>(1,146,808)</u>	<u>1,583,121</u>	<u>426,757</u>
Total net position-beginning	12,535	8,435,145	(21,794,709)	(13,347,029)
Prior period adjustment		(620,235)		(620,235)
Total net position-beginning, restated	<u>12,535</u>	<u>7,814,910</u>	<u>(21,794,709)</u>	<u>(13,967,264)</u>
Total net position-ending	<u>\$ 2,979</u>	<u>\$ 6,668,102</u>	<u>\$ (20,211,588)</u>	<u>\$ (13,540,507)</u>