

# CITY OF GREENFIELD

## BASIC FINANCIAL STATEMENT



**JUNE 30, 2008**



**CITY OF GREENFIELD CALIFORNIA**

**BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>Independent Auditors' Report</b>	<b>1</b>
<b>Management's Discussions and Analysis (Required Supplementary Information)</b>	<b>3</b>
<b>Basic Financial Statements</b>	
<b>Government-wide Financial Statements</b>	
Statement of Net Assets	11
Statement of Activities	12
<b>Governmental Fund Financial Statements</b>	
Balance Sheet	14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	16
Statement of Revenues, Expenditures, and Changes in Fund Balances	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
<b>Proprietary Fund Financial Statements</b>	
Statement of Net Assets	21
Statement of Revenues, Expenses, and Changes in Net Assets	22
Statement of Cash Flows	24
<b>Notes To Basic Financial Statements</b>	<b>25</b>

CITY OF GREENFIELD CALIFORNIA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2008

TABLE OF CONTENTS (Continued)

	PAGE
<b>Required Supplementary Information</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	54
Special Revenue Funds – Transportation Development Act	55
Sewer Impact	56
RDA Low/Mod Funds	57
<b>Other Supplementary Information</b>	
Major Fund Budgetary Comparison Schedules	58
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Redevelopment Agency Capital Projects Fund	59
Redevelopment Agency Debt Service Fund	60
Non-Major Governmental Funds	
Combining Balance Sheet	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	67



## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of the City Council  
City of Greenfield, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenfield, as of and for the year ended June 30, 2008, which collectively comprise the City of Greenfield's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Greenfield'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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. 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, California, as of June 30, 2008 and the respective changes in financial position and cash flows, where applicable, thereof for the 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 our report dated March 13, 2009 on our consideration of the City of Greenfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

The required supplementary information, such as management's discussion and analysis on page 3 through 10 and the budgetary comparison information on page 54 through 57, are not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information listed in the table of contents, including combining schedules and additional budgetary comparison schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Vawmick, Tami, Day & Co., LLP*

Rancho Cucamonga, California  
March 13, 2009

## CITY OF GREENFIELD

### MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2008

In accordance with Statement No. 34 of the Governmental Accounting Standards Board, management for the financial activities of the City of Greenfield provides the following narrative overview and analysis for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

#### Financial Highlights

- The assets of the City of Greenfield exceed its liabilities, at the close of the fiscal year ended June 30, 2008, by \$37,807,327 (*net assets*). Of this amount, \$1,799,838 is *unrestricted net assets*.
- The City's total net assets increased by \$6,011,156. This increase is attributable to several factors; the key element is the accumulation of funds for future improvements to the wastewater and water systems of the City of Greenfield.
- As of June 30, 2008, the City's governmental funds reported combined ending fund balances of \$42,301,407 a decrease of \$533,061 in comparison with the prior year.
- As of June 30, 2008, the unreserved fund balance for the General fund was \$4,163,529 or 74% of total General fund expenditures.
- The City's total debt increased by \$6,065,422 (18%) during the current fiscal year as the result of two new loans, less debt repayments.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also 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 most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change 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).

# CITY OF GREENFIELD

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2008

Both the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, planning, building and safety, and recreation.

The government-wide financial statements include not only the City of Greenfield itself (known as the *primary government*), but also a legally separate Redevelopment Agency of the City of Greenfield. Financial information for this *component unit* has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 11-13 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Greenfield, 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.

**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 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. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Greenfield maintains 33 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Transportation Development Act Fund, the Sewer Impact Fund, the Redevelopment Agency Capital Projects Funds, the Redevelopment Agency Low/Mod Housing Fund, and the Redevelopment Agency Debt Service Fund all of which are considered to be major funds. Data from the other 27 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these *non-major* governmental funds are provided in the form of *combining statements* elsewhere in this report.

The City of Greenfield adopts an annual appropriated budget for most of its governmental funds. A budgetary comparison schedule has been provided for each budgeted governmental fund to demonstrate compliance with this budget.

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

# CITY OF GREENFIELD

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2008

**Proprietary funds.** The City of Greenfield maintains three separate *proprietary funds*. These funds account for the water, sewer, and transit activities of the City of Greenfield.

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 21-24 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 25-53 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* including schedules of funding progress for the City's pension plans, budgetary comparison schedules for the General Fund and Major Special Revenue Funds. Required supplementary information can be found on pages 54-57 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining statements and individual budgetary comparison schedules can be found on pages 61-72 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 \$37,807,327 at June 30, 2008.

The largest portion of the City's net assets (41%) 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.

An additional portion of the City's net assets (54%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, are \$1,799,838.

CITY OF GREENFIELD

MANAGEMENT'S DISCUSSION AND ANALYSIS  
 JUNE 30, 2008

City of Greenfield Net Assets  
 June 30, 2008

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Current and other assets	\$ 47,170,736	\$ 47,882,799	\$ 10,318,431	\$ 3,829,799	\$ 57,489,167	\$ 52,346,781
Capital assets	11,492,902	9,484,292	12,467,870	9,658,081	23,960,772	19,142,373
Total Assets	<u>58,663,638</u>	<u>57,367,091</u>	<u>22,786,301</u>	<u>13,487,880</u>	<u>81,449,939</u>	<u>71,489,154</u>
Long-term liabilities outstanding	34,263,788	34,258,366	5,929,087		40,192,875	34,258,366
Other liabilities	2,903,781	4,374,553	545,956	425,881	3,449,737	5,434,617
Total Liabilities	<u>37,167,569</u>	<u>38,632,919</u>	<u>6,475,043</u>	<u>425,881</u>	<u>43,642,612</u>	<u>39,692,983</u>
Invested in capital assets, net of related debt	9,185,902	7,097,165	6,407,870	9,658,081	15,593,772	16,755,246
Restricted	14,353,717	13,803,075	6,060,000		20,413,717	13,803,075
Unrestricted	(2,043,550)	(2,166,068)	3,843,388	3,403,918	1,799,838	1,237,850
Total Net Assets	<u>\$ 21,496,069</u>	<u>\$ 18,734,172</u>	<u>\$ 16,311,258</u>	<u>\$ 13,061,999</u>	<u>\$ 37,807,327</u>	<u>\$ 31,796,171</u>

**CITY OF GREENFIELD**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

The City's net assets increased by \$6,011,156 for fiscal year 2007-2008 of which \$2,761,897 related to governmental activities and \$3,249,259 related to business-type activities. These changes are illustrated below.

**City of Greenfield Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
<b>Program Revenues:</b>						
Charges for services	\$ 1,705,305	\$ 2,260,750	\$ 1,517,325	\$ 1,640,940	\$ 3,222,630	\$ 3,901,690
Operating contributions and grants	1,629,864	1,770,355	265,010	248,348	1,894,874	2,018,703
Capital contributions and grants	2,044,510	3,389,736			2,044,510	3,389,736
<b>General Revenues:</b>						
Property taxes	425,183	1,684,571			425,183	1,684,571
Other taxes	5,116,492	4,256,192			5,116,492	4,256,192
Other	3,486,985	1,510,494	349,240	139,135	3,836,225	1,649,629
Transfers	243,958	(1,291,379)	2,803,321	1,291,379	3,047,279	
<b>Total Revenues</b>	<b>14,652,297</b>	<b>13,580,719</b>	<b>4,934,896</b>	<b>3,319,802</b>	<b>19,587,193</b>	<b>16,900,521</b>
<b>Expenses:</b>						
General government	1,600,449	1,542,499			1,600,449	1,542,499
Public safety	2,371,583	2,612,776			2,371,583	2,612,776
Public works	3,632,325	1,321,822			3,632,325	1,321,822
Park and recreation	411,845	481,495			411,845	481,495
Community development	1,313,638	1,437,528			1,313,638	1,437,528
Streets and roads	418,647	317,750			418,647	317,750
Building and planning	319,316	379,867			319,316	379,867
Interest on long-term debt	1,822,597	1,260,700			1,822,597	1,260,700
Water			807,329	572,286	807,329	572,286
Sewer			586,063	466,431	586,063	466,431
Transit			292,245	198,132	292,245	198,132
<b>Total Expenses</b>	<b>11,890,400</b>	<b>9,354,437</b>	<b>1,685,637</b>	<b>1,236,849</b>	<b>13,576,037</b>	<b>10,591,286</b>
<b>Change in Net Assets</b>	<b>2,761,897</b>	<b>4,226,282</b>	<b>3,249,259</b>	<b>2,082,953</b>	<b>6,011,156</b>	<b>6,309,235</b>
Net Assets - Beginning	18,734,172	14,507,890	13,061,999	10,979,046	31,796,171	25,486,936
Net Assets - Ending	<u>\$21,496,069</u>	<u>\$18,734,172</u>	<u>\$16,311,258</u>	<u>\$13,061,999</u>	<u>\$37,807,327</u>	<u>\$31,796,171</u>

**Fund Financial Analysis**

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$42,301,407 a decrease of \$533,061 in comparison with the prior year. Unreserved fund balances amounted to \$38,861,360 at June 30, 2008. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

## CITY OF GREENFIELD

### MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2008

The General fund is the chief operating fund of the City of Greenfield. At the end of the current fiscal year, the fund balance of the General fund was \$5,253,202 of which \$839,673 (16%) is reserved for deposits and prepaids. 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 84% of total General fund expenditures.

During the current fiscal year, the fund balance of the City's General fund increased by \$356,330.

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

- The Transportation Development Act Fund balance increased from \$2,546 to a \$346,731.
- The Sewer Impact Fund balance decreased from \$736,847 to a negative \$1,267,395.
- The Redevelopment Agency Low/Mod Housing Fund balance decreased from \$2,890,521 to \$2,020,537.
- The Redevelopment Agency Capital Projects Fund balance decreased from \$21,529,379 to \$21,270,834.
- The Redevelopment Agency Debt Service Fund balance increased from \$5,606,254 to \$6,830,497.

**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 year amounted to \$3,843,388. The total growth in net assets was \$3,249,259.

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

- The Water Fund net assets increased from \$6,361,672 to \$7,526,127.
- The Sewer Fund net assets increased from \$6,638,560 to \$8,734,798.
- The Transit Fund net assets decreased from \$61,767 to \$50,333.

### General Fund Budgetary Highlights

The difference between the original budget and the final amended budget for expenditures was increase by \$21,380. Actual expenditures were \$272,065 under the final budget.

### Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental activities and business-type activities as of June 30, 2008, amounts to \$11,492,902 and \$12,467,870 (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 \$4,818,399.

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

- Land – Adjacent to Civic Center / Police Center at a net cost of \$850,938.

**CITY OF GREENFIELD**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

- Building and Improvements – Traffic signals at a cost of \$880,444 and Wastewater Treatment Plant at a cost of \$2,178,154.
- Construction in Progress – Water system upgrades including new well at a cost of \$933,369 and Civic/Police Center at a cost of \$178,278.
- Property and Equipment - Three replacement vehicles were purchased during the current fiscal year at a cost of \$58,044.

**City of Greenfield Capital Assets**

(Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Land	\$ 2,088,184	\$ 1,237,246	\$ 323,537	\$ 323,537	\$ 2,411,721	\$ 1,560,783
Buildings and Improvements	5,941,300	4,836,156			5,941,300	4,836,156
Vehicles	124,490	172,943			124,490	172,943
Property and Equipment	270,968	287,034	10,716,809	8,560,232	10,987,777	8,847,266
Infrastructure	1,765,025	1,765,025			1,765,025	1,765,025
Construction in Progress	1,302,935	1,185,888	1,427,524	774,312	2,730,459	1,960,200
Total	<u>\$11,492,902</u>	<u>\$ 9,484,292</u>	<u>\$12,467,870</u>	<u>\$ 9,658,081</u>	<u>\$23,960,772</u>	<u>\$19,142,373</u>

Additional information on the City's capital assets can be found in note 5 on pages 42 and 43 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Greenfield had total governmental activities debt outstanding of \$34,263,788. Of this amount, \$31,215,853 is a liability of the Redevelopment Agency. Business-type activities debt outstanding amounted to \$6,060,000.

