

CITY OF GREENFIELD

BASIC FINANCIAL STATEMENT



JUNE 30, 2007

CITY OF GREENFIELD CALIFORNIA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2007

TABLE OF CONTENTS

	PAGE
Independent Auditors' Report	1
Management's Discussions and Analysis (Required Supplementary Information)	3
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	11
Statement of Activities	12
Governmental Fund Financial Statements	
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
Proprietary Fund Financial Statements	
Statement of Net Assets	21
Statement of Revenues, Expenses, and Changes in Net Assets	22
Statement of Cash Flows	24
Notes To Basic Financial Statements	25

CITY OF GREENFIELD CALIFORNIA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2007

TABLE OF CONTENTS (Continued)

	PAGE
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual –	
General Fund	52
Special Revenue Funds –	
Transportation Development Act	53
Youthbuild Grant	54
Youthbuild Grant #2	55
Home Grant	56
CDBG Community Center	57
Other Supplementary Information	
Major Fund Budgetary Comparison Schedules	58
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual –	
Redevelopment Agency Capital Projects Fund	59
Non-Major Governmental Funds	
Combining Balance Sheet	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	66



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, 2007, 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenfield, California, as of June 30, 2007 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 April 10, 2008 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 52 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.

Vavreck, Time Day Co., LLP

Rancho Cucamonga, California
April 10, 2008

CITY OF GREENFIELD

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2007

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, 2007. 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, 2007, by \$31,796,171 (*net assets*). Of this amount, \$1,237,850 is *unrestricted net assets*.
- The City's total net assets increased by \$6,309,235. 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, 2007, the City's governmental funds reported combined ending fund balances of \$42,834,468, an increase of \$16,439,509 in comparison with the prior year.
- As of June 30, 2007, the unreserved fund balance for the General fund was \$3,491,569 or 60.2% of total General fund expenditures.
- The City's total debt increased by \$14,078,117 (69.8%) during the current fiscal year as the result of the issuance of the 2006 RDA Refunding Tax Allocation Bonds 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, 2007

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 of the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. 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 32 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 Youthbuild Grant, the Youthbuild Grant #2, the HOME Grant, the CDBG Community Center, the Redevelopment Agency Low Mod Housing Fund, the Redevelopment Agency Capital Projects Fund, and the Redevelopment Agency Debt Service Fund, all of which are considered to be major funds. Data from the other 23 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.

CITY OF GREENFIELD

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2007

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

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 25-51 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* including budgetary comparison schedules for the General Fund and Major Special Revenue Funds. Required supplementary information can be found on pages 52-57 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 59-71 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 \$31,796,171 at June 30, 2007.

The largest portion of the City's net assets (52.7%) 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 (43.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, are \$1,237,850.

CITY OF GREENFIELD

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

**City of Greenfield Net Assets
June 30, 2007**

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
Current and other assets	\$ 47,882,799	\$ 30,169,816	\$ 3,829,799	\$ 3,133,706	\$ 51,712,598	\$ 33,303,522
Capital assets	9,484,292	7,740,678	9,658,081	8,325,911	19,142,373	16,066,589
Total Assets	<u>57,367,091</u>	<u>37,910,494</u>	<u>13,487,880</u>	<u>11,459,617</u>	<u>70,854,971</u>	<u>49,370,111</u>
Long-term liabilities outstanding	34,258,366	20,180,249			34,258,366	20,180,249
Other liabilities	4,374,553	3,222,355	425,881	480,571	4,800,434	3,702,926
Total Liabilities	<u>38,632,919</u>	<u>23,402,604</u>	<u>425,881</u>	<u>480,571</u>	<u>39,058,800</u>	<u>23,883,175</u>
Invested in capital assets, net of related debt	7,097,165	5,277,359	9,658,081	8,406,818	16,755,246	13,684,177
Restricted	13,803,075	11,092,759			13,803,075	11,092,759
Unrestricted	(2,166,068)	(1,862,228)	3,403,918	2,572,228	1,237,850	710,000
Total Net Assets	<u>\$ 18,734,172</u>	<u>\$ 14,507,890</u>	<u>\$ 13,061,999</u>	<u>\$ 10,979,046</u>	<u>\$ 31,796,171</u>	<u>\$ 25,486,936</u>

CITY OF GREENFIELD

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2007

The City’s net assets increased by \$6,309,235, for fiscal year 2006-2007 of which \$4,226,282 related to governmental activities and \$2,082,953 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, 2007	June 30, 2006	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
Program Revenues:						
Charges for services	\$ 2,260,750	\$ 2,412,339	\$ 1,640,940	\$ 1,408,466	\$ 3,901,690	\$ 3,820,805
Operating contributions and grants	1,770,355	1,814,882	248,348	89,059	2,018,703	1,903,941
Capital contributions and grants	3,389,736	4,730,344			3,389,736	4,730,344
General Revenues:						
Property taxes	1,684,571	1,287,590			1,684,571	1,287,590
Other taxes	4,256,192	2,319,731			4,256,192	2,319,731
Other	1,510,494	1,111,715	139,135	83,571	1,649,629	1,195,286
Transfers	(1,291,379)	(700,763)	1,291,379	700,763		
Total Revenues	13,580,719	12,975,838	3,319,802	2,281,859	16,900,521	15,257,697
Expenses:						
General government	1,542,499	1,468,873			1,542,499	1,468,873
Public safety	2,612,776	2,265,005			2,612,776	2,265,005
Public works	1,321,822	1,094,002			1,321,822	1,094,002
Park and recreation	481,495	333,249			481,495	333,249
Community development	1,437,528	1,088,904			1,437,528	1,088,904
Streets and roads	317,750	352,921			317,750	352,921
Building and planning	379,867	408,555			379,867	408,555
Interest on long-term debt	1,260,700	858,991			1,260,700	858,991
Water			572,286	711,194	572,286	711,194
Sewer			466,431	453,788	466,431	453,788
Transit			198,132	98,872	198,132	98,872
Total Expenses	9,354,437	7,870,500	1,236,849	1,263,854	10,591,286	9,134,354
Change in Net Assets	4,226,282	5,105,338	2,082,953	1,018,005	6,309,235	6,123,343
Net Assets - Beginning	14,507,890	9,402,552	10,979,046	9,961,041	25,486,936	19,363,593
Net Assets - Ending	<u>\$18,734,172</u>	<u>\$14,507,890</u>	<u>\$13,061,999</u>	<u>\$10,979,046</u>	<u>\$31,796,171</u>	<u>\$25,486,936</u>

Fund Financial Analysis

At the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$42,834,468, an increase of \$16,439,509 in comparison with the prior year. Unreserved fund balances amounted to \$40,724,562 at June 30, 2007. 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, 2007

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 \$4,896,872, of which \$787,839 (16.1%) is reserved for deficit fund balances existing in other governmental funds. 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 60.2% of total General fund expenditures.

During the current fiscal year, the fund balance of the City's General fund increased by \$7,016.

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

- The Transportation Development Act Fund current year fund balance decreased by \$59,350. This deficit represents Traffic Congestion Relief funds in the beginning fund balance that were spent in the current fiscal year.
- The Youthbuild Grant Fund balance increased \$158,410 to a negative \$107,382.
- The Youthbuild Grant #2 Fund balance decreased from \$397,439 to a negative \$644,853.
- The HOME Grant Fund balance increased \$43,776 to \$89,674.
- The CDBG Community Center Fund balance increased \$7,168 to a positive \$358.
- The Redevelopment Agency Low Mod Income Housing Fund increased by \$480,790 to \$2,890,521.
- The Redevelopment Agency Capital Projects Fund balance increased \$12,223,151 to \$21,529,379. This was a result of new bond proceeds from the 2006 Refunding Tax Allocation Bonds.
- The Redevelopment Agency Debt Service Fund increased by \$2,946,301 to 5,606,254.

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 \$3,403,918. The total growth in net assets was \$2,082,953.

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

- The Water Fund net assets increased \$1,274,383 to \$6,361,672.
- The Sewer Fund net assets increased \$748,346 to \$6,638,560.
- The Transit Fund net assets increased \$60,224 to \$61,767.

General Fund Budgetary Highlights

There was no difference between the original budget and the final amended budget for expenditures for the General Fund. Actual expenditures for the General Fund were \$968,354 lower than the final budget.

CITY OF GREENFIELD

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2007

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, 2007, amounts to \$9,484,292 and \$9,658,081 (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 \$3,075,784.

