

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

*Audited Financial Statements*  
*For the Year Ended December 31, 2014*

**CITY OF GREENFIELD  
Hennepin County, Minnesota**

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**FOR THE YEAR ENDED DECEMBER 31, 2014**

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**CITY OF GREENFIELD  
Hennepin County, Minnesota**

**ELECTED OFFICIALS AND ADMINISTRATION  
December 31, 2014**

<u>Member Name</u>	<u>Position</u>	<u>Term of Office Expires</u>
Brad Johnson	Mayor	December 31, 2014
Tom Cook	Councilmember	December 31, 2014
Michael Erickson	Councilmember	December 31, 2016
Chuck Alcon	Councilmember	December 31, 2014
Mark Holten	Councilmember	December 31, 2016
<u>Administration</u>		
Bonnie Ritter	City Administrator	N/A



## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Greenfield, Minnesota

### **Report on the Financial Statements**

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, Minnesota (the City), as of and for the year ended December 31, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

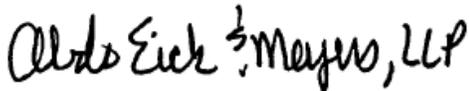
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The elected officials and administration and supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

The elected officials and administration information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
April 30, 2015

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**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2014**  
**(unaudited)**

As management of the City of Greenfield, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2014.

**Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities at the close of the most recent fiscal year by \$ 10,875,976 (*net position*). Of this amount, \$ 991,948 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$ 290,373. The decrease was a result of net program losses within both governmental activities and business-type activities.
- As of the close of the current year, the City's governmental funds reported combined ending fund balances of \$ 1,155,050, a decrease of \$ 195,254 in comparison with the prior year. Approximately 22% of the total fund balance amount, or \$ 249,363, is restricted for debt service.
- At the end of the current year, unassigned fund balance for the General Fund was \$ 833,049, or 62% of total General Fund expenditures.
- The City's total noncurrent liabilities decreased by \$ 532,683 during the current fiscal year. The decrease is attributable to 2014 bond principal reductions of \$ 530,000, a \$ 7,960 increase in compensated absences payable, and a \$ 10,643 decrease to unamortized bond premiums.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise 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 position* provides information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2014**  
**(unaudited)**

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). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*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, culture and recreation, economic development, and interest on long-term debt. The business-type activities of the City include the Industrial Park Water, Industrial Park Sewer, and Lake Sarah Sewer utilities.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Economic Development Authority for which the City is financially accountable. The Economic Development Authority functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

### **Fund Financial Statements**

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the 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 maintains numerous 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 and other major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2014**  
**(unaudited)**

Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

**Proprietary funds.** The City maintains three proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Industrial Park Water, Industrial Park Sewer, and Lake Sarah Sewer utility services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds which are considered to be major funds of the City.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

### **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.

### **Other Information**

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$ 10,875,976 at the close of the most recent fiscal year.

A large portion of the City's net position (81.5%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2014**  
**(unaudited)**

**City of Greenfield's Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 2,097,281	\$ 2,512,064	\$ 103,644	\$ 119,013	\$ 2,200,925	\$ 2,631,077
Capital Assets (Net of Accumulated Depreciation)	7,880,745	8,240,184	3,386,715	3,472,408	11,267,460	11,712,592
Total Assets	<u>9,978,026</u>	<u>10,752,248</u>	<u>3,490,359</u>	<u>3,591,421</u>	<u>13,468,385</u>	<u>14,343,669</u>
Deferred Outflows of Resources	<u>45,471</u>	<u>54,565</u>	<u>-</u>	<u>-</u>	<u>45,471</u>	<u>54,565</u>
Current Liabilities	115,780	179,140	58,545	56,507	174,325	235,647
Noncurrent Liabilities	<u>2,463,555</u>	<u>2,996,238</u>	<u>-</u>	<u>-</u>	<u>2,463,555</u>	<u>2,996,238</u>
Total Liabilities	<u>2,579,335</u>	<u>3,175,378</u>	<u>58,545</u>	<u>56,507</u>	<u>2,637,880</u>	<u>3,231,885</u>
Net Position:						
Net Investment in Capital Assets	5,474,971	5,302,861	3,386,715	3,472,408	8,861,686	8,775,269
Restricted	1,022,342	1,387,586	-	-	1,022,342	1,387,586
Unrestricted	<u>946,849</u>	<u>940,988</u>	<u>45,099</u>	<u>62,506</u>	<u>991,948</u>	<u>1,003,494</u>
Total Net Position	<u>\$ 7,444,162</u>	<u>\$ 7,631,435</u>	<u>\$ 3,431,814</u>	<u>\$ 3,534,914</u>	<u>\$ 10,875,976</u>	<u>\$ 11,166,349</u>

An additional portion of the City's net position (9.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$ 991,948) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2014**  
**(unaudited)**

**Governmental activities.** Governmental activities decreased the City's net position by \$ 187,273. Key elements of these changes are as follows:

**City of Greenfield's Changes in Net Position**

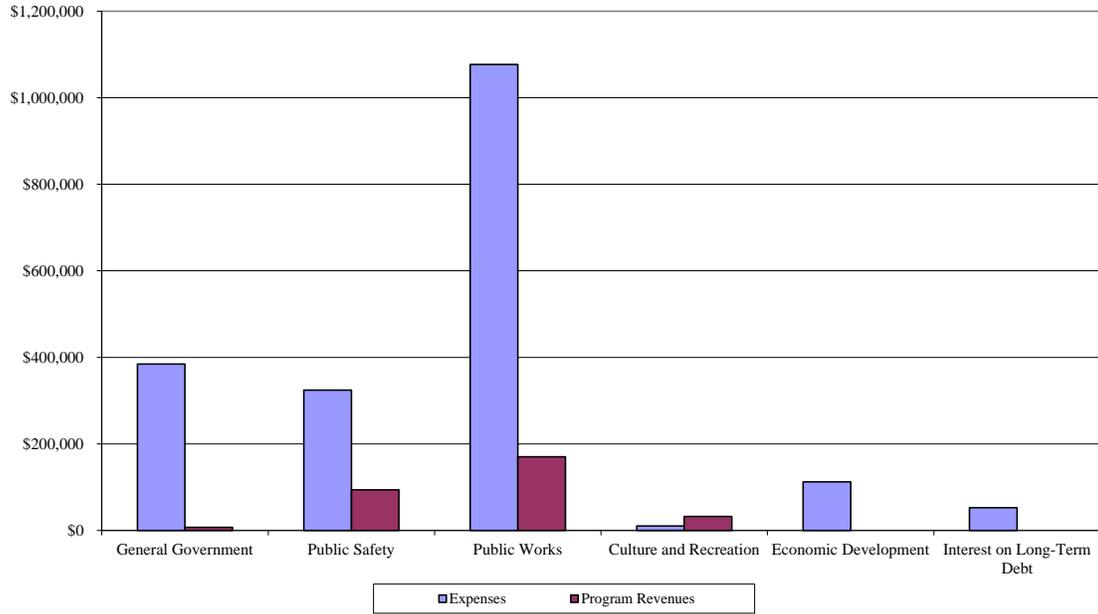
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 174,431	\$ 149,607	\$ 159,754	\$ 166,460	\$ 334,185	\$ 316,067
Operating Grants and Contributions	76,554	10,921	-	-	76,554	10,921
Capital Grants and Contributions	52,448	204,070	-	-	52,448	204,070
<b>General Revenues:</b>						
Property Taxes	1,455,621	1,374,818	-	-	1,455,621	1,374,818
Tax Increments	-	131,351	-	-	-	131,351
State Aid	5,147	5,329	-	-	5,147	5,329
Other General Revenue	1,960	562	-	-	1,960	562
Unrestricted Investment Earnings	7,265	14,218	500	1,037	7,765	15,255
Total Revenues	<u>1,773,426</u>	<u>1,890,876</u>	<u>160,254</u>	<u>167,497</u>	<u>1,933,680</u>	<u>2,058,373</u>
<b>Expenses:</b>						
General Government	384,656	353,054	-	-	384,656	353,054
Public Safety	324,201	331,791	-	-	324,201	331,791
Public Works	1,077,052	881,788	-	-	1,077,052	881,788
Culture and Recreation	10,312	33,130	-	-	10,312	33,130
Economic Development	112,191	121,238	-	-	112,191	121,238
Interest on Long-Term Debt	52,287	59,972	-	-	52,287	59,972
Industrial Park Water	-	-	108,173	114,299	108,173	114,299
Industrial Park Sewer	-	-	120,776	120,215	120,776	120,215
Lake Sarah Sewer	-	-	34,405	137,265	34,405	137,265
Total Expenses	<u>1,960,699</u>	<u>1,780,973</u>	<u>263,354</u>	<u>371,779</u>	<u>2,224,053</u>	<u>2,152,752</u>
Change in Net Position	(187,273)	109,903	(103,100)	(204,282)	(290,373)	(94,379)
Net Position - Beginning, as Restated	<u>7,631,435</u>	<u>7,521,532</u>	<u>3,534,914</u>	<u>3,739,196</u>	<u>11,166,349</u>	<u>11,260,728</u>
Net Position - Ending	<u>\$ 7,444,162</u>	<u>\$ 7,631,435</u>	<u>\$ 3,431,814</u>	<u>\$ 3,534,914</u>	<u>\$ 10,875,976</u>	<u>\$ 11,166,349</u>

- Property tax revenues increased by \$ 80,803 (5.9%) during the year.
- Tax increment revenues decreased from \$ 131,351 to \$ 0, resulting from decertification of the City's sole TIF district.
- Capital grants and contributions decreased from \$ 204,070 in 2013 to \$ 52,448 in 2014. The City received a capital contribution of \$ 120,500 from a private developer in 2013 which contributed to the decrease.
- Total governmental expenses increased by \$ 179,726 (10.1%) during the year, the majority of which was in public works.