**City of Greenfield Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
RDA Tax Increment Bonds	\$31,215,853	\$31,165,480			\$31,215,853	\$31,165,480
Capital Lease Payable	2,307,000	2,387,127			2,307,000	2,387,127
Loans Payable	500,000	500,000	\$ 6,060,000		6,560,000	500,000
Employee Compensated Absences	240,935	205,759			240,935	205,759
Total	<u>\$34,263,788</u>	<u>\$34,258,366</u>	<u>\$ 6,060,000</u>	<u>\$ -</u>	<u>\$40,323,788</u>	<u>\$34,258,366</u>

The City's total debt increased by \$6,065,422 during the current fiscal year due to the two loan agreements with the California Infrastructure and Economic Development Bank less scheduled debt payments. Additional information on the City's long-term debt can be found in notes 6-9 on pages 44-50 of this report.

**CITY OF GREENFIELD**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

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

- Local property values remained at their present values for the current fiscal year but are expected to decrease along with property tax revenues in the coming fiscal year due to the downturn in the economy.
- State shared revenues are also expected to decline in the coming fiscal year due to the State of California's budget crisis.

**Requests 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.

---

---

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CITY OF GREENFIELD**

**STATEMENT OF NET ASSETS**

**JUNE 30, 2008**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 14,728,174	\$ 3,935,080	\$ 18,663,254
Accounts receivable, net	629,353	310,430	939,783
Interest receivable	543,105	7,246	550,351
Prepays	96,887		96,887
Internal balances	173,454	(173,454)	
Deposits	785,035		785,035
Total Current Assets	16,956,008	4,079,302	21,035,310
Noncurrent Assets:			
Notes receivable	1,612,377		1,612,377
Restricted cash and investments	27,694,487	6,239,129	33,933,616
Bond issuance costs, net of amortization	907,864		907,864
Capital Assets:			
Non-depreciable	3,391,119	1,751,061	5,142,180
Depreciable, net of accumulated depreciation	8,101,783	10,716,809	18,818,592
Total Noncurrent Assets	41,707,630	18,706,999	60,414,629
Total Assets	58,663,638	22,786,301	81,449,939
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	1,505,107	157,001	1,662,108
Service deposits	86,401	160,459	246,860
Deferred revenue	699,611		699,611
Interest payable	612,662	97,583	710,245
Total Current Liabilities	2,903,781	545,956	3,449,737
Noncurrent Liabilities:			
Due within one year	414,266	130,913	545,179
Due in more than one year	33,849,522	5,798,174	39,647,696
Total Noncurrent Liabilities	34,263,788	5,929,087	40,192,875
Total Liabilities	37,167,569	6,475,043	43,642,612
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	9,185,902	6,407,870	15,593,772
Restricted:			
Debt service	6,830,497	6,060,000	12,890,497
Community development			
Streets and roads	757,125		757,125
Public safety	3,979		3,979
Development impact fee projects	6,762,116		6,762,116
Unrestricted	(2,043,550)	3,843,388	1,799,838
Total Net Assets	\$ 21,496,069	\$ 16,311,258	\$ 37,807,327

See accompanying notes to financial statements.

CITY OF GREENFIELD

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2008

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 1,600,449	\$ 8,538	\$ 559,218	\$ 33,924
Public works	3,632,325	1,585,525	471,561	327,216
Building and planning	319,316	56,153		
Parks and recreation	411,845			379,182
Community development	1,313,638		161,726	9,604
Public safety	2,371,583	55,089	147,072	58,182
Streets and roads	418,647		290,287	1,236,402
Interest on long-term debt	1,822,597			
Total Governmental Activities	<u>11,890,400</u>	<u>1,705,305</u>	<u>1,629,864</u>	<u>2,044,510</u>
Business-type Activities:				
Water	807,329	988,882		
Sewer	586,063	518,684		
Transit	292,245	9,759	265,010	
Total Business-type Activities	<u>1,685,637</u>	<u>1,517,325</u>	<u>265,010</u>	
Total Government	<u>\$ 13,576,037</u>	<u>\$ 3,222,630</u>	<u>\$ 1,894,874</u>	<u>\$ 2,044,510</u>

General Revenues:

Taxes:

Sales tax

Property taxes

Redevelopment Agency tax increment

Utility users tax

Real estate transfer tax

Franchise taxes

Transient occupancy tax

Business license tax

Motor vehicle in lieu fees

Rental income

License and fines

Fees and permits

Investment earnings

Other

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets, Beginning of Year

Net Assets, End of Year

See accompanying notes to financial statements.

Net Revenue (Expense) and Change in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (998,769)		\$ (998,769)
(1,248,023)		(1,248,023)
(263,163)		(263,163)
(32,663)		(32,663)
(1,142,308)		(1,142,308)
(2,111,240)		(2,111,240)
1,108,042		1,108,042
(1,822,597)		(1,822,597)
<u>(6,510,721)</u>		<u>(6,510,721)</u>
	\$ 181,553	181,553
	(67,379)	(67,379)
	(17,476)	(17,476)
	<u>96,698</u>	<u>96,698</u>
<u>(6,510,721)</u>	<u>96,698</u>	<u>(6,414,023)</u>
741,695		741,695
425,183		425,183
3,783,967		3,783,967
272,876		272,876
30,425		30,425
178,584		178,584
84,537		84,537
24,408		24,408
1,796,175		1,796,175
3,317		3,317
66,037		66,037
168,136		168,136
1,351,989	349,240	1,701,229
101,331		101,331
243,958	2,803,321	3,047,279
<u>9,272,618</u>	<u>3,152,561</u>	<u>12,425,179</u>
2,761,897	3,249,259	6,011,156
<u>18,734,172</u>	<u>13,061,999</u>	<u>31,796,171</u>
<u>\$ 21,496,069</u>	<u>\$ 16,311,258</u>	<u>\$ 37,807,327</u>

---

---

# **GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**CITY OF GREENFIELD**

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2008**

	General	Special Revenue		
		Transportation Development Act	Sewer Impact Fund	Redevelopment Agency Low/Mod Housing
<b>ASSETS</b>				
Cash and investments	\$ 3,592,655	\$ 164,502	\$ 30,390	\$ 592,259
Restricted cash and investments		984,038		2,276,229
Accounts receivable	341,880	939		16,044
Interest receivable	594			43,180
Prepays	54,638			42,249
Due from other funds	1,408,067			
Deposits	785,035			
Notes receivable	37,688			
<b>Total Assets</b>	<b>\$ 6,220,557</b>	<b>\$ 1,149,479</b>	<b>\$ 30,390</b>	<b>\$ 4,384,375</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 844,959	\$ 43,475	\$ 22,785	\$ 36,877
Due to other funds			1,275,000	912,547
Service deposits	86,401			
Deferred revenue	35,995	759,273		1,414,414
<b>Total Liabilities</b>	<b>967,355</b>	<b>802,748</b>	<b>1,297,785</b>	<b>2,363,838</b>
<b>FUND BALANCES</b>				
Reserved for:				
Prepaid expenses	54,638			42,249
Deposits	785,035			
Debt service				533,125
Due from other funds				
Unreserved, designated for, reported in:				
General emergency & contingency fund	250,000			
Loan obligation				500,000
Unreserved, undesignated and reported in:				
General fund	4,163,529			
Special revenue funds		346,731	(1,267,395)	945,163
Capital projects funds				
Debt service				
<b>Total Fund Balances</b>	<b>5,253,202</b>	<b>346,731</b>	<b>(1,267,395)</b>	<b>2,020,537</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,220,557</b>	<b>\$ 1,149,479</b>	<b>\$ 30,390</b>	<b>\$ 4,384,375</b>

See accompanying notes to financial statements.

Capital Projects		Debt Service		Other	Total
Redevelopment Agency	Redevelopment Agency	Governmental Funds	Governmental Funds	Governmental Funds	Governmental Funds
	\$ 3,259,801	\$ 7,088,567	\$ 14,728,174		
\$ 22,335,253	2,098,967		27,694,487		
		270,490	629,353		
418,952	44,922	35,457	543,105		
			96,887		
	1,427,257	1,286,935	4,122,259		
			785,035		
		660,275	2,112,377		
<u>\$ 22,754,205</u>	<u>\$ 6,830,947</u>	<u>\$ 9,341,724</u>	<u>\$ 50,711,677</u>		
\$ 56,114	\$ 450	\$ 500,447	\$ 1,505,107		
1,427,257		334,001	3,948,805		
			86,401		
		660,275	2,869,957		
<u>1,483,371</u>	<u>450</u>	<u>1,494,723</u>	<u>8,410,270</u>		
			96,887		
			785,035		
			533,125		
		1,275,000	1,275,000		
			250,000		
			500,000		
			4,163,529		
		6,572,001	6,596,500		
21,270,834			21,270,834		
	6,830,497		6,830,497		
<u>21,270,834</u>	<u>6,830,497</u>	<u>7,847,001</u>	<u>42,301,407</u>		
<u>\$ 22,754,205</u>	<u>\$ 6,830,947</u>	<u>\$ 9,341,724</u>	<u>\$ 50,711,677</u>		

**CITY OF GREENFIELD**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2008**

Fund Balances of Governmental Funds	\$ 42,301,407
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	11,492,902
Long-term notes receivable are not current financial resources and, therefore are not reported in the governmental funds.	1,612,377
Bond issuance costs are recorded as expenditures in the governmental fund financial statements. These costs are deferred and amortized in the statement of net assets.	907,864
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. Long-term liabilities include the following:	
Tax allocation bonds	(1,570,000)
Refunding bonds, net of bond issuance premium and deferred amount in refunding	(29,645,853)
Capital leases	(2,307,000)
CalHFA Loan	(500,000)
Compensated absences	(240,935)
Accrued interest payable is not recorded in the governmental funds since interest expenditures are recognized when paid.	(612,662)
Revenues are deferred in the governmental funds when they are not received soon enough after year-end to be considered available. The availability criteria does not apply to the Statement of Net Assets and therefore, the revenue is recognized.	57,969
Net Assets of Governmental Activities	<u>\$ 21,496,069</u>

See accompanying notes to financial statements.

**CITY OF GREENFIELD**

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2008**

	General	Special Revenue	
		Transportation Development Act	Sewer Impact Fund
<b>REVENUES</b>			
Taxes and assessments	\$ 3,269,795		
Licenses and permits	170,262		
Fines and penalties	88,319		
Use of money and property	150,286		\$ 12,547
Intergovernmental revenues	137,117	\$ 623,743	
Charges for services	1,706,405		
Other revenues	77,454		208,435
Total Revenues	<u>5,599,638</u>	<u>623,743</u>	<u>220,982</u>
<b>EXPENDITURES</b>			
Current:			
General government	966,744		
Public works	1,282,617		24,177
Building and planning	315,286		
Parks and recreation	249,828		
Community development			
Public safety	2,404,165		
Streets and roads		68,227	
Capital outlay	197,013	211,331	2,183,794
Debt service:			
Principal	80,201		
Interest	120,661		17,253
Total Expenditures	<u>5,616,515</u>	<u>279,558</u>	<u>2,225,224</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(16,877)</u>	<u>344,185</u>	<u>(2,004,242)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	404,642		
Transfers out	(31,435)		
Total Other Financing Sources (Uses)	<u>373,207</u>		
Net Change in Fund Balances	356,330	344,185	(2,004,242)
FUND BALANCES, Beginning of Year	4,896,872	2,546	736,847
FUND BALANCES, End of Year	<u>\$ 5,253,202</u>	<u>\$ 346,731</u>	<u>\$ (1,267,395)</u>

See accompanying notes to financial statements.

