

# CITY OF GREENFIELD

## BASIC FINANCIAL STATEMENT



**JUNE 30, 2010**

**CITY OF GREENFIELD  
CALIFORNIA**

FINANCIAL STATEMENTS  
June 30, 2010



**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 fund information of the City of Greenfield (the City), as of and for the fiscal year ended June 30, 2010, which collectively comprise the City's basic financial statements, as listed in the foregoing table of contents. These financial statements are the responsibility of the City's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 fund information of the City of Greenfield as of June 30, 2010, the respective changes in the financial position and cash flows, where applicable thereof, for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 9, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As discussed in note 1 to basic financial statements effective July 1, 2009, the City of Greenfield adopted Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

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 information on pages 43 through 45, 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 inquiries 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.

Our audit was made for the purpose of forming opinions on the basic financial statements of the City of Greenfield, taken as a whole. The accompanying combining fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic statements, and in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

MOSS, LEVY & HARTZHEIM LLP

*Moss, Levy & Hartzheim LLP*

February 9, 2011

## CITY OF GREENFIELD

### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2010

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, 2010. 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, 2010, by \$38,814,696. This represents a decrease of \$1,296,800 from the prior fiscal year.
- As of June 30, 2010, the City's governmental funds reported combined ending fund balances of \$36,085,980. This represents a decrease of \$8,183,252 from the prior fiscal year.
- As of June 30, 2010, the unreserved fund balance for the General Fund was \$609,143 or 10% 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 assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the fiscal year. All changes in net assets 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 and 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, sewer, and transit.

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 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 11 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 two categories: governmental funds and proprietary funds.

## **CITY OF GREENFIELD**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2010

#### **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 21 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, Home Grant Fund, Civic Center Construction Fund, Redevelopment Agency Low-Moderate Fund, Redevelopment Agency Capital Projects Fund, and the Redevelopment Agency Debt Service Fund are reported as major funds. Data from the other 15 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 12 through 19 of this report.

#### **Proprietary Funds**

The City maintains three proprietary funds: the Water Fund, Sewer Fund, and the Transit Fund.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only 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 20 through 23 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 24 through 41 of this report.

#### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which includes budgetary comparison schedules for the General Fund and Major Special Revenue Funds. Required supplementary information can be found on pages 43 through 45 of this report. The supplemental information section, mentioned above, can be found on pages 48 through 55 of this report.

#### **Government-wide Financial Analysis**

As noted earlier, net assets 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 \$38,814,696 at June 30, 2010.

The largest portion of the City's net assets (71%) 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 Assets* is presented on the following page:

**CITY OF GREENFIELD**

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2010

**Statement of Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 42,622,274	\$ 50,649,864	\$ 4,047,390	\$ 5,267,629	\$ 46,669,664	\$ 55,917,493
Capital assets	20,052,440	13,239,328	15,020,212	15,080,928	35,072,652	28,320,256
Total assets	62,674,714	63,889,192	19,067,602	20,348,557	81,742,316	84,237,749
Current liabilities	3,059,975	3,745,388	729,004	376,183	3,788,979	4,121,571
Noncurrent liabilities	33,750,342	34,075,595	5,388,299	5,929,087	39,138,641	40,004,682
Total liabilities	36,810,317	37,820,983	6,117,303	6,305,270	42,927,620	44,126,253
Invested in capital assets, net of related debt	17,918,324	11,016,594	9,499,186	9,151,841	27,417,510	20,168,435
Restricted	3,922,249	40,822,664		5,929,087	3,922,249	46,751,751
Unrestricted	4,023,824	(25,771,049)	3,451,113	(1,037,641)	7,474,937	(26,808,690)
Total net assets	\$ 25,864,397	\$ 26,068,209	\$ 12,950,299	\$ 14,043,287	\$ 38,814,696	\$ 40,111,496

The City's total net assets decreased by \$1,296,800 for the fiscal year 2009-2010 of which \$203,812 related to governmental activities and \$1,092,988 related to business-type activities. These changes are presented below and on the following page:

**Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Program Revenues:						
Charges for services	\$ 2,991,943	\$ 1,773,497	\$ 1,428,853	\$ 1,469,891	\$ 4,420,796	\$ 3,243,388
Operating contributions and grants	1,555,112	1,914,910	332,845	304,351	1,887,957	2,219,261
Capital contributions and grants		1,202,683	310,395		310,395	1,202,683
General Revenues:						
Property taxes	4,092,072	405,898			4,092,072	405,898
Other taxes	102,138	4,358,437			102,138	4,358,437
Other revenue	1,733,849	2,799,553	25,799	3,256,060	1,759,648	6,055,613
Transfers	1,117,782	5,335,505	(1,117,782)	(5,335,505)		
Total revenues	11,592,896	17,790,483	980,110	(305,203)	12,573,006	17,485,280
Expenses:						
General government	4,082,239	1,840,057			4,082,239	1,840,057
Public works	581,624	3,533,116			581,624	3,533,116
Building and planning	331,114	320,945			331,114	320,945
Parks and recreation	479,673	479,968			479,673	479,968
Community development	948,322	1,592,436			948,322	1,592,436
Public safety	3,269,187	2,788,829			3,269,187	2,788,829
Streets and roads	567,769	890,119			567,769	890,119
Interest on long-term debt	1,536,780	1,772,873			1,536,780	1,772,873
Water			976,026	931,341	976,026	931,341
Sewer			727,283	704,027	727,283	704,027
Transit			369,789	327,400	369,789	327,400
Total expenses	11,796,708	13,218,343	2,073,098	1,962,768	13,869,806	15,181,111

Continued on next page

# CITY OF GREENFIELD

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2010

Continued from previous page

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Change in net assets	\$ (203,812)	\$ 4,572,140	\$ (1,092,988)	\$ (2,267,971)	\$ (1,296,800)	\$ 2,304,169
Net assets – beginning	<u>26,068,209</u>	<u>21,496,069</u>	<u>14,043,287</u>	<u>16,311,258</u>	<u>40,111,496</u>	<u>37,807,327</u>
Net assets – ending	<u>\$ 25,864,397</u>	<u>\$ 26,068,209</u>	<u>\$ 12,950,299</u>	<u>\$ 14,043,287</u>	<u>\$ 38,814,696</u>	<u>\$ 40,111,496</u>

### Fund Financial Analysis

At June 30, 2010, the City's governmental funds reported combined ending fund balances of \$36,085,980, a decrease of \$8,183,252 in comparison to prior year. Unreserved fund balances amounted to \$30,564,738 at June 30, 2010. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

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 \$1,551,437 of which \$942,294 (61%) is reserved. As a measure of the General fund's liquidity, it may be useful to compare the unreserved fund balance to total fund expenditures. Unreserved fund balance represents 10% of total General fund expenditures.

During the 2009-10 fiscal year, the fund balance of the City's General fund decreased by \$1,136,161 due to the severe downturn in the economy arising out of the housing market imploding. Property tax revenues were significantly impacted.

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

- The Home Grant Fund balance decreased from \$1,835 to \$(4,476).
- The Civic Center Construction Fund balance decreased from \$4,377,781 to \$1,220,667.
- The Redevelopment Agency Low-Moderate Housing Fund balance decreased from \$1,762,189 to \$1,651,920.
- The Redevelopment Agency Capital Projects Fund balance decreased from \$21,519,569 to \$18,148,261.
- The Redevelopment Agency Debt Service Fund balance decreased from \$6,268,013 to \$4,578,948.

### 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 assets of the proprietary funds at the end of the fiscal year amounted to \$3,451,113, a decrease of \$1,440,333. The total decline in net assets was \$1,092,988.

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

- The Water fund net assets decreased from \$7,414,933 to \$6,868,123.
- The Sewer fund net assets decreased from \$6,590,672 to \$6,078,020.
- The Transit Fund net assets decreased from \$37,682 to \$4,156.

### General Fund Budgetary Highlights

There was no difference between the original budget and the final amended budget for expenditures. Unfortunately, due to decline in property tax revenues, revenues were \$1,728,040 below estimates. Actual expenditures were \$852,429 under the final budget.

### Capital Assets

The City's investment in capital assets for its governmental activities and business-type activities as of June 30, 2010, amounts to \$20,052,440 and \$15,020,212 (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 increase in capital assets was \$6,752,396.