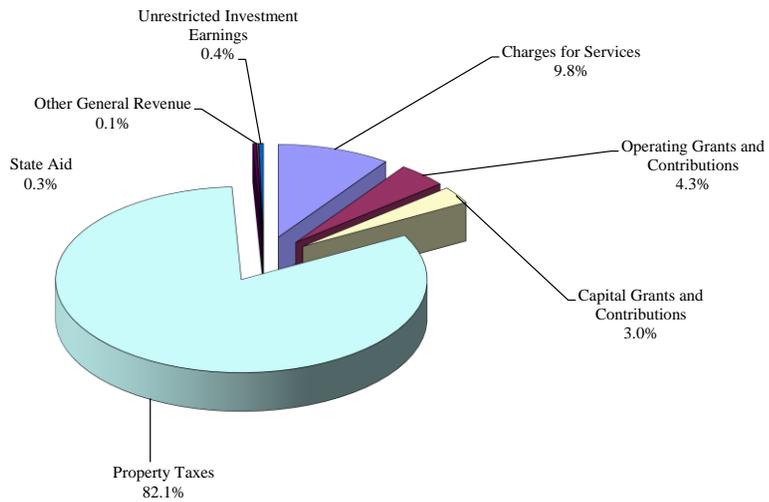
**CITY OF GREENFIELD  
Hennepin County, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2014  
(unaudited)**

**Expenses and Program Revenues - Governmental Activities**



**Revenues by Source - Governmental Activities**



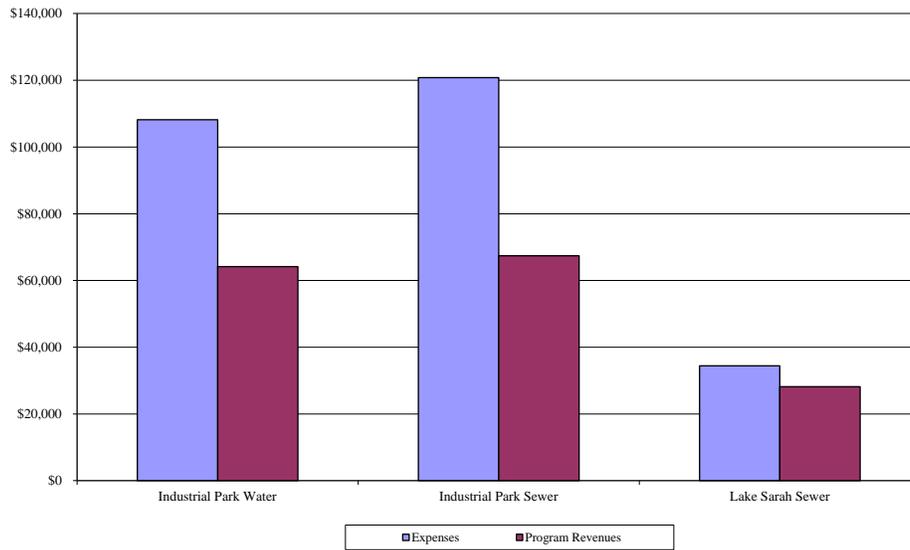
**CITY OF GREENFIELD  
Hennepin County, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2014  
(unaudited)**

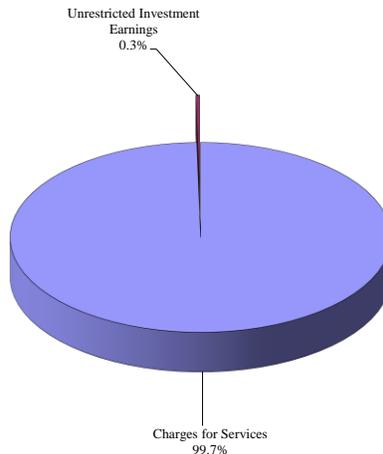
**Business-type activities.** Business-type activities decreased the City's net position by \$ 103,100. Key elements of this decrease are as follows:

- The Industrial Park Water fund had an operating loss of \$ 44,017.
- The Industrial Park Sewer fund had an operating loss of \$ 53,348.
- The Lake Sarah Sewer fund had an operating loss of \$ 6,235.

**Expenses and Program Revenues - Business-type Activities**



**Revenues by Source - Business-type Activities**



**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2014**  
**(unaudited)**

**Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$ 1,155,050, a decrease of \$ 195,254 in comparison with the prior year. Approximately 69.6% of the total fund balance amount, or \$ 803,725, constitutes *unassigned fund balance* which is available for spending at the City's discretion. The remainder of fund balance is considered *nonspendable* (\$ 8,391), *restricted* (\$ 274,625), *committed* (\$ 52,348), or *assigned* (\$ 15,961).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$ 833,049, while total fund balance decreased to \$ 841,440. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 61.5% of total General Fund expenditures, while total fund balance represents 62.2% of that same amount.

The fund balance of the City's General Fund decreased by \$ 14,011 during the current fiscal year. Key factors in this decrease are as follows:

- The City originally budgeted for no change in the General Fund balance in 2014. An amendment to the 2014 budget increased the paved streets expenditure department budget by \$ 70,867.
- Overall General Fund revenues were \$ 1,364,991 as compared to \$ 1,379,002 for expenditures and transfers out.
- The City's General Fund revenues were \$ 134,200 over budget, while expenditures were \$ 77,344 over the amended budget.

The G.O. Crossover Refunding Bonds of 2004 (2000) debt service fund was refunded by the \$ 2,895,000 G.O. Refunding Bonds of 2010 (2004/2000). The 2004 (2000) bond fund had \$ 338,440 of 2014 revenues, including property taxes, special assessments, and investment income, and \$ 322,718 of 2014 debt service expenditures. The debt service fund balance increased by \$ 15,722 to \$ 142,092 at year-end.

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2014**  
**(unaudited)**

*Proprietary funds.* The City's proprietary funds provide the same type of information found in the City's government-wide financial statements, but in more detail.

Unrestricted net position of the Industrial Park Water, Industrial Park Sewer, and Lake Sarah Sewer utility funds at the end of the year amounted to \$ 45,099. The total decline in net position for the funds was \$ 103,100. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

**General Fund Budgetary Highlights**

The overall original budget projected revenues equal to expenditures and transfers out. During the year there was one amendment to the budget. In 2014, the City Council amended its General Fund budget by authorizing the use of unspent 2013 paved and unpaved street department funds, thereby increasing its 2014 paved streets department budget by \$ 70,867. Actual expenditures and transfers out exceeded revenues by \$ 14,011, resulting in a total fund balance decrease of that amount in 2014.

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2014, amounted to \$ 11,267,460 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, other improvements and infrastructure, and machinery and equipment.

**City of Greenfield's Capital Assets**  
**(Net of Accumulated Depreciation)**  
**December 31, 2014**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land and Improvements	\$ 1,229,467	\$ 1,229,467	\$ 194,772	\$ 194,772	\$ 1,424,239	\$ 1,424,239
Buildings and Improvements	543,109	537,384	1,670,161	1,707,608	2,213,270	2,244,992
Other Improvements and Infrastructure	5,944,942	6,339,709	1,521,782	1,570,028	7,466,724	7,909,737
Machinery and Equipment	163,227	133,624	-	-	163,227	133,624
Net Capital Assets	<u>\$ 7,880,745</u>	<u>\$ 8,240,184</u>	<u>\$ 3,386,715</u>	<u>\$ 3,472,408</u>	<u>\$ 11,267,460</u>	<u>\$ 11,712,592</u>

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2014**  
**(unaudited)**

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$ 2,405,000, which is all backed by the full faith and credit of the City. In addition, the City is liable for employee compensated absences.

**City of Greenfield's Outstanding Debt**  
**December 31, 2014**

	Governmental Activities		Business-Type Activities		Total	
	2014	213	2014	2013	2014	2013
G.O. Bonds	\$ 530,000	\$ 610,000	\$ -	\$ -	\$ 530,000	\$ 610,000
G.O. Special Assessment Bonds	1,875,000	2,325,000	-	-	1,875,000	2,325,000
Compensated Absences	12,310	4,350	-	-	12,310	4,350
Unamortized Bond Premium	46,245	56,888	-	-	46,245	56,888
<b>Total</b>	<b>\$ 2,463,555</b>	<b>\$ 2,996,238</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,463,555</b>	<b>\$ 2,996,238</b>

The City's total noncurrent liabilities decreased by \$ 532,683 during the current fiscal year. The decrease is attributable to 2014 bond principal reductions of \$ 530,000, a \$ 7,960 increase in compensated absences payable, and a \$ 10,643 decrease to unamortized bond premiums.

Minnesota statutes limit the amount of net general obligation debt a City may issue to 3% of its market value of taxable property within the City. The current debt limitation for the City is approximately \$ 11.5 million, which is in excess of the City's applicable net outstanding general obligation debt (special assessment and revenue backed debt is excluded, per Minnesota statutes).