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

- Building and Improvements – Street improvement, parks, and landscaping improvements at a cost of \$3,627,841.
- Construction in Progress – Community Center at a cost of \$294,833, Civic/Police Center at a cost of \$185,444, Safe Route to Schools at a cost of \$794,611, and Wastewater Treatment Plant at a cost of \$775,211.

City of Greenfield Capital Assets

(Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
Land	\$ 1,237,246	\$ 1,237,246	\$ 323,537	\$ 327,937	\$ 1,560,783	\$ 1,565,183
Buildings and Improvements	4,836,156	2,258,299			4,836,156	2,258,299
Vehicles	172,943	227,981			172,943	227,981
Property and Equipment	287,034	159,512	8,560,232	6,965,971	8,847,266	7,125,483
Infrastructure	1,765,025	966,693			1,765,025	966,693
Construction in Progress	1,185,888	2,890,947	774,312	1,032,003	1,960,200	3,922,950
Total	<u>\$ 9,484,292</u>	<u>\$ 7,740,678</u>	<u>\$ 9,658,081</u>	<u>\$ 8,325,911</u>	<u>\$19,142,373</u>	<u>\$16,066,589</u>

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

CITY OF GREENFIELD

**MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2007**

Long-term debt. At the end of the current fiscal year, the City of Greenfield had total governmental activities debt outstanding of \$34,258,366. Of this amount, \$31,665,480 is a liability of the Redevelopment Agency. Business-type activities debt outstanding amounted to \$-0-.

City of Greenfield Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
RDA Tax Increment Bonds	\$31,165,480	\$16,977,616			\$31,165,480	\$16,977,616
Capital Lease Payable	2,387,127	2,463,319			2,387,127	2,463,319
Loans Payable	500,000	500,000			500,000	
Employee Compensated Absences	205,759	239,314			205,759	239,314
Total	\$34,258,366	\$20,180,249	\$ -	\$ -	\$34,258,366	\$19,680,249

T

he City’s total debt increased by \$14,578,117 during the current fiscal year due to the 2006 Refunding Tax Allocation Bonds less scheduled debt payments. Additional information on the City’s long-term debt can be found in notes 6-9 on pages 44-46 of this report.

Economic Factors and Next Year’s Budgets and Rates

- Local property values remain high; therefore, property taxes revenue remains unaffected by the downturn in the economy.
- State shared revenues have increased due to the Governor’s budget allocations and the passage of proposition 1A.

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, CA 93927.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF GREENFIELD

**STATEMENT OF NET ASSETS
JUNE 30, 2007**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and investments	\$ 15,653,272	\$ 3,488,601	\$ 19,141,873
Accounts receivable, net	1,661,301	217,746	1,879,047
Taxes receivable	2,613		2,613
Interest receivable	606,868	3,970	610,838
Prepays	60,615	1,050	61,665
Internal balances	149,978	(149,978)	
Deposits	525,138		525,138
Total Current Assets	18,659,785	3,561,389	22,221,174
Noncurrent Assets:			
Notes receivable	705,849		705,849
Restricted cash and investments	27,577,623	268,410	27,846,033
Prepaid bond issuance costs, net of amortization	939,542		939,542
Capital Assets:			
Non-depreciable	2,423,134	1,097,849	3,520,983
Depreciable, net of accumulated depreciation	7,061,158	8,560,232	15,621,390
Total Noncurrent Assets	38,707,306	9,926,491	48,633,797
Total Assets	57,367,091	13,487,880	70,854,971
LIABILITIES			
Current Liabilities:			
Accounts payable	2,097,055	88,006	2,185,061
Service deposits	88,089	163,594	251,683
Deferred revenue	1,584,611	174,281	1,758,892
Interest payable	604,798		604,798
Total Current Liabilities	4,374,553	425,881	4,800,434
Noncurrent Liabilities:			
Due within one year	205,127		205,127
Due in more than one year	34,053,239		34,053,239
Total Noncurrent Liabilities	34,258,366		34,258,366
Total Liabilities	38,632,919	425,881	39,058,800
NET ASSETS			
Invested in capital assets, net of related debt	7,097,165	9,658,081	16,755,246
Restricted:			
Debt service	5,606,254		5,606,254
Streets and roads	357,562		357,562
Public safety	1,365		1,365
Development impact fee projects	7,837,894		7,837,894
Unrestricted	(2,166,068)	3,403,918	1,237,850
Total Net Assets	\$ 18,734,172	\$ 13,061,999	\$ 31,796,171

See accompanying notes to financial statements.

CITY OF GREENFIELD

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2007**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 1,542,499	\$ 142,303	\$ 515,229	\$ 55,865
Public works	1,321,822	1,586,660	394,071	1,288,542
Building and planning	379,867	445,677		
Parks and recreation	481,495			381,338
Community development	1,437,528	101	448,062	15,286
Public safety	2,612,776	86,009	144,496	99,932
Streets and roads	317,750		268,497	1,548,773
Interest on long-term debt	1,260,700			
Total Governmental Activities	9,354,437	2,260,750	1,770,355	3,389,736
Business-type Activities:				
Water	572,286	1,137,447		
Sewer	466,431	493,485		
Transit	198,132	10,008	248,348	
Total Business-type Activities	1,236,849	1,640,940	248,348	
Total Government	\$ 10,591,286	\$ 3,901,690	\$ 2,018,703	\$ 3,389,736

General Revenues:

Taxes:

- Sales tax
- Property taxes
- Redevelopment Agency tax increment
- Utility users tax
- Real estate transfer tax
- Franchise taxes
- Transient occupancy tax
- Motor vehicle in lieu fees
- Rental income
- 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
\$ (829,102)		\$ (829,102)
1,947,451		1,947,451
65,810		65,810
(100,157)		(100,157)
(974,079)		(974,079)
(2,282,339)		(2,282,339)
1,499,520		1,499,520
(1,260,700)		(1,260,700)
<u>(1,933,596)</u>		<u>(1,933,596)</u>
	\$ 565,161	565,161
	27,054	27,054
	60,224	60,224
	<u>652,439</u>	<u>652,439</u>
<u>(1,933,596)</u>	652,439	<u>(1,281,157)</u>
657,703		657,703
1,684,571		1,684,571
3,239,760		3,239,760
227,525		227,525
58,539		58,539
61,120		61,120
11,545		11,545
83,302		83,302
5,958		5,958
1,315,549	139,135	1,454,684
105,685		105,685
<u>(1,291,379)</u>	1,291,379	
<u>6,159,878</u>	<u>1,430,514</u>	<u>7,590,392</u>
4,226,282	2,082,953	6,309,235
<u>14,507,890</u>	<u>10,979,046</u>	<u>25,486,936</u>
<u>\$ 18,734,172</u>	<u>\$ 13,061,999</u>	<u>\$ 31,796,171</u>

GOVERNMENTAL FUND FINANCIAL STATEMENTS

CITY OF GREENFIELD

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2007**

	Special Revenue				
	General	Transportation Development Act	Youthbuild Grant	Youthbuild Grant #2	HOME Grant
ASSETS					
Cash and investments	\$ 3,032,031	\$ 158,609			\$ 89,674
Restricted cash and investments		857,253			
Accounts receivable	314,648	450,000	\$ 171,472	\$ 2,548	592,900
Taxes receivable	2,613				
Interest receivable	10,993				
Prepays	54,638	4,679			
Due from other funds	1,894,865	4,000			20,701
Deposits	525,138				
Notes receivable	37,688				
Total Assets	<u>\$ 5,872,614</u>	<u>\$ 1,474,541</u>	<u>\$ 171,472</u>	<u>\$ 2,548</u>	<u>\$ 703,275</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 829,981	\$ 1,180		\$ 13,218	
Due to other funds	19,424	867,180	\$ 278,854	634,183	
Service deposits	88,089				
Deferred revenue	38,248	603,635			\$ 613,601
Total Liabilities	<u>975,742</u>	<u>1,471,995</u>	<u>278,854</u>	<u>647,401</u>	<u>613,601</u>
FUND BALANCES					
Reserved for:					
Prepaid Expenses	54,638	4,679			
Deposits	525,138				
Deficit balances	787,839				
Notes Receivable	37,688				
Unreserved and reported in:					
General fund	3,491,569				
Special revenue funds		(2,133)	(107,382)	(644,853)	89,674
Capital projects funds					
Debt service					
Total Fund Balances	<u>4,896,872</u>	<u>2,546</u>	<u>(107,382)</u>	<u>(644,853)</u>	<u>89,674</u>
Total Liabilities and Fund Balances	<u>\$ 5,872,614</u>	<u>\$ 1,474,541</u>	<u>\$ 171,472</u>	<u>\$ 2,548</u>	<u>\$ 703,275</u>

See accompanying notes to financial statements.