# CITY OF GREENFIELD

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2010

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

- Construction in Progress – Construction of new civic center at a cost of \$4,152,575; El Camino Real curb & gutter improvements at a cost of \$3,320,644; Walnut Avenue Widening project at \$1,018,022; and El Camino Real storm drain improvements at a cost of \$658,594.
- Property and Equipment – Police patrol vehicle, police motorcycle (2), CSI van equipment, public works pickups (2), aerator w/3 point hit attachment, and Ditch Witch vacuum system for sewer system totaling \$194,269.
- Buildings and Improvements – completed construction in progress during the year include the Patriot Park phase I with total cost of \$1,161,542 and water system upgrades totaling \$4,215,120.

### Schedule of Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 2,088,184	\$ 2,088,184	\$ 323,537	\$ 323,537	\$ 2,411,721	\$ 2,411,721
Construction in progress	9,148,580	3,028,573	103,101	4,428,240	9,251,681	7,456,813
Building and improvements	9,239,457	8,077,915			9,239,457	8,077,915
Property and equipment	2,087,733	1,954,651	20,038,490	15,306,262	22,126,223	17,260,913
Infrastructure	1,910,692	1,910,692			1,910,692	1,910,692
Total capital assets	24,474,646	17,060,015	20,465,128	20,058,039	44,939,774	37,118,054
Accumulated depreciation	4,422,206	3,820,687	5,444,916	4,977,111	9,867,122	8,797,798
Net capital assets	<u>\$ 20,052,440</u>	<u>\$ 13,239,328</u>	<u>\$ 15,020,212</u>	<u>\$ 15,080,928</u>	<u>\$ 35,072,652</u>	<u>\$ 28,320,256</u>

Additional information on the City's capital assets can be found in note 5 on pages 33 and 34 of this report.

### Long-term Debt

At the end of the fiscal year, the City had total governmental activities debt outstanding of \$34,262,781. Of this amount, \$31,806,599 is a liability of the Agency. At the end of the fiscal year, the City had total business-type activities debt outstanding of \$5,521,026.

### Schedule of Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
RDA Tax Allocation Bonds	\$ 30,806,599	\$ 31,061,226	\$ -	\$ -	\$ 30,806,599	\$ 31,061,226
Loan payable	1,000,000	1,000,000	5,521,026	5,929,087	6,521,026	6,929,087
Capital lease payable	2,134,116	2,222,734			2,134,116	2,222,734
Compensated absences	322,066	257,753			322,066	257,753
Total	<u>\$ 34,262,781</u>	<u>\$ 34,541,713</u>	<u>\$ 5,521,026</u>	<u>\$ 5,929,087</u>	<u>\$ 39,783,807</u>	<u>\$ 40,470,800</u>

The City's total debt decreased by \$686,993, however, compensated absences increased by \$64,313 due to vacation earned exceeding the amount used. Additional information on the City's long-term debt can be found in note 6 and note 7 on pages 34 through 38 of this report.

## **CITY OF GREENFIELD**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2010

#### **Economic Factors and Next Year's Budgets and Rates**

- Local property values for the General Fund will be moderately less than their present values for the current fiscal year. However, property tax values for the Redevelopment Agency are expected to decline again but very moderately for the fourth consecutive year due to the downturn in the economy and its' impact on the housing market.
- State shared revenues are also expected to decline in the coming fiscal year due to the State of California's budget crisis.
- During the fiscal year 2010-11, management successfully negotiated wage and benefit concessions from all bargaining units including non-represented totaling 5%. Additionally, formal, specified budget reductions was adopted to further decrease fiscal year ending 2011 operating budget expenditures.

#### **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 45 El Camino Real, Greenfield, California 93927.

**CITY OF GREENFIELD**  
**STATEMENT OF NET ASSETS**  
June 30, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 35,178,072	\$ 3,904,930	\$ 39,083,002
Accounts receivable, net	1,653,702	156,939	1,810,641
Grants receivable		116,345	116,345
Interest receivable	67,790	4,135	71,925
Notes receivable	3,786,165		3,786,165
Prepaid expenses	54,638		54,638
Internal balances	134,959	(134,959)	
Deposits	887,656		887,656
Debt issuance costs, net of accumulated amortization	859,292		859,292
Capital assets:			
Nondepreciable:			
Land	2,088,184	323,537	2,411,721
Construction in progress	9,148,580	103,101	9,251,681
Depreciable:			
Building and improvements	9,239,457		9,239,457
Property and equipment	2,087,733	20,038,490	22,126,223
Infrastructure	1,910,692		1,910,692
Accumulated depreciation	<u>(4,422,206)</u>	<u>(5,444,916)</u>	<u>(9,867,122)</u>
Total assets	<u>62,674,714</u>	<u>19,067,602</u>	<u>81,742,316</u>
<b>LIABILITIES</b>			
Accounts payable	1,682,958	328,451	2,011,409
Accrued payroll	108,450	12,050	120,500
Accrued interest payable	656,699	76,047	732,746
Service deposits	96,777	179,729	276,506
Deferred revenue	2,652		2,652
Noncurrent liabilities:			
Due within one year	512,439	132,727	645,166
Due in more than one year	<u>33,750,342</u>	<u>5,388,299</u>	<u>39,138,641</u>
Total liabilities	<u>36,810,317</u>	<u>6,117,303</u>	<u>42,927,620</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	17,918,324	9,499,186	27,417,510
Restricted for:			
Debt service	3,922,249		3,922,249
Unrestricted	<u>4,023,824</u>	<u>3,451,113</u>	<u>7,474,937</u>
Total net assets	<u>\$ 25,864,397</u>	<u>\$ 12,950,299</u>	<u>\$ 38,814,696</u>

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

**CITY OF GREENFIELD**

STATEMENT OF NET ACTIVITIES

For the Fiscal Year Ended June 30, 2010

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Contributions and Grants</u>
Governmental activities:			
General government	\$ 4,082,239	\$ 382	\$ 279,951
Public works	581,624	1,650,800	
Building and planning	331,114	61,960	
Parks and recreation	479,673		220,000
Community development	948,322	1,205,530	
Public safety	3,269,187	73,271	114,228
Streets and roads	567,769		940,933
Interest on long-term debt	1,536,780		
Total governmental activities	<u>11,796,708</u>	<u>2,991,943</u>	<u>1,555,112</u>
Business-type activities:			
Water	976,026	895,926	
Sewer	727,283	522,559	
Transit	369,789	10,368	332,845
Total business-type activities	<u>2,073,098</u>	<u>1,428,853</u>	<u>332,845</u>
Total	<u>\$ 13,869,806</u>	<u>\$ 4,420,796</u>	<u>\$ 1,887,957</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 assets

Net assets - beginning of fiscal year

Net assets - 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 Assets		
	Governmental Activities	Business-type Activities	Total
\$ -	\$ (3,801,906)	\$ -	\$ (3,801,906)
	1,069,176		1,069,176
	(269,154)		(269,154)
	(259,673)		(259,673)
	257,208		257,208
	(3,081,688)		(3,081,688)
	373,164		373,164
	<u>(1,536,780)</u>		<u>(1,536,780)</u>
	<u>(7,249,653)</u>		<u>(7,249,653)</u>
273,714		193,614	193,614
36,681		(168,043)	(168,043)
		<u>(26,576)</u>	<u>(26,576)</u>
<u>310,395</u>		<u>(1,005)</u>	<u>(1,005)</u>
<u>\$ 310,395</u>	<u>(7,249,653)</u>	<u>(1,005)</u>	<u>(7,250,658)</u>
	4,092,072		4,092,072
	1,319,274		1,319,274
	12,442		12,442
	61,028		61,028
	22,009		22,009
	52,336		52,336
	266,760	25,799	292,559
	102,138		102,138
	<u>1,117,782</u>	<u>(1,117,782)</u>	
	<u>7,045,841</u>	<u>(1,091,983)</u>	<u>5,953,858</u>
	(203,812)	(1,092,988)	(1,296,800)
	<u>26,068,209</u>	<u>14,043,287</u>	<u>40,111,496</u>
	<u>\$ 25,864,397</u>	<u>\$ 12,950,299</u>	<u>\$ 38,814,696</u>