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

- Property valuations within the City decreased 3.8% from 2013 to 2014, and increased 6.8% from 2014 to 2015.
- The unemployment rate for Hennepin County is currently (February 2015) 3.6%. This compares favorably to the State of Minnesota's average unemployment rate of 4.4% and the national average unemployment rate of 5.8%.

All of these factors were considered in preparing the City's budget for the 2015 fiscal year. Total property taxes levied for 2015 increased by 4.1% from property taxes levied for 2014. The City's tax capacity rate decreased from 37.9% for 2014 property taxes to 37.1% for 2015 property taxes.

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances 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 information should be addressed to the City Administrator, City of Greenfield, 7738 Commerce Circle, Greenfield, Minnesota, 55373.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**STATEMENT OF NET POSITION**  
**December 31, 2014**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Investments (Including Cash Equivalents)	\$ 1,173,671	\$ 125,727	\$ 1,299,398
Receivables:			
Accounts	-	13,015	13,015
Interest	4,336	-	4,336
Taxes	27,716	-	27,716
Special Assessments	801,413	4,303	805,716
Due from Other Governments	48,853	-	48,853
Internal Balances	39,401	(39,401)	-
Prepaid Items	1,891	-	1,891
Capital Assets Not Being Depreciated:			
Land and Improvements	1,229,467	194,772	1,424,239
Capital Assets Net of Accumulated Depreciation:			
Buildings and Improvements	543,109	1,670,161	2,213,270
Other Improvements and Infrastructure	5,944,942	1,521,782	7,466,724
Machinery and Equipment	163,227	-	163,227
	<u>9,978,026</u>	<u>3,490,359</u>	<u>13,468,385</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Charges on Refunding	45,471	-	45,471
	<u>45,471</u>	<u>-</u>	<u>45,471</u>
<b>LIABILITIES:</b>			
Accounts Payable	66,144	58,545	124,689
Due to Other Governments	38,551	-	38,551
Salaries Payable	8,407	-	8,407
Interest Payable	2,678	-	2,678
Noncurrent Liabilities:			
Due Within One Year:			
Bonds Payable	520,000	-	520,000
Compensated Absences Payable	12,310	-	12,310
Due in More than One Year:			
Bonds Payable	1,885,000	-	1,885,000
Unamortized Bond Premium	46,245	-	46,245
	<u>2,579,335</u>	<u>58,545</u>	<u>2,637,880</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	5,474,971	3,386,715	8,861,686
Restricted for:			
Debt Service	997,080	-	997,080
Park Dedication	25,262	-	25,262
Unrestricted	946,849	45,099	991,948
	<u>7,444,162</u>	<u>3,431,814</u>	<u>10,875,976</u>
Total Net Position	<u>\$ 7,444,162</u>	<u>\$ 3,431,814</u>	<u>\$ 10,875,976</u>

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2014**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
<b>Governmental Activities:</b>							
General Government	\$ 384,656	\$ 6,925	\$ -	\$ -	\$ (377,731)	\$ -	\$ (377,731)
Public Safety	324,201	84,404	9,555	-	(230,242)	-	(230,242)
Public Works	1,077,052	55,102	62,805	52,448	(906,697)	-	(906,697)
Culture and Recreation	10,312	28,000	4,194	-	21,882	-	21,882
Economic Development	112,191	-	-	-	(112,191)	-	(112,191)
Interest on Long-Term Debt	52,287	-	-	-	(52,287)	-	(52,287)
Total Governmental Activities	<u>1,960,699</u>	<u>174,431</u>	<u>76,554</u>	<u>52,448</u>	<u>(1,657,266)</u>	<u>-</u>	<u>(1,657,266)</u>
<b>Business-Type Activities:</b>							
Industrial Park Water	108,173	64,156	-	-	-	(44,017)	(44,017)
Industrial Park Sewer	120,776	67,428	-	-	-	(53,348)	(53,348)
Lake Sarah Sewer	34,405	28,170	-	-	-	(6,235)	(6,235)
Total Business-Type Activities	<u>263,354</u>	<u>159,754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(103,600)</u>	<u>(103,600)</u>
Total Governmental and Business-Type Activities	<u>\$ 2,224,053</u>	<u>\$ 334,185</u>	<u>\$ 76,554</u>	<u>\$ 52,448</u>	<u>(1,657,266)</u>	<u>(103,600)</u>	<u>(1,760,866)</u>
<b>General Revenues:</b>							
Property Taxes Levied for General Purposes					1,129,000	-	1,129,000
Property Taxes Levied for Debt Service					326,018	-	326,018
Property Taxes Levied for Special Purpose					603	-	603
State Aid					5,147	-	5,147
Other General Revenues					1,960	-	1,960
Unrestricted Investment Earnings					7,265	500	7,765
Total General Revenues					<u>1,469,993</u>	<u>500</u>	<u>1,470,493</u>
Change in Net Position					(187,273)	(103,100)	(290,373)
Net Position - Beginning of Year					<u>7,631,435</u>	<u>3,534,914</u>	<u>11,166,349</u>
Net Position - Ending of Year					<u>\$ 7,444,162</u>	<u>\$ 3,431,814</u>	<u>\$ 10,875,976</u>

☐ The Notes to the Financial Statements are an integral part of this statement.

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**December 31, 2014**

	General	Debt Service G.O. Refunding Bonds of 2010 (2004/2000)	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>				
Cash and Investments	\$ 840,301	\$ 134,038	\$ 199,332	\$ 1,173,671
Interest Receivable	4,336	-	-	4,336
Taxes Receivable - Delinquent	21,410	3,969	2,337	27,716
Special Assessments Receivable	28,037	689,350	84,026	801,413
Due from Other Governments	38,717	8,054	2,082	48,853
Prepaid Items	1,891	-	-	1,891
Due from Other Funds	48,482	-	-	48,482
Advances to Other Funds	20,815	-	-	20,815
	<b>\$ 1,003,989</b>	<b>\$ 835,411</b>	<b>\$ 287,777</b>	<b>\$ 2,127,177</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 66,144	\$ -	\$ -	\$ 66,144
Due to Other Governments	38,551	-	-	38,551
Salaries Payable	8,407	-	-	8,407
Due to Other Funds	-	-	9,081	9,081
Advances from Other Funds	-	-	20,815	20,815
Total Liabilities	113,102	-	29,896	142,998
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenue - Property Taxes	21,410	3,969	2,337	27,716
Unavailable Revenue - Special Assessments	28,037	689,350	84,026	801,413
Total Deferred Inflows of Resources	49,447	693,319	86,363	829,129
<b>Fund Balances:</b>				
Nonspendable	8,391	-	-	8,391
Restricted	-	142,092	132,533	274,625
Committed	-	-	52,348	52,348
Assigned	-	-	15,961	15,961
Unassigned	833,049	-	(29,324)	803,725
Total Fund Balances	841,440	142,092	171,518	1,155,050
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<b>\$ 1,003,989</b>	<b>\$ 835,411</b>	<b>\$ 287,777</b>	<b>\$ 2,127,177</b>

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET POSITION -  
GOVERNMENTAL FUNDS  
December 31, 2014**

Total Fund Balances - Governmental Funds	\$ 1,155,050
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.</p>	
Cost of Capital Assets	15,704,243
Less Accumulated Depreciation	(7,823,498)
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:</p>	
Bond Principal Payable	(2,405,000)
Unamortized Deferred Charges on Refunding	45,471
Unamortized Bond Premium	(46,245)
Compensated Absences Payable	(12,310)
<p>Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and therefore are delayed in the funds.</p>	
Delinquent Taxes Receivable	27,716
<p>Special assessments receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and therefore are delayed in the funds.</p>	
Special Assessments Receivable	801,413
<p>Governmental funds do not report a liability for accrued interest until due and payable.</p>	
	<u>(2,678)</u>
Total Net Position - Governmental Activities	<u><u>\$ 7,444,162</u></u>

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2014**

	General	Debt Service G.O. Refunding Bonds of 2010 (2004/2000)	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Property Taxes	\$ 1,133,862	\$ 205,228	\$ 121,393	\$ 1,460,483
Special Assessments	-	132,517	71,746	204,263
Licenses and Permits	77,813	-	-	77,813
Intergovernmental	67,952	-	4,194	72,146
Charges for Services	63,689	-	28,000	91,689
Fines and Forfeitures	6,888	-	-	6,888
Miscellaneous:				
Investment Income	5,231	695	1,339	7,265
Other	9,556	-	-	9,556
Total Revenues	<u>1,364,991</u>	<u>338,440</u>	<u>226,672</u>	<u>1,930,103</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	363,841	-	-	363,841
Public Safety	309,585	-	-	309,585
Public Works	630,594	-	-	630,594
Culture and Recreation	2,947	-	4,184	7,131
Economic Development	-	-	112,191	112,191
Debt Service:				
Principal	-	280,000	250,000	530,000
Interest and Fiscal Charges	-	42,718	20,720	63,438
Capital Outlay:				
General Government	19,964	-	-	19,964
Public Works	26,636	-	-	26,636
Culture and Recreation	-	-	61,977	61,977
Total Expenditures	<u>1,353,567</u>	<u>322,718</u>	<u>449,072</u>	<u>2,125,357</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,424</u>	<u>15,722</u>	<u>(222,400)</u>	<u>(195,254)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	-	25,435	25,435
Transfers Out	(25,435)	-	-	(25,435)
Total Other Financing Sources (Uses)	<u>(25,435)</u>	<u>-</u>	<u>25,435</u>	<u>-</u>
Net Change in Fund Balances	(14,011)	15,722	(196,965)	(195,254)
Fund Balances - Beginning of Year	<u>855,451</u>	<u>126,370</u>	<u>368,483</u>	<u>1,350,304</u>
Fund Balances - Ending of Year	<u>\$ 841,440</u>	<u>\$ 142,092</u>	<u>\$ 171,518</u>	<u>\$ 1,155,050</u>

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2014**

Total Net Change in Fund Balances - Governmental Funds \$ (195,254)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlays	101,496
Depreciation Expense	(460,935)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Payments on Long-Term Debt	530,000
Change in Accrued Interest Payable	508
Amortization of Deferred Charges on Refunding	(9,094)
Amortization of Bond Premium	10,643

Some 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.