Redevelopment Agency Low/Mod Housing	Capital Projects	Debt Service	Other	Total
	Redevelopment	Redevelopment	Governmental	Governmental
	Agency	Agency	Funds	Funds
\$ 756,392		\$ 3,025,573	\$ 459,763	\$ 7,511,523
				170,262
				88,319
114,806	\$ 1,040,046	158,444	350,167	1,826,296
71,709			874,526	1,707,095
				1,706,405
3,025	150		1,109,375	1,398,439
945,932	1,040,196	3,184,017	2,793,831	14,408,339
		48,233	498,547	1,513,524
			32,986	1,339,780
				315,286
				249,828
901,945	63,263		686,102	1,651,310
			55,850	2,460,015
			227,659	295,886
917	1,206,245		1,747,546	5,546,846
		125,000		205,201
507	29,233	1,408,013	32,015	1,607,682
903,369	1,298,741	1,581,246	3,280,705	15,185,358
42,563	(258,545)	1,602,771	(486,874)	(777,019)
			1,360,233	1,764,875
(912,547)		(378,528)	(198,407)	(1,520,917)
(912,547)		(378,528)	1,161,826	243,958
(869,984)	(258,545)	1,224,243	674,952	(533,061)
2,890,521	21,529,379	5,606,254	7,172,049	42,834,468
\$ 2,020,537	\$ 21,270,834	\$ 6,830,497	\$ 7,847,001	\$ 42,301,407

**CITY OF GREENFIELD**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2008**

Net Change in Fund Balances of Governmental Funds \$ (533,061)

Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold or when the capital asset is transferred to a proprietary fund. This activity is reconciled as follows:

Cost of assets capitalized	\$ 2,499,566	
Depreciation expense	(490,956)	
	<u>2,008,610</u>	2,008,610

Governmental funds report repayments of long-term notes receivable as revenue and outlays for new notes are reported as expenditures. This activity is eliminated from the Statement of Activities and is reconciled as follows:

Loan repayments	(32,832)	
Outlays for new loans	1,175,674	
	<u>1,142,842</u>	1,142,842

Costs paid in connection with long-term debt issuances are reported as expenditures in the governmental funds. These costs are deferred and amortized over the life of the debt in the Statement of Net Assets. (31,678)

Interest expenditures are reported in the governmental funds when paid. Interest expense is reported on the Statement of Activities when incurred. This amount represents the difference between interest paid and interest incurred. (7,864)

See accompanying notes to financial statements.

**CITY OF GREENFIELD**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2008**

Long-term compensated absences and supplemental leave expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This amount represents the change in the long-term compensated absences. \$ (35,176)

Debt repayments are reported as an expenditure in the governments funds. The repayments are not an expense in the Statement of Activities as they are a reduction of a long-term liability.

Debt repayments consisted of the following:

Capital leases	\$	80,127	
2002 Tax Allocation Bonds		25,000	
2006 Refunding Bonds		100,000	
			205,127

Governmental funds do not report the amortization of premiums or losses on refunding of debt related to the issuance of debt whereas these amounts are deferred and amortized in the Statement of Activities.

Amortization of Premium on 2006 Tax Allocation Refunding Bonds	13,862
Amortization of Loss on refunding	(189,235)

Revenues are deferred in the governmental funds when they are not received soon enough after year-end to be considered available. The availability criteria does not apply to the Statement of Net Assets and therefore, the revenue is recognized. 188,470

Change in Net Assets of Governmental Activities \$ 2,761,897

See accompanying notes to financial statements.

---

# **PROPRIETARY FUND FINANCIAL STATEMENTS**

**CITY OF GREENFIELD**

**STATEMENT OF NET ASSETS  
PRORIETARY FUNDS  
JUNE 30, 2008**

	Business-type Activities			
	Enterprise Funds			
	Water	Sewer	Transit	Total
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 2,998,623	\$ 936,407	\$ 50	\$ 3,935,080
Accounts receivable	92,800	49,584	168,046	310,430
Interest receivable	2,775	4,471		7,246
<b>Total Current Assets</b>	<b>3,094,198</b>	<b>990,462</b>	<b>168,096</b>	<b>4,252,756</b>
Noncurrent Assets:				
Cash and investments with fiscal agent	3,805,087	2,425,776	8,266	6,239,129
Land	265,409	58,128		323,537
Construction in progress	1,421,884	5,640		1,427,524
Utility lines and equipment	4,966,762	10,135,320	189,754	15,291,836
Accumulated depreciation	(2,046,018)	(2,389,587)	(139,422)	(4,575,027)
<b>Total Noncurrent Assets</b>	<b>8,413,124</b>	<b>10,235,277</b>	<b>58,598</b>	<b>18,706,999</b>
<b>Total Assets</b>	<b>11,507,322</b>	<b>11,225,739</b>	<b>226,694</b>	<b>22,959,755</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	128,186	25,908	2,907	157,001
Due to other funds			173,454	173,454
Service deposits	86,401	74,058		160,459
Accrued interest	66,608	30,975		97,583
Current portion of long-term liabilities	79,930	50,983		130,913
<b>Total Current Liabilities</b>	<b>361,125</b>	<b>181,924</b>	<b>176,361</b>	<b>719,410</b>
Noncurrent Liabilities:				
Loans payable	3,620,070	2,309,017		5,929,087
<b>Total Noncurrent Liabilities</b>	<b>3,620,070</b>	<b>2,309,017</b>		<b>5,929,087</b>
<b>Total Liabilities</b>	<b>3,981,195</b>	<b>2,490,941</b>	<b>176,361</b>	<b>6,648,497</b>
<b>NET ASSETS</b>				
Invested in capital assets	908,037	5,449,501	50,332	6,407,870
Restricted for:				
Debt Services	3,700,000	2,360,000		6,060,000
Unrestricted	2,918,090	925,297	1	3,843,388
<b>Total Net Assets</b>	<b>\$ 7,526,127</b>	<b>\$ 8,734,798</b>	<b>\$ 50,333</b>	<b>\$ 16,311,258</b>

See accompanying notes to financial statements.

**CITY OF GREENFIELD**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2008**

	Business-type Activities			
	Enterprise Funds			
	Water	Sewer	Transit	Total
<b>OPERATING REVENUES</b>				
Sales and services	\$ 891,892	\$ 516,318	\$ 9,759	\$ 1,417,969
Connection fees	68,323			68,323
Other revenues	28,667	2,366		31,033
<b>Total Operating Revenues</b>	<b>988,882</b>	<b>518,684</b>	<b>9,759</b>	<b>1,517,325</b>
<b>OPERATING EXPENSES</b>				
Salaries and wages	142,567	121,902	44,673	309,142
Payroll expense	66,351	54,929	24,975	146,255
Communications	4,433	3,168	1,411	9,012
Contractual services	124,735	35,793	194,519	355,047
Gas and oil	12,094	11,290	10,977	34,361
Insurance	900	900	1,050	2,850
Maintenance - buildings	1,036	1,342		2,378
Maintenance - equipment	5,292	33,151		38,443
Maintenance - vehicles	1,892	1,742	685	4,319
Maintenance - Street	5,816	239		6,055
Memberships and dues	497			497
Office expenses	308	228	609	1,145
Property taxes	485	3,909		4,394
Postage	1,213			1,213
Small tools	1,147	813		1,960
Special departmental expenses	64,478	6,233	644	71,355
Travel, meetings, and conferences	8,210	4,469		12,679
Utilities	161,760	41,999		203,759
Depreciation	137,507	232,981	12,702	383,190
<b>Total Operating Expenses</b>	<b>740,721</b>	<b>555,088</b>	<b>292,245</b>	<b>1,588,054</b>
Operating Income (Loss)	248,161	(36,404)	(282,486)	(70,729)

(Continued on next page)

See accompanying notes to financial statements.

**CITY OF GREENFIELD**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS  
 PROPRIETARY FUNDS (CONTINUED)  
 YEAR ENDED JUNE 30, 2008**

	Business-type Activities			
	Enterprise Funds			
	Water	Sewer	Transit	Total
<b>NONOPERATING REVENUES (EXPENSES)</b>				
LTF revenues			\$ 191,094	\$ 191,094
FTA revenues			36,325	36,325
State transit assistance			37,591	37,591
Interest income	\$ 244,417	\$ 104,823		349,240
Interest expense	(66,608)	(30,975)		(97,583)
Total Nonoperating Revenues	177,809	73,848	265,010	516,667
Income Before Contributions and Transfers	425,970	37,444	(17,476)	445,938
Capital contributions	863,485	2,183,794		3,047,279
Transfers in			8,937	8,937
Transfers out	(125,000)	(125,000)	(2,895)	(252,895)
Change in Net Assets	1,164,455	2,096,238	(11,434)	3,249,259
Net Assets, Beginning of Year	6,361,672	6,638,560	61,767	13,061,999
Net Assets, End of Year	\$ 7,526,127	\$ 8,734,798	\$ 50,333	\$ 16,311,258

See accompanying notes to financial statements.

**CITY OF GREENFIELD**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	Business-type Activities			
	Enterprise Funds			
	Water	Sewer	Transit	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 1,001,486	\$ 515,614	\$ (95,595)	\$ 1,421,505
Payments to suppliers	(394,778)	(192,042)	(215,380)	(802,200)
Payments to employees	(142,567)	(121,902)	(44,673)	(309,142)
Net Cash Provided (Used) by Operating Activities	464,141	201,670	(355,648)	310,163
<b>CASH FLOWS FROM NONCAPITAL</b>				
<b>FINANCING ACTIVITIES</b>				
Transfers out	(125,000)	(125,000)	(2,895)	(252,895)
Transfers in			8,937	8,937
Grants			90,729	90,729
Net Cash Provided (Used) by Noncapital Financing Activities	(125,000)	(125,000)	96,771	(153,229)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets			(1,267)	(1,267)
Proceeds from capital debt	3,603,146	2,312,421		5,915,567
Net Cash Provided (Used) by Capital and Related Financing Activities	3,603,146	2,312,421	(1,267)	5,914,300
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	242,098	103,866		345,964
Net Increase in Cash and Investments	4,184,385	2,492,957	(260,144)	6,417,198
Cash and Investments, Beginning of Year	2,619,325	869,226	268,460	3,757,011
Cash and Investments, End of Year	\$ 6,803,710	\$ 3,362,183	\$ 8,316	\$ 10,174,209
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 248,161	\$ (36,404)	\$ (282,486)	\$ (70,729)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	137,507	232,981	12,702	383,190
Decrease (increase) in accounts receivable	14,292	(1,622)	(105,354)	(92,684)
Increase in prepaid items			1,050	1,050
Increase (decrease) in accounts payable	65,869	8,162	(5,036)	68,995
Increase (decrease) in due to other funds			23,476	23,476
Increase (decrease) in service deposits	(1,688)	(1,447)	-	(3,135)
Net Cash Provided (Used) By Operating Activities	\$ 464,141	\$ 201,670	\$ (355,648)	\$ 310,163
<b>NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Contributed capital assets	\$ 863,485	\$ 2,183,794	\$ -	\$ 3,047,279

See accompanying notes to financial statements.