**CITY OF GREENFIELD**

GOVERNMENTAL FUNDS

BALANCE SHEET

June 30, 2010

	<u>General Fund</u>	<u>Home Grant Fund</u>	<u>Civic Center Construction Fund</u>	<u>Redevelopment Agency Low- Moderate Fund</u>
<b>ASSETS</b>				
Cash and investments	\$ 558,244	\$ 502	\$ 1,694,884	\$ 2,403,392
Accounts receivable	351,831	449,976		
Interest receivable	394	46	2,709	
Notes receivable		1,130,283		2,655,882
Prepaid expenditures	54,638			
Deposits	887,656			
Due from other funds	299,571			
<b>Total assets</b>	<u>\$ 2,152,334</u>	<u>\$ 1,580,807</u>	<u>\$ 1,697,593</u>	<u>\$ 5,059,274</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 408,493	\$ -	\$ 476,926	\$ 3,330
Accrued payroll	92,975			3,142
Deferred revenue	2,652	1,130,283		2,655,882
Service deposits	96,777			
Due to other funds		455,000		745,000
<b>Total liabilities</b>	<u>600,897</u>	<u>1,585,283</u>	<u>476,926</u>	<u>3,407,354</u>
Fund Balances				
Reserved for:				
Prepaid expenditures	54,638			
Deposits	887,656			
Debt service				
Unreserved:				
General fund	609,143			
Special revenue funds		(4,476)		1,651,920
Capital projects funds			1,220,667	
<b>Total fund balances</b>	<u>1,551,437</u>	<u>(4,476)</u>	<u>1,220,667</u>	<u>1,651,920</u>
<b>Total liabilities and fund balances</b>	<u>\$ 2,152,334</u>	<u>\$ 1,580,807</u>	<u>\$ 1,697,593</u>	<u>\$ 5,059,274</u>

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

<u>Redevelopment Agency Capital Projects Fund</u>	<u>Redevelopment Agency Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
\$ 18,596,116	\$ 3,336,426	\$ 8,588,508	\$ 35,178,072
11,372	42,522	851,895	1,653,702
		10,747	67,790
			3,786,165
			54,638
			887,656
	1,200,000	202,784	1,702,355
<u>\$ 18,607,488</u>	<u>\$ 4,578,948</u>	<u>\$ 9,653,934</u>	<u>\$ 43,330,378</u>

\$ 459,227	\$ -	\$ 334,982	\$ 1,682,958
		12,333	108,450
			3,788,817
			96,777
		367,396	1,567,396
<u>459,227</u>		<u>714,711</u>	<u>7,244,398</u>

			54,638
			887,656
	4,578,948		4,578,948
			609,143
		8,939,223	10,586,667
<u>18,148,261</u>			<u>19,368,928</u>
<u>18,148,261</u>	<u>4,578,948</u>	<u>8,939,223</u>	<u>36,085,980</u>
<u>\$ 18,607,488</u>	<u>\$ 4,578,948</u>	<u>\$ 9,653,934</u>	<u>\$ 43,330,378</u>

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**CITY OF GREENFIELD**

## RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET

## TO THE STATEMENT OF NET ASSETS

June 30, 2010

Total fund balances - governmental funds \$ 36,085,980

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	\$ 24,474,646	
Accumulated depreciation	<u>(4,422,206)</u>	
Net		20,052,440

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. 3,786,165

In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, debt issue costs are amortized over the life of the debt. 859,292

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. (656,699)

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:

2002 Tax Allocation Bonds	\$ 1,510,000	
2006 Tax Allocation Refunding Bonds, net	29,296,599	
2005 CalHFA Loan	500,000	
2009 CalHFA Loan	500,000	
Capital lease payable	2,134,116	
Compensated absences payable	<u>322,066</u>	
Total		<u>(34,262,781)</u>

Total net assets - governmental activities \$ 25,864,397

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

**CITY OF GREENFIELD**

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended June 30, 2010

	<u>General Fund</u>	<u>Home Grant Fund</u>	<u>Civic Center Construction Fund</u>	<u>Redevelopment Agency Low-Moderate Fund</u>
<b>REVENUES</b>				
Taxes and assessments	\$ 2,758,699	\$ -	\$ -	\$ 490,319
Licenses and permits	48,015			
Fines and penalties	75,006			
Use of money and property	25,754	288	15,289	3,206
Intergovernmental revenues	102,239	549,492		
Charges for services	1,753,392			
Other revenues	19,555	5,707		27,543
<b>Total revenues</b>	<u>4,782,660</u>	<u>555,487</u>	<u>15,289</u>	<u>521,068</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,076,914			
Public works	238,057			
Building and planning	327,112			
Parks and recreation	260,995			
Community development		561,798		227,677
Public safety	3,114,006			
Streets and roads				
Capital outlay	80,725		3,172,403	
Debt service:				
Principal	88,618			
Interest	112,244			
<b>Total expenditures</b>	<u>6,298,671</u>	<u>561,798</u>	<u>3,172,403</u>	<u>227,677</u>
Excess of revenues over (under) expenditures	<u>(1,516,011)</u>	<u>(6,311)</u>	<u>(3,157,114)</u>	<u>293,391</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	379,850			
Transfers out				(403,660)
<b>Total other financing sources (uses)</b>	<u>379,850</u>			<u>(403,660)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(1,136,161)	(6,311)	(3,157,114)	(110,269)
Fund balances, beginning of fiscal year	2,687,598	1,835	4,377,781	1,762,189
Fund balances, end of fiscal year	<u>\$ 1,551,437</u>	<u>\$ (4,476)</u>	<u>\$ 1,220,667</u>	<u>\$ 1,651,920</u>

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

<u>Redevelopment Agency Capital Projects Fund</u>	<u>Redevelopment Agency Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 1,961,278	\$ 622,787	\$ 5,833,083
			48,015
			75,006
34,968	114,011	73,244	266,760
		1,559,729	2,211,460
		6,708	1,760,100
<u>133</u>	<u></u>	<u>227,752</u>	<u>280,690</u>
<u>35,101</u>	<u>2,075,289</u>	<u>2,490,220</u>	<u>10,475,114</u>
	1,351,944	488,683	3,917,541
		24,379	262,436
			327,112
			260,995
5,371		828,401	1,623,247
		51,031	3,165,037
		365,618	365,618
3,391,243		1,179,633	7,824,004
	430,000		518,618
<u>9,795</u>	<u>1,389,501</u>	<u></u>	<u>1,511,540</u>
<u>3,406,409</u>	<u>3,171,445</u>	<u>2,937,745</u>	<u>19,776,148</u>
<u>(3,371,308)</u>	<u>(1,096,156)</u>	<u>(447,525)</u>	<u>(9,301,034)</u>
		1,819,501	2,199,351
	(592,909)	(85,000)	(1,081,569)
	(592,909)	1,734,501	1,117,782
(3,371,308)	(1,689,065)	1,286,976	(8,183,252)
<u>21,519,569</u>	<u>6,268,013</u>	<u>7,652,247</u>	<u>44,269,232</u>
<u>\$ 18,148,261</u>	<u>\$ 4,578,948</u>	<u>\$ 8,939,223</u>	<u>\$ 36,085,980</u>

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# 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, 2010

Net change in fund balances - governmental funds	\$ (8,183,252)
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 \$7,468,831 exceeds depreciation expense \$(601,519) in the period	6,867,312
In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting loss is:	(54,200)
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.	944,859
In governmental funds, the issuance of long-term debt provides current financial resources. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is net of these differences in the treatment of long-term debt and related items.	(32,223)
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:	(25,240)
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.	343,245
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>(64,313)</u>
Change in net assets - governmental activities	<u>\$ (203,812)</u>