Change in Compensated Absences Payable	(7,960)
--	---------

Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.

Delinquent Property Taxes	(4,862)
Special Assessments	(151,815)

Change in Net Position - Governmental Activities \$ (187,273)

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES:</b>				
Property Taxes	\$ 1,129,161	\$ 1,129,161	\$ 1,133,862	\$ 4,701
Licenses and Permits	30,100	30,100	77,813	47,713
<b>Intergovernmental Revenues:</b>				
Federal FEMA Grant	-	-	22,098	22,098
State Market Value Homestead Credit	-	-	4,408	4,408
State PERA Aid	-	-	739	739
County Recycling Aid	8,150	8,150	8,135	(15)
County CAM Aid	11,820	11,820	32,572	20,752
Total Intergovernmental Revenues	19,970	19,970	67,952	47,982
<b>Charges for Services:</b>				
Zoning and Subdivision Fees	-	-	4,700	4,700
Sale of Copies and Maps	100	100	140	40
Assessment Searches	100	100	375	275
Recycling Fees	35,000	35,000	46,785	11,785
Street Lighting Fees	8,260	8,260	8,317	57
Siren Fees	-	-	3,372	3,372
Total Charges for Services	43,460	43,460	63,689	20,229
Fines	8,000	8,000	6,888	(1,112)
<b>Miscellaneous:</b>				
Investment Income	-	-	5,231	5,231
Refunds and Reimbursements	100	100	9,556	9,456
Total Miscellaneous	100	100	14,787	14,687
Total Revenues	1,230,791	1,230,791	1,364,991	134,200

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended December 31, 2014**  
(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>EXPENDITURES:</b>				
General Government:				
Mayor and Council:				
Personal Services	\$ 21,256	\$ 21,256	\$ 21,342	\$ (86)
Other Services and Charges	1,200	1,200	230	970
Administrator:				
Personal Services	83,727	83,727	85,554	(1,827)
Other Services and Charges	200	200	373	(173)
Other Administration:				
Supplies	2,500	2,500	2,837	(337)
Other Services and Charges	60,877	60,877	63,521	(2,644)
Elections:				
Personal Services	4,500	4,500	1,455	3,045
Supplies	500	500	1,015	(515)
Other Services and Charges	800	800	1,265	(465)
Finance:				
Personal Services	62,833	62,833	61,080	1,753
Other Services and Charges	35,070	35,070	35,672	(602)
Assessing:				
Other Services and Charges	29,000	29,000	29,000	-
Legal Services:				
Other Services and Charges	15,000	15,000	18,391	(3,391)
Planning and Zoning:				
Personal Services	826	826	530	296
Other Services and Charges	2,550	2,550	11,208	(8,658)
General Government Buildings:				
Supplies	200	200	222	(22)
Other Services and Charges	21,330	21,330	21,684	(354)
Capital Outlay	0	0	19,964	(19,964)
General Engineering:				
Other Services and Charges	3,000	3,000	8,462	(5,462)
Total General Government	<u>345,369</u>	<u>345,369</u>	<u>383,805</u>	<u>(38,436)</u>

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended December 31, 2014  
(Continued)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>EXPENDITURES: (Continued)</b>				
<b>Public Safety:</b>				
Police Protection:				
Other Services and Charges	\$ 67,474	\$ 67,474	\$ 67,474	\$ -
Adult Corrections:				
Other Services and Charges	500	500	-	500
Fire Protection:				
Other Services and Charges	199,716	199,716	195,248	4,468
Building Inspection:				
Other Services and Charges	5,000	5,000	43,353	(38,353)
Emergency Management:				
Other Services and Charges	1,150	1,150	2,145	(995)
Traffic Signals:				
Other Services and Charges	1,700	1,700	1,365	335
Total Public Safety	<u>275,540</u>	<u>275,540</u>	<u>309,585</u>	<u>(34,045)</u>
<b>Public Works:</b>				
General Public Works:				
Personal Services	156,126	156,126	162,842	(6,716)
Supplies	38,400	38,400	32,092	6,308
Other Services and Charges	33,676	33,676	34,896	(1,220)
Capital Outlay	22,000	22,000	26,636	(4,636)
Paved Streets:				
Other Services and Charges	117,615	188,482	189,455	(973)
Unpaved Streets:				
Other Services and Charges	132,430	132,430	98,422	34,008
Ice and Snow Removal:				
Other Services and Charges	16,000	16,000	23,963	(7,963)
Ditch Cleaning/Culverts:				
Other Services and Charges	12,000	12,000	30,875	(18,875)
Street Lighting:				
Other Services and Charges	8,900	8,900	8,685	215
Recycling:				
Other Services and Charges	41,000	41,000	45,800	(4,800)
Weed/Tree/Grass Control:				
Supplies	3,500	3,500	3,564	(64)
Total Public Works	<u>581,647</u>	<u>652,514</u>	<u>657,230</u>	<u>(4,716)</u>

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended December 31, 2014**  
(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
EXPENDITURES: (Continued)				
Culture and Recreation:				
Parks:				
Supplies	\$ 2,350	\$ 2,350	\$ 2,296	\$ 54
Other Services and Charges	450	450	651	(201)
Total Culture and Recreation	<u>2,800</u>	<u>2,800</u>	<u>2,947</u>	<u>(147)</u>
Total Expenditures	<u>1,205,356</u>	<u>1,276,223</u>	<u>1,353,567</u>	<u>(77,344)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,435	(45,432)	11,424	56,856
OTHER FINANCING USES:				
Transfers Out	<u>(25,435)</u>	<u>(25,435)</u>	<u>(25,435)</u>	<u>-</u>
Net Change in Fund Balances	-	(70,867)	(14,011)	56,856
Fund Balance - Beginning of Year	<u>855,451</u>	<u>855,451</u>	<u>855,451</u>	<u>-</u>
Fund Balance - Ending of Year	<u><u>\$ 855,451</u></u>	<u><u>\$ 784,584</u></u>	<u><u>\$ 841,440</u></u>	<u><u>\$ 56,856</u></u>

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**December 31, 2014**

	Industrial Park Water	Industrial Park Sewer	Lake Sarah Sewer	Total
<b>ASSETS:</b>				
Current Assets:				
Cash and Investments (Including Cash Equivalents)	\$ 52,707	\$ -	\$ 73,020	\$ 125,727
Accounts Receivable	4,636	7,093	1,286	13,015
Special Assessments Receivable	2,111	841	1,351	4,303
Total Current Assets	59,454	7,934	75,657	143,045
Noncurrent Assets:				
Capital Assets:				
Land and Improvements	128,772	66,000	-	194,772
Buildings and Improvements	1,236,439	1,500,165	17,241	2,753,845
Other Improvements and Infrastructure	1,055,192	738,983	472,911	2,267,086
Machinery and Equipment	10,434	10,434	-	20,868
Total Capital Assets	2,430,837	2,315,582	490,152	5,236,571
Less Accumulated Depreciation	(778,106)	(740,608)	(331,142)	(1,849,856)
Net Capital Assets	1,652,731	1,574,974	159,010	3,386,715
Total Assets	\$ 1,712,185	\$ 1,582,908	\$ 234,667	\$ 3,529,760
<b>LIABILITIES AND NET POSITION:</b>				
Current Liabilities:				
Accounts Payable	\$ 15,974	\$ 21,346	\$ 21,225	\$ 58,545
Due to Other Funds	-	39,401	-	39,401
Total Current Liabilities	15,974	60,747	21,225	97,946
NET POSITION:				
Net Investment in Capital Assets	1,652,731	1,574,974	159,010	3,386,715
Unrestricted	43,480	(52,813)	54,432	45,099
Total Net Position	1,696,211	1,522,161	213,442	3,431,814
Total Liabilities and Net Position	\$ 1,712,185	\$ 1,582,908	\$ 234,667	\$ 3,529,760

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION -  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2014**

	Industrial Park Water	Industrial Park Sewer	Lake Sarah Sewer	Total
Operating Revenues:				
Charges for Services	\$ 64,156	\$ 67,428	\$ 28,170	\$ 159,754
Operating Expenses:				
Other Services and Charges	47,374	61,369	22,043	130,786
Depreciation	60,799	59,407	12,362	132,568
Total Operating Expenses	108,173	120,776	34,405	263,354
Operating Income (Loss)	(44,017)	(53,348)	(6,235)	(103,600)
Nonoperating Revenues:				
Investment Income	382	(367)	485	500
Income (Loss) Before Transfers	(43,635)	(53,715)	(5,750)	(103,100)
Transfers In	-	46,000	-	46,000
Transfers Out	(46,000)	-	-	(46,000)
Change in Net Position	(89,635)	(7,715)	(5,750)	(103,100)
Net Position - Beginning of Year	1,785,846	1,529,876	219,192	3,534,914
Net Position - Ending of Year	<u>\$ 1,696,211</u>	<u>\$ 1,522,161</u>	<u>\$ 213,442</u>	<u>\$ 3,431,814</u>

