

**CITY OF GREENFIELD, IOWA**  
**BASIC FINANCIAL STATEMENTS**  
**SUPPLEMENTARY AND BUDGET INFORMATION**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**WITH**  
**INDEPENDENT AUDITOR'S REPORTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

# CITY OF GREENFIELD, IOWA

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**CITY OF GREENFIELD, IOWA**  
**OFFICIALS AND BOND COVERAGE**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

Name	Title	Term Expires	Bond Coverage
<b>GOVERNANCE-</b>			
Ron Smith	Mayor	12/31/2015	\$ 10,000
Kevin Hall	Council Member	12/31/2017	10,000
Debra Houghtaling	Council Member	12/31/2017	10,000
Brian Fox	Council Member	12/31/2017	10,000
Brian Eisbach	Council Member	12/31/2015	10,000
Carol Woosley	Council Member	12/31/2015	10,000
Lynne Don Carlos	Utility Trustee	12/31/2018	10,000
Terry Schneider	Utility Trustee	12/31/2016	10,000
Richard Kohler	Utility Trustee	12/31/2014	10,000
Linda Kintigh	Library Trustee	7/1/2018	10,000
Larry Means	Library Trustee	7/1/2018	10,000
Roleen Chiles	Library Trustee	7/1/2017	10,000
Rana Glade	Library Trustee	7/1/2017	10,000
Josh Rardin	Library Trustee	7/1/2017	10,000
Marilyn Nickel	Library Trustee	7/1/2017	10,000
Kevin Nelson	Library Trustee	7/1/2017	10,000
<b>OTHERS-</b>			
Rebecca Haase	City Clerk/Treasurer	Indefinite	40,000
Twyla Faust	City Deputy Clerk	Indefinite	40,000
Scott Tonderum	Utility General Manager	Indefinite	40,000
Duane Armstead	Utility General Manager	Retired 3/28/2014	
Lynn Heinbuch	Head Librarian	Indefinite	10,000

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## INDEPENDENT AUDITORS' REPORT

City of Greenfield  
Greenfield, Iowa

### Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of the City of Greenfield, Iowa, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis method of accounting described in Note 1; this includes determining the cash basis method of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of the City of Greenfield, Iowa, as of June 30, 2014, and the respective changes in cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

## **Basis of Accounting**

We draw attention to Note 1 of the financial statements which describes the basis of accounting. The financial statements were prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Supplementary and Budget Information*

Management has omitted management's discussion and analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit for the year ended June 30, 2014 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Greenfield's basic financial statements. The accompanying supplementary information contained in schedules 2 through 5 for the year ended June 30, 2014, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information in schedules 2 through 5 has been subjected to the auditing procedures applied in the audits of the basic financial statements for the year ended June 30, 2014, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information in schedules 2 through 5 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2014.

The other budget comparison information contained in schedule 1, pages 22 and 23, has not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### *Prior Years' Supplementary Information*

We also previously audited, in accordance with auditing standards general accepted in the United States of America, the basic financial statements of the City of Greenfield for each of the nine years ended June 30, 2005 through 2013 (not presented herein) and have annually issued our reports on those financial statements, which contained unmodified opinions on those financial statements which were prepared on the basis of cash receipts and disbursements. The prior years' information contained in schedule 5 for each of those nine years ended June 30, 2005 through 2013 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare each of the 2005 through 2013 financial statements. The prior years' information contained in schedule 5 has been subjected to the auditing procedures applied in each of the audits of the 2005 through 2013 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare each of those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the prior years' information in schedule 5 is fairly stated in all material respects in relation to the basic financial statements as a whole for each of the nine years ended June 30, 2005 through 2013.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2014, on our consideration of the City of Greenfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* in considering the City of Greenfield's internal control over financial reporting and compliance.

Omaha, Nebraska  
November 18, 2014

**CITY OF GREENFIELD, IOWA**

**BASIC FINANCIAL STATEMENTS**

## CITY OF GREENFIELD, IOWA

STATEMENT OF ACTIVITIES AND NET POSITION - CASH BASIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

	Program Disbursements	Program Receipts			Net (Expense) Revenue
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>FUNCTIONS/PROGRAMS:</b>					
<b>Primary government -</b>					
Governmental activities -					
Public safety	\$ 232,511	\$ -	\$ 18,703	\$ -	\$ (213,808)
Public works	432,297	14,806	197,910	-	(219,581)
Culture and recreation	129,669	-	-	-	(129,669)
Community and economic development	14,418	29,420	123,044	-	138,046
General government	261,442	9,379	-	-	(252,063)
Debt service	373,444	-	-	-	(373,444)
Capital projects	166,573	-	-	-	(166,573)
Total governmental activities	1,610,354	53,605	339,657	-	(1,217,092)
Business type activities - sewer	213,931	207,761	-	-	(6,170)
Total of primary government	<u>\$ 1,824,285</u>	<u>\$ 261,366</u>	<u>\$ 339,657</u>	<u>\$ -</u>	<u>\$ (1,223,262)</u>
<b>Components -</b>					
Governmental activities -					
Library	\$ 110,126	\$ 986	\$ 17,870	\$ -	\$ (91,270)
Business type activities -					
Water	866,701	839,833	-	6,193	(20,675)
Electric	3,684,937	3,623,663	-	-	(61,274)
Total of components	<u>\$ 4,661,764</u>	<u>\$ 4,464,482</u>	<u>\$ 17,870</u>	<u>\$ 6,193</u>	<u>\$ (173,219)</u>

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## CITY OF GREENFIELD, IOWA

STATEMENT OF ACTIVITIES AND NET POSITION - CASH BASIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

	Primary Government			Total of Components
	Governmental Activities	Business Type Activities	Total Primary Government	
<b>CHANGES IN NET POSITION:</b>				
Net (expense) revenue (continued from previous page)	\$ (1,217,092)	\$ (6,170)	\$ (1,223,262)	\$ (173,219)
General receipts -				
Property taxes levied for -				
General purposes	439,885	-	439,885	-
Tax increment financing	331,866	-	331,866	-
Employee benefits	154,658	-	154,658	-
Debt service	46,346	-	46,346	-
Local option sales and other city tax	217,246	-	217,246	-
Use of money (interest) and property	21,576	5,323	26,899	16,784
Special assessments	13,087	-	13,087	-
Donations	9,320	-	9,320	-
Miscellaneous	25,406	-	25,406	204,191
Remitted sewer fees - net	-	-	-	4,234
Operating transfers (to) from	(90,000)	-	(90,000)	90,000
Sale of capital assets	2,853	-	2,853	-
Payment received for Water Utility debt	47,194	-	47,194	-
Payments received on grant loan	-	-	-	40,000
Payment to City from Electric	110,000	-	110,000	(110,000)
Total general receipts and transfers	<u>1,329,437</u>	<u>5,323</u>	<u>1,334,760</u>	<u>245,209</u>
Change in cash basis net position	112,345	(847)	111,498	71,990
Cash basis net position - beginning of year	1,979,921	2,212,748	4,192,669	1,616,320
Cash basis net position - end of year	<u>\$ 2,092,266</u>	<u>\$ 2,211,901</u>	<u>\$ 4,304,167</u>	<u>\$ 1,688,310</u>
<b>CASH BASIS NET POSITION:</b>				
Restricted				
Expendable -				
General fund activity	\$ 5,000	\$ -	\$ 5,000	\$ -
Road use tax fund activity	170,124	-	170,124	-
Employee benefits fund activity	76,257	-	76,257	-
Local option tax fund activity	403,782	-	403,782	-
TIF fund activity	4,379	-	4,379	-
Debt service fund activity	876,250	-	876,250	800,743
Unrestricted	556,474	2,211,901	2,768,375	887,567
Total cash basis net position	<u>\$ 2,092,266</u>	<u>\$ 2,211,901</u>	<u>\$ 4,304,167</u>	<u>\$ 1,688,310</u>

See notes to financial statements.