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

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

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Transit Fund</u>	<u>Totals</u>
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 3,228,698	\$ 676,182	\$ 50	\$ 3,904,930
Accounts receivable, net	99,014	57,925		156,939
Grants receivable			116,345	116,345
Interest receivable	<u>3,500</u>	<u>635</u>		<u>4,135</u>
Total current assets	<u>3,331,212</u>	<u>734,742</u>	<u>116,395</u>	<u>4,182,349</u>
Capital assets:				
Land	265,409	58,128		323,537
Construction in progress	103,101			103,101
Property and equipment	<u>9,222,390</u>	<u>10,664,828</u>	<u>151,272</u>	<u>20,038,490</u>
	9,590,900	10,722,956	151,272	20,465,128
Less accumulated depreciation	<u>(2,326,098)</u>	<u>(2,992,831)</u>	<u>(125,987)</u>	<u>(5,444,916)</u>
Total capital assets (net of accumulated depreciation)	<u>7,264,802</u>	<u>7,730,125</u>	<u>25,285</u>	<u>15,020,212</u>
Total assets	<u>10,596,014</u>	<u>8,464,867</u>	<u>141,680</u>	<u>19,202,561</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	311,843	15,595	1,013	328,451
Accrued payroll	8,243	2,255	1,552	12,050
Accrued interest payable	46,431	29,616		76,047
Service deposits	96,777	82,952		179,729
Due to other funds			<u>134,959</u>	<u>134,959</u>
Total current liabilities	<u>463,294</u>	<u>130,418</u>	<u>137,524</u>	<u>731,236</u>
Noncurrent liabilities:				
Notes payable	<u>3,264,597</u>	<u>2,256,429</u>		<u>5,521,026</u>
Total noncurrent liabilities	<u>3,264,597</u>	<u>2,256,429</u>		<u>5,521,026</u>
Total liabilities	<u>3,727,891</u>	<u>2,386,847</u>	<u>137,524</u>	<u>6,252,262</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	4,000,205	5,473,696	25,285	9,499,186
Unrestricted	<u>2,867,918</u>	<u>604,324</u>	<u>(21,129)</u>	<u>3,451,113</u>
Total net assets	<u>\$ 6,868,123</u>	<u>\$ 6,078,020</u>	<u>\$ 4,156</u>	<u>\$ 12,950,299</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 ASSETS

For the Fiscal Year Ended June 30, 2010

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Transit Fund</u>	<u>Totals</u>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 891,270	\$ 522,172	\$ 10,368	\$ 1,423,810
Connection fees	4,205			4,205
Other operating revenues	<u>451</u>	<u>387</u>		<u>838</u>
Total operating revenues	<u>895,926</u>	<u>522,559</u>	<u>10,368</u>	<u>1,428,853</u>
<b>OPERATING EXPENSES:</b>				
Salaries and benefits	345,941	161,182	74,699	581,822
Contractual services	60,285	58,394	267,204	385,883
Office expense, supplies, and materials	21,759	466	502	22,727
Special departmental expenses	58,500	7,697	1,145	67,342
Repairs and maintenance	31,409	47,395	12,791	91,595
Memberships and dues	735	260		995
Travel, meetings, and conferences	1,696	1,642	40	3,378
Utilities	189,677	54,111	1,010	244,798
Taxes	1,451	4,647		6,098
Depreciation	<u>142,061</u>	<u>313,346</u>	<u>12,398</u>	<u>467,805</u>
Total operating expenses	<u>853,514</u>	<u>649,140</u>	<u>369,789</u>	<u>1,872,443</u>
Operating income (loss)	<u>42,412</u>	<u>(126,581)</u>	<u>(359,421)</u>	<u>(443,590)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Local transportation revenues			296,845	296,845
Federal transit administration revenues			36,000	36,000
Interest income	21,209	4,590		25,799
Interest expense	<u>(122,512)</u>	<u>(78,143)</u>		<u>(200,655)</u>
Total non-operating revenues (expenses)	<u>(101,303)</u>	<u>(73,553)</u>	<u>332,845</u>	<u>157,989</u>
Loss before transfers and capital contributions	<u>(58,891)</u>	<u>(200,134)</u>	<u>(26,576)</u>	<u>(285,601)</u>
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>				
Contributed capital	273,714	36,681		310,395
Transfers out	<u>(761,633)</u>	<u>(349,199)</u>	<u>(6,950)</u>	<u>(1,117,782)</u>
Total transfers and capital contributions	<u>(487,919)</u>	<u>(312,518)</u>	<u>(6,950)</u>	<u>(807,387)</u>
Change in net assets	(546,810)	(512,652)	(33,526)	(1,092,988)
Net assets - July 1	<u>7,414,933</u>	<u>6,590,672</u>	<u>37,682</u>	<u>14,043,287</u>
Net assets - June 30	<u>\$ 6,868,123</u>	<u>\$ 6,078,020</u>	<u>\$ 4,156</u>	<u>\$ 12,950,299</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, 2010

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Transit Fund</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ 887,083	\$ 520,237	\$ 10,368	\$ 1,417,688
Payments to suppliers	(143,929)	(193,804)	(263,617)	(601,350)
Payments to employees	(337,698)	(158,927)	(73,147)	(569,772)
Net cash provided (used) by operating activities	<u>405,456</u>	<u>167,506</u>	<u>(326,396)</u>	<u>246,566</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of capital assets	(35,506)	(61,188)		(96,694)
Principal payments on long-term debt	(355,473)	(52,588)		(408,061)
Interest paid on long-term debt	(123,594)	(78,833)		(202,427)
Net cash used by capital and related financing activities	<u>(514,573)</u>	<u>(192,609)</u>		<u>(707,182)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers to other funds	(761,633)	(349,199)	(6,950)	(1,117,782)
Grant revenue received			293,881	293,881
Net cash provided (used) by noncapital financing activities	<u>(761,633)</u>	<u>(349,199)</u>	<u>286,931</u>	<u>(823,901)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest income	22,505	7,529		30,034
Net cash provided by investing activities	<u>22,505</u>	<u>7,529</u>		<u>30,034</u>
Net decrease in cash and cash equivalents	(848,245)	(366,773)	(39,465)	(1,254,483)
Cash and cash equivalents - July 1	4,076,943	1,042,955	39,515	5,159,413
Cash and cash equivalents - June 30	<u>\$ 3,228,698</u>	<u>\$ 676,182</u>	<u>\$ 50</u>	<u>\$ 3,904,930</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, 2010

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Transit Fund</u>	<u>Totals</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 42,412	\$ (126,581)	\$ (359,421)	\$ (443,590)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation expense	142,061	313,346	12,398	467,805
Change in assets and liabilities:				
Receivables, net	(13,368)	(6,201)		(19,569)
Accounts payable	221,583	(19,192)	(979)	201,412
Accrued payroll	8,243	2,255	1,552	12,050
Service deposits	4,525	3,879		8,404
Due to other funds			20,054	20,054
Net cash provided (used) by operating activities	<u>\$ 405,456</u>	<u>\$ 167,506</u>	<u>\$ (326,396)</u>	<u>\$ 246,566</u>

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

# CITY OF GREENFIELD

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

The accompanying basic financial statements present the financial activity of the City of Greenfield (the City), which is the primary government, along with the financial activities of its component unit, 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 basic financial statements. This City's component unit, which is described below, is a blended unit of the City.

The City Council serves in a separate session as the governing body of the Redevelopment Agency of the City of Greenfield (the Agency), although this Agency is a legal entity apart from the City.

The Redevelopment Agency of the City of Greenfield is included as a component unit in the accompanying financial statements. The financial activities of the foregoing entities have been aggregated and merged (termed "blending") with those of the City in the accompanying financial statements, as it meets the criteria for inclusion as set forth in the Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39.

The Redevelopment Agency of the City of Greenfield was established in 2000; by the City Council to eliminate blight within the defined project areas by encouraging and assisting planned development of low-income housing and commercial projects. The Redevelopment Agency exists for the purpose of facilitating the City's capital projects. Separate financial statements are prepared by the Redevelopment Agency of the City of Greenfield and are available at City Hall offices.

#### 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 Assets 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 or 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, including fiduciary funds and blended component units. 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 non-major funds.

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

# CITY OF GREENFIELD

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### B. Basis of Presentation (Continued)

##### *Fund Financial Statements (Continued)*

Proprietary 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 Assets. The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. 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 organization, other governmental units, and/or other funds. The City does not maintain any fiduciary funds.

#### 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.

*Civic Center Construction Fund* – This fund accounts for the construction costs related to the Civic Center project.

*Redevelopment Agency Low-Moderate Fund* – This fund accounts for the receipt of the low-moderate tax increment and related low-moderate expenditures.