Special Revenue		Capital Projects	Debt Service		
CDBG Community Center	Redevelopment Agency Low/Mod Housing	Redevelopment Agency	Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
	\$ 1,022,814	\$ 1,550,325	\$ 2,286,862	\$ 7,512,957	\$ 15,653,272
	2,170,609	21,296,153	3,253,608		27,577,623
	600			129,133	1,661,301
					2,613
	47,085	418,952	64,836	65,002	606,868
			1,298		60,615
\$ 1,678,717				1,851,491	5,449,774
	698,626				525,138
					736,314
<u>\$ 1,678,717</u>	<u>\$ 3,939,734</u>	<u>\$ 23,265,430</u>	<u>\$ 5,606,604</u>	<u>\$ 9,558,583</u>	<u>\$ 52,273,518</u>
\$ 190	\$ 329,886	\$ 57,334	\$ 350	\$ 864,916	\$ 2,097,055
1,678,169	20,701	1,678,717		122,568	5,299,796
					88,089
	698,626				1,954,110
<u>1,678,359</u>	<u>1,049,213</u>	<u>1,736,051</u>	<u>350</u>	<u>987,484</u>	<u>9,439,050</u>
			1,298		60,615
					525,138
					787,839
	698,626				736,314
					3,491,569
358	2,191,895			8,571,099	10,098,658
		21,529,379			21,529,379
			5,604,956		5,604,956
<u>358</u>	<u>2,890,521</u>	<u>21,529,379</u>	<u>5,606,254</u>	<u>8,571,099</u>	<u>42,834,468</u>
<u>\$ 1,678,717</u>	<u>\$ 3,939,734</u>	<u>\$ 23,265,430</u>	<u>\$ 5,606,604</u>	<u>\$ 9,558,583</u>	<u>\$ 52,273,518</u>

CITY OF GREENFIELD

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2007**

Fund Balances of Governmental Funds	\$ 42,834,468
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.	9,484,292
Long-term notes receivable are not current financial resources and, therefore are not reported in the governmental funds.	(30,465)
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.	939,542
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	(1,595,000)
Refunding bonds, net	(29,570,480)
Capital leases	(2,387,127)
CalHFA Loan	(500,000)
Compensated absences	(205,759)
Accrued interest payable is not recorded in the governmental funds since interest expenditures are recognized when paid.	(604,798)
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.	369,499
Net Assets of Governmental Activities	<u>\$ 18,734,172</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, 2007**

	Special Revenue				
	General	Transportation		Youthbuild Grant #2	HOME Grant
		Development Act	Youthbuild Grant		
REVENUES					
Taxes and assessments	\$ 2,730,611				
Licenses and permits	311,900				
Fines and penalties	97,066				
Use of money and property	225,744				
Intergovernmental revenues	97,810	\$ 708,178	\$ 171,472	\$ 343,757	\$ 375,787
Charges for services	1,831,895				
Other revenues	134,699	96,713		1,600	43
Total Revenues	<u>5,429,725</u>	<u>804,891</u>	<u>171,472</u>	<u>345,357</u>	<u>375,830</u>
EXPENDITURES					
Current:					
General government	929,746		13,062	571,237	
Public works	1,209,945				
Building and planning	376,591				
Parks and recreation	343,409				
Community development					332,054
Public safety	2,479,096				
Streets and roads		864,241			
Capital outlay	257,360			21,534	
Debt service:					
Principal	76,107				
Interest	124,755				
Cost of issuance					
Total Expenditures	<u>5,797,009</u>	<u>864,241</u>	<u>13,062</u>	<u>592,771</u>	<u>332,054</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(367,284)</u>	<u>(59,350)</u>	<u>158,410</u>	<u>(247,414)</u>	<u>43,776</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from Bond					
Transfers in	374,300				
Bond issuance premium					
Transfers out					
Other Fin Use-Pmt to Escrow					
Total Other Financing Sources (Uses)	<u>374,300</u>				
Net Change in Fund Balances	7,016	(59,350)	158,410	(247,414)	43,776
FUND BALANCES, Beginning of Year	<u>4,889,856</u>	<u>61,896</u>	<u>(265,792)</u>	<u>(397,439)</u>	<u>45,898</u>
FUND BALANCES, End of Year	<u>\$ 4,896,872</u>	<u>\$ 2,546</u>	<u>\$ (107,382)</u>	<u>\$ (644,853)</u>	<u>\$ 89,674</u>

See accompanying notes to financial statements.

Special Revenue		Capital Projects	Debt Service	Other	Total
CDBG Community Center	Redevelopment Agency Low/Mod Housing	Redevelopment Agency	Redevelopment Agency	Governmental Funds	Governmental Funds
	\$ 647,952		\$ 2,591,808	\$ 392,096	\$ 6,362,467
					311,900
					97,066
\$ 72,275	105,964	\$ 818,786	157,475	377,973	1,758,217
				466,615	2,163,619
					1,831,895
58	38,180	20		2,129,247	2,400,560
72,333	792,096	818,806	2,749,283	3,365,931	14,925,724
			17,312		1,531,357
				101,418	1,311,363
					376,591
					343,409
3,679	309,560	88,092		458,212	1,191,597
				15,744	2,494,840
				258,395	1,122,636
287,612	1,746	297,149		1,954,661	2,820,062
			30,000		106,107
71,727		81,177	627,793	6,515	911,967
			955,346		955,346
363,018	311,306	466,418	1,630,451	2,794,945	13,165,275
(290,685)	480,790	352,388	1,118,832	570,986	1,760,449
		20,904,030	8,905,970		29,810,000
297,853			8,735,414	459,104	9,866,671
			429,734		429,734
		(9,033,267)	(438,975)	(150,429)	(9,622,671)
			(15,804,674)		(15,804,674)
297,853		11,870,763	1,827,469	308,675	14,679,060
7,168	480,790	12,223,151	2,946,301	879,661	16,439,509
(6,810)	2,409,731	9,306,228	2,659,953	7,691,438	26,394,959
\$ 358	\$ 2,890,521	\$ 21,529,379	\$ 5,606,254	\$ 8,571,099	\$ 42,834,468

CITY OF GREENFIELD

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007**

Net Change in Fund Balances of Governmental Funds \$ 16,439,509

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	\$ 3,693,572	
Depreciation expense	(414,579)	
Assets transferred to proprietary fund	<u>(1,535,379)</u>	1,743,614

The issuance of long-term debt is reported as an other financing source in the governmental funds. These inflows of resources are not reported in the Statement of Activities. Long-term debt issuances consisted of the following:

Issuance of 2006 Refunding Bonds	(29,570,480)	
Advance Refund 2002 Tax Allocation Bonds	2,280,000	
Advance Refund 2005 Tax Allocation Notes	<u>13,072,616</u>	(14,217,864)

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. 634,660

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. (261,132)

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, 2007**

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.	\$	33,555
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	\$	76,192
2002 Tax Allocation Bonds		<u>30,000</u>
		106,192
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.		<u>(252,252)</u>
Change in Net Assets of Governmental Activities	\$	<u><u>4,226,282</u></u>

See accompanying notes to financial statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