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2014**

	Industrial Park Water	Industrial Park Sewer	Lake Sarah Sewer	Total
<b>CASH FLOWS - OPERATING ACTIVITIES:</b>				
Receipts from Customers and Users	\$ 64,205	\$ 67,245	\$ 28,516	\$ 159,966
Payments to Suppliers/Vendors	(50,858)	(59,351)	(61,474)	(171,683)
Net Cash Flows - Operating Activities	<u>13,347</u>	<u>7,894</u>	<u>(32,958)</u>	<u>(11,717)</u>
<b>CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES:</b>				
Receipt from (Payment on) Interfund Loan	-	(53,527)	-	(53,527)
Net Transfers	(46,000)	46,000	-	-
Net Cash Flows - Noncapital Financing Activities	<u>(46,000)</u>	<u>(7,527)</u>	<u>-</u>	<u>(53,527)</u>
<b>CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of Capital Assets	-	-	(1,996)	(1,996)
<b>CASH FLOWS - INVESTING ACTIVITIES:</b>				
Interest and Dividends Received (Paid)	<u>382</u>	<u>(367)</u>	<u>485</u>	<u>500</u>
Net Change in Cash and Cash Equivalents	(32,271)	-	(34,469)	(66,740)
Cash and Cash Equivalents, January 1	<u>84,978</u>	<u>-</u>	<u>107,489</u>	<u>192,467</u>
Cash and Cash Equivalents, December 31	<u>\$ 52,707</u>	<u>\$ -</u>	<u>\$ 73,020</u>	<u>\$ 125,727</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS - OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	<u>\$ (44,017)</u>	<u>\$ (53,348)</u>	<u>\$ (6,235)</u>	<u>\$ (103,600)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows - Operating Activities:				
Depreciation Expense	60,799	59,407	12,362	132,568
Change in Accounts Receivable	317	85	(436)	(34)
Change in Special Assessments Receivable	(268)	(268)	782	246
Change in Prepaid Items	937	950	57	1,944
Change in Accounts Payable	(4,421)	1,068	(39,488)	(42,841)
Total Adjustments	<u>57,364</u>	<u>61,242</u>	<u>(26,723)</u>	<u>91,883</u>
Net Cash Flows - Operating Activities	<u>\$ 13,347</u>	<u>\$ 7,894</u>	<u>\$ (32,958)</u>	<u>\$ (11,717)</u>
Noncash Activities:				
Purchase of Capital Assets on Account	\$ 14,816	\$ 14,818	\$ 15,245	\$ 44,879

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**STATEMENT OF FIDUCIARY NET POSITION**  
**December 31, 2014**

	<u>Developer Escrows Agency Fund</u>
<b>ASSETS:</b>	
Cash and Investments (Including Cash Equivalents)	\$ 24,717
Accounts Receivable	2,063
Special Assessments Receivable	<u>7,733</u>
 Total Assets	 <u><u>\$ 34,513</u></u>
 <b>LIABILITIES:</b>	
Accounts Payable	 <u><u>\$ 34,513</u></u>

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2014**

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

**A. Reporting Entity**

The City of Greenfield (the City) is a statutory city governed by an elected mayor and four council members. The accompanying financial statements present the government entities for which the government is considered to be financially accountable.

The financial statements present the City and its component units. The City includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, certain organizations have been defined and are presented in this report as follows:

Blended Component Units – Reported as if they were part of the City.

Jointly Governed Organizations – The relationship of the City with the entity is disclosed.

For each of the categories above, the specific entities are identified as follows:

**1. Blended Component Unit**

The Economic Development Authority of Greenfield (EDA) was created pursuant to *Minnesota Statutes* 469.090 through 469.108 to carry out economic and industrial development and redevelopment consistent with policies established by the City Council. The City has the authority to approve and modify the EDA's budget, and the City Council has the ability to veto, overrule, or modify the decisions of the EDA Board of Commissioners. The EDA is governed by a total of five commissioners, all of which are City Council members. The EDA activities are blended and reported as a special revenue fund due to substantively the same governing board and due to the City having operational responsibility. Separate financial statements are not prepared for the EDA.

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2014**

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

**A. Reporting Entity (Continued)**

**2. Jointly Governed Organization**

The Pioneer-Sarah Creek Watershed Management Commission is a joint powers watershed management organization formed under *Minnesota Statutes* 103B.201-103B.255 and *Minnesota Rules* Chapter 8410. The Pioneer-Sarah Creek watershed covers about 70.5 square miles in northwestern Hennepin County. The six cities in the watershed jointly manage the water resources in this area through the Commission. The member cities are Greenfield, Independence, Loretto, Maple Plain, Medina and Minnetrista. The goal of the Commission is to enhance the water quality of the water resources within the watershed. The Commission seeks to carry out this goal through public information and education, analysis of the causes of harmful impacts on the water resources, regulation of the use of water bodies and their beds, regulation of land use, and capital improvement projects.

The City remitted \$ 37,195 to the Commission in 2014. The contribution was reported in the City's General Fund.

Complete financial statements for the Commission can be obtained at the Commission's web site: <http://pioneersarahcreek.org>.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these Statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2014**

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

**B. Government-Wide and Fund Financial Statements (Continued)**

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants,

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2014**

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

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**  
**(Continued)**

entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Description of Funds:**

Major Funds:

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

G.O. Refunding Bonds of 2010 (2004/2000) Debt Service Fund – This Fund accounts for the resources accumulated and payments made for principal and interest on this bond issue.

Proprietary Funds:

Industrial Park Water Fund – This Fund accounts for the operations of the City’s water utility.

Industrial Park Sewer Fund – This Fund accounts for the operations of the City’s sewer utility.

Lake Sarah Sewer Fund – This Fund accounts for the operations of the City’s Lake Sarah sewer utility.

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2014**

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

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation  
(Continued)**

Fiduciary Fund:

Developer Escrows Agency Fund – This Fund accounts for professional fees incurred and paid by developers, but invoiced to the City.

The agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the City holds for others in an agency capacity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are stated at fair value.

**CITY OF GREENFIELD  
Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2014**

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

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

*Minnesota Statutes* require all deposits made by cities with financial institutions to be collateralized in an amount equal to 110% of deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance.

*Minnesota Statutes* authorizes the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements and commercial paper of the highest quality with a maturity of no longer than 270 days and in the Minnesota Municipal Investment Pool.

The City has no formal investment policy to address interest rate risk, credit risk, custodial credit risk, or concentration of credit risk. The City is not exposed to foreign currency risk.

**2. Receivables and Payables**

All trade and property tax receivables are shown at a gross amount since both are assessable to the property taxes and are collectible upon the sale of the property.

The City levies its property tax for the subsequent year during the month of December. December 28 is the last day the City can certify a tax levy to the County Auditor for collection the following year. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. The property tax is recorded as revenue when it becomes measurable and available. Hennepin County is the collecting agency for the levy and remits the collections to the City three times a year. The tax levy notice is mailed in March with the first half payment due on May 15 and the second half payment is due on October 15. Taxes not collected as of December 31 each year are shown as delinquent taxes receivable.

The County Auditor prepares the tax list for all taxable property in the City, applying the applicable tax rate to the tax capacity of individual properties, to arrive at the actual tax for each property. The County Auditor also collects all special assessments, except for certain prepayments paid directly to the City. The County Auditor submits the list of taxes and special assessments to be collected on each parcel of property to the County Treasurer in January of each year.

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue when they are received in cash or

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2014**

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

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

within 60 days after year end. All special assessments receivable are offset by a deferred inflow of resources in the governmental fund financial statements.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account for the non-current portion in the General Fund to indicate that they are not available for appropriation and are not expendable available financial resources.

**3. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**4. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$ 5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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.

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2014**

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

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

Property, plant and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10-50
Other Improvements and Infrastructure	20-50
Machinery and Equipment	5-20

**5. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City only has one type of item, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item is reported only in the governmental funds balance sheet as unavailable revenue. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**6. Compensated Absences**

Upon termination of employment, the City compensates employees for unused annual leave time. Employees are granted annual leave on their employment anniversary date based on their years of service. A maximum of 80 hours of annual leave may be carried over to the next year. The accrued payable as of December 31, 2014 is reflected as a liability on the government-wide statement of net position.

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2014**

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

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**7. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are also reported as other financing sources. Discounts on debt issuances resulting from the stated rate of interest on the debt being less than the comparable market rate of interest at the time the debt is issued are reported as other financing uses, while discounts withheld for underwriter's fees are reported as expenditures. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**8. Fund Equity**

**a. Classification**

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

- **Nonspendable Fund Balance** – This category includes fund balance that cannot be spent because it is either (1) not in spendable form or (2) is legally or contractually required to be maintained intact.
- **Restricted Fund Balance** – These are amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through enabling legislation.
- **Committed Fund Balance** – These are amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council (highest level of decision making authority) through resolution.