*Redevelopment Agency Capital Projects Fund* – This fund accounts for the projects undertaken by the City’s Redevelopment Agency.

*Redevelopment Agency Debt Service Fund* – This fund accounts for the debt service activity by the City’s Redevelopment Agency.

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.

*Transit Fund* – This fund accounts for the activities associated with transit services provided within the City.

# CITY OF GREENFIELD

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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. 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

**CITY OF GREENFIELD**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010

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

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.

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 amount 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. Deferred Revenue

Deferred 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 deferred 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 deferred 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.

## CITY OF GREENFIELD

### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### K. New Accounting Pronouncements

###### Governmental Accounting Standards Board Statement No. 51

For the fiscal year ended June 30, 2010, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 51, "Accounting and Financial Reporting for Intangible Assets." The Statement is effective for periods beginning after June 15, 2009. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets by reducing reporting inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among State and local governments. Implementation of the GASB Statement No. 51, did not have an impact on the City's financial statements for the fiscal year ended June 30, 2010.

###### Governmental Accounting Standards Board Statement No. 53

For the fiscal year ended June 30, 2010, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments." The Statement is effective for periods beginning after June 15, 2009. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by State and local governments. It requires governments to report derivative instruments, with exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value. Implementation of the GASB Statement No. 53, did not have an impact on the City's financial statements for the fiscal year ended June 30, 2010.

###### Governmental Accounting Standards Board Statement No. 57

For the fiscal year ended June 30, 2010, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans." The Statement is effective December 2009. This Statement amends Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." The requirements in the Statement allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting. As a result of this change, the cost of compliance with the requirements of Statement No. 45 for eligible agent employers may be reduced while achieving an appropriate balance between the goals of reliable measurement of reported information and reasonable cost. Implementation of the GASB Statement No. 57, did not have an impact on the City's financial statements for the fiscal year ended June 30, 2010.

###### Governmental Accounting Standards Board Statement No. 58

For the fiscal year ended June 30, 2010, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies." The Statement is effective for periods beginning after June 15, 2009. The objective of this Statement is to provide accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. Implementation of the GASB Statement No. 58, did not have an impact on the City's financial statements for the fiscal year ended June 30, 2010.

#### 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 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.

**CITY OF GREENFIELD**

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)****A. Budgetary Information (Continued)**

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.

**B. Deficit Fund Balances***Major Fund:*

A deficit fund balance of \$4,476 exists in the Home Grant Fund. This fund balance deficit is due to the City incurring costs in advance of receiving revenue. The City expects to fund the deficits through future revenues and/or transfers of funds.

*Non-Major Fund:*

A deficit fund balance of \$4,715 exists in the Supplemental Law Enforcement Service Fund. This fund balance is due to the City incurring costs in advance of receiving revenue. The City expects to fund the deficits through future revenues and/or transfers of funds.

**C. Excess of Expenditures over Appropriation**

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

Major Governmental Fund:	
Home Grant Fund	\$ 561,798

**NOTE 3 – CASH AND INVESTMENTS**

The composition of cash and investments as of June 30, 2010, by fund is as follows:

	<u>Available for Operations</u>	<u>Restricted</u>	<u>Total</u>
General Fund	\$ 558,244	\$ -	\$ 558,244
Special Revenue Funds	8,611,186	2,381,216	10,992,402
Capital Projects Funds	9,035,914	11,255,086	20,291,000
Debt Service Fund	1,192,107	2,144,319	3,336,426
Proprietary Funds	<u>3,904,930</u>		<u>3,904,930</u>
	<u>\$ 23,302,381</u>	<u>\$ 15,780,621</u>	<u>\$ 39,083,002</u>

Cash and investments are classified in the financial statements based on whether or not their use is restricted under the terms of the City's debt instruments or Agency's agreements. Cash and investments at June 30, 2010, consisted of the following:

Cash in banks and on hand	\$ 880,848
Cash and investments with fiscal agent	16,326,589
Investments	<u>21,875,565</u>
Total cash and investments, statement of net assets	<u>\$ 39,083,002</u>

# CITY OF GREENFIELD

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010

### 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

#### 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.

**CITY OF GREENFIELD**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

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			
		12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
Local Agency Investment Fund	\$ 21,305,742	\$ 21,305,742	\$ -	\$ -	\$ -
Money market funds	157,736	157,736			
Time deposits	412,087	201,127		110,346	100,614
Held by fiscal agent:					
Investment agreements	1,970,550		1,970,550		
Money market funds	<u>14,356,039</u>	<u>14,356,039</u>			
<b>Total</b>	<b><u>\$ 38,202,154</u></b>	<b><u>\$ 36,020,644</u></b>	<b><u>\$ 1,970,550</u></b>	<b><u>\$ 110,346</u></b>	<b><u>\$ 100,614</u></b>

Disclosure Relating to Investment Policy

As of June 30, 2010, the City held Negotiable Certificates of Deposit in the investment portfolio with a final maturity date of August 27, 2018. This investment exceeds the State of California Government Code and the City’s investment policy which states a five-year maturity limitation. Upon sale, call or maturity, the proceeds from these securities will be reinvested in compliance with the State Code and the City’s investment policy.

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	AA	Not Rated
Local Agency Investment Fund	\$ 21,305,742	N/A	\$ -	\$ -	\$ -	\$ 21,305,742
Money market funds	157,736			157,736		
Time deposits	412,087					412,087
Held by fiscal agent:						
Investment agreements	1,970,550					1,970,550
Money market funds	<u>14,356,039</u>	N/A		<u>14,356,039</u>		
<b>Total</b>	<b><u>\$ 38,202,154</u></b>		<b><u>\$ -</u></b>	<b><u>\$ 14,513,775</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 23,688,379</u></b>

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.

## CITY OF GREENFIELD

### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010

#### NOTE 3 – CASH AND INVESTMENTS (Continued)

##### 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.

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 Agency entered into an agreement with the Community Housing Improvement Systems and Planning Association (CHISPA), a nonprofit housing agency, where the Agency contributed \$500,000 towards their cost of developing a 40 unit multi-family residential project named, Walnut Place for low and moderate income households. In exchange for the Agency contribution, the Agency 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 Agency. 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 deferred 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 Agency entered into an agreement with the Community Housing Improvement Systems and Planning Association (CHISPA), a nonprofit housing agency, where the Agency contributed \$500,000 towards their cost of developing a 40 unit multi-family residential project named, Vineyard Green Townhomes for low and moderate income households. In exchange for the Agency contribution, the Agency 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 Agency. 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 deferred 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, 2010

**NOTE 4 – NOTES RECEIVABLE (Continued)**

C. 2009 Community Housing Improvement Systems and Planning Association

On April 20, 2009, the Agency entered into an agreement with the Community Housing Improvement Systems and Planning Association (CHISPA), a nonprofit housing agency, where the Agency contributed \$700,000 towards their cost of developing a 40 unit multi-family residential project named, Vineyard Green Townhomes for low and moderate income households. In exchange for the Agency contribution, the Agency 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 Agency. 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 deferred revenue since the value of the note is not a source of readily available funding.

D. Down Payment Assistance Program

At June 30, 2010, the City held \$955,882 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 deferred 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 Redevelopment Agency Low-Moderate Income 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, 2010, is \$1,130,283.