CITY OF GREENFIELD

**STATEMENT OF NET ASSETS
PRORIETARY FUNDS
JUNE 30, 2007**

	Business-type Activities			
	Enterprise Funds			
	Water	Sewer	Transit	Total
ASSETS				
Current Assets:				
Cash and investments	\$ 2,619,325	\$ 869,226	\$ 50	\$ 3,488,601
Accounts receivable	107,092	47,962	62,692	217,746
Interest receivable	456	3,514		3,970
Prepays			1,050	1,050
Total Current Assets	<u>2,726,873</u>	<u>920,702</u>	<u>63,792</u>	<u>3,711,367</u>
Noncurrent Assets:				
Cash and investments with fiscal agent			268,410	268,410
Land	265,409	58,128		323,537
Construction in progress	488,515	285,797		774,312
Utility lines and equipment	4,939,792	7,623,790	188,487	12,752,069
Accumulated depreciation	(1,908,511)	(2,156,606)	(126,720)	(4,191,837)
Total Noncurrent Assets	<u>3,785,205</u>	<u>5,811,109</u>	<u>330,177</u>	<u>9,926,491</u>
Total Assets	<u>6,512,078</u>	<u>6,731,811</u>	<u>393,969</u>	<u>13,637,858</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	62,317	17,746	7,943	88,006
Due to other funds			149,978	149,978
Service deposits	88,089	75,505		163,594
Deferred revenue			174,281	174,281
Total Current Liabilities	<u>150,406</u>	<u>93,251</u>	<u>332,202</u>	<u>575,859</u>
Total Liabilities	<u>150,406</u>	<u>93,251</u>	<u>332,202</u>	<u>575,859</u>
NET ASSETS				
Invested in capital assets	3,785,205	5,811,109	61,767	9,658,081
Unrestricted	2,576,467	827,451		3,403,918
Total Net Assets	<u>\$ 6,361,672</u>	<u>\$ 6,638,560</u>	<u>\$ 61,767</u>	<u>\$ 13,061,999</u>

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, 2007**

	Business-type Activities			
	Enterprise Funds			
	Water	Sewer	Transit	Total
OPERATING REVENUES				
Sales and services	\$ 997,260	\$ 491,765	\$ 10,008	\$ 1,499,033
Connection fees	117,917			117,917
Other revenues	22,270	1,720		23,990
Total Operating Revenues	1,137,447	493,485	10,008	1,640,940
OPERATING EXPENSES				
Salaries and wages	112,597	102,758	37,921	253,276
Payroll expense	51,580	46,176	19,940	117,696
Communications	2,753	1,772	502	5,027
Contractual services	29,164	9,822	125,897	164,883
Gas and oil	8,777	8,348	6,396	23,521
Insurance	900	900	1,076	2,876
Maintenance - buildings	216	2,378		2,594
Maintenance - equipment	14,258	6,856		21,114
Maintenance - vehicles	2,990	3,015	4,991	10,996
Maintenance - Street	1,167			1,167
Memberships and dues	14,151	2,309		16,460
Office expenses	2,292	2,870		5,162
Property taxes	473	3,790		4,263
Postage	55	29		84
Small tools	436	436		872
Special departmental supplies	84,505	17,458	770	102,733
Travel, meetings, and conferences	3,270	1,223		4,493
Publications	70	70		140
Utilities	116,739	57,529		174,268
Depreciation	125,893	198,692	639	325,224
Total Operating Expenses	572,286	466,431	198,132	1,236,849
Operating Income (Loss)	565,161	27,054	(188,124)	404,091

(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, 2007**

	Business-type Activities			
	Enterprise Funds			
	Water	Sewer	Transit	Total
NONOPERATING REVENUES (EXPENSES)				
LTF revenues			\$ 154,218	\$ 154,218
FTA revenues			33,266	33,266
State transit assistance			60,864	60,864
Interest income	\$ 94,879	\$ 44,256		139,135
Total Nonoperating Revenues	94,879	44,256	248,348	387,483
Income Before Contributions and Transfers	660,040	71,310	60,224	791,574
Capital contributions	736,343	799,036		1,535,379
Transfers out	(122,000)	(122,000)		(244,000)
Change in Net Assets	1,274,383	748,346	60,224	2,082,953
Net Assets, Beginning of Year	5,087,289	5,890,214	1,543	10,979,046
Net Assets, End of Year	<u>\$ 6,361,672</u>	<u>\$ 6,638,560</u>	<u>\$ 61,767</u>	<u>\$ 13,061,999</u>

See accompanying notes to financial statements.

CITY OF GREENFIELD

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2007**

	Business-type Activities			
	Enterprise Funds			
	Water	Sewer	Transit	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 1,152,757	\$ 496,384	\$ 10,702	\$ 1,659,843
Payments to suppliers	(524,412)	(151,726)	(71,519)	(747,657)
Payments to employees	(112,597)	(102,758)	(37,921)	(253,276)
Net Cash Provided (Used) by Operating Activities	515,748	241,900	(98,738)	658,910
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	4,399	(65,551)	(60,863)	(122,015)
Net Cash Provided (Used) by Capital and Related Financing Activities	4,399	(65,551)	(60,863)	(122,015)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers out	(122,000)	(122,000)		(244,000)
Grant			347,104	347,104
Net Cash Provided (Used) by Noncapital Financing Activities	(122,000)	(122,000)	347,104	103,104
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	101,871	47,949		149,820
Net Increase in Cash and Investments	500,018	102,298	187,503	789,819
Cash and Investments, Beginning of Year	2,119,307	766,928	80,957	2,967,192
Cash and Investments, End of Year	\$ 2,619,325	\$ 869,226	\$ 268,460	\$ 3,757,011
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 565,161	\$ 27,054	\$ (188,124)	\$ 404,091
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	125,893	198,692	639	325,224
Decrease (increase) in accounts receivable	6,306	(4,819)	694	2,181
Increase in prepaid items			(1,050)	(1,050)
Increase (decrease) in accounts payable	(190,616)	13,255	7,193	(170,168)
Increase (decrease) in due to other funds			81,910	81,910
Increase in service deposits	9,004	7,718		16,722
Net Cash Provided (Used) By Operating Activities	\$ 515,748	\$ 241,900	\$ (98,738)	\$ 658,910
SUPPLEMENTAL DISCLOSURE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributed capital assets	\$ 736,343	\$ 799,036	\$ -	\$ 1,535,379

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF GREENFIELD

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

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 as 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

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

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

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

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

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

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 Youthbuild Grant Special Revenue Fund is used to account for the receipt of the City’s Youthbuild Grant and related expenditures.

The Youthbuild Grant #2 Special Revenue Fund is used to account for the receipt of the City’s Youthbuild Grant #2 and related expenditures.

The HOME Grant Special Revenue Fund is used to account for the receipt of the City’s HOME Grant and related expenditures.

CITY OF GREENFIELD

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The CDBG Community Center Special Revenue Fund is used to account for the receipt of the City's CDBG revenues and related expenditures.

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.

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

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

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.

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

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

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 reduces 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

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reduction of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions are reported as transfers.

J. 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.

K. 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

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. 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.

L. 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. The non-current portion of the liabilities is recognized along with the current portion in the Statement of Net Assets.

CITY OF GREENFIELD

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. 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.

N. Used 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.

O. New Pronouncements

GASB Statement No. 43 - In April 2004, the GASB issued Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This statement establishes accounting and financial reporting standards for plans that provide postemployment benefits other than pension benefits (known as other postemployment benefits or OPEB). This statement is not effective until June 30, 2007 for Phase I, June 30, 2008 for Phase II, and June 30, 2009 for Phase III Governments.

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. This statement is not effective until June 30, 2008. The City has not determined its effect on the financial statements.

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.

CITY OF GREENFIELD

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. New Pronouncements, (Continued)

GASB Statement No. 50 – In May 2007, the GASB issued Statement No. 50, *Pension Disclosures – and 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. This statement is not effective until June 30, 2008. The City has not determined its effect on the financial statements.

GASB Statement No. 51 – In June 2007, 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 2007, 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.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Balances

The following funds had deficit fund balances at June 30, 2007, as follows:

Fund	Deficit Fund Balance
Major Governmental Funds:	
<u>Special Revenue Funds</u>	
Youthbuild Grant	\$ 107,382
Youthbuild Grant #2	\$ 644,853
Non-Major Governmental Funds:	
<u>Special Revenue Funds</u>	
CDBG PTA 2005 Grant	\$ 15,835
CDBG PTA 2004 Grant	\$ 2,348
CDBG PTA-Economic	\$ 385
LLM #1 Annexation #1	\$ 17,036

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

CITY OF GREENFIELD

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

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:	
<u>Special Revenue Fund</u>	
Transportation Development Act	\$ 245,833
Youthbuild Grant	\$ 13,062
Youthbuild Grant #2	\$ 99,512
<u>Debt Service Fund</u>	
Redevelopment Agency	\$ 814,075

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2007 are as follows:

Cash on hand	\$ 1,180
Pooled cash in bank	6,476,652
Pooled investments	12,664,041
Cash and investments with fiscal agent	<u>27,846,033</u>
Total	<u><u>\$ 46,987,906</u></u>