## CITY OF GREENFIELD

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCES  
GOVERNMENTAL FUNDS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

	General	Special Revenue			TIF
		Road Use Tax	Employee Benefit	Local Option Tax	
<b>RECEIPTS:</b>					
Property/other allocated taxes	\$ 439,885	\$ -	\$ 154,658	\$ -	\$ -
Tax increment financing	-	-	-	-	331,866
Other city taxes	15,561	-	-	201,685	-
Licenses and permits	9,032	-	-	-	-
Use of money (interest) and property	21,576	-	-	-	-
Intergovernmental	141,747	197,910	-	-	-
Charges for services	44,573	-	-	-	-
Special assessments	-	-	-	-	-
Donations	9,320	-	-	-	-
Miscellaneous	25,406	-	-	-	-
Total receipts	<u>707,100</u>	<u>197,910</u>	<u>154,658</u>	<u>201,685</u>	<u>331,866</u>
<b>DISBURSEMENTS:</b>					
Operating -					
Public safety	210,452	-	22,059	-	-
Public works	143,513	279,168	9,616	-	-
Culture and recreation	124,885	-	4,784	-	-
Community economic development	14,418	-	-	-	-
General government	251,026	-	10,416	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Total disbursements	<u>744,294</u>	<u>279,168</u>	<u>46,875</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	(37,194)	(81,258)	107,783	201,685	331,866
<b>OTHER FINANCING SOURCES (USES):</b>					
Payment from Electric to City	110,000	-	-	-	-
Payment received for Water Utility debt	-	-	-	-	-
Sale of capital assets	2,853	-	-	-	-
Transfers in	94,010	88,115	-	-	-
Transfers out	(90,000)	-	(94,010)	(254,688)	(327,487)
Total other financing sources (uses)	<u>116,863</u>	<u>88,115</u>	<u>(94,010)</u>	<u>(254,688)</u>	<u>(327,487)</u>
Change in cash balances	79,669	6,857	13,773	(53,003)	4,379
Cash balances - beginning of year	481,805	163,267	62,484	456,785	-
Cash balances - end of year	<u>\$ 561,474</u>	<u>\$ 170,124</u>	<u>\$ 76,257</u>	<u>\$ 403,782</u>	<u>\$ 4,379</u>
<b>CASH BASIS FUND BALANCES:</b>					
Restricted	\$ 5,000	\$ 170,124	\$ 76,257	\$ 403,782	\$ 4,379
Assigned	-	-	-	-	-
Unassigned	556,474	-	-	-	-
Total cash basis fund balances	<u>\$ 561,474</u>	<u>\$ 170,124</u>	<u>\$ 76,257</u>	<u>\$ 403,782</u>	<u>\$ 4,379</u>

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See notes to financial statements.

## CITY OF GREENFIELD

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCES  
GOVERNMENTAL FUNDS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Primary Government Total</b>	<b>Component Library</b>	<b>Governmental Funds Totals</b>
<b>RECEIPTS:</b>					
Property/other allocated taxes	\$ 46,346	\$ -	\$ 640,889	\$ -	\$ 640,889
Tax increment financing	-	-	331,866	-	331,866
Other city taxes	-	-	217,246	-	217,246
Licenses and permits	-	-	9,032	-	9,032
Use of money (interest) and property	-	-	21,576	1,878	23,454
Intergovernmental	-	-	339,657	11,972	351,629
Charges for services	-	-	44,573	986	45,559
Special assessments	13,087	-	13,087	-	13,087
Donations	-	-	9,320	5,898	15,218
Miscellaneous	-	-	25,406	55	25,461
Total receipts	<u>59,433</u>	<u>-</u>	<u>1,652,652</u>	<u>20,789</u>	<u>1,673,441</u>
<b>DISBURSEMENTS:</b>					
Operating -					
Public safety	-	-	232,511	-	232,511
Public works	-	-	432,297	-	432,297
Culture and recreation	-	-	129,669	110,126	239,795
Community economic development	-	-	14,418	-	14,418
General government	-	-	261,442	-	261,442
Debt service	373,444	-	373,444	-	373,444
Capital projects	-	166,573	166,573	-	166,573
Total disbursements	<u>373,444</u>	<u>166,573</u>	<u>1,610,354</u>	<u>110,126</u>	<u>1,720,480</u>
Excess (deficiency) of receipts over disbursements	(314,011)	(166,573)	42,298	(89,337)	(47,039)
<b>OTHER FINANCING SOURCES (USES):</b>					
Payment from Electric to City	-	-	110,000	-	110,000
Payment received for Water Utility debt	47,194	-	47,194	-	47,194
Sale of capital assets	-	-	2,853	-	2,853
Transfers in	327,487	254,688	764,300	90,000	854,300
Transfers out	-	(88,115)	(854,300)	-	(854,300)
Total other financing sources (uses)	<u>374,681</u>	<u>166,573</u>	<u>70,047</u>	<u>90,000</u>	<u>160,047</u>
Change in cash balances	60,670	-	112,345	663	113,008
Cash balances - beginning of year	815,580	-	1,979,921	143,402	2,123,323
Cash balances - end of year	<u>\$ 876,250</u>	<u>\$ -</u>	<u>\$ 2,092,266</u>	<u>\$ 144,065</u>	<u>\$ 2,236,331</u>
<b>CASH BASIS FUND BALANCES:</b>					
Restricted	\$ 876,250	\$ -	\$ 1,535,792	\$ -	\$ 1,535,792
Assigned	-	-	-	144,065	144,065
Unassigned	-	-	556,474	-	556,474
Total cash basis fund balances	<u>\$ 876,250</u>	<u>\$ -</u>	<u>\$ 2,092,266</u>	<u>\$ 144,065</u>	<u>\$ 2,236,331</u>

See notes to financial statements.

## CITY OF GREENFIELD

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCES  
 PROPRIETARY FUNDS  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

	<b>Primary Government Sewer</b>	<b>Components Water</b>	<b>Electric</b>	<b>Proprietary Funds Totals</b>
<b>RECEIPTS:</b>				
Use of money (interest) and property	\$ 5,323	\$ 1,558	\$ 13,348	\$ 20,229
Charges for services	207,761	839,833	3,623,663	4,671,257
Miscellaneous	<u>-</u>	<u>26,256</u>	<u>177,880</u>	<u>204,136</u>
Total receipts	213,084	867,647	3,814,891	4,895,622
<b>DISBURSEMENTS:</b>				
Current operations	199,789	703,982	3,064,824	3,968,595
Debt service	-	83,337	544,185	627,522
Capital outlays	<u>14,142</u>	<u>79,382</u>	<u>75,928</u>	<u>169,452</u>
Total disbursements	<u>213,931</u>	<u>866,701</u>	<u>3,684,937</u>	<u>4,765,569</u>
Excess (deficiency) of receipts over disbursements	(847)	946	129,954	130,053
<b>OTHER FINANCING SOURCES (USES):</b>				
Payments to City	-	-	(110,000)	(110,000)
Unremitted sewer fees - net	-	-	4,234	4,234
Payments received on grant loan	-	-	40,000	40,000
Contributions-in-aid of construction	-	6,193	-	6,193
Transfers in	-	9,405	-	9,405
Transfers out	<u>-</u>	<u>-</u>	<u>(9,405)</u>	<u>(9,405)</u>
Total other financing sources (uses)	<u>-</u>	<u>15,598</u>	<u>(75,171)</u>	<u>(59,573)</u>
Change in cash balances	(847)	16,544	54,783	70,480
Cash balances - beginning of year	2,212,748	96,016	1,376,902	3,685,666
Cash balances - end of year	<u>\$ 2,211,901</u>	<u>\$ 112,560</u>	<u>\$ 1,431,685</u>	<u>\$ 3,756,146</u>
<b>CASH BASIS FUND BALANCES:</b>				
Restricted for debt service	\$ -	\$ 76,326	\$ 724,417	\$ 800,743
Unrestricted -				
Designated diesel replacement	-	-	50,000	50,000
Undesignated	2,211,901	36,234	657,268	2,905,403
Total cash basis fund balances	<u>\$ 2,211,901</u>	<u>\$ 112,560</u>	<u>\$ 1,431,685</u>	<u>\$ 3,756,146</u>

See notes to financial statements.