---

## **NOTES TO FINANCIAL STATEMENTS**

# CITY OF GREENFIELD

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

### *NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The City was incorporated on January 7, 1947, as a municipal corporation and operates as a general law city. The City operates under a Council-Manager form of government and provides the following services: public safety (police), public improvements, planning and zoning, and general administrative. The City of Greenfield also provides water, sewer, refuse, and limited transportation services to its citizens.

The accounting policies of the City of Greenfield, California (the City) conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial reporting principles. The following is a summary of the significant policies.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Greenfield (the primary government) and its component units. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

#### A. Reporting Entity

The reporting entity "City of Greenfield" includes the accounts of the City and the Greenfield Redevelopment Agency (the RDA).

The RDA was formed in July 2000 pursuant to the State of California Health and Safety Code, Section 33000 entitled "Community Redevelopment Law". Its purpose is to finance long-term capital improvements designed to eliminate physical and economic blight in a project area.

The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement Nos. 14 and 39. The City of Greenfield is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's Board, or because the component unit will provide a financial benefit or impose a financial burden on the City. The City has accounted for the RDA as a "blended" component unit. Despite being legally separate, the RDA is so intertwined with the City, it is in substance, part of the City's operations. Accordingly, the balances and transactions of the RDA are reported as separate funds within the Special Revenue, Debt Service, and Capital Projects Funds. The following specific criteria were used in determining that the RDA is a "blended" component unit:

- 1) The members of the City Council also act as the governing body of the RDA.
- 2) The RDA is managed by employees of the City.

The financial statements for the RDA may be obtained at the City Hall.

**CITY OF GREENFIELD**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2008**

***NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)***

**B. Accounting and Reporting Policies**

The City has conformed to the pronouncements of the GASB, which are the primary authoritative statements of accounting principles generally accepted in the United States of America applicable to state and local governments. In accordance with GASB Statement No. 20, the City applies all applicable Financial Accounting Standards Board (FASB) pronouncements, as well as those of its predecessors, issued on or before November 30, 1989, unless any such pronouncements contradict GASB pronouncements.

**C. Description of Funds**

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

**GOVERNMENTAL FUNDS**

**General Fund**

The General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, or major capital projects) that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund**

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

**Debt Service Funds**

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**CITY OF GREENFIELD**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2008**

***NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)***

**C. Description of Funds, (Continued)**

**PROPRIETARY FUNDS**

**Enterprise Funds**

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Revenues are fully accrued to include unbilled services at fiscal year end.

**D. Basis of Accounting/Measurement Focus**

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

**Government-Wide Financial Statements**

The City's Government-Wide Financial Statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of Governmental and Business-type Activities for the City.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets and infrastructure as well as long-term debt, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenditures are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenditures of a given function are offset by program revenues. Direct expenditures are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating contributions and grants, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Operating contributions and grants include revenues restricted to meeting the requirements of a particular operating function and may include state shared revenues and grants. Capital contributions and grants include revenues restricted to meeting the requirements of a particular capital function and may include grants and developer fees. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the government-wide financial statements have been eliminated except those between governmental and business-type activities.

CITY OF GREENFIELD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)*

D. Basis of Accounting/Measurement Focus, (Continued)

**Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and aggregated non-major funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net assets presented in the Government-Wide Financial Statements. The City has presented all major funds that met qualifications of GASB Statement No. 34.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current period. “Measurable” means that the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Accrued revenues include property taxes received within 60 days after year-end taxpayer assessed taxes such as sales taxes, and earnings on investments. On the other hand, for reimbursable grants, the City considers revenue to be available if they are collected within one year of the end of the current fiscal year due to the lengthy nature of the reimbursement process. Grant funds earned but not received are recorded as a receivable, and grant funds received before the revenue recognition criteria have been met are reported as deferred revenues. Expenditures are recorded when the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

The City reports the following major governmental funds:

The General Fund is the government’s primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The Transportation Development Act Special Revenue Fund is used to account for the receipt of Article 8 funding and the related transportation expenditures.

The Sewer Impact Fund is used to account for sewer impact fees collected from new development for connecting (utilizing already built or to build new capacity) to the City’s sewer collection system.

The Redevelopment Agency Low/Mod Housing Fund is used to account for the receipt of the Low/Mod tax increment and related Low/Mod expenditures.

CITY OF GREENFIELD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)*

D. Basis of Accounting/Measurement Focus, (Continued)

The Redevelopment Agency Capital Projects Fund is used to account for the projects undertaken by the City's Redevelopment Agency.

The Redevelopment Agency Debt Service Fund is used to account for the debt service activity of the Agency.

**Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets, and Statement of Cash Flows. All Proprietary funds are accounted for on an "economic resources" measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Unbilled service receivables are recorded as accounts receivable and as revenue when earned. With this measurement focus, all assets and liabilities (current and long term) resulting from the operations of these funds are included in the Statement of Net Assets. Accordingly, proprietary fund Statement of Net Assets present assets and liabilities classified into their respective current and long term categories.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for services. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

All proprietary funds are accounted for using the flow of economic resources and accrual basis of accounting. Their revenues are recognized when they are earned and become measurable; expenses are recognized when they are incurred.

The City reports the following major proprietary funds:

The Water Fund is used to account for the City-owned water utility services.

The Sewer Fund is used to account for the City-owned sewer utility services.

The Transit Fund is used to account for the City-owned transit services.

CITY OF GREENFIELD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)*

E. Budgets and Budgetary Accounting

The City is required by its municipal code to adopt an annual budget. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by motion during each fiscal year. The City Manager is authorized to transfer funds from one major expenditure category to another within the same department and fund. Any revisions that alter the total expenditures of any fund must be approved by the City Council.

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended. Lease contracts entered into by the City are subject to annual review by the City Council; hence, they legally are one year contracts with an option for renewal for another fiscal year.

Budgetary comparison schedules are provided in the accompanying financial statements for the general fund, the major budgeted special revenue funds, and the major capital projects fund. Budgeted revenue and expenditure amounts shown represent the City's originally-adopted budget adjusted for supplemental revenues and appropriations during the course of the fiscal year. Budget amounts as well as the final budget reported for the governmental funds of the City are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

F. Investments

The City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Pools*, which require governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in the fair value of investments in the year in which the change occurred. In accordance with GASB Statement No. 31, the City has adjusted its investments to fair value, when material.

Investments are included within the financial statement classifications of "Cash and Investments" and "Restricted Cash and Investments" and are stated at fair value, (see Note 3).

G. Capital Assets

Capital assets, which include land, machinery and equipment (vehicles, computers, etc.), buildings and improvements, and infrastructure assets (street systems, storm drains, sewer systems, etc.), are reported in Governmental Activities and Business-type Activities columns of the Government-wide Financial Statements as well as the proprietary funds. Capital assets are defined by the City as assets with an initial individual cost of more than \$2,500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated or annexed capital assets are recorded at estimated market value at the date of donation or annexation.

For proprietary funds, the City capitalizes interest relating to certain long-term construction projects. Capitalized interest is charged to property and equipment and depreciated over the life of the related fixed assets in order to properly match expenses with revenues resulting from the facilities. During the current fiscal period, there was no capitalized interest.

**CITY OF GREENFIELD**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2008**

***NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)***

**G. Capital Assets, (Continued)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation is recorded in the Government-wide and the Proprietary Fund Financial Statements on a straight-line basis over the useful life of the assets as follows:

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

**H. Net Assets/Fund Equity**

In the Government-wide and Proprietary Fund financial statements net assets are classified in the following categories:

**Invested in Capital Assets, Net of Related Debt**

This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of capital assets reduce this category.

**Restricted Net Assets**

This category presents restrictions imposed by creditors, grantors, contributions or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

**Unrestricted Net Assets**

Represents the net assets of the City, not restricted for any project or other purpose.

In the Governmental Fund financial statements fund equity is classified in the following categories:

**Reserved Fund Balance**

Reserved Fund Balance indicates that portion of fund equity which has been legally segregated for specific purposes or is not currently available for appropriation.

**Designated Fund Balance**

Designated Fund Balance indicates that portion of fund equity for which the City Council has made tentative plans for financial resource utilization in a future period.

**Undesignated Fund Balance**

Undesignated Fund Balance indicates that portion of fund equity which is available for budgeting in future periods.

CITY OF GREENFIELD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)*

I. Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents include restricted and unrestricted cash and restricted and unrestricted certificates of deposit which can be converted to cash within three months or less.

J. Property Taxes

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

**Property Valuations** - are established by the Assessor of the County of Monterey for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

**Tax Levies** - are limited to 1% of full value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

**Tax Levy Dates** - are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

CITY OF GREENFIELD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)*

J. Property Taxes, (Continued)

**Tax Collections** - are the responsibility of the county tax collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments: The first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the county for late payments.

**Tax Levy Apportionments** - Due to the nature of the City-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county auditor-controller based primarily on the ratio that each agency represented of the total City-wide levy for the three years prior to fiscal year 1979.

**Property Tax Administration Fees** - The State of California FY 90-91 Budget Act, authorized counties to collect an administrative fee for collection and distribution of property taxes.

K. Compensated Absences

The City has adopted policies on sick leave and vacation leave. Sick leave is accrued at the rate of ten hours per month by all employees. An employee who leaves the City and is in good standing will be paid a percentage of their sick leave. The minimum percentage is ten percent after five years of service and the maximum is forty percent after twenty years. All other employees who terminate employment will receive no compensation for accumulated sick leave.

Vacation is accrued for employees as follows:

<u>Years of Service</u>	<u>Monthly Accrual</u>	<u>Annually</u>
0 - 2	6-2/3 hours	80 hours
3 - 14	10 hours	120 hours
15 +	14 hours	168 hours

The City allows an employee to accumulate up to three years of earned vacation time prior to requiring the use or loss of earned vacation time. Accrued earned vacation is paid to employees on separation from the City's service.

Accumulated unpaid employee vacation benefits are recognized as liabilities to the City. The current portion of the liabilities is recognized in the General Fund at fiscal year end; this amount represents the portion of compensated absences that is due at June 30, 2008. The non-current portion of the liabilities is recognized along with the current portion in the Statement of Net Assets.

CITY OF GREENFIELD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

L. 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 effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

M. Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

N. New Pronouncements

**GASB Statement No. 45** – In June 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. This statement is not effective until June 30, 2008 for Phase I, June 30, 2009 for Phase II, and June 30, 2010 for Phase III Governments. The City has not determined its effect on the financial statements.

**GASB Statement No. 48** – In September 2006, the GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. This statement addresses accounting and financial reporting standards for transactions where governments exchange an interest in their expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. This statement establishes criteria and reporting standards regarding the exchange as either a sale or collateralized borrowing, resulting in a liability. The City implemented this statement effective July 1, 2007.

**GASB Statement No. 49** – In November 2006, the GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. This statement is not effective until June 30, 2009. The City has not determined its effect on the financial statements.

**GASB Statement No. 50** – In May 2008, GASB issued Statement No. 50, *Pension Disclosures-an amendment of GASB Statements No. 25 and No. 27*. This statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. The City implemented this statement effective July 1, 2007.

CITY OF GREENFIELD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

**N. New Pronouncements, (Continued)**

**GASB Statement No. 51** – In June 2008, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement establishes accounting and financial reporting standards for many different types of assets that may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software. This statement is not effective until June 30, 2010. The City has not determined its effect on the financial statements.

**GASB Statement No. 52** – In November 2008, the GASB issued Statement No. 52, *Land and Other Real Estate Held as Investment by Endowments*. This statement established consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information they currently present for other investments reported at fair value. This statement is not effective until June 30, 2010. They City has not determined its effect on the financial statements.