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2014**

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

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

- **Assigned Fund Balance** – These are amounts that are constrained by the City’s intent to be used for specific purposes but are neither restricted nor committed. The City Council has delegated the authority to assign and remove assignments of fund balance amounts for specified purposes to the City Administrator.
- **Unassigned Fund Balance** – These are residual amounts in the General Fund not reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted and committed fund balances exceed the total net resources of that fund.

**b. Minimum Fund Balance and Net Position**

The City’s target General Fund balance is to maintain an unassigned fund balance equivalent to at least 50% of the next year’s operating budget. The City will maintain restricted and assigned fund balances in its capital project funds to provide adequate working capital for current expenditure needs. The City will maintain a net position in its enterprise funds to provide adequate working capital for current expense needs.

**9. Net Position**

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net position is displayed in three components:

- A. Net investment in capital assets – Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- B. Restricted net position – Consists of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- C. Unrestricted net position – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2014**

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

**A. Budgetary Information**

1. In August of each year, City staff submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. Public comment is allowed prior to final budget adoption.
3. The budget is legally enacted through passage of a resolution after obtaining taxpayer comments.
4. The budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
5. Expenditures may not legally exceed budgeted appropriations at the department level. No fund's budget can be increased without City Council approval. The City Council may authorize transfer of budgeted amounts between departments within any fund. Management may amend budgets within a department level, so long as the total department budget is not changed.
6. Annual appropriated budgets are adopted during the year for the General Fund. Annual appropriated budgets are not adopted for Debt Service Funds because effective budgetary control is alternatively achieved through bond indenture provisions. Budgetary control for Capital Project Funds is accomplished through the use of project controls and formal appropriated budgets are not adopted.
7. Budgeted amounts are as originally adopted or as amended by the City Council. Budgeted expenditure appropriations lapse at year-end. In 2014, the City Council amended its General Fund budget by authorizing the use of unspent 2013 paved and unpaved street department funds, thereby increasing its 2014 paved streets department budget by \$ 70,867.

Encumbrances outstanding at year-end expire and outstanding purchase orders are canceled and not reported in the financial statements.

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2014**

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

**B. Fund Deficits**

The following funds had a deficit fund balance at December 31, 2014:

Capital Projects Funds:

North Shore Drive Paving	\$ (8,591)
Public Works Capital Equipment	(20,733)

Deficits will be eliminated by collection of special assessments and transfers from other funds.

**C. Excess of Expenditures Over Appropriations**

For the year ended December 31, 2014, General Fund expenditures of \$ 1,353,567 exceeded amended appropriations of \$ 1,276,223 by \$ 77,344. Excess of expenditures were covered by actual revenues exceeding budget.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

Cash balances of the City’s funds are combined (pooled) and invested to the extent available in various investments authorized by *Minnesota Statutes*. Each fund’s portion of this pool is displayed on the financial statements as “cash and investments (including cash equivalents).” For purposes of identifying risk of investing public funds, the balances and related restrictions are summarized as follows:

**A. Deposits**

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of bank failure, the City’s deposits may not be returned to it. As of December 31, 2014, the City was not exposed to custodial credit risk on deposits because it was insured through FDIC and fully bonded or collateralized with securities held by the pledging financial institution’s trust department or agent and in the City’s name.

As of December 31, 2014, the City’s deposits had a bank balance of \$ 90,003 and a book balance of \$ 87,962.

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**B. Investments**

As of December 31, 2014, the City had the following investments:

Investment Type	Fair Value	Investment Maturities		
		Less Than One Year	1 - 5 Years	5-10 Years
Municipal Securities	\$ 51,557	\$ -	\$ 51,557	\$ -
Brokered Certificates of Deposit	1,180,831	491,223	689,608	-
Brokered Money Markets	3,565	3,565	-	-
Total Investments	<u>\$ 1,235,953</u>	<u>\$ 494,788</u>	<u>\$ 741,165</u>	<u>\$ -</u>

**Interest Rate Risk:** Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment and is disclosed using the segmented time distribution method. Approximately 40% of the City’s investments have maturity dates less than one year, while 60% mature in one to five years, and 0% mature in five to ten years. The City does not have a policy addressing this risk.

**Credit Risk:** 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. The City’s investments in municipal securities have a rating of AA2 by Moody’s. Ratings for investments in brokered certificates of deposit and brokered money markets are either not applicable or unavailable. The City does not have a policy addressing this risk.

**Custodial Credit Risk:** Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in possession of an outside party. The investments of the City are not exposed to custodial credit risk as the investments are insured by SIPC, registered, and held by the counterparty’s trust department in the name of the City.

**Concentration of Credit Risk:** Concentration of credit risk is the risk of loss that may be caused by the City’s investment in a single issuer. As of December 31, 2014, investments in Ally Bank Midvale Utah certificate of deposit, Goldman Sachs Bank USA New York certificate of deposit, G.E. Capital Bank certificate of deposit, Bank of China New York certificate of deposit, and First Merchants Bank Indiana certificate of deposit exceeded 5.0% of the City’s total investments. These securities represented 19.9%, 19.9%, 19.8%, 16.2%, and 19.7% of the City’s total investments, respectively. The City does not have a policy addressing this risk.

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

The following is a summary of total deposits and investments:

Deposits (Note 3.A.)	\$ 87,962
Investments	1,235,953
Petty Cash	200
	<u>200</u>
Total Deposits and Investments	<u>\$ 1,324,115</u>

Deposits and investments are classified in the financial statements as follows:

Statement of Net Position:	
Cash and Investments (Including Cash Equivalents)	\$ 1,299,398
Statement of Fiduciary Net Position:	
Cash and Investments (Including Cash Equivalents)	24,717
	<u>24,717</u>
Total Deposits and Investments	<u>\$ 1,324,115</u>

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, not being Depreciated				
Land and Improvements	\$ 1,229,467	\$ -	\$ -	\$ 1,229,467
Capital Assets, being				
Depreciated:				
Buildings and Improvements	756,285	19,327	-	775,612
Other Improvements and Infrastructure	13,065,064	29,550	-	13,094,614
Machinery and Equipment	551,931	52,619	-	604,550
Total Capital Assets, being Depreciated	14,373,280	101,496	-	14,474,776
Less Accumulated				
Depreciation for:				
Buildings and Improvements	218,901	13,602	-	232,503
Other Improvements and Infrastructure	6,725,355	424,317	-	7,149,672
Machinery and Equipment	418,307	23,016	-	441,323
Total Accumulated Depreciation	7,362,563	460,935	-	7,823,498
Total Capital Assets, being Depreciated, Net	7,010,717	(359,439)	-	6,651,278
Governmental Activities Capital Assets, Net	<u>\$ 8,240,184</u>	<u>\$ (359,439)</u>	<u>\$ -</u>	<u>\$ 7,880,745</u>

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE 4 – CAPITAL ASSETS**

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, not being Depreciated:				
Land and Improvements	\$ 194,772	\$ -	\$ -	\$ 194,772
Capital Assets, being Depreciated:				
Buildings and Improvements	2,706,970	46,875	-	2,753,845
Other Improvements and Infrastructure	2,267,086	-	-	2,267,086
Machinery and Equipment	20,868	-	-	20,868
Total Capital Assets, being Depreciated	4,994,924	46,875	-	5,041,799
Less Accumulated Depreciation for:				
Buildings and Improvements	999,362	84,322	-	1,083,684
Other Improvements and Infrastructure	697,058	48,246	-	745,304
Machinery and Equipment	20,868	-	-	20,868
Total Accumulated Depreciation	1,717,288	132,568	-	1,849,856
Total Capital Assets, being Depreciated, Net	3,277,636	(85,693)	-	3,191,943
Business-Type Activities Capital Assets, Net	\$ 3,472,408	\$ (85,693)	\$ -	\$ 3,386,715

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

Governmental Activities:	
General Government	\$ 13,359
Public Safety	14,616
Public Works	429,901
Culture and Recreation	3,059
Total Depreciation Expense - Governmental Activities	\$ 460,935
Business-Type Activities:	
Industrial Park Water	\$ 60,799
Industrial Park Sewer	59,407
Lake Sarah Sewer	12,362
Total Depreciation Expense - Business-Type Activities	\$ 132,568

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of December 31, 2014, is as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 48,482	\$ -
Nonmajor Governmental Funds	-	9,081
Industrial Park Sewer	-	39,401
Total	\$ 48,482	\$ 48,482

The amounts due between funds were established to offset deficit cash and investments balances.

	Advances to Other Funds	Advances from Other Funds
General Fund	\$ 20,815	\$ -
Nonmajor Governmental Funds	-	20,815
Total	\$ 20,815	\$ 20,815

The General Fund advanced \$ 32,500 to the nonmajor Public Works Capital Equipment fund for an equipment purchase in 2012. The advance will be repaid in the amount of \$ 6,500 per year for five years commencing in 2012 and ending in 2016. The General Fund advanced \$ 47,815 to the nonmajor Public Works and Parks Capital Equipment funds for an equipment purchase in 2012. The advance will be repaid in the amount of \$ 15,000 per year for two years, \$ 10,000 for one year, with a final payment of \$ 7,815 in 2015.