**CITY OF GREENFIELD, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**

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

**A. *Organization and Nature of Activities* -**

City of Greenfield (the City) is a political subdivision of the State of Iowa located in Adair County. The City operates under the mayor-council form of government with the mayor and council members elected on a nonpartisan basis. The City provides numerous services to its citizens including public safety, public works, culture and recreation, community and economic development and general government services. In addition, the City operates an airport and sewer system and, through its components, operates a water system, electric system and public library.

**B. *Reporting Entity* -**

For financial reporting purposes, the City considers if it has oversight responsibility or control over any other legal entity. Criteria for determining the scope of such oversight include: (1) financial inter-dependency, (2) selection of the governing authority, (3) designation of management, (4) ability to significantly influence operations, and (5) accountability for fiscal matters. The City has considered all funds, organizations, account groups, agencies, boards, commissions and authorities as potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

As the primary government and for financial reporting purposes, the City of Greenfield has identified and included the following component units to comprise the reporting entity:

Greenfield Public Library (Library)  
Greenfield Municipal Utilities (GMU) (Water and Electric)

Discretely Presented Component Units -

The Library is governed by a seven-person board, some appointed by the Mayor and approved by the City Council and some appointed by the County Board of Supervisors, whose operating budget and funding is included in the City's overall budget. The Library does not issue separate financial statements.

Greenfield Municipal Utilities (GMU) is governed by a three-person board of trustees appointed by the Mayor and approved by the City Council. GMU operates and manages water and electric utilities, which operating budgets are included in the City's overall budget. The water and electric financial statements included as part of the City's financial statements are presented on the cash basis of accounting. Financial statements, on the full accrual basis, for each utility are available separately.

Jointly Governed Organizations -

The City also participates in several jointly-governed organizations that provide goods or services to residents of the City but that do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Adair County Sanitary Disposal Commission, SIRHA, E911 Service Board, and Greater Greenfield Community Foundation.

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

### C. *Basis of Presentation* -

The accompanying financial statements include all funds and component units of the City as the reporting entity and are presented on the basis of cash receipts and disbursements (cash basis) which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The cash basis of accounting does not give effect to accounts receivable, accounts payable, depreciation and accrued items. Accordingly, these financial statements do not present the financial position and results of operations of the funds in accordance with accounting principles generally accepted in the United States of America applicable to government entities.

#### Government-wide Financial Statements -

The Statement of Activities and Net Position - Cash Basis displays financial information about the nonfiduciary activities of the City. The effect of inter-fund activity has generally been removed from the financial information. These financial statements distinguish between governmental and business-type activities. Governmental activities are supported by tax and intergovernmental revenues and are reported separately from business-type activities, which rely primarily on fees and charges for services provided to external users for goods and services provided. The Statement of Activities and Net Position - Cash Basis presents the reporting entity's net position in the following categories/components:

*Expendable Restricted Net Position* result when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

*Unrestricted Net Position* consist of net position that does not meet the definition of restricted. Unrestricted net position is often subject to constraints (designations) imposed by the City Council, which may be removed or modified.

When a disbursement in governmental funds can be paid using either restricted or unrestricted resources, the City's policy is generally to first apply the disbursement toward restricted fund balances and then to less restrictive or unassigned fund balances.

The Statement of Activities and Net Position - Cash Basis also demonstrates the degree to which the direct disbursements of a given program, or function, are offset by program receipts. Direct disbursements are those clearly identifiable with a specific function. Program receipts are presented as three types:

1. **Charges for Services:** Consist of charges to customers or applicants, who purchase, use or directly benefit from goods, services or privileges provided by a given function.
2. **Operating Grants and Contributions:** Consists of non-exchange revenue and interest on investments used in meeting the operational expenses of a particular function.
3. **Capital Grants and Contributions:** Consists of non-exchange revenue and interest on investments used in meeting the capital requirements of a particular function.

Cash basis program receipts that are derived directly from each governmental activity, or function, are reported by activity as follows:

Public Safety

Traffic fine receipts and intergovernmental fire reimbursements

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

Public Works	Road use taxes, aviation fuel sales, hanger rents
Culture and Recreation	Swimming pool and camping fees, other recreation fees
General Government	Licenses, permits, building reimbursements and user fees
Library	Late fees, copier fees, and of county and township funding

Property tax and other items received but not properly included as program receipts are reported as general receipts.

Program receipts for City proprietary funds and component proprietary funds are from user fees charged for the services provided to the users and all other related receipts not related to capital and noncapital financing or investing activities.

Funds Financial Statements -

The accounts of the City and its components are organized on the basis of funds, each of which is considered a separate accounting entity. The funds financial statements display information about the government by reporting major funds. The City and its components have no fiduciary funds. Separate financial information is provided for governmental funds and proprietary funds. Individual major governmental funds or individual major enterprise funds are reported as separate columns in the fund financial statements. The City reports all funds as major funds as follows:

Governmental Fund Types -

City General Fund - This fund is the operating fund of the City. All property tax receipts and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. Disbursements from this fund are for all operating costs, fixed charges and capital improvement costs that are not paid from other funds.

City Special Revenue Funds - These funds are used to account for the proceeds of specific receipt sources that are restricted by legislation to finance particular functions or activities of the City. The reporting entity includes the following special revenue funds:

Road Use Tax Fund accounts for gasoline excise taxes received and restricted for road and street construction and maintenance disbursements.

Employee Benefit Fund accounts for a special property tax levy restricted to employer matching Social Security and Medicare taxes and employee group insurance.

Local Option Sales Tax (LOST) Fund accounts for receipts from the local option tax authorized and restricted by the voters for capital improvements and maintenance disbursements, as determined by the City Council.

Tax Increment Financing (TIF) Fund accounts for incremental property tax receipts associated with urban renewal districts restricted to improvements and debt service.

City Debt Service Fund - This fund is used to account for property tax receipts and other resources collected and disbursed for payment of interest and principal on the City's general long-term debt.

City Capital Projects Fund - This fund is used to account for all costs associated with significant construction or improvements projects and proceeds of related interim debt.

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

Library Fund (Component Unit) - This fund is used to account for all general tax and other receipts specifically assigned to the Library. Disbursements from this fund are for all Library operating costs, fixed charges and capital improvement costs.

### Proprietary Fund Types -

City Sewer Fund - This fund is used to account for all user charges and other receipts and all disbursements associated with operations and maintenance of the City's wastewater and sewer systems.

Water and Electric Funds (Component Unit) - GMU operates water and electric utilities which funds are used to account for all user charges and other receipts and all disbursements associated with operations and maintenance of providing potable water and electric energy to the residents of the City.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

### D. **Measurement Focus and Basis of Accounting -**

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

The City and Library component maintain financial records on the basis of cash receipts and disbursements and the amounts displayed in these financial statements are presented on that basis. The GMU component unit maintains its water and electric records on the accrual basis, which are converted to cash receipts and disbursements for inclusion in the City reporting entity.

The City and Library are not required to and do not maintain a fixed asset or infrastructure accounting record. Greenfield Municipal Utilities, for the water and electric systems, does maintain fixed asset records which information is included in their separately issued accrual financial statements.

### E. **Governmental Cash Basis Fund Balances -**

On the governmental fund financial statements, cash basis fund balances are, as applicable, classified as follows:

*Nonspendable* - Amounts which cannot be spent because they are legally or contractually required to be maintained intact.

*Restricted* - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by donors, creditors, grantors, or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

*Assigned* - Amounts the Council intends to use for specific purposes.

*Unassigned* - All amounts not included in other spendable classifications.