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

Governmental Funds:	
Cash and investments	\$ 15,653,272
Restricted cash and investments	27,577,623
Proprietary Funds:	
Cash and investments	3,488,601
Cash and investments with fiscal agent	<u>268,410</u>
Total Cash and Investments	<u><u>\$ 46,987,906</u></u>

CITY OF GREENFIELD

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

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

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>
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

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

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	Remaining Maturity (in Months)			
	12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
LAIF	\$ 6,018,236	\$ 6,018,236		
Monterey County Investment Pool	1,125,663	1,125,663		
U.S. Agency Securities	1,445,711	499,509	\$ 447,684	\$ 498,518
Negotiable Certificates of Deposit	2,724,290	776,291	1,262,711	685,288
Money Market Funds	2,475,804	2,475,804		
Held by Bond Trustee:				
Investment agreements	26,052,811		24,082,261	\$ 1,970,550
Money market funds	667,559	667,559		
Total	\$40,510,074	\$11,563,062	\$25,344,972	\$ 1,183,806

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		Moody's		Unrated
		AAA	Aaa	
LAIF	\$ 6,018,236			\$ 6,018,236
Monterey County Investment Pool	1,125,663			1,125,663
Fimm Funds: Treasury Portfolio CII	2,411,860			2,411,860
Federal Home Loan Bank	1,046,430	\$ 848,180	\$ 198,250	
Federal National Mortgage Association	399,281	199,515	199,766	
Negotiable Certificates of Deposit	2,724,290			2,724,290
Money market funds	63,944			63,944
Held by Bond Trustee:				
Investment contracts	26,052,811			26,052,811
Money market funds	667,559			667,559
Total	\$40,510,074	\$1,047,695	\$398,016	\$39,064,363

CITY OF GREENFIELD

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

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>Reported Amount</u>
IXIS Funding Corp	Investment Agreement	\$ 26,052,811

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: \$6,116,926 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

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - NOTES RECEIVABLE

Rodriguez Brothers Note Receivable

A promissory note was issued August 7, 2001, for the purpose of assisting the business owner (Rodriguez Brothers) 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, 2007.

	<u>Interest Rate</u>	<u>Face Amount</u>	<u>Outstanding June 30, 2007</u>
Rodriguez Brothers	0%	<u>\$ 35,635</u>	<u>\$ 35,635</u>

Rendon Note Receivable

A promissory note was issued January 30, 2003, for the purpose of assisting the property owner (Joe Rendon) with payment for development fees at 455 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 February 1, 2007.

	<u>Interest Rate</u>	<u>Face Amount</u>	<u>Outstanding June 30, 2007</u>
Joe Rendon	0%	<u>\$ 24,560</u>	<u>\$ 2,053</u>

Housing Rehabilitation Loans

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, 2007 is \$293,758.

CITY OF GREENFIELD

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

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, 2007.

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 1,237,246			\$ 1,237,246
Construction in progress	2,890,947	\$ 1,889,598	(3,594,657)	1,185,888
Total Capital Assets Not Being Depreciated	4,128,193	1,889,598	(3,594,657)	2,423,134
Capital Assets, Being Depreciated:				
Buildings and improvements	3,408,865	2,776,539		6,185,404
Vehicles	950,149	32,619		982,768
Property and equipment	570,311	202,792		773,103
Infrastructure	1,059,390	851,302		1,910,692
Total Capital Assets Being Depreciated	5,988,715	3,863,252		9,851,967
Less Accumulated Depreciation For:				
Buildings and improvements	(1,150,566)	(198,682)		(1,349,248)
Vehicles	(722,168)	(87,657)		(809,825)
Property and equipment	(410,799)	(75,270)		(486,069)
Infrastructure	(92,697)	(52,970)		(145,667)
Total Accumulated Depreciation	(2,376,230)	(414,579)		(2,790,809)
Total Capital Assets, Being Depreciated, Net	3,612,485	3,448,673		7,061,158
Governmental Activities Capital Assets, Net	<u>\$ 7,740,678</u>	<u>\$ 5,338,271</u>	<u>\$ (3,594,657)</u>	<u>\$ 9,484,292</u>

CITY OF GREENFIELD

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - CAPITAL ASSETS (Continued)

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

General Government	\$ 44,697
Public Works	10,459
Building and Planning	3,276
Parks and Recreation	138,086
Community Development	31,501
Public Safety	117,936
Streets and Roads	<u>68,624</u>
Total Depreciation Expense	
- Governmental Activities	<u>\$ 414,579</u>

Capital assets of proprietary fund types at June 30, 2007, are as follows:

	Beginning Balance	Reclassification	Increases	Decreases	Ending Balance
Business-type Activities					
Capital Assets Not Being Depreciated:					
Land	\$ 327,937	\$ (4,400)			\$ 323,537
Construction in progress	1,032,003		\$ 1,446,208	\$(1,703,899)	<u>774,312</u>
Total Capital Assets Not Being Depreciated	<u>1,359,940</u>	<u>(4,400)</u>	<u>1,446,208</u>	<u>(1,703,899)</u>	<u>1,097,849</u>
Capital Assets, Being Depreciated:					
Utility lines and equipment	10,832,584	4,400	1,915,085		<u>12,752,069</u>
Total Capital Assets Being Depreciated	<u>10,832,584</u>	<u>4,400</u>	<u>1,915,085</u>		<u>12,752,069</u>
Less Accumulated Depreciation For:					
Utility lines and equipment	(3,866,613)		(325,224)		<u>(4,191,837)</u>
Total Accumulated Depreciation	<u>(3,866,613)</u>		<u>(325,224)</u>		<u>(4,191,837)</u>
Total Capital Assets, Being Depreciated, Net	<u>6,965,971</u>	<u>4,400</u>	<u>1,589,861</u>		<u>8,560,232</u>
Business-type Activities Capital Assets, Net	<u>\$ 8,325,911</u>	<u>\$ -</u>	<u>\$ 3,036,069</u>	<u>\$(1,703,899)</u>	<u>\$ 9,658,081</u>

CITY OF GREENFIELD

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - REDEVELOPMENT AGENCY/TAX ALLOCATION BONDS AND LOANS

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:

<u>Year End June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 25,000	\$ 92,068	\$ 117,068
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
2013-2017	205,000	403,590	608,590
2018-2022	265,000	340,936	605,936
2023-2027	360,000	288,600	648,600
2028-2032	615,000	91,500	706,500
Total	<u>\$ 1,595,000</u>	<u>\$ 1,571,990</u>	<u>\$ 3,166,990</u>

B. 2005 Subordinate Tax Allocation Notes

On June 8, 2005, the Agency issued \$13,210,000 in Subordinate Tax Allocation Notes, Series 2005 to finance certain public capital improvements within the Agency’s Project Area, fund a reserve account, pay capitalized interest through August 1, 2007, and pay issuance costs in connection with the notes. The Notes mature on February 1, 2011, and interest accrues at a rate of 4 percent. Semiannual interest payments are due August 1 and February 1 of each year, commencing August 1, 2005. The 2005 Subordinate Tax Allocation Notes were entirely advance refunded during the year by the 2006 Tax Allocation Refunding Bonds.

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 \$18,125 as of June 30, 2007 and the loan payable amount is as follows:

CITY OF GREENFIELD

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - REDEVELOPMENT AGENCY/TAX ALLOCATION BONDS AND LOANS

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

<u>Year End</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30, 2015	<u>\$ 500,000</u>	<u>\$ 18,125</u>	<u>\$ 518,125</u>

D. 2006 Tax Allocation Bonds

On December 5, 2006, the Agency issued \$29,810,000 in Tax Allocation Bonds Series 2006 for the entire defeasance of its 2005 Tax Allocation Bonds and partial defeasance of its 2002 Tax Allocation Bonds, approximately \$23,000,000 in new funding for various redevelopment projects, fund a debt service reserve fund, fund capitalized interest to February 1, 2008 and pay issuance costs related to the bonds. The interest rate on the bonds varies from 3.625% to 4.75% and begins maturing on February 2, 2008 with final maturity on February 1, 2037.

The advance refunding of the 2002 Tax Allocation Refunding and Escrow Bonds and the 2005 Tax Allocation Notes resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$756,940 (deferred loss on refunding). This difference, reported in the financial statements as a deduction from bond payable, is being charged to operations through the year 2010 using the straight line method. The Agency completed the advance refunding to reduce its total debt service payments by approximately \$432,373 and obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately \$223,317.