**NOTE 5 – CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2010, was as follows:

<i>Governmental Activities:</i>	<u>Balance July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2010</u>
Nondepreciable capital assets				
Land	\$ 2,088,184	\$ -	\$ -	\$ 2,088,184
Construction in progress	<u>3,028,573</u>	<u>7,335,749</u>	<u>1,215,742</u>	<u>9,148,580</u>
Total nondepreciable capital assets	<u>\$ 5,116,757</u>	<u>\$ 7,335,749</u>	<u>\$ 1,215,742</u>	<u>\$ 11,236,764</u>
Depreciable capital assets				
Building and improvements	\$ 8,077,915	\$ 1,161,542	\$ -	\$ 9,239,457
Property and equipment	1,954,651	133,082		2,087,733
Infrastructure	<u>1,910,692</u>			<u>1,910,692</u>
Total depreciable capital assets	11,943,258	1,294,624		13,237,882
Less: accumulated depreciation	<u>3,820,687</u>	<u>601,519</u>		<u>4,422,206</u>
Net depreciable capital assets	<u>\$ 8,122,571</u>	<u>\$ 693,105</u>	<u>\$ -</u>	<u>\$ 8,815,676</u>
Net capital assets	<u>\$ 13,239,328</u>	<u>\$ 8,028,854</u>	<u>\$ 1,215,742</u>	<u>\$ 20,052,440</u>

**CITY OF GREENFIELD**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010

**NOTE 5 – CAPITAL ASSETS (Continued)**

<i>Business-Type Activities:</i>	<u>Balance</u> <u>July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2010</u>
Nondepreciable capital assets				
Land	\$ 323,537	\$ -	\$ -	\$ 323,537
Construction in progress	<u>4,428,240</u>	<u>345,901</u>	<u>4,671,040</u>	<u>103,101</u>
Total nondepreciable capital assets	<u>\$ 4,751,777</u>	<u>\$ 345,901</u>	<u>\$ 4,671,040</u>	<u>\$ 426,638</u>
Depreciable capital assets				
Property and equipment	\$ 15,306,262	\$ 4,732,228	\$ -	\$ 20,038,490
Less: accumulated depreciation	<u>4,977,111</u>	<u>467,805</u>	<u>-</u>	<u>5,444,916</u>
Net depreciable capital assets	<u>\$ 10,329,151</u>	<u>\$ 4,264,423</u>	<u>\$ -</u>	<u>\$ 14,593,574</u>
Net capital assets	<u>\$ 15,080,928</u>	<u>\$ 4,610,324</u>	<u>\$ 4,671,040</u>	<u>\$ 15,020,212</u>

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

<i>Governmental Activities:</i>		
General government		\$ 37,637
Public works		8,793
Building and planning		4,002
Parks and recreation		218,678
Community development		26,108
Public safety		104,150
Streets and roads		<u>202,151</u>
Total depreciation expense – governmental activities		<u>\$ 601,519</u>
<i>Business-Type Activities:</i>		
Water		\$ 142,061
Sewer		313,346
Transit		<u>12,398</u>
Total depreciation expense – business-type activities		<u>\$ 467,805</u>

**NOTE 6 – LONG-TERM DEBT**

A. 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, 2010, the principal balance outstanding was \$1,510,000.

**CITY OF GREENFIELD**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010

**NOTE 6 – LONG-TERM DEBT (Continued)**

A. 2002 Tax Allocation Bonds (Continued)

The future minimum payment obligation for the bonds payable at June 30, 2010, is as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2011	\$ 30,000	\$ 88,130	\$ 118,130
2012	35,000	86,668	121,668
2013	40,000	84,918	124,918
2014	40,000	82,868	122,868
2015	40,000	80,767	120,767
2016-2020	235,000	368,688	603,688
2021-2025	320,000	291,081	611,081
2026-2030	435,000	182,400	617,400
2031-2032	<u>335,000</u>	<u>33,900</u>	<u>368,900</u>
Total	<u>\$ 1,510,000</u>	<u>\$ 1,299,420</u>	<u>\$ 2,809,420</u>

B. 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. As of June 30, 2010, the principal balance outstanding was \$29,010,000.

The future minimum payment obligation for the bonds payable at June 30, 2010, are as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2011	\$ 470,000	\$ 1,283,945	\$ 1,753,945
2012	550,000	1,265,145	1,815,145
2013	600,000	1,243,145	1,843,145
2014	670,000	1,219,145	1,889,145
2015	710,000	1,192,345	1,902,345
2016-2020	3,995,000	5,511,440	9,506,440
2021-2025	4,835,000	4,660,129	9,495,129
2026-2030	5,955,000	3,534,181	9,489,181
2031-2035	7,560,000	1,996,664	9,556,664
2036-2037	<u>3,665,000</u>	<u>263,151</u>	<u>3,928,151</u>
Total	<u>\$ 29,010,000</u>	<u>\$ 22,169,290</u>	<u>\$ 51,179,290</u>

C. 2005 California Housing Finance Agency Loan Agreement

On April 10, 2005, the Agency entered into a loan agreement with the California Housing Finance Agency (CalHFA) in the amount of \$500,000. On December 28, 2005, the Agency 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 Walnut Place, a 40-unit multifamily rental complex. 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 percent from March 16, 2006, the date of disbursement. The Agency intends to use low and moderate income 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, 2010, was \$63,125.

**CITY OF GREENFIELD**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010

**NOTE 6 – LONG-TERM DEBT (Continued)**

C. 2005 California Housing Finance Agency Loan Agreement (Continued)

The future minimum payment obligation for the loan agreement at June 30, 2010, is as follows:

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

D. 2009 California Housing Finance Agency Loan Agreement

On May 2, 2007, the Agency entered into a loan agreement with the California Housing Finance Agency (CalHFA) in the amount of \$500,000. On April 10, 2009, the Agency 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 Agency intends to use low and moderate income 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, 2010, was \$21,875.

The future minimum payment obligation for the loan agreement at June 30, 2010, is as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2017	\$ 500,000	\$ 140,000	\$ 640,000

E. Capital Lease 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 Ended June 30	Amount
2011	\$ 200,862
2012	200,862
2013	200,862
2014	200,862
2015	200,862
2016-2020	1,004,310
2021-2025	1,004,310
2026	<u>100,431</u>
Total minimum lease payments	3,113,361
Less: amount representing interest	<u>(979,245)</u>
Present value on net minimum lease payments	<u>\$ 2,134,116</u>

F. 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 10<sup>th</sup> 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.

**CITY OF GREENFIELD**

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010

**NOTE 6 – LONG-TERM DEBT (Continued)**F. California Infrastructure and Economic Development Bank Loan Agreement (Continued)

The future minimum payment obligation for the Water Expansion Project loan agreement at June 30, 2010, is as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2011	\$ 78,482	\$ 105,182	\$ 183,664
2012	80,954	99,087	180,041
2013	83,504	96,497	180,001
2014	86,134	93,825	179,959
2015	88,847	91,069	179,916
2016-2020	488,023	410,874	898,897
2021-2025	569,884	327,722	897,606
2026-2030	665,476	230,625	896,101
2031-2035	777,103	117,241	894,344
2036-2037	346,190	10,989	357,179
Total	<u>\$ 3,264,597</u>	<u>\$ 1,583,111</u>	<u>\$ 4,847,708</u>

The future minimum payment obligation for the Wastewater Plant Expansion loan agreement at June 30, 2010, is as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2011	\$ 54,245	\$ 70,223	\$ 124,468
2012	55,954	68,487	124,441
2013	57,716	66,697	124,413
2014	59,534	64,850	124,384
2015	61,410	62,945	124,355
2016-2020	337,313	283,988	621,301
2021-2025	393,892	226,518	620,410
2026-2030	459,966	159,403	619,369
2031-2035	537,119	81,035	618,154
2036-2037	239,280	7,595	246,875
Total	<u>\$ 2,256,429</u>	<u>\$ 1,091,741</u>	<u>\$ 3,348,170</u>

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, 2010, total \$322,066 for governmental activities.