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

**F. Budgets and Budgetary Accounting -**

In accordance with the Code of Iowa, the City annually adopts a budget which includes the City's components. The budget is submitted following required public notice and hearing. A budgetary comparison and related disclosures are reported in a separate Budget Information section.

**NOTE 2 - POOLED CASH DEPOSITS AND INVESTMENTS**

The City pools its deposits into checking and savings accounts and maintains records as to each fund's share of the total cash balance. The Library and GMU have also each pooled the cash, checking and savings accounts of their various funds. Deposits of the reporting entity were entirely covered by federal depository insurance, or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The City, Library and GMU are each authorized by statute to invest public funds in obligations of the United States Government or any of its agencies and instrumentalities, in time deposits or savings accounts in depositories approved by the governing bodies and Treasurer of the State of Iowa, prime eligible banker's acceptances, certain high-rated commercial paper, perfected repurchase agreements, certain registered open-end management investment companies, certain joint investment trusts, and warrants or improvement certificates of drainage districts.

At June 30, 2014, all investments for the City, Library and GMU were held as non-negotiable certificates of deposits in the name of the fund that provided the cash to purchase the certificate.

Interest rate risk - Funds may be invested in investments with maturities longer than 365 days, but maturities shall be consistent with the needs of the City, Library or GMU.

**NOTE 3 - LOANS RECEIVABLE**

GMU through its electric utility obtained a \$300,000 USDA Federal Revolving Loan Grant from which to make revolving loans for rural economic development. GMU was then required to contribute \$60,000 to this fund. The full amount of \$360,000 was loaned to E. E. Warren Opera House Association for rehabilitation of the historical opera house in Greenfield, Iowa. This loan advance is repayable to GMU in monthly installments of \$3,333 beginning May 1, 2012. The loan is evidenced by a promissory note, is non-interest bearing and may be repaid in whole or in part at any time prior to maturity.

Annual amounts receivable in future years ending June 30 are as follows:

2015	\$ 40,000
2016	40,000
2017	40,000
2018	40,000
2019	40,000
2020 and After	73,330
Total	<u>\$ 273,330</u>

**NOTE 4 - SPECIAL ASSESSMENTS**

Amounts totaling \$306,308 were levied during 2006 and 2008 for infrastructure and improvements to the public square and are due in ten annual installments beginning July 1, 2006, for Phase 1 and July 1, 2008, for Phase 2. Installment payments bear interest at 5.85 percent per annum until delinquent and then at the same rate as delinquent local real estate taxes. As of June 30, 2014, the remaining uncollected principal balance due was \$31,221. During the current year, \$13,087 of collections was included as receipts in the debt service fund.

**NOTE 5 - LONG-TERM DEBT**

Governmental activities changes in long-term obligations for the year are as follows:

	<b>Balances July 1, 2013</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balances June 30, 2014</b>	<b>Amounts Due Within One Year</b>
2011A Street Improvement Bonds	\$ 245,000	\$ -	\$ 40,000	\$ 205,000	\$ 40,000
Warren Cultural Center Debt (TIF District Debt)	146,541	-	7,359	139,182	7,694
2012 Refunding Bonds	1,510,000	-	300,000	1,210,000	300,000
	<u>\$ 1,901,541</u>	<u>\$ -</u>	<u>\$ 347,359</u>	<u>\$ 1,554,182</u>	<u>\$ 347,694</u>

The City issued \$315,000 of general obligation debt on March 30, 2011, for street improvements. The bonds mature serially through December 1, 2018, with interest at various rates from 1.10 to 2.75 percent per annum payable semiannually on December 1 and June 1. The notes are callable on June 1, 2016.

The City issued \$150,000 of urban renewal tax increment financing (TIF) revenue bonds on June 7, 2011, to partially fund the costs of construction and refurbishing projects within the urban renewal district. The bonds are payable solely from the TIF receipts generated by increased property values in the City's TIF district. TIF receipts are generally projected to produce 100 percent of the debt service requirements over the life of the bonds. The bonds mature serially through December 1, 2027, with interest at 4.50 percent payable semiannually on December 1 and June 1.

On June 12, 2012, the City issued \$1,810,000 of general obligation refunding bonds for the purpose of refunding the 2013 through 2018 maturities of the general obligation public square improvement bonds, dated December 15, 2007. The bonds mature serially through June 1, 2018, with interest at various rates from .45 to 1.25 percent annum payable semiannually on December 1 and June 1. The bonds are callable on or after June 1, 2016.

Business-type activities changes in long-term obligations for the year are as follows:

	<b>Balances July 1, 2013</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balances June 30, 2014</b>	<b>Amounts Due Within One Year</b>
CIPCO Water	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -
City of Greenfield Water	241,936	-	40,081	201,855	41,327
2012 Series Water	670,000	-	-	670,000	45,000

**NOTE 5 - LONG-TERM DEBT (Continued)**

	<b>Balances July 1, 2013</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balances June 30, 2014</b>	<b>Amounts Due Within One Year</b>
2006 Series Electric	\$ 745,000	\$ -	\$ 745,000	\$ -	\$ -
2010A Series Electric	850,000	-	205,000	645,000	210,000
2010B Series Electric	2,560,000	-	-	2,560,000	-
2013 Series Electric	-	665,000	-	665,000	-
SIMECA Lease Electric	502,000	-	123,000	379,000	125,000
	<u>\$ 5,588,936</u>	<u>\$ 665,000</u>	<u>\$ 1,133,081</u>	<u>\$ 5,120,855</u>	<u>\$ 421,327</u>

The City has an agreement whereby Greenfield Municipal Utilities (Water) is to reimburse the City for costs related to water distribution infrastructure included as part of the City's debt to finance the public square improvements.

A summary of long-term debt, segregated between amounts to be repaid from governmental activities resources and from business type activities (proprietary funds) resources at June 30, 2014, is as follows:

Governmental -

City General Obligation Debt -

Street Improvement Bonds bearing interest at 1.10 to 2.75 percent	\$ 205,000
Warren Cultural Center Debt bearing interest at 4.50 percent (TIF District Debt)	139,182
2012 Refunding Bonds (Public Square) bearing interest at .45 to 1.25 percent (TIF District Debt)	1,210,000

Proprietary -

GMU General Obligation Debt -

Water Department owed to City bearing interest at 2.94 percent	201,855
2012 Water Revenue Bonds bearing interest at 1.55 to 3.10 percent	670,000
2010A Series Electric Refunding Notes bearing interest at 1.60 to 3.25 percent	645,000
2010B Series Electric Revenue Bonds bearing interest at 2.25 to 3.9 percent	2,560,000
2013 Series Electric Revenue refunding Notes bearing interest at .80 to 2.75 percent	665,000
SIMECA capitalized lease bearing interest at 0.85 - 1.85 percent	379,000

Governmental activities annual future aggregate debt service requirements to maturities are as follows:

<b>Year Ending June 30,</b>	<b>City General Obligation</b>		<b>Total Requirement</b>
	<b>Principal</b>	<b>Interest</b>	
2015	\$ 347,694	\$ 23,261	\$ 370,954
2016	348,028	19,836	367,864
2017	353,409	15,915	369,324

**NOTE 5 - LONG-TERM DEBT (Continued)**

Year Ending June 30,	City General Obligation		Total Requirement
	Principal	Interest	
2018	\$ 353,792	\$ 11,230	\$ 365,022
2019	54,192	5,917	60,109
2020	9,599	4,273	13,872
2021	10,047	3,825	13,872
2022	10,504	3,368	13,872
2023	10,982	2,890	13,872
2024	11,476	2,396	13,872
2025	12,004	1,867	13,871
2026	12,550	1,321	13,872
2027	13,122	750	13,872
2028	6,783	153	6,936
	<u>\$ 1,554,182</u>	<u>\$ 97,002</u>	<u>\$ 1,651,184</u>

Proprietary activities annual future aggregate debt service requirements (including capitalized lease obligation) to maturities are as follows:

Year Ending June 30,	GMU Water		GMU Electric		Total Requirement
	Principal	Interest	Principal	Interest	
2015	\$ 86,327	\$ 22,078	\$ 435,000	\$ 117,697	\$ 661,102
2016	88,255	20,165	421,000	109,334	638,754
2017	89,376	18,196	423,000	99,636	630,208
2018	91,191	16,193	300,000	90,055	497,439
2019	76,706	13,890	255,000	83,893	429,489
2020	50,000	12,055	260,000	77,475	399,530
2021	50,000	11,005	270,000	70,294	401,299
2022	50,000	9,805	280,000	62,251	402,056
2023	55,000	8,605	200,000	54,760	318,365
2024	55,000	7,093	210,000	47,890	319,983
2025 and after	180,000	11,160	1,195,000	117,080	1,503,240
	<u>\$ 871,855</u>	<u>\$ 150,245</u>	<u>\$ 4,249,000</u>	<u>\$ 930,365</u>	<u>\$ 6,201,465</u>

Resolutions providing for the issuance of the GMU revenue obligations include the following provisions:

- a. The bonds will only be redeemed from future earnings of the enterprise activity, and the bondholders hold a lien on the future earnings.
- b. Sufficient cash transfers shall be made to both an electric revenue bond and interest account and a water bond and interest account for the purpose of making the next annual principal and interest payments when due. The water bond covenants requiring a sinking fund in the amount of \$5,095 were not complied with. This bond and interest account was fully funded subsequent to June 30, 2014. The remaining accounts were fully funded.

**NOTE 5 - LONG-TERM DEBT (Continued)**

- c. Additional cash transfers shall be made to both an electric revenue bond reserve account and a water bond reserve account until such accounts reach a maximum balance of \$427,832 and \$65,850, respectively. This amount is restricted for paying principal and interest which the bond and interest account may be unable to pay. These accounts were fully funded at June 30, 2014.
- d. Cash transfers shall be made to an electric improvement account until such account reaches a maximum balance of \$150,000. This account is restricted for paying for extraordinary maintenance costs, rentals, improvements, extensions or repairs to the system not included in the annual budget of revenues and current expenses, and bond principal and interest. This account was fully funded at June 30, 2014.

Information regarding the capitalized lease-purchase contract included in the above total requirements is as follows:

The component, Greenfield Municipal Utilities, is leasing two generation units installed in its service territory under a capital lease expiring March 1, 2017. The cost of the assets acquired under this capital lease is \$1,982,548. This lease-purchase agreement is with lessor, South Iowa Municipal Electric Cooperative Association (SIMECA), in the original principal amount of \$1,479,327, which is GMU's share of total revenue notes issued by the lessor to fund the lease. Interest rates on the capitalized lease, which vary from .85 to 1.85 percent, are the same rates paid by the lessor. GMU is required to deposit a monthly amount (currently \$10,900) sufficient to meet its share of the payments on the underlying debt, which payments are due semi-annually with future minimum payments as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 125,000	\$ 6,071	\$ 131,071
2016	126,000	4,384	130,384
2017	128,000	2,368	130,368
Totals	<u>\$ 379,000</u>	<u>\$ 12,823</u>	<u>\$ 391,823</u>

**NOTE 6 - PENSION AND RETIREMENT BENEFITS**

The City, including its components, contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing, multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits as established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Most regular plan members are required to contribute 5.95 percent of their annual covered salary and the City, including its components, is required to contribute 8.93 percent of annual covered salary. Certain employees in special risk occupations and the City contribute an actuarially determined contribution rate. Contribution requirements are established by State statute. The City's contribution, including its components, to IPERS for the years ended June 30, 2014, 2013, and 2012, was \$86,443, \$78,619, and \$81,943, respectively, which met the required contributions for each year.

**NOTE 7 - DEFERRED COMPENSATION PLAN**

The City, together with its components, offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 through the ICMA retirement corporation’s deferred compensation plan. The plan, available to all employees, permits them to defer a portion of their current salary until future years. The employee becomes eligible to withdraw funds upon termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in a third party trust for the exclusive benefit of participants and their beneficiaries.

**NOTE 8 - COMPENSATED ABSENCES**

City and component employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as expenditures in the accompanying financial statements for the City or its components until used or paid. The approximate liability for vested compensated absences at June 30, 2014, based on rates of pay then in effect and primarily relating to the general fund and enterprise funds, is as follows:

	City	Library	GMU	Total
Vacation	\$ 15,172	\$ 432	\$ 12,977	\$ 28,581
Sick leave	51,327	4,579	27,566	83,472
Personal time	631	-	2,863	3,494
Totals	<u>\$ 67,130</u>	<u>\$ 5,011</u>	<u>\$ 43,406</u>	<u>\$ 115,547</u>

**NOTE 9 - TERMINATION BENEFITS**

During March 2014, the board of trustees approved the voluntary retirement of the General Manager of the Water and Electric Utilities (component unit GMU). As part of his retirement, GMU is required to set aside funds that are to be used for health insurance on behalf of the retired General Manager. The total liability for this fund as of June 30, 2014 is \$83,781 which is split between the Water and Electric systems.

**NOTE 10 - INTERFUND TRANSFERS**

The City pays GMU for utility services used and GMU makes a contribution payment to the City. For the year ended June 30, 2014, the City received payments of \$110,000 from the GMU Electric Department.

Transfers generally move resources from the fund statutorily required to collect the resource to the fund which may statutorily disburse the resource. Details of all transfers among funds of the primary government and between the primary government and its components for the current year are as follows:

From City General Fund to Library	\$ 90,000
From City Employee Benefit Fund to City General Fund	94,010
From City LOST Fund to Capital Projects Fund	254,688
From City TIF Fund to City Debt Service Fund	327,487
From City Road Use to City Capital Projects	88,115
Primary Government and Library	<u>\$ 854,300</u>

**NOTE 10 - INTERFUND TRANSFERS (Continued)**

From Electric Operating Fund to Water Operating Fund	\$ 9,405
GMU Component	<u>\$ 9,405</u>

**NOTE 11 - RISK MANAGEMENT**

The City of Greenfield and its components are exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks, except for loss of infrastructure, are covered by the purchase of commercial insurance. The City or its components assume liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 12 - COMMITMENTS**

The City and/or its components have the following commitments at June 30, 2014:

Contracts -

- A. The City has contracted with the Adair County Sanitary Disposal Commission for solid waste disposal. The contract provides for the rate to be the amount necessary to fund the City's proportionate share of the disposal commission's budgeted expenses and runs from inception, June 30, 1973, until terminated. For the year ended June 30, 2014, \$27,748 was paid pursuant to this agreement.
- B. The City has contracted with Fox Engineering for engineering services related to both a wastewater treatment system facility plan and a wastewater collection system evaluation for system upgrades. In addition, a collection system cleaning and televising projects contract is for \$123,825, which had not started as of June 30, 2014.
- C. The City has a 28E Agreement with Adair County for the purpose of the County providing the City with space in the new Adair County Law Enforcement Center permitting the City's police department to rent space in the center to perform police operations for \$400 per month.
- D. The component, Greenfield Municipal Utilities, has a 40 year contract with Southern Iowa Rural Water Association (SIRWA) and a 10 year contract with the City of Fontanelle to provide potable water at an agreed-upon sale price. The quantity provided to SIRWA and Fontanelle may be limited to 52,257,879 gallons and 20,000,000 gallons per year, respectively.

Other Post-Employment Benefits (OPEB) -

As required by state law, the City of Greenfield offers health insurance to former employees who have retired after age 55, but have not yet reached Medicare eligibility. The fully insured plan is part of the plan offered to all City, Library, and Utility employees, whereby the retirees must pay the full cost of health insurance premium equal to that charged to current employees. There are currently twenty-two active employees, none of which are retired, covered by the plan. Management has determined that current and potential future cost exposures to this requirement is minimal and has not recorded any liability amount.

**NOTE 13 - BUDGET OVERSPEND**

City disbursements during the year ended June 30, 2014, exceeded the amount budgeted for the Debt Service Fund by \$373,444.