**GASB Statement No. 53** – In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. This statement is not effective until June 30, 2010. The City has not determined its effect on the financial statements.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Deficit Fund Balances**

The following funds had deficit fund balances at June 30, 2008, as follows:

<u>Fund</u>	<u>Deficit Fund Balance</u>
Major Governmental Funds:	
<u>Special Revenue Funds</u>	
Sewer Impact Fund	\$ 1,267,395
Non-Major Governmental Funds:	
<u>Special Revenue Funds</u>	
LLM #1 Annexation #1	\$ 53,720

The fund balance deficits for each fund are the result of incurring costs in advance of receiving revenue.

**CITY OF GREENFIELD**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2008**

***NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, (Continued)***

Excess expenditures over Appropriation

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

<u>Fund</u>	<u>Excess Expenditures</u>
Major Governmental Funds:	
Redevelopment Agency Capital Project Fund	128,441

***NOTE 3 - CASH AND INVESTMENTS***

Cash and investments as of June 30, 2008 are as follows:

Cash on hand	\$ 1,181
Pooled cash in bank	5,835,694
Pooled investments	12,826,379
Cash and investments with fiscal agent	33,933,616
Total	<u>\$ 52,596,870</u>

Cash and investments are reported in the basic financial statements as follows:

Governmental Activities:	
Cash and investments	\$ 14,728,174
Restricted cash and investments	27,694,487
Business-type Activities:	
Cash and investments	3,935,080
Cash and investments with fiscal agent	6,239,129
Total Cash and Investments	<u>\$ 52,596,870</u>

**CITY OF GREENFIELD**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**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 (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	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

**CITY OF GREENFIELD**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2008**

***NOTE 3 - CASH AND INVESTMENTS, (Continued)***

**Investments Authorized by Debt Agreements**

Investment of debt proceeds held by bond trustee are governed by 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 bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk.

Authorized Investment Type	Maximum Maturity
U.S. Treasury Obligations	None
U.S. Agency Securities	None
Banker's Acceptances	365 days
Commercial Paper	None
Negotiable Certificates of Deposit	None
Investment Agreements	None
Repurchase Agreements	30 days
Money Market Mutual Funds	N/A
Local Agency Investment Fund (LAIF)	N/A

**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 flow and liquidity needed for operations.

**CITY OF GREENFIELD**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 3 - CASH AND INVESTMENTS, (Continued)**

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Fair Value	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
LAIF	\$ 6,320,900	\$ 6,320,900			
Monterey County Investment Pool	992,304	992,304			
U.S. Agency Securities	552,885	151,359		\$ 201,562	\$ 199,964
Negotiable Certificates of Deposit	2,353,809	1,274,584	\$ 592,558	192,266	294,400
Money Market Funds	3,588,927	3,588,927			
Held by Bond Trustee:					
Investment agreements	31,089,101	29,118,551		1,970,550	
Money market funds	1,862,069	1,862,069			
<b>Total</b>	<b>\$ 46,759,995</b>	<b>\$ 43,308,695</b>	<b>\$ 592,558</b>	<b>\$ 2,364,378</b>	<b>\$ 494,364</b>

**Disclosure Relating to Investment Policy**

As of June 30, 2008, the City held U.S. Agency Securities and Negotiable Certificates of Deposits in the investment portfolio with a final maturity date of December 17, 2015 and January 12, 2016, respectively. This exceeds the State of California Government Code and the City of Greenfield Investment Policy 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 of Greenfield 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 a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year end for each investment type:

Investment Type	Fair Value	Moody's	
		AAA	Unrated
LAIF	\$ 6,320,900		\$ 6,320,900
Monterey County Investment Pool	992,304		992,304
Federal Home Loan Bank	552,885	\$ 552,885	
Negotiable Certificates of Deposit	2,353,809		2,353,809
Money market funds	3,588,927		3,588,927
Held by Bond Trustee:			
Investment contracts	31,089,101		31,089,101
Money market funds	1,862,069	1,862,069	
<b>Total</b>	<b>\$ 46,759,995</b>	<b>\$ 2,414,954</b>	<b>\$ 44,345,042</b>

CITY OF GREENFIELD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 3 - CASH AND INVESTMENTS, (Continued)

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. Investments in any one issuer that represent 5% or more of total City's investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Cost</u>
IXIS Funding Corp	Investment Agreement	\$ 25,029,101
Societe Generale	Investment Agreement	3,700,000

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 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 deposits or investments, 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 market 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 City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments: \$5,735,115 of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts as described above.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 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 financial statements at 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.

LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provide oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's office. The City is a voluntary participant in the investment pool.

CITY OF GREENFIELD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

*NOTE 4 - NOTES RECEIVABLE*

Note Receivables

A promissory note was issued August 7, 2001, for the purpose of assisting a business owner with payment for sidewalk and alley improvements at 150 El Camino Real in the City of Greenfield. The note is secured by a deed of trust on the property and is payable in a single lump sum payment due March 1, 2008. The outstanding balance is recorded in the General fund. As of June 30, 2008, payment has not been received.

<u>Interest</u> <u>Rate</u>	<u>Face</u> <u>Amount</u>	<u>Outstanding</u> <u>June 30, 2008</u>
0%	\$ 35,635	\$ 35,635

A promissory note was issued January 30, 2003, for the purpose of assisting a property owner with payment for development fees. The note is secured by a deed of trust on the property and is payable in a single lump sum payment due February 1, 2008. As of June 30, 2008, payment has not been received.

<u>Interest</u> <u>Rate</u>	<u>Face</u> <u>Amount</u>	<u>Outstanding</u> <u>June 30, 2008</u>
0%	\$ 24,560	\$ 2,053

The City provides loans to eligible citizens through the RDA Low-Moderate Income Housing and HOME Grant funds for housing rehabilitation. Interest is generally deferred and repayment occurs when property ownership changes. The balance outstanding at June 30, 2008 is \$1,574,689. See Note 14 for details on additional receivables in the amount of \$500,000.

CITY OF GREENFIELD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

**NOTE 5 - CAPITAL ASSETS**

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the Government-wide Statement of Net Assets. The City elected to use the basic approach as defined by GASB Statement No. 34 for all infrastructure reporting, whereby depreciation expense and accumulated depreciation has been recorded. The following table presents the capital assets activity for the year ended June 30, 2008.

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 1,237,246	\$ 850,938		\$ 2,088,184
Construction in progress	1,185,888	1,445,972	\$ (1,328,925)	1,302,935
Total Capital Assets Not Being Depreciated	<u>2,423,134</u>	<u>2,296,910</u>	<u>(1,328,925)</u>	<u>3,391,119</u>
<b>Capital Assets, Being Depreciated:</b>				
Buildings and improvements	6,185,404	1,430,629		7,616,033
Vehicles	982,768	42,333		1,025,101
Property and equipment	773,103	58,619		831,722
Infrastructure	1,910,692			1,910,692
Total Capital Assets Being Depreciated	<u>9,851,967</u>	<u>1,531,581</u>		<u>11,383,548</u>
<b>Less Accumulated Depreciation For:</b>				
Buildings and improvements	(1,349,248)	(325,485)		(1,674,733)
Vehicles	(809,825)	(90,786)		(900,611)
Property and equipment	(486,069)	(74,685)		(560,754)
Infrastructure	(145,667)			(145,667)
Total Accumulated Depreciation	<u>(2,790,809)</u>	<u>(490,956)</u>		<u>(3,281,765)</u>
Total Capital Assets, Being Depreciated, Net	<u>7,061,158</u>	<u>1,040,625</u>		<u>8,101,783</u>
Governmental Activities Capital Assets, Net	<u>\$ 9,484,292</u>	<u>\$ 3,337,535</u>	<u>\$ (1,328,925)</u>	<u>\$11,492,902</u>

CITY OF GREENFIELD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

*NOTE 5 - CAPITAL ASSETS, (Continued)*

Depreciation expense was charged to functions/programs of the primary government as follows:

General Government	\$ 51,749
Public Works	7,085
Building and Planning	4,030
Parks and Recreation	162,017
Community Development	22,067
Public Safety	121,247
Streets and Roads	122,761
Total Depreciation Expense	<u>490,956</u>
- Governmental Activities	<u>\$ 490,956</u>

Capital assets of proprietary fund types at June 30, 2008, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 323,537			\$ 323,537
Construction in progress	774,312	\$ 3,156,862	\$ (2,503,650)	1,427,524
Total Capital Assets Not Being Depreciated	<u>1,097,849</u>	<u>3,156,862</u>	<u>(2,503,650)</u>	<u>1,751,061</u>
Capital Assets, Being Depreciated:				
Utility lines and equipment	12,752,069	2,539,767		15,291,836
Total Capital Assets Being Depreciated	<u>12,752,069</u>	<u>2,539,767</u>		<u>15,291,836</u>
Less Accumulated Depreciation For:				
Utility lines and equipment	(4,191,837)	(383,190)		(4,575,027)
Total Accumulated Depreciation	<u>(4,191,837)</u>	<u>(383,190)</u>		<u>(4,575,027)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,560,232</u>	<u>2,156,577</u>		<u>10,716,809</u>
Business-type Activities Capital Assets, Net	<u>\$ 9,658,081</u>	<u>\$ 5,313,439</u>	<u>\$ (2,503,650)</u>	<u>\$12,467,870</u>

CITY OF GREENFIELD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

*NOTE 6 – LONG-TERM DEBT*

A. Redevelopment Project 2002 Tax Allocation Refunding and Escrow Bonds

On April 18, 2002, the Redevelopment Agency of the City of Greenfield adopted a Resolution authorizing the sale of \$4,005,000 aggregate principal amount of Greenfield Redevelopment Agency 2002 Tax Allocation Refunding and Escrow Bonds at interest rates ranging from 4.125% to 5.8% for the purpose of retiring \$1,500,000 of tax allocation notes issued on December 1, 2000, and to provide additional redevelopment project funds. A portion of the bonds were advance refunded during the year by the 2006 Tax Allocation Refunding Bonds. The bonds mature on February 1 of each year to 2032 with interest payable semiannually as follows:

Year End June 30,	Principal	Interest	Total
2009	\$ 30,000	\$ 90,942	\$ 120,942
2010	30,000	89,556	119,556
2011	30,000	88,130	118,130
2012	35,000	86,668	121,668
2013	40,000	84,918	124,918
2014-2018	210,000	392,556	602,556
2019-2023	285,000	325,549	610,549
2024-2028	385,000	230,100	615,100
2029-2032	525,000	91,500	616,500
Total	<u>\$ 1,570,000</u>	<u>\$ 1,479,919</u>	<u>\$ 3,049,919</u>

CITY OF GREENFIELD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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

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, partial defease its 2002 Tax Allocation Binds, 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 rate on the bonds varied from 3.625% to 4.75% and began maturing on February 2, 2008 with final maturity on February 1, 2037

Principal and interest payments due on the Bonds are as follows:

Year End June 30,	Principal	Interest	Total
2009	\$ 300,000	\$ 1,311,946	\$ 1,611,946
2010	400,000	1,299,946	1,699,946
2011	470,000	1,283,946	1,753,946
2012	550,000	1,265,146	1,815,146
2013	600,000	1,243,146	1,843,146
2014-2018	3,690,000	5,808,816	9,498,816
2019-2023	4,470,000	5,026,460	9,496,460
2024-2028	5,455,000	4,032,474	9,487,474
2029-2033	6,770,000	2,657,864	9,427,864
2034-2038	7,005,000	851,438	7,856,438
Total	<u>\$ 29,710,000</u>	<u>\$ 24,781,182</u>	<u>\$ 54,491,182</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 in the amount of \$500,000. As part of its agreement dated December 28, 2005 with Community Housing Improvement Systems and Planning Association (CHISPA), a nonprofit housing Agency, the Agency contributed the loan proceeds to CHISPA for the development and construction of Walnut Place, a 40-unit multifamily rental complex. In the loan arrangement between the Agency and the California Housing Agency, principal and interest is due 10 years from the date of the agreement with interest accruing at simple interest of 3% from March 16, 2006, the date of disbursement. The Agency intends to use low & 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 is \$33,125 as of June 30, 2008. The interest payable is included in interest payable on the Statement of Net Assets. The loan payable amount is as follows:

Year End June 30, 2015	Principal	Interest	Total
	<u>\$ 500,000</u>	<u>\$ 33,125</u>	<u>\$ 533,125</u>

CITY OF GREENFIELD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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

D. Prior Years' Partial Defeasance of 2002 Tax Allocation Refunding and Escrow Bonds

On December 5, 2006, the Agency issued its Tax Allocation Bonds Series 2006 for the partial defeasance of the Agency's 2002 Tax Allocation Refunding and Escrow Bonds. The 2006 transaction set up an irrevocable escrow to retire \$2,280,000 of 2002 Bonds. In turn, the portion of the 2002 Bonds that were not part of the defeasance are still reflected in the Agency's balance as debt. The outstanding balance of the defeased debt as of June 30, 2008, was \$2,205,000.