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

<u>Year End</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 100,000	\$ 1,315,946	\$ 1,415,946
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
2013-2017	3,490,000	5,949,230	9,439,230
2018-2022	4,305,000	5,195,010	9,500,010
2023-2027	5,240,000	4,256,294	9,496,294
2028-2032	6,395,000	2,961,626	9,356,626
2033-2037	8,560,000	1,258,038	9,818,038
Total	<u>\$29,810,000</u>	<u>\$26,097,128</u>	<u>\$55,907,128</u>

CITY OF GREENFIELD

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - REDEVELOPMENT AGENCY/TAX ALLOCATION BONDS AND LOANS (Continued)

E. 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 (see previous note in this section).

F. 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. The 2006 transaction set up an irrevocable escrow to retire \$13,210,000 of the 2005 Notes (see previous note in this section).

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, 2007. Future minimum lease payments are as follows:

Year End June 30,	
2008	\$ 200,862
2009	200,862
2010	200,862
2011	200,862
2012	200,865
2013-2017	1,004,310
2018-2022	1,004,310
2023-2026	703,017
Total Minimum Lease Payments	3,715,950
Less amount representing interest	(1,328,823)
Present value on net minimum lease payments	<u>\$ 2,387,127</u>

CITY OF GREENFIELD

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - CHANGES IN LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions for the fiscal year ended June 30, 2007:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Amount Due in 2007-08
<u>Governmental Activities</u>					
Bonds and Leases Payable:					
2002 Tax allocation bonds	\$ 3,905,000		\$ (2,310,000)	\$ 1,595,000	\$ 25,000
2005 Tax allocation bonds	13,210,000		(13,210,000)		
Less: Bond discount	(137,384)		137,384		
2006 Refunding Tax Allocation Bonds		\$29,810,000		29,810,000	100,000
2006 Bond Issuance Premium		429,734	(6,931)	422,803	
Less: Deferred Amount on Refunding		(756,940)	94,617	(662,323)	
CalHFA Loan	500,000			500,000	
Capital lease payable	2,463,319		(76,192)	2,387,127	80,127
Total Bonds and Leases Payable	<u>19,940,935</u>	<u>29,482,794</u>	<u>(15,371,122)</u>	<u>34,052,607</u>	<u>205,127</u>
Other Liabilities:					
Compensated absences	239,314		(33,555)	205,759	
Total Governmental Activities					
Long-Term Liabilities	<u>\$20,180,249</u>	<u>\$29,482,794</u>	<u>\$ (15,404,677)</u>	<u>\$ 34,258,366</u>	<u>\$ 205,127</u>

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.

CITY OF GREENFIELD

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

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, 2007, were as follows:

		Due From Other Funds					
		General	Transportation	HOME	CDBG	Other	
		Fund	Development	Grant	Comm Center	Governmental	Total
			Act				
Due To Other Funds	General Fund					\$ 19,424	\$ 19,424
	Transportation						
	Development Act	\$ 867,180					867,180
	Youthbuild Grant	278,854					278,854
	Youthbuild Grant #2	634,183					634,183
	CDBG Community Center					1,678,169	1,678,169
	RDA Low/Mod Housing			\$ 20,701			20,701
	RDA Capital Project				\$ 1,678,717		1,678,717
	Other Governmental		\$ 4,000			118,568	122,568
	Transit Enterprise	114,648				35,330	149,978
Total	\$ 1,894,865	\$ 4,000	\$ 20,701	\$ 1,678,717	\$ 1,851,491	\$ 5,449,774	

Transfers

Individual transfers at June 30, 2007, were as follow:

		Transfers From					
		RDA	Other	Water	Sewer	RDA	
		Cap Proj	Governmental	Enterprise	Enterprise	Debt Service	Total
Transfers To	General Fund		\$ 130,300	\$ 122,000	\$ 122,000		\$ 374,300
	HOME Grant						
	RDA Debt Service Fund	\$ 8,735,414					8,735,414
	Other Governmental		20,129			\$ 438,975	459,104
	Community Center	297,853					297,853
	Total	\$ 9,033,267	\$ 150,429	\$ 122,000	\$ 122,000	\$ 438,975	\$ 9,866,671

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 to collect them to the fund that statute or budget requires to expend them, and (2) recover overhead and administration costs.

CITY OF GREENFIELD

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

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, \$360,000 for commercial crime, and \$327,000 for inland marine.

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 for MBAIF for the fiscal year ended June 30, 2007 is available from the MBAIF.

CITY OF GREENFIELD

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

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 2006-2007 was 8.557% for miscellaneous employees, and 25.730% 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

Required Supplementary Information

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/05	\$ 336,623	100%	\$0
6/30/06	\$ 433,916	100%	\$0
6/30/07	\$ 524,545	100%	\$0

New Risk Pool and Future Contributions

As a result of having less than 100 active members as of June 30, 2003, the City was required to participate in a risk pool. Mandated pooling is effective with the June 30, 2003 valuation which determines the contribution rate for fiscal year 2005-2006. The fiscal year 2005-2006 was the first year under pooling, and therefore, the City's pooled employer contribution rate was the same as the stand-alone employer contribution rate. This is because the difference between the pool's normal cost and the stand-alone normal cost will be phased out over five years, beginning with fiscal year 2006-2007. For fiscal year 2005-2006, 100% of the difference between the pool's normal costs and the stand-alone normal cost was reflected in the development of the City's pooled employer contribution rate. For fiscal year 2006-2007, only 80% of the difference is reflected; for fiscal year 2007-2008, 60% will be reflected, and so on, until it is fully subject to the pool's normal costs for fiscal year 2010-2011 and beyond.

CITY OF GREENFIELD

JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

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.

On January 10, 2008, Governor Schwarzenegger issued proclamations declaring a fiscal emergency for the State of California. In addition, Governor Schwarzenegger submitted his proposal budget for fiscal year 2008-2009. The budget for fiscal year 2008-2009 includes across the board reduction to all General Fund departments and programs, Boards, Commissions, and elected offices. It is uncertain at this time what affect, if any, these decisions will have on the City of Greenfield.

NOTE 13 – AGREEMENTS

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 10th Street Water Expansion project (Water Expansion Project) and the second agreement is for the Wastewater Treatment Plant Expansion (Wastewater Plant Expansion), the agreements. 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 terms of the agreements all invoices for the each of the projects must be submitted to the CIEDB by November 14, 2008. 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 City's portion that will be funded by the respective funds.

The terms of the CIEDB agreements for both projects are:

- The agreements are dated September 1, 2006
- The interest rate is 3.15% per annum
- An annual fee of .3% of the total principal outstanding is due to CIEDB each year
- Interest payment dates are February 1st and August 1st of each fiscal year
- Principal payments are due August 1st
- Term of the agreements is 30 years
- Funds will only be disbursed upon approval by CIEDB pursuant to the terms of the agreement
- The City has pledged the first revenues of the Water Fund and the Wastewater Fund for repayment
- Prepayment penalties may apply.

As of June 30, 2007 the City has not received/requested funds from the CIEDB and therefore a liability has not been recognized in the Water Fund and Wastewater Fund financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GREENFIELD

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

FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ 1,338,700	\$ 1,338,700	\$ 2,730,611	\$ 1,391,911
Licenses and permits	622,900	622,900	311,900	(311,000)
Fines and penalties	69,000	69,000	97,066	28,066
Use of money and property	65,000	65,000	225,744	160,744
Intergovernmental revenues	1,076,100	1,076,100	97,810	(978,290)
Charges for services	1,572,550	1,572,550	1,831,895	259,345
Other revenues	75,650	75,650	134,699	59,049
Total Revenues	4,819,900	4,819,900	5,429,725	609,825
EXPENDITURES				
Current:				
General government	974,074	974,074	929,746	44,328
Public works	1,162,571	1,162,571	1,209,945	(47,374)
Building and planning	250,766	250,766	376,591	(125,825)
Parks and recreation	351,232	351,232	343,409	7,823
Public safety	2,477,900	2,477,900	2,479,096	(1,196)
Capital outlay	1,347,958	1,347,958	257,360	1,090,598
Debt service:				
Principal	76,192	76,192	76,107	85
Interest	124,670	124,670	124,755	(85)
Total Expenditures	6,765,363	6,765,363	5,797,009	968,354
Excess (Deficiency) of Revenues Over Expenditures	(1,945,463)	(1,945,463)	(367,284)	1,578,179
OTHER FINANCING SOURCES (USES)				
Transfers in	415,550	415,550	374,300	(41,250)
Total Other Financing Sources	415,550	415,550	374,300	(41,250)
Net Change in Fund Balance	(1,529,913)	(1,529,913)	7,016	1,536,929
Fund Balance, Beginning of Year	4,889,856	4,889,856	4,889,856	
Fund Balance, End of Year	\$ 3,359,943	\$ 3,359,943	\$ 4,896,872	\$ 1,536,929