**NOTE 14 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 18, 2014, the date the financial statements were available to be issued, and believes that no events have occurred that require adjustment of, or disclosure in, the financial statements.

**CITY OF GREENFIELD, IOWA**

**BUDGET INFORMATION**

## CITY OF GREENFIELD, IOWA

**BUDGETARY COMPARISON SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN BALANCES  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

	Governmental Funds Actual	Proprietary Funds Actual	Net Actual	Budgeted Amounts		Positive (Negative) Variance, Final To Net Actual
				Original	Final	
<b>RECEIPTS:</b>						
Property tax	\$ 640,889	\$ -	\$ 640,889	\$ 633,505	\$ 633,505	\$ 7,384
Tax increment financing	331,866	-	331,866	345,112	345,112	(13,246)
Other city taxes	217,246	-	217,246	185,856	185,856	31,390
Licenses and permits	9,032	-	9,032	5,325	5,325	3,707
Use of money (interest) and property	23,454	20,229	43,683	2,500	2,500	41,183
Intergovernmental	351,629	-	351,629	377,000	500,044	(148,415)
Charges for services	45,559	4,671,257	4,716,816	5,799,600	5,799,600	(1,082,784)
Special assessments	13,087	-	13,087	15,400	15,400	(2,313)
Miscellaneous	40,679	204,136	244,815	-	4,320	240,495
Total receipts	1,673,441	4,895,622	6,569,063	7,364,298	7,491,662	(922,599)
<b>DISBURSEMENTS:</b>						
Public safety	232,511	-	232,511	267,559	275,559	43,048
Public works	432,297	-	432,297	464,191	488,511	56,214
Health and social services	-	-	-	500	500	500
Culture and recreation	239,795	-	239,795	247,124	247,124	7,329
Community and economic development	14,418	-	14,418	20,000	21,500	7,082
General government	261,442	-	261,442	258,311	298,311	36,869
Debt service	373,444	-	373,444	-	-	(373,444)
Capital projects	166,573	-	166,573	389,572	389,572	222,999
Business type activities	-	4,765,569	4,765,569	5,756,531	5,986,531	1,220,962
Total disbursements	1,720,480	4,765,569	6,486,049	7,403,788	7,707,608	1,221,559
Excess of receipts over disbursements	(47,039)	130,053	83,014	(39,490)	(215,946)	298,960
<b>OTHER FINANCING SOURCES (USES), NET</b>	160,047	(59,573)	100,474	-	-	100,474
Excess of receipts and other financing sources (uses), net over disbursements	113,008	70,480	183,488	(39,490)	(215,946)	399,434
Balances - beginning of year	2,123,323	3,685,666	5,808,989	5,526,222	5,526,222	282,767
Balances - end of year	\$ 2,236,331	\$ 3,756,146	\$ 5,992,477	\$ 5,486,732	\$ 5,310,276	\$ 682,201

See accompanying note to budgetary comparison schedule.

**CITY OF GREENFIELD, IOWA**

**NOTE TO BUDGETARY COMPARISON SCHEDULE**

In accordance with the Code of Iowa, the City Council annually adopts a cash basis budget, which includes the Library and Greenfield Municipal Utilities, component units, following required public notice and hearing for all funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

The property tax calendar is as follows:

- |                 |   |
|-----------------|---|
| January 2       | - Valuations set for ensuing levy   |
| March 15        | - Certified Budget to County Auditor  |
| July 1          | - Taxes levied are due and payable  |
| October - April | - Taxes are delinquent and interest accrues at 1.5 percent a month from October 1 or April 1 to date of payment |
|                 | - County publishes tax sale certificate and interest accrues at 2 percent a month                               |

Formal and legal budgetary control is based upon nine major classes of disbursements, known as functions, not by fund or fund type. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, and business type activities.

Functional disbursements required to be budgeted include disbursements from the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, Permanent Fund, and Enterprise Funds. Although the budget document presents functional disbursements by fund, the legal level of control is at the aggregated functional level, not by fund.

During the year the budget was amended to increase disbursements by \$303,820. The budget amendment is included in the final budget amounts.

During the year ended June 30, 2014, disbursements exceeded the amounts budgeted for the Debt Service Fund.

Appropriations lapse at the end of each year.

Actual and final budget expenditure amounts for components included in the budgetary comparison are as follows:

	<b>Net Actual</b>	<b>Final Budget</b>
Library, included as culture and recreation function	\$ 110,126	\$ 90,000
Water department included as business type activity	866,701	1,044,350
Electric department included as business type activity	3,684,937	4,696,650

**CITY OF GREENFIELD, IOWA**

**SUPPLEMENTARY INFORMATION**

## CITY OF GREENFIELD, IOWA

**SCHEDULE OF INDEBTEDNESS  
ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

	Dates of Issue	Interest Rates	Amount Originally Issued	Balances Beginning of Year	Issued During the Year	Redeemed During the Year	Balances End of Year	Interest Paid	Interest Due and Unpaid
<b>PRIMARY GOVERNMENT:</b>									
General obligation debt -									
Street improvement bonds	3/30/2011	1.10-2.75%	\$ 315,000	\$ 245,000	\$ -	\$ 40,000	\$ 205,000	\$ 5,958	\$ -
Warren Cultural Center bank note (designated TIF)	6/7/2011	4.50%	150,000	146,541	-	7,359	139,182	6,513	-
Refunding bonds for public square (designated TIF)	06/12/2012	0.45-1.25 %	1,810,000	<u>1,510,000</u>	<u>-</u>	<u>300,000</u>	<u>1,210,000</u>	<u>13,615</u>	<u>-</u>
Total primary government				<u>\$ 1,901,541</u>	<u>\$ -</u>	<u>\$ 347,359</u>	<u>\$ 1,554,182</u>	<u>\$ 26,086</u>	<u>\$ -</u>
<b>COMPONENT GOVERNMENT:</b>									
Water general obligation debt -									
CIPCO rural economic development loan	6/10/2004	0.00%	\$ 200,000	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -	\$ -
City loan for public square	7/1/2007	2.94%	369,409	241,936	-	40,081	201,855	7,114	-
Water revenue bonds	02/29/2012	1.55-3.1%	670,000	<u>670,000</u>	<u>-</u>	<u>-</u>	<u>670,000</u>	<u>16,143</u>	<u>-</u>
				<u>931,936</u>	<u>-</u>	<u>60,081</u>	<u>871,855</u>	<u>23,257</u>	<u>-</u>
Electric revenue obligation debt -									
Revenue bonds	11/15/2006	4.00-4.60%	1,220,000	745,000	-	745,000	-	16,335	-
Refunding Notes A	06/09/2010	1.60-3.25%	1,245,000	850,000	-	205,000	645,000	21,418	-
Revenue Notes B	09/13/2010	2.25-3.90%	2,560,000	2,560,000	-	-	2,560,000	83,655	-
Refunding Notes	09/30/2013	0.80-2.75%	665,000	<u>-</u>	<u>665,000</u>	<u>-</u>	<u>665,000</u>	<u>5,050</u>	<u>-</u>
				<u>4,155,000</u>	<u>665,000</u>	<u>950,000</u>	<u>3,870,000</u>	<u>126,458</u>	<u>-</u>
Electric capitalized lease-purchase of generation units - refunded	03/14/2012	0.85-1.85%	622,511	502,000	-	123,000	379,000	7,363	-
Total component government				<u>\$ 5,588,936</u>	<u>\$ 665,000</u>	<u>\$ 1,133,081</u>	<u>\$ 5,120,855</u>	<u>\$ 157,078</u>	<u>\$ -</u>