**CITY OF GREENFIELD  
Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2014**

**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund transfers for 2014 consisted of the following:

Fund	Transfers In		Total
	Nonmajor Governmental Funds	Industrial Park Sewer	
Transfers Out:			
General Fund	\$ 25,435	\$ -	\$ 25,435
Industrial Park Water	-	46,000	46,000
Total	<u>\$ 25,435</u>	<u>\$ 46,000</u>	<u>\$ 71,435</u>

Transfers were made from the General Fund to the Public Works Capital Equipment Fund, General Capital Equipment Fund and Parks Capital Equipment Fund for repayments on acquisitions of capital equipment and future acquisitions. A transfer of \$ 46,000 was made from the Industrial Park Water enterprise fund to the Industrial Park Sewer enterprise fund to partially offset a deficit cash position in the Industrial Park Sewer enterprise fund.

**NOTE 6 – LONG-TERM DEBT**

**A. General Obligation Bonds**

The City issues General Obligation Bonds to provide for financing building and street improvements. General Obligation special assessment bonds are covered by special assessments against benefited properties with any shortfalls being paid from property taxes.

General Obligation Bonds are direct obligations and pledge the full faith and credit of the City.

**CITY OF GREENFIELD  
Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2014**

**NOTE 6 – LONG-TERM DEBT**

**B. Components of Long-Term Liabilities**

	Issue Date	Interest Rates	Original Issue	Final Maturity	Principal Outstanding	Due Within One Year
Long-Term Liabilities:						
Governmental Activities:						
G.O. Bonds:						
2012 G.O. Capital Improvement Plan Bonds	2012	2.25%	\$ 100,000	12/1/2020	\$ 100,000	\$ -
2012 G.O. Capital Improvement Plan Refunding Bonds	2012	2.00-2.25%	595,000	12/1/2019	430,000	85,000
G.O. Special Assessment Bonds:						
2010 G.O. Refunding Bonds (2004/2000)	2010	1.50-2.60%	2,895,000	12/15/2021	1,710,000	270,000
2010 G.O. Refunding Bonds (2005B)	2010	1.50-2.00%	870,000	12/15/2015	165,000	165,000
Compensated Absences Payable					12,310	12,310
Unamortized Bond Premium					46,245	-
					<u>46,245</u>	<u>-</u>
Total Governmental Activities					<u>\$ 2,463,555</u>	<u>\$ 532,310</u>

Long-term bonded indebtedness listed above was issued to finance acquisition and construction of capital facilities, infrastructure, or to refinance (refund) previous bond issues.

**C. Changes in Long-Term Liabilities**

Long-term liability activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
G.O. Bonds	\$ 610,000	\$ -	\$ 80,000	\$ 530,000	\$ 85,000
G.O. Special Assessment Bonds	2,325,000	-	450,000	1,875,000	435,000
Compensated Absences Payable	4,350	21,424	13,464	12,310	12,310
Unamortized Bond Premium	56,888	-	10,643	46,245	-
	<u>56,888</u>	<u>-</u>	<u>10,643</u>	<u>46,245</u>	<u>-</u>
Total Governmental Activities	<u>\$ 2,996,238</u>	<u>\$ 21,424</u>	<u>\$ 554,107</u>	<u>\$ 2,463,555</u>	<u>\$ 532,310</u>

The General Fund typically liquidates the liability related to compensated absences for governmental activities. The Industrial Park Water, Industrial Park Sewer, and Lake Sarah Sewer funds liquidate any liability for business-type activities.

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE 6 – LONG-TERM DEBT**

**D. Annual Debt Service Requirements**

The annual requirements to amortize outstanding long-term debt as of December 31, 2014 are as follows:

	Governmental Activities		Governmental Activities		
	G.O. Bonds		G.O. Special Assessment Bonds		
	Principal	Interest	Principal	Interest	
2015	\$ 85,000	\$ 11,925	2015	\$ 435,000	\$ 40,418
2016	85,000	10,013	2016	265,000	31,717
2017	85,000	8,100	2017	255,000	26,418
2018	90,000	6,187	2018	245,000	21,317
2019	90,000	4,163	2019	230,000	16,295
2020	95,000	2,137	2020-2021	445,000	16,840
Totals	<u>\$ 530,000</u>	<u>\$ 42,525</u>	Totals	<u>\$ 1,875,000</u>	<u>\$ 153,005</u>

**NOTE 7 – FUND BALANCE DETAIL**

Fund equity balances are classified as follows to reflect the limitations and restrictions of the respective funds.

	General Fund	G.O. Refunding Bonds of 2010 (2004/2000)	Nonmajor Governmental Funds	Total
Nonspendable:				
Prepaid Items	\$ 1,891	\$ -	\$ -	\$ 1,891
Advances to Other Funds	6,500	-	-	6,500
Restricted:				
Debt Service	-	142,092	107,271	249,363
Park Dedication	-	-	25,262	25,262
Committed:				
Economic Development	-	-	52,261	52,261
Historical Society	-	-	87	87
Assigned:				
Parks Capital	-	-	5,116	5,116
Future Improvements	-	-	10,845	10,845
Unassigned	833,049	-	(29,324)	803,725
Total	<u>\$ 841,440</u>	<u>\$ 142,092</u>	<u>\$ 171,518</u>	<u>\$ 1,155,050</u>

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATEWIDE**

**Public Employees' Retirement Association**

**A. Plan Description**

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees' Retirement Association of Minnesota (PERA). PERA administers the General Employees' Retirement Fund (GERF), which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with *Minnesota Statutes* Chapters 353 and 356.

GERF members belong to either the Coordinated or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after five years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first 10 years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first 10 years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. For all GERF members hired prior to July 1, 1989, whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 65 for Basic and Coordinated Plan members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated Plan members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree – no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the Fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATEWIDE**

**Public Employees' Retirement Association (Continued)**

**A. Plan Description (Continued)**

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active Plan participants. Vested, terminated employees who are entitled to benefits but are not yet receiving them are bound by the provisions in effect at the time they last terminated their public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org), by writing to PERA at 60 Empire Drive, #200, St. Paul, Minnesota 55103-2088 or by calling (651) 296-7460 or (800) 652-9026.

**B. Funding Policy**

*Minnesota Statutes* Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERF Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.25%, respectively, of their annual covered salary in 2014. In 2014, the City was required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan GERF members and 7.25% for Coordinated Plan members. The City's contributions to the General Employees Retirement Fund for the years ending December 31, 2014, 2013 and 2012 were \$ 14,935, \$ 14,550, and \$ 14,146, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute. Contribution rates will increase on January 1, 2015 in the Coordinated Plan (6.5% for members and 7.5% for employers) .

**Defined Contribution Plan**

The City of Greenfield Council Members of the City are covered by the Public Employee's Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

**CITY OF GREENFIELD  
Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2014**

**NOTE 8 – DEFINED BENEFIT PENSION PLANS – STATEWIDE**

**Public Employees’ Retirement Association (Continued)**

**B. Funding Policy (Continued)**

**Defined Contribution Plan (Continued)**

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official’s employer. For ambulance service personnel, employer contributions are determined by the employer and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% of the assets in each member’s account annually.

Total contributions made by the City during 2014 were:

<u>Contribution Amount</u>		<u>Percentage of Covered Payroll</u>		<u>Required Rates</u>
<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	
\$ 600	\$ 600	5.0%	5.0%	5.0%

**NOTE 9 – LEGAL DEBT MARGIN**

Minnesota statutes limit the amount of net general obligation debt a City may issue to 3% of its market value of taxable property within the City. The current debt limitation for the City is approximately \$ 11.5 million, which is in excess of the City’s applicable net outstanding general obligation debt (special assessment and revenue backed debt is excluded, per Minnesota statutes). The City had \$ 530,000 of debt applicable to this limit at year-end.

**NOTE 10 – SUBSEQUENT EVENT**

On April 21, 2015, the City issued \$ 470,000 of General Obligation Equipment Certificates of Indebtedness to finance the acquisition of public works equipment. The interest rate on the certificates is 2.60% and the maturity date is December 15, 2024.

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2014**

**NOTE 11 – TAX INCREMENT FINANCING**

The City's tax increment financing district is subject to review by the State of Minnesota Office of the State Auditor. Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements. Tax Increment Financing District #1-1 was decertified in December 2013, with all excess tax increments remitted to Hennepin County in 2014 for redistribution.

**NOTE 12 – RISK MANAGEMENT**

The City purchases commercial insurance coverage through the League of Minnesota Cities Insurance Trust with other cities in the state, a public entity risk pool currently operating as a common risk management and insurance program. The City pays an annual premium to the League for its insurance coverage. The League of Minnesota Cities Insurance Trust is self-sustaining through commercial companies for excess claims. The City is covered through the pool for any claims incurred but unreported, but retains risk for the deductible portion of its insurance policies. The amount of these deductibles is considered immaterial to the financial statements.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years. The City's workers' compensation insurance policy is retrospectively rated. With this type of policy, final premiums are determined after loss experience is known. The amount of premium adjustment for 2014 is estimated to be immaterial based on workers' compensation rates and salaries for the year.

At December 31, 2014, there are no other claims liabilities reported in the Fund based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

**NOTE 13 – NEW STANDARDS ISSUED BUT NOT YET IMPLEMENTED**

GASB Statement No. 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits.