E. Prior Years' Defeasance of 2005 Subordinated Tax Allocation Notes

On December 5, 2006, the Agency issued its Tax Allocation Bonds Series 2006 for the defeasance of the Agency's 2005 Tax Allocation Notes. For financial reporting purposes, the debt has been considered defeased and therefore, removed as a liability from the Agency's government-wide financial statements. As of year end, the principal balance outstanding was zero as the issue was redeemed in full on August 1, 2007.

F. California Infrastructure and Economic Development Bank (CIEDB) Loans

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 first agreement is for the 10<sup>th</sup> Street Water Expansion project (Water Expansion Project) and the second agreement is for the Wastewater Treatment Plant Expansion (Wastewater Plant Expansion). The Water Expansion Project financing agreement is \$3,700,000 and the Wastewater Plant Expansion financing agreement is \$2,360,000.

Funds can only be drawn upon after the City has forwarded eligible invoices to CIEDB. The requested funds are subject to CIEDB approval as defined in the agreement. To qualify for reimbursement under the original terms of the agreements all invoices for the each of the projects were expected to be submitted to the CIEDB by November 14, 2008; however, the City has been provided an extension to submit all invoices by June 30, 2009 for both agreements. The total estimated costs of the projects are \$4,168,400 for the Water Expansion Project and \$2,799,500 for the Wastewater Plant Expansion. The difference is the City's portion that will be funded by the respective funds. As of June 30, 2008 the City has not received/requested funds from the CIEDB.

CITY OF GREENFIELD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 6 – LONG-TERM DEBT, (Continued)

F. California Infrastructure and Economic Development Bank (CIEDB) Loans, (Continued)

Principal and interest payments due on the loans are as follows:

Year End June 30,	Principal	Interest	Total
2009	\$ 50,983	\$ 124,520	175,503
2010	52,588	124,494	177,082
2011	54,245	124,468	178,713
2012	55,954	124,441	180,395
2013	57,716	124,413	182,129
2014-2018	317,030	621,623	938,653
2019-2023	370,206	620,787	990,993
2024-2028	432,304	619,808	1,052,112
2029-2033	504,801	618,648	1,123,449
2034-2037	464,173	493,982	958,155
Total	<u>\$ 2,360,000</u>	<u>\$ 3,597,184</u>	<u>\$ 5,957,184</u>

Year End June 30,	Principal	Interest	Total
2009	\$ 79,930	\$ 195,221	\$ 275,151
2010	82,448	195,182	277,630
2011	85,045	195,141	280,186
2012	87,724	195,098	282,822
2013	90,487	195,054	285,541
2014-2018	497,032	974,574	1,471,606
2019-2023	580,403	973,260	1,553,663
2024-2028	677,760	971,725	1,649,485
2029-2033	791,447	969,936	1,761,383
2034-2037	727,724	774,460	1,502,184
Total	<u>\$ 3,700,000</u>	<u>\$ 5,639,651</u>	<u>\$ 9,339,651</u>

CITY OF GREENFIELD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

*NOTE 7 - CAPITAL LEASE PAYABLE*

On January 1, 2006, the City of Greenfield entered into a capital lease agreement with Municipal Finance Corporation. The lease proceeds are being used for the construction, acquisition and installation of certain capital improvements (consisting primarily of a new City Hall facility) and to retire a "Phase II" loan with Westamerica Bank. The amount of the lease is \$2,500,000 and accrues interest at 5.1%. Semiannual lease payments are due June 30 and December 30 of each year, commencing June 30, 2008. Future minimum lease payments are as follows:

Year End June 30,	
2009	\$ 200,862
2010	200,862
2011	200,862
2012	200,865
2013	200,865
2014-2018	1,004,310
2019-2023	1,004,310
2024-2026	502,149
Total Minimum Lease Payments	<u>3,515,085</u>
Less amount representing interest	(1,208,085)
Present value on net minimum lease payments	<u>\$ 2,307,000</u>

CITY OF GREENFIELD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

**NOTE 8 - CHANGES IN LONG-TERM LIABILITIES**

The following is a summary of long-term liability transactions for the fiscal year ended June 30, 2008:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Amount Due in 2008-09
<u>Governmental Activities</u>					
Bonds and Leases Payable:					
2002 Tax allocation bonds	\$ 1,595,000		\$ (25,000)	\$ 1,570,000	\$ 30,000
2006 Refunding Tax Allocation Bonds	29,810,000		(100,000)	29,710,000	300,000
2006 Bond Issuance Premium	422,803		(13,862)	408,941	
Less: Deferred Amount on Refunding CalHFA Loan	(662,323)		189,235	(473,088)	
Capital lease payable	2,387,127		(80,127)	2,307,000	84,266
Total Bonds and Leases Payable	34,052,607		(29,754)	34,022,853	414,266
Other Liabilities:					
Compensated absences	205,759	\$ 35,176		240,935	
Total Governmental Activities Long-Term Liabilities	\$ 34,258,366	\$ 35,176	\$ (29,754)	\$ 34,263,788	\$ 414,266

Payments for the tax allocation bonds are made from the Redevelopment Agency Debt Service Fund while the capital lease payments are made from the General Fund. The compensated absences liability is expected to be liquidated primarily by the General Fund.

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Amount Due in 2008-09
<u>Business-type Activities</u>					
Water Loan		\$ 3,700,000		\$ 3,700,000	\$ 79,930
Sewer Loan		2,360,000		2,360,000	50,983
Total Enterprise Activities		\$ 6,060,000		\$ 6,060,000	\$ 130,913

Payments for the loans are made from the Water and Sewer Enterprise Funds.

**CITY OF GREENFIELD**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**NOTE 9 - INTERFUND TRANSACTIONS**

Interfund Receivables and Payables

Interfund receivables and payables consist of short-term loans resulting from regular transactions. These loans are expected to be repaid as soon as the borrowing fund has cash, and carry an interest rate equal to the rate earned on pooled cash.

Individual fund interfund receivables and payables balances as of June 30, 2008, were as follows:

		Due From Other Funds			
		General Fund	RDA Debt Sevice	Other Governmental	Total
Due To Other Funds	Waste Water	\$ 86,466			\$ 86,466
	Redevlopment Agency	107,663			107,663
	LLM#1 - Annexation#1	53,720			53,720
	Youthbuild Grant	74,217			74,217
	RDA Low/Mod Housing	912,547			912,547
	RDA Capital Project		\$ 1,427,257		1,427,257
	Transit Enterprise	173,454			173,454
	Gas Tax 2106			\$ 11,935	11,935
Sewer Impact			1,275,000	1,275,000	
Total		<u>\$ 1,408,067</u>	<u>\$ 1,427,257</u>	<u>\$ 1,286,935</u>	<u>\$ 4,122,259</u>

During the fiscal year the General Fund cover general expenditures of the funds noted above in the amount of \$1,408,067. The General Fund is expected to be reimbursed once receipts of draw downs on grants, receipts of accounts receivables or cash transfers are received by the Funds noted above. The \$1,427,257 was recorded to cover negative cash balances in the RDA Capital Project Fund. The \$1,286,935 was recorded to cover general expenditures in the Gas Tax 2106 Fund and project costs in the Sewer Impact Funds; the balances will be repaid once gas tax monies are received and draw down of a loan proceeds occur, respectively.

Transfers

Individual transfers at June 30, 2008, were as follow:

		Transfers From							
		General Fund	Transit Enterprise	RDA Low/Mod	Other Governmental	Water Enterprise	Sewer Enterprise	RDA Debt Service	Total
Transfers To	General Fund		\$ 2,895		\$ 151,747	\$ 125,000	\$ 125,000		\$ 404,642
	Other Governmental	\$ 22,498		\$ 912,547	46,660			378,527	1,360,233
	Transit Enterprise	8,937							8,937
	Total	<u>\$ 31,435</u>	<u>\$ 2,895</u>	<u>\$ 912,547</u>	<u>\$ 198,407</u>	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ 378,527</u>	<u>\$ 1,773,811</u>

With Council approval, resources may be transferred from one City fund to another. Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires expending them, and (2) recover overhead and administration costs.

CITY OF GREENFIELD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

**NOTE 10 - RISK MANAGEMENT**

The City provides for workers' compensation and liability through a self-funded joint powers agency, Monterey Bay Area Insurance Fund. JPA accounts are not separately maintained for each participant.

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City is a member of the Monterey Bay Area Insurance Fund (MBAIF). MBAIF 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 MBAIF 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 coverage.

MBAIF Insurance Programs

General Liability: The City is self-insured for the first \$10,000 of each liability claims. Claims above \$10,000 up to \$490,000 are paid by MBAIF. Claims above \$490,000 up to \$9.5 million are covered by insurance purchased by MBAIF.

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 MBAIF based on the level of claims activity. A third party claims administrator is contracted by MBAIF to manage claims activity.

Other Insurance Programs

Property and Auto: 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.

Adequacy of Protection

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

Summary financial information on the Fund for the fiscal year ended June 30, 2006 (most recent information available), is as follows:

Total Assets	\$	12,310,528
Total Liabilities		18,337,130
Net Assets		<u>(6,026,602)</u>
Total Revenues	\$	4,481,669
Total Expenses		1,865,435
Changes in Net Assets	\$	<u>2,616,234</u>

**CITY OF GREENFIELD**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2008**

***NOTE 11 - CITY EMPLOYEES' RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)***

Plan Description

The City of Greenfield contributes to the California Public Employees Retirement system (PERS), a cost sharing public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Copies of PERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

Funding Policy

Participants are required to contribute 7% of their annual covered payroll for miscellaneous employees and 9% of their annual covered payroll for safety employees. The City 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 of fiscal year 2007-2008 was 8.424% for miscellaneous employees, and 24.759% for safety employees. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

Schedule of Funding Progress

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/06	\$ 433,916	100%	\$0
6/30/07	\$ 524,545	100%	\$0
6/30/08	\$ 529,789	100%	\$0

***NOTE 12 - CONTINGENCIES AND COMMITMENTS***

Lawsuits

There are certain legal actions pending against the City which management considers incident to normal operations, some of which seek substantial monetary damages. In the opinion of management, after consultation with counsel, the ultimate resolution of such actions is not expected to have a significant effect on the financial position or the results of operations of the City.