## CITY OF GREENFIELD, IOWA

**SCHEDULE OF BOND AND NOTE MATURITIES  
GOVERNMENTAL FUNDS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

## PRIMARY GOVERNMENT:

	GO Debt		GO (TIF) Debt		GO (TIF) Debt		Total Principal
	Street Improvement Bonds March 30, 2011 December 1 and June 1 June 1, 2016		Warren Cultural Center Bank Note June 7, 2011 December 1 and June 1		Refunding Bonds (Public Square) June 12, 2012 December 1 and June 1 June 1, 2016		
Due in Year Ending June 30,	Interest Rate	Principal	Interest Rate	Principal	Interest Rate	Principal	
2015	2.10%	\$ 40,000	4.50%	\$ 7,694	0.75%	\$ 300,000	\$ 347,694
2016	2.10%	40,000	4.50%	8,028	0.90%	300,000	348,028
2017	2.75%	40,000	4.50%	8,409	1.05%	305,000	353,409
2018	2.75%	40,000	4.50%	8,792	1.25%	305,000	353,792
2019	2.75%	45,000	4.50%	9,192	-	-	54,192
2020	-	-	4.50%	9,599	-	-	9,599
2021	-	-	4.50%	10,047	-	-	10,047
2022	-	-	4.50%	10,504	-	-	10,504
2023	-	-	4.50%	10,982	-	-	10,982
2024	-	-	4.50%	11,476	-	-	11,476
2025	-	-	4.50%	12,004	-	-	12,004
2026	-	-	4.50%	12,550	-	-	12,550
2027	-	-	4.50%	13,122	-	-	13,122
2028	-	-	4.50%	6,783	-	-	6,783
Total primary government		<u>\$ 205,000</u>		<u>\$ 139,182</u>		<u>\$ 1,210,000</u>	<u>\$ 1,554,182</u>

**CITY OF GREENFIELD, IOWA**  
**SCHEDULE OF BOND AND NOTE MATURITIES**  
**PROPRIETARY FUNDS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

**COMPONENT GOVERNMENT:**

	<u>General Obligation Debt</u>			<u>Revenue Debt</u>			
	<b>Water</b> Date Issued July 1, 2007 Date Interest Payable June 1 Date Callable		<b>Total</b> General Notes	<b>Water</b> February 29, 2012 June 1 and Dec. 1 June 1, 2018		<b>Electric</b> June 9, 2010A Sept. 1 and Mar. 1 September 1, 2014	
<b>Due in Year</b> Ending June 30,	<b>Interest</b> Rate	<b>Principal</b>		<b>Interest</b> Rate	<b>Principal</b>	<b>Interest</b> Rate	<b>Principal</b>
2015	2.94%	\$ 41,327	\$ 41,327	2.41%	\$ 45,000	2.60%	\$ 210,000
2016	2.94%	43,255	43,255	2.41%	45,000	3.00%	215,000
2017	2.94%	44,376	44,376	1.55%	45,000	3.25%	220,000
2018	2.94%	46,191	46,191	1.55%	45,000	-	-
2019	2.94%	26,706	26,706	1.55%	50,000	-	-
2020	2.94%	-	-	2.10%	50,000	-	-
2021	2.94%	-	-	2.10%	50,000	-	-
2022	-	-	-	2.40%	50,000	-	-
2023	-	-	-	2.40%	55,000	-	-
2024	-	-	-	2.75%	55,000	-	-
2025 and after	-	-	-	2.75 to 3.10%	180,000	-	-
Total component government		<u>\$ 201,855</u>	<u>\$ 201,855</u>		<u>\$ 670,000</u>		<u>\$ 645,000</u>

(Continued across)

**CITY OF GREENFIELD, IOWA**  
**SCHEDULE OF BOND AND NOTE MATURITIES**  
**PROPRIETARY FUNDS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

<b>COMPONENT GOVERNMENT:</b>	<b>Revenue Debt</b>					<b>Lease-Purchase</b>		<b>Electric and Water Total Principal</b>
	<b>Electric</b>		<b>Electric</b>		<b>Total Revenue Notes</b>	<b>Electric</b>		
Date issued	<b>September 13, 2010B</b>		<b>September 30, 2013</b>			<b>March 1, 2002</b>		
Date interest payable	<b>Sept. 1 and Mar. 1</b>		<b>Sept. 1 and Mar. 1</b>		<b>Sept. 1 and Mar. 1</b>			
Date callable	<b>September 1, 2018</b>		<b>September 1, 2013</b>					
<b>Due in Year Ending June 30,</b>	<b>Interest Rate</b>	<b>Principal</b>	<b>Interest Rate</b>	<b>Principal</b>		<b>Interest Rate</b>	<b>Principal</b>	
2015	-	\$ -	0.80%	\$ 100,000	\$ 355,000	1.35%	\$ 125,000	\$ 521,327
2016	-	-	0.80%	80,000	340,000	1.60%	126,000	509,255
2017	-	-	1.50%	75,000	340,000	1.85%	128,000	512,376
2018	2.25%	220,000	1.50%	80,000	345,000	-	-	391,191
2019	2.50%	175,000	2.25%	80,000	305,000	-	-	331,706
2020	2.70%	180,000	2.25%	80,000	310,000	-	-	310,000
2021	2.90%	185,000	2.75%	85,000	320,000	-	-	320,000
2022	3.10%	195,000	2.75%	85,000	330,000	-	-	330,000
2023	3.30%	200,000	-	-	255,000	-	-	255,000
2024	3.40%	210,000	-	-	265,000	-	-	265,000
2025 and after	3.50 to 3.90%	1,195,000	-	-	1,375,000	-	-	1,375,000
Total component government		<u>\$ 2,560,000</u>		<u>\$ 665,000</u>	<u>\$ 4,540,000</u>		<u>\$ 379,000</u>	<u>\$ 5,120,855</u>

## CITY OF GREENFIELD, IOWA

**SCHEDULE OF RECEIPTS BY SOURCE AND DISBURSEMENTS BY FUNCTION  
ALL GOVERNMENTAL FUNDS  
FOR THE LAST TEN YEARS ENDED JUNE 30,**

	2014	2013	2012	2011	2010
<b>RECEIPTS:</b>					
PRIMARY GOVERNMENT -					
Property tax/other allocated taxes	\$ 640,889	\$ 713,981	\$ 618,742	\$ 565,670	\$ 563,344
Tax increment financing	331,866	319,833	308,362	307,022	287,602
Other city taxes	217,246	244,011	184,143	191,693	149,798
Licenses and permits	9,032	8,303	6,982	8,712	4,963
Use of money (interest) and property	21,576	18,076	33,254	32,779	39,938
Intergovernmental	339,657	259,090	896,225	212,860	244,693
Charges for services	44,573	50,207	81,430	76,614	67,035
Special assessments	13,087	15,882	16,657	21,069	24,083
Miscellaneous	34,726	50,006	31,730	34,884	21,841
Totals	<u>1,652,652</u>	<u>1,679,389</u>	<u>2,177,525</u>	<u>1,451,303</u>	<u>1,403,297</u>
LIBRARY COMPONENT -					
Use of money (interest) and property	1,878	1,829	1,815	1,024	586
Intergovernmental	11,972	11,053	10,389	9,370	10,698
Charges for services	986	1,119	1,198	1,010	1,549
Miscellaneous	5,953	16,459	10,460	12,789	8,838
Totals	<u>20,789</u>	<u>30,460</u>	<u>23,862</u>	<u>24,193</u>	<u>21,671</u>
Total government receipts	<u>\$ 1,673,441</u>	<u>\$ 1,709,849</u>	<u>\$ 2,201,387</u>	<u>\$ 1,475,496</u>	<u>\$ 1,424,968</u>
<b>DISBURSEMENTS:</b>					
PRIMARY GOVERNMENT -					
Operating -					
Public safety	\$ 232,511	\$ 207,061	\$ 319,698	\$ 179,193	\$ 192,716
Public works	432,297	342,704	362,905	311,088	773,472
Culture and recreation	129,669	122,077	108,813	116,954	91,051
Community and economic					
Development	14,418	58,940	475,776	157,314	15,009
General government	261,442	318,573	389,621	310,533	341,092
Debt service	373,444	366,189	2,141,164	320,358	230,000
Capital projects	166,573	18,700	5,325	529,057	88,147
Totals	<u>1,610,354</u>	<u>1,434,244</u>	<u>3,803,302</u>	<u>1,924,497</u>	<u>1,731,487</u>
LIBRARY COMPONENT -					
Operating -					
Culture and recreation	110,126	130,481	155,263	134,802	122,113
Total government disbursements	<u>\$ 1,720,480</u>	<u>\$ 1,564,725</u>	<u>\$ 3,958,565</u>	<u>\$ 2,059,299</u>	<u>\$ 1,853,600</u>