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 292,060	\$ 292,060	\$ 708,178	\$ 416,118
Other revenues	30,000	30,000	96,713	66,713
Total Revenues	<u>322,060</u>	<u>322,060</u>	<u>804,891</u>	<u>482,831</u>
EXPENDITURES				
Current:				
Streets and roads	618,408	618,408	864,241	(245,833)
Total Expenditures	<u>618,408</u>	<u>618,408</u>	<u>864,241</u>	<u>(245,833)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(296,348)</u>	<u>(296,348)</u>	<u>(59,350)</u>	<u>236,998</u>
Fund Balance, Beginning of Year	<u>61,896</u>	<u>61,896</u>	<u>61,896</u>	
Fund Balance, End of Year	<u>\$ (234,452)</u>	<u>\$ (234,452)</u>	<u>\$ 2,546</u>	<u>\$ 236,998</u>

CITY OF GREENFIELD

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

FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues			\$ 171,472	\$ 171,472
EXPENDITURES				
Current:				
General government			13,062	(13,062)
Net Change in Fund Balance			158,410	158,410
Fund Balance, Beginning of Year	\$ (265,792)	\$ (265,792)	(265,792)	
Fund Balance, End of Year	\$ (265,792)	\$ (265,792)	\$ (107,382)	\$ 158,410

CITY OF GREENFIELD

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YOUTHBUILD GRANT #2 – SPECIAL REVENUE FUNDS**

FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues			\$ 343,757	\$ 343,757
Other revenues	\$ 1,081,899	\$ 1,081,899	1,600	\$ (1,080,299)
Total Revenues	1,081,899	1,081,899	345,357	(736,542)
EXPENDITURES				
Current:				
General government	373,259	373,259	571,237	(197,978)
Capital outlay	120,000	120,000	21,534	98,466
Total Expenditures	493,259	493,259	592,771	(99,512)
Excess (Deficiency) of Revenues Over Expenditures	588,640	588,640	(247,414)	(836,054)
OTHER FINANCING SOURCES				
Transfers in	100,000	100,000		(100,000)
Total Other Financing Sources	100,000	100,000		(100,000)
Net Change in Fund Balance	688,640	688,640	(247,414)	(936,054)
Fund Balance, Beginning of Year	(\$397,439)	(397,439)	(397,439)	
Fund Balance, End of Year	\$ 291,201	\$ 291,201	\$ (644,853)	\$ (936,054)

CITY OF GREENFIELD

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

FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental revenues			\$ 375,787	375,787
Other revenues			43	43
Total Revenues			375,830	375,830
EXPENDITURES				
Current:				
Community development	\$ 500,000	\$ 500,000	332,054	167,946
Excess of (Deficiency) Revenues Over Expenditures	(500,000)	(500,000)	43,776	543,776
Fund Balance, Beginning of Year	\$ 45,898	45,898	45,898	
Fund Balance, End of Year	\$ (454,102)	\$ (454,102)	\$ 89,674	\$ 543,776

CITY OF GREENFIELD

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
CDBG COMMUNITY CENTER – SPECIAL REVENUE FUNDS**

JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property			\$ 72,275	\$ 72,275
Other revenues			58	58
Total Revenues			72,333	72,333
EXPENDITURES				
Current:				
Community development			3,679	(3,679)
Capital outlay	\$ 1,247,000	\$ 1,247,000	287,612	959,388
Debt service:				
Interest			71,727	(71,727)
Total Expenditures	1,247,000	1,247,000	363,018	883,982
Excess (Deficiency) of Revenues Over Expenditures	(1,247,000)	(1,247,000)	(290,685)	956,315
OTHER FINANCING SOURCES (USES)				
Transfers in	1,285,367	1,285,367	297,853	(987,514)
Net Change in Fund Balance	38,367	38,367	7,168	(31,199)
Fund Balance, Beginning of Year	\$ (6,810)	(6,810)	(6,810)	
Fund Balance, End of Year	\$ 31,557	\$ 31,557	\$ 358	\$ (31,199)

OTHER SUPPLEMENTARY INFORMATION

CITY OF GREENFIELD

JUNE 30, 2007

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Use of money and property			\$ 818,786	\$ 818,786
Other revenues			20	20
Total Revenues			818,806	818,806
EXPENDITURES				
Current:				
Community development	\$ 350,000	\$ 350,000	88,092	261,908
Capital outlay	6,100,000	6,100,000	297,149	5,802,851
Debt service:				
Interest			81,177	(81,177)
Total Expenditures	6,450,000	6,450,000	466,418	5,983,582
Excess (Deficiency) of Revenues Over Expenditures	(6,450,000)	(6,450,000)	352,388	6,802,388
OTHER FINANCING SOURCES (USES)				
Proceeds from Bond			20,904,030	20,904,030
Transfers out	(100,000)	(100,000)	(9,033,267)	(8,933,267)
Total Other Financing Sources (Uses)	(100,000)	(100,000)	11,870,763	11,970,763
Net Change in Fund Balance	(6,550,000)	(6,550,000)	12,223,151	18,773,151
Fund Balance, Beginning of Year	9,306,228	9,306,228	9,306,228	
Fund Balance, End of Year	\$ 2,756,228	\$ 2,756,228	\$ 21,529,379	\$ 18,773,151

CITY OF GREENFIELD

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

JUNE 30, 2007

	Special Revenue		
	Gas Tax 2105	Gas Tax 2106	Gas Tax 2107
ASSETS			
Cash and investments	\$ 121,093	\$ 2,087	\$ 64,964
Accounts receivable	9,104	3,971	12,058
Interest receivable			1,301
Due from other funds			153,898
Total Assets	<u>\$ 130,197</u>	<u>\$ 6,058</u>	<u>\$ 232,221</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,269	\$ 6,058	\$ 6,133
Due to other funds			
Total Liabilities	<u>1,269</u>	<u>6,058</u>	<u>6,133</u>
FUND BALANCES			
Unreserved and reported in:			
Special revenue funds	<u>128,928</u>		<u>226,088</u>
Total Fund Balances	<u>128,928</u>		<u>226,088</u>
Total Liabilities and Fund Balances	<u>\$ 130,197</u>	<u>\$ 6,058</u>	<u>\$ 232,221</u>

Special Revenue

Gas Tax 2107.5	Supplemental Law Enforcement Service	Water Discharge Grant	Community Development	CDBG PTA 2003	CDBG PTA 2005
\$ 4,000	\$ 1,365	\$ 9,798	\$ 23,083	\$ 453	
		100,000			
<u>\$ 4,000</u>	<u>\$ 1,365</u>	<u>\$ 109,798</u>	<u>\$ 23,083</u>	<u>\$ 453</u>	<u>\$ -</u>
			\$ 6,555	\$ 180	
\$ 4,000		\$ 100,000			\$ 15,835
4,000		100,000	6,555	180	15,835
	\$ 1,365	9,798	16,528	273	(15,835)
	1,365	9,798	16,528	273	(15,835)
<u>\$ 4,000</u>	<u>\$ 1,365</u>	<u>\$ 109,798</u>	<u>\$ 23,083</u>	<u>\$ 453</u>	<u>\$ -</u>

CITY OF GREENFIELD

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

JUNE 30, 2007

	Special Revenue		
	CDBG PTA 2004	CDBG PTA-Economic	Traffic Impact Fees
ASSETS			
Cash and investments			\$ 608,989
Accounts receivable			
Interest receivable			3,253
Due from other funds			1,678,169
Total Assets	\$ -	\$ -	\$ 2,290,411
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable			\$ 229,542
Due to other funds	\$ 2,348	\$ 385	
Total Liabilities	2,348	385	229,542
FUND BALANCES			
Unreserved and reported in:			
Special revenue funds	(2,348)	(385)	2,060,869
Total Fund Balances	(2,348)	(385)	2,060,869
Total Liabilities and Fund Balances	\$ -	\$ -	\$ 2,290,411