**CITY OF GREENFIELD**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010

**NOTE 7 – CHANGES IN LONG-TERM LIABILITIES**

The following is a summary of long-term liability activities for the fiscal year ended June 30, 2010:

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010	Due Within One Year
<i>Governmental Activities:</i>					
2002 Tax Allocation Bonds	\$ 1,540,000	\$ -	\$ 30,000	\$ 1,510,000	\$ 30,000
2006 Tax Allocation Bonds	29,410,000		400,000	29,010,000	470,000
Bond premium	395,079		13,862	381,217	13,862
Deferred loss on refunding	(283,853)		(189,235)	(94,618)	(94,618)
2005 CalHFA	500,000			500,000	
2009 CalHFA	500,000			500,000	
Capital lease payable	2,222,734		88,618	2,134,116	93,195
Compensated absences	257,753	64,313		322,066	
<b>Total</b>	<b>\$ 34,541,713</b>	<b>\$ 64,313</b>	<b>\$ 343,245</b>	<b>\$ 34,262,781</b>	<b>\$ 512,439</b>
<i>Business-Type Activities:</i>					
	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010	Due Within One Year
CIEDB water loan	\$ 3,620,070	\$ -	\$ 355,473	\$ 3,264,597	\$ 78,482
CIEDB sewer loan	2,309,017		52,588	2,256,429	54,245
<b>Total</b>	<b>\$ 5,929,087</b>	<b>\$ -</b>	<b>\$ 408,061</b>	<b>\$ 5,521,026</b>	<b>\$ 132,727</b>

**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.

Due From/To Other Funds

Individual fund interfund receivable and payable balances at June 30, 2010, are as follows:

Fund	Due From	Due To
<b>Major Governmental Funds:</b>		
General Fund	\$ 299,571	\$ -
Home Grant Fund		455,000
RDA Low-Moderate Fund		745,000
RDA Debt Service Fund	1,200,000	
<b>Nonmajor Governmental Funds:</b>		
Supplemental Law Enforcement		
Service Fund		19,459
Gas Tax Fund		347,937
Local Transportation Fund	202,784	
<b>Proprietary Fund:</b>		
Transit Fund		134,959
<b>Total</b>	<b>\$ 1,702,355</b>	<b>\$ 1,702,355</b>

**CITY OF GREENFIELD**

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010

**NOTE 8 – INTERFUND TRANSACTIONS (Continued)**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 2009-2010 fiscal year, are as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Funds:		
General Fund	\$ 379,850	\$ -
RDA Low-Moderate Fund		403,660
RDA Debt Service Fund		592,909
Nonmajor Governmental Funds:		
Gas Tax Fund		42,700
Local Transportation Fund		300
2007 Youth Build Grant Fund	350,560	
Sewer Impact Fees Fund	241,099	
Water Impact Fees Fund	698,433	
Redevelopment Agency Fund	529,409	
Lexington Square Assessment Fund		6,200
Terra Verde Assessment Fund		35,100
SMD #1 Fund		700
Proprietary Funds:		
Water Fund		761,633
Sewer Fund		349,199
Transit Fund		6,950
Total	<u>\$ 2,199,351</u>	<u>\$ 2,199,351</u>

**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. The required employer contribution rate for the fiscal year 2009/2010 was 9.000% for miscellaneous employees, and 22.548% 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, 2010, 2009, and 2008, were \$418,107, \$560,767, and \$529,789, respectively, and equal 100% of the required contributions for each fiscal year.

## CITY OF GREENFIELD

### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2010

#### 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.

#### 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.

## **CITY OF GREENFIELD**

### **NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2010

#### **NOTE 13 – PROPOSITION 1A BORROWING BY THE STATE OF CALIFORNIA**

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties, and special districts (excluding redevelopment agencies). The State is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City of Greenfield was \$179,919.

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transactions costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The City participated in the securitization program and accordingly, property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

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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, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes and assessments	\$ 3,291,100	\$ 3,291,100	\$ 2,758,699	\$ (532,401)
Licenses and permits	108,000	108,000	48,015	(59,985)
Fines and penalties	100,000	100,000	75,006	(24,994)
Use of money and property	195,000	195,000	25,754	(169,246)
Intergovernmental revenues	106,200	106,200	102,239	(3,961)
Charges for services	1,790,900	1,790,900	1,753,392	(37,508)
Other revenues	919,500	919,500	19,555	(899,945)
<b>Total revenues</b>	<b>6,510,700</b>	<b>6,510,700</b>	<b>4,782,660</b>	<b>(1,728,040)</b>
<b>EXPENDITURES</b>				
Current:				
General government	2,825,700	2,825,700	2,076,914	748,786
Public works	166,800	166,800	238,057	(71,257)
Building and planning	343,200	343,200	327,112	16,088
Parks and recreation	306,400	306,400	260,995	45,405
Public safety	2,830,100	2,830,100	3,114,006	(283,906)
Capital outlay	390,000	390,000	80,725	309,275
Debt service:				
Principal	160,000	160,000	88,618	71,382
Interest	128,900	128,900	112,244	16,656
<b>Total expenditures</b>	<b>7,151,100</b>	<b>7,151,100</b>	<b>6,298,671</b>	<b>852,429</b>
Excess of revenues over (under) expenditures	(640,400)	(640,400)	(1,516,011)	(875,611)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	420,400	420,400	379,850	(40,550)
<b>Total other financing sources</b>	<b>420,400</b>	<b>420,400</b>	<b>379,850</b>	<b>(40,550)</b>
Revenues and other financing sources over (under) expenditures	(220,000)	(220,000)	(1,136,161)	(916,161)
Fund balance, beginning of fiscal year	2,687,598	2,687,598	2,687,598	
Fund balance, end of fiscal year	\$ 2,467,598	\$ 2,467,598	\$ 1,551,437	\$ (916,161)

**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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 288	\$ 288
Intergovernmental revenues			549,492	549,492
Other revenues			5,707	5,707
<b>Total revenues</b>			<b>555,487</b>	<b>555,487</b>
<b>EXPENDITURES</b>				
Current:				
Community development			561,798	(561,798)
<b>Total expenditures</b>			<b>561,798</b>	<b>(561,798)</b>
Excess of revenues over (under) expenditures			(6,311)	(6,311)
Fund balance, beginning of fiscal year	1,835	1,835	1,835	
Fund balance, end of fiscal year	<u>\$ 1,835</u>	<u>\$ 1,835</u>	<u>\$ (4,476)</u>	<u>\$ (6,311)</u>

**CITY OF GREENFIELD**
**REDEVELOPMENT AGENCY LOW-MODERATE SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes and assessments	\$ 577,000	\$ 577,000	\$ 490,319	\$ (86,681)
Use of money and property	100,000	100,000	3,206	(96,794)
Other revenues			27,543	27,543
Total revenues	<u>677,000</u>	<u>677,000</u>	<u>521,068</u>	<u>(155,932)</u>
<b>EXPENDITURES</b>				
Current:				
Community development	<u>518,700</u>	<u>618,700</u>	<u>227,677</u>	<u>391,023</u>
Total expenditures	<u>518,700</u>	<u>618,700</u>	<u>227,677</u>	<u>391,023</u>
Excess of revenues over expenditures	<u>158,300</u>	<u>58,300</u>	<u>293,391</u>	<u>235,091</u>
<b>OTHER FINANCING USES</b>				
Transfers out			<u>(403,660)</u>	<u>(403,660)</u>
Total other financing uses			<u>(403,660)</u>	<u>(403,660)</u>
Revenues over (under) expenditures and other financing uses	158,300	58,300	(110,269)	(168,569)
Fund balance, beginning of fiscal year	<u>1,762,189</u>	<u>1,762,189</u>	<u>1,762,189</u>	
Fund balance, end of fiscal year	<u>\$ 1,920,489</u>	<u>\$ 1,820,489</u>	<u>\$ 1,651,920</u>	<u>\$ (168,569)</u>

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**SUPPLEMENTAL INFORMATION SECTION**



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**CITY OF GREENFIELD**  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2010

	Supplemental Law Enforcement Service	Gas Tax	Local Transportation	2007 Youth Build Grant
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 398,805	\$ -	\$ 21,223
Accounts receivable	15,253	433,829	402,460	
Interest receivable		336	160	
Due from other funds			202,784	
<b>Total assets</b>	<b>\$ 15,253</b>	<b>\$ 832,970</b>	<b>\$ 605,404</b>	<b>\$ 21,223</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 509	\$ 64,713	\$ 182,302	\$ 21,223
Accrued payroll		5,139		
Due to other funds	19,459	347,937		
<b>Total liabilities</b>	<b>19,968</b>	<b>417,789</b>	<b>182,302</b>	<b>21,223</b>
Fund Balances				
Unreserved:				
Special revenue funds	(4,715)	415,181	423,102	
<b>Total fund balances</b>	<b>(4,715)</b>	<b>415,181</b>	<b>423,102</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 15,253</b>	<b>\$ 832,970</b>	<b>\$ 605,404</b>	<b>\$ 21,223</b>