(Continued Across)

## CITY OF GREENFIELD, IOWA

**SCHEDULE OF RECEIPTS BY SOURCE AND DISBURSEMENTS BY FUNCTION  
ALL GOVERNMENTAL FUNDS  
FOR THE LAST TEN YEARS ENDED JUNE 30,**

	2009	2008	2007	2006	2005
<b>RECEIPTS:</b>					
PRIMARY GOVERNMENT -					
Property tax/other allocated taxes	\$ 557,282	\$ 515,896	\$ 541,790	\$ 586,508	\$ 469,793
Tax increment financing	259,513	206,200	195,133	156,844	125,951
Other city taxes	192,068	167,996	162,127	41,747	6,792
Licenses and permits	4,943	5,651	7,302	15,531	8,135
Use of money (interest) and property	54,622	104,334	112,299	54,710	34,809
Intergovernmental	313,089	215,941	725,673	215,898	203,003
Charges for services	58,112	44,525	47,390	53,719	50,071
Special assessments	32,833	106,092	-	-	-
Miscellaneous	25,656	79,215	29,415	32,130	25,687
Totals	<u>1,498,118</u>	<u>1,445,850</u>	<u>1,821,129</u>	<u>1,157,087</u>	<u>924,241</u>
LIBRARY COMPONENT -					
Use of money (interest) and property	742	1,432	2,081	1,269	516
Intergovernmental	9,847	9,980	9,018	9,002	8,629
Charges for services	1,745	1,202	-	-	36
Miscellaneous	5,524	5,829	7,459	8,393	1,967
Totals	<u>17,858</u>	<u>18,443</u>	<u>18,558</u>	<u>18,664</u>	<u>11,148</u>
Total government receipts	<u>\$ 1,515,976</u>	<u>\$ 1,464,293</u>	<u>\$ 1,839,687</u>	<u>\$ 1,175,751</u>	<u>\$ 935,389</u>
<b>DISBURSEMENTS:</b>					
PRIMARY GOVERNMENT -					
Operating -					
Public safety	\$ 413,688	\$ 172,870	\$ 210,538	\$ 173,259	\$ 208,209
Public works	361,058	281,578	267,599	262,424	296,274
Culture and recreation	101,663	93,386	87,398	112,134	108,943
Community and economic Development	19,080	17,555	18,055	15,051	17,328
General government	255,540	260,166	265,553	248,769	222,229
Debt service	105,000	50,190	64,709	114,726	109,106
Capital projects	133,803	2,932,314	2,662,994	765,230	-
Totals	<u>1,389,832</u>	<u>3,808,059</u>	<u>3,576,846</u>	<u>1,691,593</u>	<u>962,089</u>
LIBRARY COMPONENT -					
Operating -					
Culture and recreation	115,080	120,993	114,206	116,574	98,449
Total government disbursements	<u>\$ 1,504,912</u>	<u>\$ 3,929,052</u>	<u>\$ 3,691,052</u>	<u>\$ 1,808,167</u>	<u>\$ 1,060,538</u>

**CITY OF GREENFIELD, IOWA**

**OTHER REPORTING  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

### INDEPENDENT AUDITORS' REPORT

City of Greenfield  
Greenfield, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of the City of Greenfield, Iowa, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents and have issued our report thereon dated November 18, 2014. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Greenfield's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Greenfield's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Greenfield's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. Those deficiencies are described in Part 2 of the accompanying Schedule of Findings and Responses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Greenfield's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance or other matters that are described in Part 3, Item 14-3B and 14-3I, of the accompanying Schedule of Findings and Responses.

Comments involving statutory and the other legal matters about the City's operations for the year ended June 30, 2014, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audits were based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

### **Auditee Response to Findings**

Management's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Management's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Omaha, Nebraska  
November 18, 2014

**CITY OF GREENFIELD, IOWA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED JUNE 30, 2014**

**PART 1: SUMMARY OF THE INDEPENDENT AUDITORS' RESULTS**

- (a) An unmodified opinion was issued on the financial statements which were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP)
- (b) One internal control deficiency was disclosed during the audit of the basic financial statements. This deficiency is considered a significant deficiency. No material weaknesses were reported.
- (c) The audit did not identify any noncompliance which is material to the financial statements.

**PART 2: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:**

Significant Deficiencies:

14-2A **Financial Reporting** - While management is capable of assembling accurate financial information for the council and trustees to rely on to make operating decisions, they do not possess the skills necessary to report financial information as financial statements, and the related disclosure notes thereto, in accordance with U.S. generally accepted accounting principles (U.S. GAAP) or in accordance with the cash basis method required by the Auditor of State.

**Recommendation** - Management should improve their knowledge of financial reporting requirements by attending local or online professional educational courses and investing time to read relevant accounting literature. In addition, attendance at certain educational seminars sponsored by the Auditor of the State of Iowa could be beneficial.

**Response** - The council and trustee's primary intent is to employ individuals whose knowledge relates directly to operations. Steps will be taken to help employees increase their knowledge and understanding of relevant accounting principles to improve overall financial reporting.

**Conclusion** - Response accepted.

Instances of Non-Compliance:

See Item 14-3B of Part 3 regarding budget overspends.

**PART 3: OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:**

14-3A **Official Depositories** - A resolution naming depositories for funds of the City, Library, and Greenfield Municipal Utilities has been approved by the City of Council or Boards of Trustees. The maximum deposit amounts stated in the resolution were not exceeded during the year. The depositories named and maximum deposit amounts authorized are as follows:

First National Bank	\$ 4,000,000
Union State Bank	4,000,000

**PART 3: OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:** (Continued)

14-3B **Certified Budget** - City disbursements during the year ended June 30, 2014, exceeded the amount budgeted for Debt Service Fund by \$373,444. A budgetary comparison schedule is available as a separate page in the supplementary section of this report.

**Recommendation** - The City should monitor expenditures of its activities sufficient to avoid exceeding the budgeted expenditures and amend the budget as necessary.

**Response** - The City will monitor expenditures in the future and amend the budget as determined necessary. The budget was amended but not in all areas necessary.

**Conclusion** - Response accepted

14-3C **Questionable Disbursements** - No expenditures that we believe would constitute an unlawful expenditure from public funds as defined in an Attorney General's opinion dated April 25, 1979, were discovered during our audit.

14-3D **Travel Expense** - No expenditures for travel expenses of spouses of officials or employees were discovered during our audit.

14-3E **Business Transactions** - No business transactions between officials of the City, Library, or Greenfield Municipal Utilities were discovered by our audit that were other than immaterial and met the guidelines of the Code of Iowa.

14-3F **Bond Coverage** - Surety bond coverage of officials and employees is in accordance with statutory provisions. However, we recommend the amount of coverage be reviewed annually to insure that the coverage is adequate for current operations. A listing of Officials and bond coverage amounts is presented on a separate page in another section of this overall report.

14-3G **Minutes** - No transactions were found that we believe should have been approved in the minutes, but were not. The minutes were published within the 15 days required by Chapter 372.13(6) of the Code of Iowa.

14-3H **Deposits and Investments** - No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.

14-3I **Revenue Bonds and Notes** - All debt resolutions were complied with except for the component unit, Greenfield Municipal Utilities Water activities, which had a short fall of \$5,095 in funding its principal and interest sinking reserve, which was funded after June 30, 2014.

14-3J **Urban Renewal Annual Report** - The urban renewal annual report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.