Special Revenue

Park Impact Fees	Police Impact Fees	Sewer Impact Fees	Water Impact Fees	Community Center Impact Fees	General Facilities Impact Fees
\$ 2,036,120	\$ 459,846	\$ 854,356	\$ 2,468,158	\$ 88,859	\$ 297,826
22,449	4,229	10,086	20,106		2,277
<u>\$ 2,058,569</u>	<u>\$ 464,075</u>	<u>\$ 864,442</u>	<u>\$ 2,488,264</u>	<u>\$ 88,859</u>	<u>\$ 300,103</u>
	\$1,853	\$ 127,595	\$ 357,839		
	1,853	127,595	357,839		
\$ 2,058,569	\$ 462,222	736,847	2,130,425	\$ 88,859	\$ 300,103
2,058,569	462,222	736,847	2,130,425	88,859	300,103
<u>\$ 2,058,569</u>	<u>\$ 464,075</u>	<u>\$ 864,442</u>	<u>\$ 2,488,264</u>	<u>\$ 88,859</u>	<u>\$ 300,103</u>

CITY OF GREENFIELD

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

JUNE 30, 2007

	Special Revenue		
	Redevelopment Agency	Lexington Square Assessment	Terra Verde Sub Assessment
ASSETS			
Cash and investments	\$ 55,387	\$ 53,146	\$ 297,183
Accounts receivable			
Interest receivable			1,301
Due from other funds	19,424		
Total Assets	<u>\$ 74,811</u>	<u>\$ 53,146</u>	<u>\$ 298,484</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 74,793	\$ 4,092	\$ 31,221
Due to other funds			
Total Liabilities	<u>74,793</u>	<u>4,092</u>	<u>31,221</u>
FUND BALANCES			
Unreserved and reported in:			
Special revenue funds	<u>\$18</u>	<u>49,054</u>	<u>267,263</u>
Total Fund Balances	<u>18</u>	<u>49,054</u>	<u>267,263</u>
Total Liabilities and Fund Balances	<u>\$ 74,811</u>	<u>\$ 53,146</u>	<u>\$ 298,484</u>

<u>Special Revenue</u>			Total Non-Major Governmental Funds
<u>SMD #1</u>	<u>LLM #1 Annexation #1</u>		
\$ 70,244		\$ 7,512,957	
		129,133	
		65,002	
		1,851,491	
<u>\$ 70,244</u>	<u>\$ -</u>	<u>\$ 9,558,583</u>	
\$ 750	\$ 17,036	\$ 864,916	
		122,568	
<u>750</u>	<u>17,036</u>	<u>987,484</u>	
<u>69,494</u>	<u>(17,036)</u>	<u>8,571,099</u>	
<u>69,494</u>	<u>(17,036)</u>	<u>8,571,099</u>	
<u>\$ 70,244</u>	<u>\$ -</u>	<u>\$ 9,558,583</u>	

CITY OF GREENFIELD

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

YEAR ENDED JUNE 30, 2007

	Special Revenue		
	Gas Tax	Gas Tax	Gas Tax
REVENUES			
Taxes and assessments			
Use of money and property			\$ 1,882
Intergovernmental revenues	\$ 93,703	\$ 43,636	125,276
Other revenues			
Total Revenues	93,703	43,636	127,158
EXPENDITURES			
Current:			
Public works			
Community development			
Public safety			
Streets and roads	67,073	63,765	55,424
Capital outlay			
Debt service:			
Interest			
Total Expenditures	67,073	63,765	55,424
Excess (Deficiency) of			
Revenues Over Expenditures	26,630	(20,129)	71,734
OTHER FINANCING SOURCES (USES)			
Transfers in		20,129	
Transfers out			(20,129)
Total Other Financing Sources (Uses)		20,129	(20,129)
Net Change in Fund Balances	26,630		51,605
FUND BALANCES, Beginning of Year	102,298		174,483
FUND BALANCES, End of Year	\$ 128,928	\$ -	\$ 226,088

Special Revenue

Gas Tax	Supplemental Law Enforcement Service	Water Discharge Grant	Community Development	CDBG PTA 2003	CDBG PTA 2005
			\$ 13,454		
\$ 4,000	\$ 100,000	\$ 100,000			
4,000	100,000	100,000	13,454		
		\$86,110			
	13,891		20,246	\$ 1,362	\$ 923
4,000	109,821				
4,000	123,712	86,110	20,246	1,362	923
	(23,712)	13,890	(6,792)	(1,362)	(923)
	(23,712)	13,890	(6,792)	(1,362)	(923)
	25,077	\$ (4,092)	23,320	1,635	(14,912)
\$ -	\$ 1,365	\$ 9,798	\$ 16,528	\$ 273	\$ (15,835)

CITY OF GREENFIELD

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

YEAR ENDED JUNE 30, 2007

	Special Revenue		
	CDBG PTA 2004	CDBG PTA-Economic	Traffic Impact Fees
REVENUES			
Taxes and assessments			
Use of money and property			\$ 87,835
Intergovernmental revenues			
Other revenues			656,047
Total Revenues			743,882
EXPENDITURES			
Current:			
Public works			
Community development		\$ 315	
Public safety			
Streets and roads			68,133
Capital outlay			281,673
Debt service:			
Interest			
Total Expenditures		315	349,806
Excess (Deficiency) of			
Revenues Over Expenditures		(315)	394,076
OTHER FINANCING SOURCES (USES)			
Transfers in			
Transfers out			
Total Other Financing Sources (Uses)			
Net Change in Fund Balances		(315)	394,076
FUND BALANCES, Beginning of Year	\$ (2,348)	(70)	1,666,793
FUND BALANCES, End of Year	\$ (2,348)	\$ (385)	\$ 2,060,869

Special Revenue

Park Impact Fees	Police Impact Fees	Sewer Impact Fees	Water Impact Fees	Community Center Impact Fees	General Facilities Impact Fees
\$ 83,765	\$ 17,502	\$ 46,372	\$ 114,995	\$ 429	\$ 9,680
297,573	82,430	524,652	502,523	14,837	46,185
381,338	99,932	571,024	617,518	15,266	55,865
		6,148	9,160		
	1,853				
	27,789	799,035	736,343		
	29,642	805,183	745,503		
381,338	70,290	(234,159)	(127,985)	15,266	55,865
381,338	70,290	(234,159)	(127,985)	15,266	55,865
1,677,231	391,932	971,006	2,258,410	73,593	244,238
\$ 2,058,569	\$ 462,222	\$ 736,847	\$ 2,130,425	\$ 88,859	\$ 300,103

CITY OF GREENFIELD

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

YEAR ENDED JUNE 30, 2007

	Special Revenue		
	Redevelopment Agency	Lexington Square Assessment	Terra Verde Sub Assessment
REVENUES			
Taxes and assessments		\$ 29,538	\$ 287,892
Use of money and property	\$ 84	197	1,778
Intergovernmental revenues			
Other revenues	5,000		
Total Revenues	5,084	29,735	289,670
EXPENDITURES			
Current:			
Public works			
Community development	307,226	31,144	74,788
Public safety			
Streets and roads			
Capital outlay			
Debt service:			
Interest	6,515		
Total Expenditures	313,741	31,144	74,788
Excess (Deficiency) of			
Revenues Over Expenditures	(308,657)	(1,409)	214,882
OTHER FINANCING SOURCES (USES)			
Transfers in	438,975		
Transfers out	(130,300)		
Total Other Financing Sources (Uses)	308,675		
Net Change in Fund Balances	18	(1,409)	214,882
FUND BALANCES, Beginning of Year		50,463	52,381
FUND BALANCES, End of Year	\$ 18	\$ 49,054	\$ 267,263

<u>Debt Service</u>			Total Non-Major Governmental Funds
<u>SMD #1</u>	<u>LLM #1 Annexation #1</u>		
\$ 74,666		\$	392,096
			377,973
			466,615
			2,129,247
<u>74,666</u>			<u>3,365,931</u>
			101,418
5,172	\$ 17,036		458,212
			15,744
			258,395
			1,954,661
			6,515
<u>5,172</u>	<u>17,036</u>		<u>2,794,945</u>
<u>69,494</u>	<u>(17,036)</u>		<u>570,986</u>
			459,104
			(150,429)
			308,675
<u>69,494</u>	<u>(17,036)</u>		<u>879,661</u>
			7,691,438
<u>\$ 69,494</u>	<u>\$ (17,036)</u>	<u>\$</u>	<u>8,571,099</u>