Special Revenue Funds

<u>Traffic Impact Fees</u>	<u>Park Impact Fees</u>	<u>Police Impact Fees</u>	<u>Sewer Impact Fees</u>	<u>Water Impact Fees</u>	<u>Community Center Impact Fees</u>
\$ 1,831,038	\$ 2,137,660	\$ 1,206	\$ 781,857	\$ 2,120,739	\$ 103,846
2,503	2,286		1,029	2,914	138
<u>\$ 1,833,541</u>	<u>\$ 2,139,946</u>	<u>\$ 1,206</u>	<u>\$ 782,886</u>	<u>\$ 2,123,653</u>	<u>\$ 103,984</u>
\$ -	\$ -	\$ -	\$ -	\$ 38,177	\$ -
				38,177	
<u>1,833,541</u>	<u>2,139,946</u>	<u>1,206</u>	<u>782,886</u>	<u>2,085,476</u>	<u>103,984</u>
<u>1,833,541</u>	<u>2,139,946</u>	<u>1,206</u>	<u>782,886</u>	<u>2,085,476</u>	<u>103,984</u>
<u>\$ 1,833,541</u>	<u>\$ 2,139,946</u>	<u>\$ 1,206</u>	<u>\$ 782,886</u>	<u>\$ 2,123,653</u>	<u>\$ 103,984</u>

**CITY OF GREENFIELD**  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2010

Special Revenue Funds

	<u>General Facilities Impact Fees</u>	<u>Redevelopment Agency</u>	<u>Lexington Square Assessment</u>	<u>Terra Verde Assessment</u>
<b>ASSETS</b>				
Cash and investments	\$ 830	\$ 9,492	\$ 209,797	\$ 597,397
Accounts receivable		353		
Interest receivable			213	727
Due from other funds				
<b>Total assets</b>	<u><u>\$ 830</u></u>	<u><u>\$ 9,845</u></u>	<u><u>\$ 210,010</u></u>	<u><u>\$ 598,124</u></u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 2,848	\$ 5,033	\$ 20,177
Accrued payroll		6,997	140	57
Due to other funds				
<b>Total liabilities</b>		<u>9,845</u>	<u>5,173</u>	<u>20,234</u>
<b>Fund Balances</b>				
Unreserved:				
Special revenue funds	<u>830</u>		<u>204,837</u>	<u>577,890</u>
<b>Total fund balances</b>	<u>830</u>		<u>204,837</u>	<u>577,890</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 830</u></u>	<u><u>\$ 9,845</u></u>	<u><u>\$ 210,010</u></u>	<u><u>\$ 598,124</u></u>

<u>SMD #1</u>	<u>Totals</u>
\$ 374,618	\$ 8,588,508
	851,895
441	10,747
	<u>202,784</u>
<u>\$ 375,059</u>	<u>\$ 9,653,934</u>

\$ -	\$ 334,982
	12,333
	<u>367,396</u>
	<u>714,711</u>

<u>375,059</u>	<u>8,939,223</u>
<u>375,059</u>	<u>8,939,223</u>
<u>\$ 375,059</u>	<u>\$ 9,653,934</u>

**CITY OF GREENFIELD**

NONMAJOR GOVERNMENTAL FUNDS

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

For the Fiscal Year Ended June 30, 2010

	Supplemental Law Enforcement Service	Gas Tax	Local Transportation	2007 Youth Build Grant
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	7	2,296	797	
Intergovernmental revenues	105,394	678,769	534,865	240,701
Charges for services				
Other revenues				
<b>Total revenues</b>	<u>105,401</u>	<u>681,065</u>	<u>535,662</u>	<u>240,701</u>
<b>EXPENDITURES</b>				
Current:				
General government				488,683
Public works				
Community development				
Public safety	50,349			
Streets and roads		302,767	62,851	
Capital outlay	<u>93,462</u>	<u>346,995</u>	<u>295,765</u>	
<b>Total expenditures</b>	<u>143,811</u>	<u>649,762</u>	<u>358,616</u>	<u>488,683</u>
Excess of revenues over (under) expenditures	<u>(38,410)</u>	<u>31,303</u>	<u>177,046</u>	<u>(247,982)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				350,560
Transfers out		(42,700)	(300)	
<b>Total other financing sources (uses)</b>		<u>(42,700)</u>	<u>(300)</u>	<u>350,560</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(38,410)	(11,397)	176,746	102,578
Fund balances, beginning of fiscal year	<u>33,695</u>	<u>426,578</u>	<u>246,356</u>	<u>(102,578)</u>
Fund balances, end of fiscal year	<u>\$ (4,715)</u>	<u>\$ 415,181</u>	<u>\$ 423,102</u>	<u>\$ -</u>

Special Revenue Funds

Traffic Impact Fees	Park Impact Fees	Police Impact Fees	Sewer Impact Fees	Water Impact Fees	Community Center Impact Fees
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12,501	34,538		4,683	11,035	696
6,708					
	220,000				
<u>19,209</u>	<u>254,538</u>		<u>4,683</u>	<u>11,035</u>	<u>696</u>
	23,902				
		682			
	<u>133,016</u>		<u>36,681</u>	<u>273,714</u>	
	<u>156,918</u>	<u>682</u>	<u>36,681</u>	<u>273,714</u>	
<u>19,209</u>	<u>97,620</u>	<u>(682)</u>	<u>(31,998)</u>	<u>(262,679)</u>	<u>696</u>
			241,099	698,433	
			<u>241,099</u>	<u>698,433</u>	
19,209	97,620	(682)	209,101	435,754	696
<u>1,814,332</u>	<u>2,042,326</u>	<u>1,888</u>	<u>573,785</u>	<u>1,649,722</u>	<u>103,288</u>
<u>\$ 1,833,541</u>	<u>\$ 2,139,946</u>	<u>\$ 1,206</u>	<u>\$ 782,886</u>	<u>\$ 2,085,476</u>	<u>\$ 103,984</u>

**CITY OF GREENFIELD**

NONMAJOR GOVERNMENTAL FUNDS

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

For the Fiscal Year Ended June 30, 2010

	Special Revenue Funds			
	General Facilities Impact Fees	Redevelopment Agency	Lexington Square Assessment	Terra Verde Assessment
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ 156,829	\$ 369,918
Use of money and property			987	3,525
Intergovernmental revenues				
Charges for services				
Other revenues		7,752		
<b>Total revenues</b>		<b>7,752</b>	<b>157,816</b>	<b>373,443</b>
<b>EXPENDITURES</b>				
Current:				
General government				
Public works	477			
Community development		537,161	42,985	243,514
Public safety				
Streets and roads				
Capital outlay				
<b>Total expenditures</b>	<b>477</b>	<b>537,161</b>	<b>42,985</b>	<b>243,514</b>
Excess of revenues over (under) expenditures	(477)	(529,409)	114,831	129,929
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in		529,409		
Transfers out			(6,200)	(35,100)
<b>Total other financing sources (uses)</b>		<b>529,409</b>	<b>(6,200)</b>	<b>(35,100)</b>
Revenues and other financing sources over (under) expenditures and other financing uses	(477)		108,631	94,829
Fund balances, beginning of fiscal year	1,307		96,206	483,061
Fund balances, end of fiscal year	<u>\$ 830</u>	<u>\$ -</u>	<u>\$ 204,837</u>	<u>\$ 577,890</u>

<u>SMD #1</u>	<u>Totals</u>
\$ 96,040	\$ 622,787
2,179	73,244
	1,559,729
	6,708
	<u>227,752</u>
<u>98,219</u>	<u>2,490,220</u>
	488,683
	24,379
4,741	828,401
	51,031
	365,618
	<u>1,179,633</u>
<u>4,741</u>	<u>2,937,745</u>
<u>93,478</u>	<u>(447,525)</u>
	1,819,501
<u>(700)</u>	<u>(85,000)</u>
<u>(700)</u>	<u>1,734,501</u>
92,778	1,286,976
<u>282,281</u>	<u>7,652,247</u>
<u>\$ 375,059</u>	<u>\$ 8,939,223</u>



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**AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

City Council of the City of Greenfield  
Greenfield, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate fund information of the City of Greenfield (the City), as of and for the fiscal year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated February 9, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

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

We noted certain matter that we reported to management of the City in a separate letter dated February 9, 2011.

This report is intended solely for the information and use of the City Council, management, others within the City, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

MOSS, LEVY & HARTZHEIM LLP

*Moss, Levy & Hartzheim LLP*  
February 9, 2011

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