**SUPPLEMENTARY INFORMATION**

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2014**

	Special Revenue		
	Economic Development Authority	Historical Society	Total Special Revenue Funds
<b>ASSETS:</b>			
Cash and Investments	\$ 52,181	\$ 87	\$ 52,268
Taxes Receivable - Delinquent	207	-	207
Special Assessments Receivable	-	-	-
Due from Other Governments	80	-	80
	<u>80</u>	<u>-</u>	<u>80</u>
Total Assets	<u>\$ 52,468</u>	<u>\$ 87</u>	<u>\$ 52,555</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS):</b>			
<b>Liabilities:</b>			
Due to Other Funds	\$ -	\$ -	\$ -
Advances from Other Funds	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Deferred Inflows of Resources:</b>			
Unavailable Revenue - Property Taxes	207	-	207
Unavailable Revenue - Special Assessments	-	-	-
Total Deferred Inflows of Resources	<u>207</u>	<u>-</u>	<u>207</u>
 <b>Fund Balances (Deficits):</b>			
Restricted	-	-	-
Committed	52,261	87	52,348
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balances (Deficits)	<u>52,261</u>	<u>87</u>	<u>52,348</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 52,468</u>	<u>\$ 87</u>	<u>\$ 52,555</u>

Debt Service				Capital Projects		
G.O. Refunding Bonds of 2010 (2005B)	G.O. CIP Bonds of 2012A	G.O. CIP Refunding Bonds of 2012A	Total Debt Service Funds	Park Dedication	Holirock Utilities	North Shore Drive Paving
\$ 105,708	\$ 51	\$ -	\$ 105,759	\$ 25,262	\$ 10,845	\$ -
566	29	1,535	2,130	-	-	-
54,946	-	-	54,946	-	10,745	18,335
582	25	1,105	1,712	-	-	290
<u>\$ 161,802</u>	<u>\$ 105</u>	<u>\$ 2,640</u>	<u>\$ 164,547</u>	<u>\$ 25,262</u>	<u>\$ 21,590</u>	<u>\$ 18,625</u>
\$ -	\$ -	\$ 200	\$ 200	\$ -	\$ -	\$ 8,881
-	-	-	-	-	-	-
-	-	200	200	-	-	8,881
566	29	1,535	2,130	-	-	-
54,946	-	-	54,946	-	10,745	18,335
<u>55,512</u>	<u>29</u>	<u>1,535</u>	<u>57,076</u>	<u>-</u>	<u>10,745</u>	<u>18,335</u>
106,290	76	905	107,271	25,262	-	-
-	-	-	-	-	-	-
-	-	-	-	-	10,845	-
-	-	-	-	-	-	(8,591)
<u>106,290</u>	<u>76</u>	<u>905</u>	<u>107,271</u>	<u>25,262</u>	<u>10,845</u>	<u>(8,591)</u>
<u>\$ 161,802</u>	<u>\$ 105</u>	<u>\$ 2,640</u>	<u>\$ 164,547</u>	<u>\$ 25,262</u>	<u>\$ 21,590</u>	<u>\$ 18,625</u>

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2014**

	Capital Projects			
	Public Works Capital Equipment	TIF #1-1	General Capital Equipment	Parks Capital
<b>ASSETS:</b>				
Cash and Investments	\$ 82	\$ -	\$ -	\$ 5,116
Taxes Receivable - Delinquent	-	-	-	-
Special Assessments Receivable	-	-	-	-
Due from Other Governments	-	-	-	-
	<u>\$ 82</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,116</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS):</b>				
<b>Liabilities:</b>				
Due to Other Funds	\$ -	\$ -	\$ -	\$ -
Advances from Other Funds	20,815	-	-	-
Total Liabilities	<u>20,815</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenue - Property Taxes	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficits):</b>				
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	5,116
Unassigned	(20,733)	-	-	-
Total Fund Balances (Deficits)	<u>(20,733)</u>	<u>-</u>	<u>-</u>	<u>5,116</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 82</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,116</u>

<u>Capital Projects</u>	
<u>Total Capital Projects Funds</u>	<u>Total Other Governmental Funds</u>
\$ 41,305	\$ 199,332
-	2,337
29,080	84,026
290	2,082
<u>\$ 70,675</u>	<u>\$ 287,777</u>

\$ 8,881	\$ 9,081
20,815	20,815
<u>29,696</u>	<u>29,896</u>

-	2,337
29,080	84,026
<u>29,080</u>	<u>86,363</u>

25,262	132,533
-	52,348
15,961	15,961
<u>(29,324)</u>	<u>(29,324)</u>
<u>11,899</u>	<u>171,518</u>

<u>\$ 70,675</u>	<u>\$ 287,777</u>
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**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (DEFICITS) -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2014**

	Special Revenue		Total Special Revenue Funds
	Economic Development Authority	Historical Society	
REVENUES:			
Property Taxes	\$ 603	\$ -	\$ 603
Special Assessments	-	-	-
Intergovernmental	-	4,194	4,194
Charges for Services:			
Park Dedication Fees	-	-	-
Miscellaneous:			
Investment Income (Loss)	278	12	290
Total Revenues	<u>881</u>	<u>4,206</u>	<u>5,087</u>
EXPENDITURES:			
Current:			
Culture and Recreation	-	4,184	4,184
Economic Development	-	-	-
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Capital Outlay:			
Culture and Recreation	-	-	-
Total Expenditures	<u>-</u>	<u>4,184</u>	<u>4,184</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	881	22	903
OTHER FINANCING SOURCES:			
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	881	22	903
Fund Balances (Deficits) - Beginning of Year	<u>51,380</u>	<u>65</u>	<u>51,445</u>
Fund Balances (Deficits) - Ending of Year	<u>\$ 52,261</u>	<u>\$ 87</u>	<u>\$ 52,348</u>

Debt Service				Capital Projects		
G.O. Refunding Bonds of 2010 (2005B)	G.O. CIP Bonds of 2012A	G.O. CIP Refunding Bonds of 2012A	Total Debt Service Funds	Park Dedication	Holirock Utilities	North Shore Drive Paving
\$ 23,307	\$ 2,326	\$ 95,157	\$ 120,790	\$ -	\$ -	\$ -
52,020	-	-	52,020	-	12,037	7,689
-	-	-	-	-	-	-
-	-	-	-	28,000	-	-
838	-	(8)	830	227	27	(68)
<u>76,165</u>	<u>2,326</u>	<u>95,149</u>	<u>173,640</u>	<u>28,227</u>	<u>12,064</u>	<u>7,621</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
170,000	-	80,000	250,000	-	-	-
6,700	2,250	11,770	20,720	-	-	-
-	-	-	-	61,977	-	-
<u>176,700</u>	<u>2,250</u>	<u>91,770</u>	<u>270,720</u>	<u>61,977</u>	<u>-</u>	<u>-</u>
(100,535)	76	3,379	(97,080)	(33,750)	12,064	7,621
-	-	-	-	-	-	-
(100,535)	76	3,379	(97,080)	(33,750)	12,064	7,621
206,825	-	(2,474)	204,351	59,012	(1,219)	(16,212)
<u>\$ 106,290</u>	<u>\$ 76</u>	<u>\$ 905</u>	<u>\$ 107,271</u>	<u>\$ 25,262</u>	<u>\$ 10,845</u>	<u>\$ (8,591)</u>

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (DEFICITS) -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2014**

	Capital Projects			
	Public Works Capital Equipment	TIF #1-1	General Capital Equipment	Parks Capital
REVENUES:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services:				
Park Dedication Fees	-	-	-	-
Miscellaneous:				
Investment Income (Loss)	-	-	-	33
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>33</u>
EXPENDITURES:				
Current:				
Culture and Recreation	-	-	-	-
Economic Development	-	112,191	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay:				
Culture and Recreation	-	-	-	-
Total Expenditures	<u>-</u>	<u>112,191</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(112,191)	-	33
OTHER FINANCING SOURCES:				
Transfers In	<u>16,500</u>	<u>-</u>	<u>3,935</u>	<u>5,000</u>
Net Change in Fund Balances	16,500	(112,191)	3,935	5,033
Fund Balances (Deficits) - Beginning of Year	<u>(37,233)</u>	<u>112,191</u>	<u>(3,935)</u>	<u>83</u>
Fund Balances (Deficits) - Ending of Year	<u>\$ (20,733)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,116</u>

<u>Capital Projects</u> Total Capital Projects Funds	<u>Total Other Governmental Funds</u>
\$ -	\$ 121,393
19,726	71,746
-	4,194
28,000	28,000
219	1,339
<u>47,945</u>	<u>226,672</u>
-	4,184
112,191	112,191
-	250,000
-	20,720
61,977	61,977
<u>174,168</u>	<u>449,072</u>
(126,223)	(222,400)
25,435	25,435
(100,788)	(196,965)
<u>112,687</u>	<u>368,483</u>
<u>\$ 11,899</u>	<u>\$ 171,518</u>

**CITY OF GREENFIELD**  
**Hennepin County, Minnesota**

**STATEMENT OF CHANGES IN**  
**AGENCY FUND ASSETS AND LIABILITIES**  
**For the Year Ended December 31, 2014**

**DEVELOPER ESCROWS AGENCY FUND**

	December 31, 2013	Additions	Deductions	December 31, 2014
<b>ASSETS:</b>				
Cash and Investments (Deficits), Including Cash Equivalents	\$ 26,206	\$ 22,434	\$ (23,923)	\$ 24,717
Accounts Receivable	1,828	235	-	2,063
Special Assessments Receivable	7,733	-	-	7,733
Total Assets	\$ 35,767	\$ 22,669	\$ (23,923)	\$ 34,513
<b>LIABILITIES:</b>				
Accounts Payable	\$ 35,767	\$ 22,669	\$ (23,923)	\$ 34,513