State and Federal Grants

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.

State of California Financial Condition

The State of California is currently experiencing financial difficulties. It is unknown at this time what effect, if any, this will have on the City of Greenfield.

## CITY OF GREENFIELD

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

#### *NOTE 13 – REVENUE PLEDGES*

The Agency has pledged tax increment revenues to repay the 2006 Tax Allocation Bonds; the aggregate amount of the bonds outstanding at June 30, 2008 was \$29,710,000. Also, the Agency has pledged tax increment revenues to repay the 2002 Tax Allocation Bonds; the aggregate amount of the bonds outstanding at June 30, 2008 was \$1,570,000.

The bonds are payable solely from the tax increment generated by increased property taxes in the Redevelopment project areas. Tax increments were projected to produce 125 percent of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds totals \$57,547,104 payable through 2037. For the current year, principal and interest paid and total tax increment revenues were \$1,415,946 and \$3,025,571, respectively.

The City has pledged future revenues from its Sewer Enterprise Fund to repay \$2.36 million related to a loan agreement dated September 1, 2006. The funds are to provide funding for the City's Wastewater Treatment Plant Expansion Project. The loan is payable solely from sewer customer revenues and are payable through 2037. The total principal and interest remaining to be paid on the bonds is \$5,957,184. Principal and interest paid for the current year and total customer revenues were \$74,340 and \$518,684 respectively.

The City has pledged future revenues from its Water Enterprise Fund to repay \$3.7 million related to a loan agreement dated September 1, 2006. The funds are to provide funding for the City's Tenth Street Water System Expansion Project. The loan is payable solely from water customer revenues and are payable through 2037. The total principal and interest remaining to be paid on the bonds is \$9,339,651. Principal and interest paid for the current year and total customer net revenues were \$116,550 and \$988,882 respectively.

#### *NOTE 14 – AGREEMENTS*

On December 28, 2005, the City's Redevelopment 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 in 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 Agency has recorded a note receivable and offsetting deferred revenue since the value of the note is not a source of readily available funding.

On May 2, 2007, the Agency entered into an agreement with the Community Housing Improvement Systems and Planning Association (CHISPA), a nonprofit Agency, where the Agency has committed to contributing \$500,000 towards their cost in developing a 40 unit multi-family residential project named Vineyard Green Townhomes for low and moderate income households. The Agency intends to secure a loan from the California Housing Financing Authority through an agreement signed on May 2, 2007 for funding its contribution for the housing project. Since the project is still in the process of being developed, as of June 30, 2008, the Agency had not yet received the loan proceeds from the California Housing Financing Authority in order for the Agency to make its contribution to CHISPA. The Agency has chosen to designate \$500,000 of Fund Balance in its Housing Fund for this project.

---

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF GREENFIELD**

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
SEWER IMPACT – SPECIAL REVENUE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Use of money and property	\$ 39,200	\$ 39,200	\$ 12,547	\$ (26,653)
Other revenues	338,225	338,225	208,435	(129,790)
<b>Total Revenues</b>	<b>377,425</b>	<b>377,425</b>	<b>220,982</b>	<b>(156,443)</b>
<b>EXPENDITURES</b>				
Current:				
Public works	190,000	190,000	24,177	165,823
Capital outlay	2,949,440	2,949,440	2,183,794	765,646
Debt service:				
Interest			17,253	(17,253)
<b>Total Expenditures</b>	<b>3,139,440</b>	<b>3,139,440</b>	<b>2,225,224</b>	<b>914,216</b>
Excess (Deficiency) of Revenues Over Expenditures	(2,762,015)	(2,762,015)	(2,004,242)	757,773
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Bond	2,360,000	2,360,000		(2,360,000)
<b>Total Other Financing Sources (Uses)</b>	<b>2,360,000</b>	<b>2,360,000</b>		<b>(2,360,000)</b>
<b>Net Change in Fund Balance</b>	<b>(402,015)</b>	<b>(402,015)</b>	<b>(2,004,242)</b>	<b>(1,602,227)</b>
Fund Balance, Beginning of Year	\$ 736,847	\$ 736,847	\$ 736,847	
Fund Balance, End of Year	\$ 334,832	\$ 334,832	\$ (1,267,395)	\$ (1,602,227)

**CITY OF GREENFIELD**

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
RDA LOW/MOD FUNDS – SPECIAL REVENUE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes and assessments	\$ 567,750	\$ 567,750	\$ 756,392	\$ 188,642
Use of money and property	75,000	75,000	114,806	39,806
Intergovernmental revenues			71,709	71,709
Other revenues			3,025	3,025
Total Revenues	642,750	642,750	945,932	303,182
<b>EXPENDITURES</b>				
Current:				
Community development	216,330	872,030	901,945	(29,915)
Capital outlay			917	(917)
Debt service:				
Interest	120,680	120,680	507	120,173
Total Expenditures	337,010	992,710	903,369	89,341
Excess (Deficiency) of Revenues Over Expenditures	305,740	(349,960)	42,563	392,523
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(306,820)	(306,820)	(912,547)	(605,727)
Total Other Financing Uses	(306,820)	(306,820)	(912,547)	(605,727)
Net Change in Fund Balance	(1,080)	(656,780)	(869,984)	(213,204)
Fund Balance, Beginning of Year	\$ 2,890,521	\$ 2,890,521	\$ 2,890,521	
Fund Balance, End of Year	\$ 2,889,441	\$ 2,233,741	\$ 2,020,537	\$ (213,204)

**CITY OF GREENFIELD**

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
GENERAL FUND**

**FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes and assessments	\$ 2,858,500	\$ 2,858,500	\$ 3,269,795	\$ 411,295
Licenses and permits	183,200	183,200	170,262	(12,938)
Fines and penalties	95,000	95,000	88,319	(6,681)
Use of money and property	235,000	235,000	150,286	(84,714)
Intergovernmental revenues	55,700	55,700	137,117	81,417
Charges for services	1,762,375	1,762,375	1,706,405	(55,970)
Other revenues	65,000	65,000	77,454	12,454
Total Revenues	5,254,775	5,254,775	5,599,638	344,863
<b>EXPENDITURES</b>				
Current:				
General government	1,140,755	1,150,505	966,744	183,761
Public works	1,409,375	1,420,925	1,282,617	138,308
Building and planning	277,405	282,335	315,286	(32,951)
Parks and recreation	279,905	280,305	249,828	30,477
Public safety	2,533,445	2,533,445	2,404,165	129,280
Capital outlay	25,450	20,200	197,013	(176,813)
Debt service:				
Principal	77,865	77,865	80,201	(2,336)
Interest	123,000	123,000	120,661	2,339
Total Expenditures	5,867,200	5,888,580	5,616,515	272,065
Excess (Deficiency) of Revenues Over Expenditures	(612,425)	(633,805)	(16,877)	616,928
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	407,995	407,995	404,642	(3,353)
Loan proceeds	511,000	511,000		(511,000)
Transfers out	(511,000)	(511,000)	(31,435)	479,565
Total Other Financing Sources	407,995	407,995	373,207	(34,788)
Net Change in Fund Balance	(204,430)	(225,810)	356,330	582,140
Fund Balance, Beginning of Year	4,896,872	4,896,872	4,896,872	
Fund Balance, End of Year	\$ 4,692,442	\$ 4,671,062	\$ 5,253,202	\$ 582,140

CITY OF GREENFIELD

SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
TRANSPORTATION DEVELOPMENT ACT – SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ 809,679	\$ 809,679	\$ 623,743	\$ (185,936)
Total Revenues	809,679	809,679	623,743	(185,936)
<b>EXPENDITURES</b>				
Current:				
Streets and roads	139,679	139,679	68,227	71,452
Capital outlay	670,000	670,000	211,331	458,669
Total Expenditures	809,679	809,679	279,558	530,121
Excess (Deficiency) of Revenues Over Expenditures			344,185	344,185
Net Change in Fund Balance			344,185	344,185
Fund Balance, Beginning of Year	2,546	2,546	2,546	
Fund Balance, End of Year	\$ 2,546	\$ 2,546	\$ 346,731	\$ 344,185

---

---

**OTHER SUPPLEMENTARY INFORMATION**

**CITY OF GREENFIELD**

**JUNE 30, 2008**

**MAJOR FUND BUDGETARY COMPARISON SCHEDULE**

Budgetary comparison schedules are presented as Required Supplementary Information (RSI) for the General Fund and Major Special Revenue Funds as provided for by GASB Statement No. 34. The budgetary comparison schedule for the remaining major funds is presented to aid in additional analysis and is not a required part of the basic financial statements or RSI.

---

CITY OF GREENFIELD

MAJOR FUND BUDGETARY COMPARISON SCHEDULE  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
 REDEVELOPMENT AGENCY – CAPITAL PROJECTS FUND

FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 400,000	\$ 400,000	\$ 1,040,046	\$ 640,046
Other revenues			150	150
Total Revenues	400,000	400,000	1,040,196	640,196
<b>EXPENDITURES</b>				
Current:				
Community development	420,000	420,300	63,263	357,037
Capital outlay	750,000	750,000	1,206,245	(456,245)
Debt service:				
Interest			29,233	(29,233)
Total Expenditures	1,170,000	1,170,300	1,298,741	(128,441)
Excess (Deficiency) of Revenues Over Expenditures	(770,000)	(770,300)	(258,545)	511,755
Fund Balance, Beginning of Year	21,529,379	21,529,379	21,529,379	
Fund Balance, End of Year	\$20,759,379	\$20,759,079	\$21,270,834	\$ 511,755

**CITY OF GREENFIELD**

**MAJOR FUND BUDGETARY COMPARISON SCHEDULE  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
REDEVELOPMENT AGENCY – DEBT SERVICE FUND**

**FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes and assessments	\$ 2,232,000	\$ 2,232,000	\$ 3,025,573	\$ 793,573
Use of money and property	50,000	50,000	158,444	108,444
Total Revenues	<u>2,282,000</u>	<u>2,282,000</u>	<u>3,184,017</u>	<u>902,017</u>
<b>EXPENDITURES</b>				
Current:				
General government	17,427	17,427	48,233	(30,806)
Debt service:				
Principal	676,000	676,000	125,000	551,000
Interest	1,537,499	1,537,499	1,408,013	129,486
Total Expenditures	<u>2,230,926</u>	<u>2,230,926</u>	<u>1,581,246</u>	<u>649,680</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>51,074</u>	<u>51,074</u>	<u>1,602,771</u>	<u>1,551,697</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(422,720)</u>	<u>(422,720)</u>	<u>(378,528)</u>	<u>44,192</u>
Total Other Financing Sources (Uses)	<u>(422,720)</u>	<u>(422,720)</u>	<u>(378,528)</u>	<u>44,192</u>
Net Change in Fund Balance	<u>(371,646)</u>	<u>(371,646)</u>	<u>1,224,243</u>	<u>1,595,889</u>
Fund Balance, Beginning of Year	<u>5,606,254</u>	<u>5,606,254</u>	<u>5,606,254</u>	
Fund Balance, End of Year	<u>\$ 5,234,608</u>	<u>\$ 5,234,608</u>	<u>\$ 6,830,497</u>	<u>\$ 1,595,889</u>

**CITY OF GREENFIELD**

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

**JUNE 30, 2008**

	Special Revenue			
	Gas Tax 2105	Gas Tax 2106	Gas Tax 2107	Gas Tax 2107.5
<b>ASSETS</b>				
Cash and investments	\$ 144,743		\$ 186,843	
Accounts receivable	32,558	\$ 15,297	43,560	\$ 4,000
Interest receivable	964		1,156	
Due from other funds			11,935	
Notes receivable				
Total Assets	<u>\$ 178,265</u>	<u>\$ 15,297</u>	<u>\$ 243,494</u>	<u>\$ 4,000</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 10,798	\$ 3,361	\$ 4,568	
Due to other funds		11,935		
Deferred revenue				
Total Liabilities	<u>10,798</u>	<u>15,296</u>	<u>4,568</u>	
<b>FUND BALANCES</b>				
Reserved for:				
Due from other funds				
Unreserved and reported in:				
Special revenue funds	167,467	1	238,926	\$ 4,000
Total Fund Balances	<u>167,467</u>	<u>1</u>	<u>238,926</u>	<u>4,000</u>
Total Liabilities and Fund Balances	<u>\$ 178,265</u>	<u>\$ 15,297</u>	<u>\$ 243,494</u>	<u>\$ 4,000</u>

Special Revenue

Supplemental Law Enforcement Service	Youth Build Grant	Youth Build Grant 2	2007 Youth Build Grant	Water Discharge Grant	Community Development
\$ 3,979			\$ 88,609	\$ 9,798	\$ 2,723
				86,466	
<u>\$ 3,979</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,609</u>	<u>\$ 96,264</u>	<u>\$ 2,723</u>
			\$ 14,391		\$ 2,723
			74,217	\$ 86,466	
			88,608	86,466	2,723
\$ 3,979			1	9,798	
3,979			1	9,798	
<u>\$ 3,979</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,609</u>	<u>\$ 96,264</u>	<u>\$ 2,723</u>

**CITY OF GREENFIELD**

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)**

**JUNE 30, 2008**

	Special Revenue			
	HOME Grant	CDBG PTA 2003	CDBG PTA 2005	CDBG PTA 2004
<b>ASSETS</b>				
Cash and investments	\$ 117,338			
Accounts receivable				
Interest receivable				
Due from other funds				
Notes receivable	660,275			
Total Assets	<u>\$ 777,613</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable				
Due to other funds				
Deferred revenue	\$ 660,275			
Total Liabilities	<u>660,275</u>			
<b>FUND BALANCES</b>				
Reserved for:				
Due from other funds				
Unreserved and reported in:				
Special revenue funds	117,338			
Total Fund Balances	<u>117,338</u>			
Total Liabilities and Fund Balances	<u>\$ 777,613</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue

CDBG PTA-Economic	Traffic Impact Fees	Park Impact Fees	Police Impact Fees	CDBG 2001 Comm Center	Water Impact Fees
	\$ 1,935,963	\$ 2,351,052	\$ 487,649		\$ 668,377
	13,874	10,406	3,469		1,275,000
\$ -	\$ 1,949,837	\$ 2,361,458	\$ 491,118	\$ -	\$ 1,943,377
	\$ 115	\$ 4,631			\$ 411,418
	115	4,631			411,418
					1,275,000
	1,949,722	2,356,827	\$ 491,118		256,959
	1,949,722	2,356,827	491,118		1,531,959
\$ -	\$ 1,949,837	\$ 2,361,458	\$ 491,118	\$ -	\$ 1,943,377

**CITY OF GREENFIELD**

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)**

**JUNE 30, 2008**

	Special Revenue			
	Community Center Impact Fees	General Facilities Impact Fees	Redevelopment Agency	Lexington Square Assessment
<b>ASSETS</b>				
Cash and investments	\$ 97,885	\$ 331,715	\$ 123,119	\$ 51,145
Accounts receivable				
Interest receivable	578	2,312		
Due from other funds				
Notes receivable				
<b>Total Assets</b>	<b>\$ 98,463</b>	<b>\$ 334,027</b>	<b>\$ 123,119</b>	<b>\$ 51,145</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable			\$ 15,456	\$ 3,448
Due to other funds			107,663	
Deferred revenue				
<b>Total Liabilities</b>			<b>123,119</b>	<b>3,448</b>
<b>FUND BALANCES</b>				
Reserved for:				
Due from other funds				
Unreserved and reported in:				
Special revenue funds	98,463	334,027		47,697
<b>Total Fund Balances</b>	<b>98,463</b>	<b>334,027</b>		<b>47,697</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 98,463</b>	<b>\$ 334,027</b>	<b>\$ 123,119</b>	<b>\$ 51,145</b>

Special Revenue			
Terra Verde Sub Assessment	SMD #1	LLM #1 Annexation #1	Total Non-Major Governmental Funds
\$ 453,298	\$ 122,940		\$ 7,088,567
			270,490
2,120	578		35,457
			1,286,935
			660,275
<u>\$ 455,418</u>	<u>\$ 123,518</u>	<u>\$ -</u>	<u>\$ 9,341,724</u>
\$ 29,538		\$ 53,720	\$ 500,447
			334,001
			660,275
<u>29,538</u>		<u>53,720</u>	<u>1,494,723</u>
			1,275,000
425,880	123,518	(53,720)	6,572,001
425,880	123,518	(53,720)	7,847,001
<u>\$ 455,418</u>	<u>\$ 123,518</u>	<u>\$ -</u>	<u>\$ 9,341,724</u>

**CITY OF GREENFIELD**

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES**

**YEAR ENDED JUNE 30, 2008**

	Special Revenue			
	2105 Gas Tax	2106 Gas Tax	2107 Gas Tax	2107.5 Gas Tax
<b>REVENUES</b>				
Taxes and assessments				
Use of money and property	\$ 4,143		\$ 5,698	
Intergovernmental revenues	98,543	\$ 46,036	131,867	\$ 4,000
Other revenues				
<b>Total Revenues</b>	<b>102,686</b>	<b>46,036</b>	<b>137,565</b>	<b>4,000</b>
<b>EXPENDITURES</b>				
Current:				
General government				
Public works				
Community development				
Public safety				
Streets and roads	64,147	92,695	68,847	
Capital outlay			9,220	
Debt service:				
Interest				
<b>Total Expenditures</b>	<b>64,147</b>	<b>92,695</b>	<b>78,067</b>	
Excess (Deficiency) of				
Revenues Over Expenditures	38,539	(46,659)	59,498	4,000
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in		46,660		
Transfers out			(46,660)	
<b>Total Other Financing Sources (Uses)</b>		<b>46,660</b>	<b>(46,660)</b>	
<b>Net Change in Fund Balances</b>	<b>38,539</b>	<b>1</b>	<b>12,838</b>	<b>4,000</b>
<b>FUND BALANCES, Beginning of Year</b>	<b>128,928</b>		<b>226,088</b>	
<b>FUND BALANCES, End of Year</b>	<b>\$ 167,467</b>	<b>\$ 1</b>	<b>\$ 238,926</b>	<b>\$ 4,000</b>

Special Revenue

Supplemental Law Enforcement Service	Youth Build Grant	Youth Build Grant 2	2007 Youth Build Grant	Water Discharge Grant	Community Development
\$ 42					\$ 6,530
100,000		\$ 75,350	\$ 259,709		
	\$ 382	459	2,336		
100,042	382	75,809	262,045		6,530
	10,304	136,134	352,109		
55,850					25,772
41,578					1,217
97,428	10,304	136,134	352,109		26,989
2,614	(9,922)	(60,325)	(90,064)		(20,459)
	117,304	705,178	90,065		3,931
	117,304	705,178	90,065		3,931
2,614	107,382	644,853	1		(16,528)
1,365	(107,382)	(644,853)		\$ 9,798	16,528
\$ 3,979	\$ -	\$ -	\$ 1	\$ 9,798	\$ -

**CITY OF GREENFIELD**

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES, (CONTINUED)**

**YEAR ENDED JUNE 30, 2008**

	Special Revenue			
	HOME Grant	CDBG PTA 2003	CDBG PTA 2005	CDBG PTA 2004
<b>REVENUES</b>				
Taxes and assessments				
Use of money and property	\$ 2,705			
Intergovernmental revenues	159,021			
Other revenues				
Total Revenues	161,726			
<b>EXPENDITURES</b>				
Current:				
General government				
Public works				
Community development	133,563			
Public safety				
Streets and roads				
Capital outlay				
Debt service:				
Interest	499			
Total Expenditures	134,062			
Excess (Deficiency) of Revenues Over Expenditures	27,664			
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in			15,835	2,348
Transfers out		(273)		
Total Other Financing Sources (Uses)		(273)	15,835	2,348
Net Change in Fund Balances	27,664	(273)	15,835	2,348
FUND BALANCES, Beginning of Year	89,674	273	(15,835)	(2,348)
FUND BALANCES, End of Year	\$ 117,338	\$ -	\$ -	\$ -

Special Revenue

CDBG PTA-Economic	Traffic Impact Fees	Park Impact Fees	Police Impact Fees	CDBG 2001 Comm Center	Water Impact Fees
	\$ 72,227	\$ 97,704	\$ 19,005	\$ 29,211	\$ 86,643
	540,432	281,478	39,177		211,362
	612,659	379,182	58,182	29,211	298,005
					32,986
	1,970				
	721,836	80,924	29,286		863,485
				29,195	
	723,806	80,924	29,286	29,195	896,471
	(111,147)	298,258	28,896	16	(598,466)
385					
				(374)	
385				(374)	
385	(111,147)	298,258	28,896	(358)	(598,466)
(385)	2,060,869	2,058,569	462,222	358	2,130,425
\$ -	\$ 1,949,722	\$ 2,356,827	\$ 491,118	\$ -	\$ 1,531,959

**CITY OF GREENFIELD**

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES, (CONTINUED)**

**YEAR ENDED JUNE 30, 2008**

	Special Revenue			
	Community Center Impact Fees	General Facilities Impact Fees	Redevelopment Agency	Lexington Square Assessment
<b>REVENUES</b>				
Taxes and assessments				\$ 43,979
Use of money and property				207
Intergovernmental revenues	\$ 2,504	\$ 11,957		
Other revenues				
Total Revenues	7,100	21,967	\$ 4,682	
	9,604	33,924	4,682	44,186
<b>EXPENDITURES</b>				
Current:				
General government				
Public works				
Community development				
Public safety			250,606	42,108
Streets and roads				
Capital outlay				
Debt service:				
Interest			2,321	
Total Expenditures			252,927	42,108
Excess (Deficiency) of Revenues Over Expenditures	9,604	33,924	(248,245)	2,078
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in			378,527	
Transfers out			(130,300)	(3,435)
Total Other Financing Sources (Uses)			248,227	(3,435)
Net Change in Fund Balances	9,604	33,924	(18)	(1,357)
FUND BALANCES, Beginning of Year	88,859	300,103	18	49,054
FUND BALANCES, End of Year	\$ 98,463	\$ 334,027	\$ -	\$ 47,697

Special Revenue		Debt Service		Total Non-Major Governmental Funds
Terra Verde Sub Assessment	SMD #1	LLM #1 Annexation #1		
\$ 355,457	\$ 60,327			\$ 459,763
9,398	2,193			350,167
				874,526
				1,109,375
364,855	62,520			2,793,831
				498,547
				32,986
197,778	2,086	\$ 34,189		686,102
				55,850
				227,659
				1,747,546
				32,015
197,778	2,086	34,189		3,280,705
167,077	60,434	(34,189)		(486,874)
				1,360,233
(8,460)	(6,410)	(2,495)		(198,407)
(8,460)	(6,410)	(2,495)		1,161,826
158,617	54,024	(36,684)		674,952
267,263	69,494	(17,036)		7,172,049
\$ 425,880	\$ 123,518	\$ (53,720)	\$	\$ 7,847,001