

**CITY OF GREENFIELD, TENNESSEE**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**June 30, 2011**

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## **INTRODUCTORY SECTION**

**CITY OF GREENFIELD, TENNESSEE**  
**LISTING OF PUBLICLY ELECTED OFFICIALS AND MANAGEMENT**  
June 30, 2011

Publicly Elected Officials

Eddie Joe McKelvy ..... Mayor  
John Liggett..... Vice Mayor  
Mike Caudle ..... Alderman  
Joe Grooms..... Alderman  
Troy Jones ..... Alderman  
Danny Nanney..... Alderman  
Paul Grooms ..... Alderman  
Paul Richmond..... Alderman  
Cindy McAdams ..... Alderwoman

Management

Randy Potts.....Recorder

## **FINANCIAL SECTION**



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AICPA Governmental Audit Quality Center  
AICPA Employee Benefit Plan Audit Quality Center  
Tennessee Society of Certified Public Accountants  
Kentucky Society of Certified Public Accountants

## Independent Auditor's Report

The Honorable Mayor and  
Members of the Board of Aldermen  
City of Greenfield, Tennessee

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, Tennessee, (the City) as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenfield, Tennessee, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended, including the budgetary comparison for the general fund in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2012, on our consideration of the City of Greenfield's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 and the schedule of funding progress on page 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and supplementary schedules, except those marked "unaudited," are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section, the schedule of property tax rates and assessments, and the schedule of unaccounted for water have 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 them.

*Alexander Thompson Arnold PLLC*

Martin, Tennessee  
March 20, 2012

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Greenfield, Tennessee (the City), 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 June 30, 2011.

### FINANCIAL HIGHLIGHTS

- The assets of the City of Greenfield exceeded its liabilities at the close of the most recent fiscal year by \$6.25 million (*net assets*).
- As of the close of the current fiscal year, the City of Greenfield's general fund reported an ending fund balance of \$665 thousand, a decrease of \$43 thousand in comparison with the prior year. This decrease consists of \$39 thousand attributable to current year activity. Part of the change was attributable to reporting the sanitation fund's activities in the general fund, in accordance with the requirements of GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective this year.
- Of the total fund balance, \$595 thousand is available for spending at the City of Greenfield's discretion (*unassigned fund balance*).

### 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 are comprised of the following components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

This report also contains required and 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 of Greenfield's finances, in a manner similar to a private-sector business.

- The Statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, compensated absences, etc.).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, and public works. The business-type activity of the City is a water system. Refer to the table of contents for the location of the government-wide financial statements in this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 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. The City reports three governmental funds and one proprietary fund.

**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, the focus is on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of 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 City's near-term financing decisions. Both the Balance Sheet - Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. Refer to the table of contents for the location of the governmental fund financial statements and reconciliations in this report.

The City maintains four governmental funds. However, In accordance with GASB 54, the Sanitation Fund has been combined with the General Fund in the governmental fund statements. Separate budgetary statements are presented for these two funds, since the City budgets and records these activities in separate funds. Information is presented separately in the Balance Sheet – Governmental Funds and in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds for the General Fund, which is considered a major fund. Data from the other governmental funds are combined into a single, aggregate presentation for these statements and is also presented separately in a Combining Balance Sheet – Other Governmental Funds and a Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Other Governmental Funds.

The City adopts an annual appropriated budget for each governmental fund. Budgetary comparison statements have been provided in this report.

**Proprietary funds** - Proprietary funds are used to account for the business-type activities of the City. The measurement focus is the same as for the government-wide financial statements. The City has one proprietary fund, the Water and Sewer Fund.

### 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. Refer to the table of contents for the location of the notes to the financial statements in this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Statement of Net Assets** - As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$6.25 million at the close of the most recent fiscal year. The largest portion of the City's net assets (86.66%) represents the investment in capital assets less accumulated depreciation and the related debt. Capital assets are used to provide services to citizens. This large balance is due to the general government buildings and the water system having rather new improvements with little depreciation taken thus far.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

An additional portion of the City's net assets (1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (12.34%) are available to carry out the everyday activities of the City.

### Condensed Statement of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 626,640	\$ 747,211	\$ 169,540	\$ 120,312	\$ 796,180	\$ 867,523
Capital assets	1,393,209	1,432,289	4,980,367	5,127,119	6,373,576	6,559,408
Other noncurrent assets	415,056	427,937	-	-	415,056	427,937
<b>Total assets</b>	<b>2,434,905</b>	<b>2,607,437</b>	<b>5,149,907</b>	<b>5,247,431</b>	<b>7,584,812</b>	<b>7,854,868</b>
Current liabilities	313,771	311,794	63,923	65,365	377,694	377,159
Noncurrent liabilities	235,228	249,479	721,361	802,153	956,589	1,051,632
<b>Total liabilities</b>	<b>548,999</b>	<b>561,273</b>	<b>785,284</b>	<b>867,518</b>	<b>1,334,283</b>	<b>1,428,791</b>
Net assets:						
Invested in capital assets, net of related debt	1,157,981	1,182,810	4,259,006	4,324,966	5,416,987	5,507,776
Restricted	63,287	74,905	-	-	63,287	74,905
Unrestricted	664,638	788,449	105,617	54,947	770,255	843,396
<b>Total net assets</b>	<b>\$ 1,885,906</b>	<b>\$ 2,046,164</b>	<b>\$ 4,364,623</b>	<b>\$ 4,379,913</b>	<b>\$ 6,250,529</b>	<b>\$ 6,426,077</b>

During the current fiscal year, the City's net assets decreased by \$176 thousand. Of this amount, \$91 thousand was from current year expenditures exceeding revenue and \$85 thousand was attributable to prior period adjustments.

**Statement of Activities** – Expenditures in governmental activities exceeded revenues by \$76 thousand. Expenses in business-type activities exceeded revenues by \$15 thousand.

### Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 307,714	\$ 275,514	\$ 449,730	\$ 448,907	\$ 757,444	\$ 724,421
Operating grants and contributions	310,524	140,274	-	-	310,524	140,274
Capital grants and contributions	-	60,992	-	-	-	60,992
General revenues:						
Taxes	742,451	711,034	-	-	742,451	711,034
Other sources	36,232	35,497	9,773	869	46,005	36,366
<b>Total revenues</b>	<b>\$ 1,396,921</b>	<b>\$ 1,223,311</b>	<b>\$ 459,503</b>	<b>\$ 449,776</b>	<b>\$ 1,856,424</b>	<b>\$ 1,673,087</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Expenses:						
General government	\$ 453,421	\$ 193,144	\$ -	\$ -	\$ 453,421	\$ 193,144
Public Safety	563,259	526,675	-	-	563,259	526,675
Highways and Streets	189,892	158,312	-	-	189,892	158,312
Recreation	86,361	75,126	-	-	86,361	75,126
Library	50,333	46,257	-	-	50,333	46,257
Sanitation	129,360	126,116	-	-	129,360	126,116
Water	-	-	474,793	490,350	474,793	490,350
Total expenses	<u>1,472,626</u>	<u>1,125,630</u>	<u>474,793</u>	<u>490,350</u>	<u>1,947,419</u>	<u>1,615,980</u>
Net income	<u>(75,705)</u>	<u>97,681</u>	<u>(15,290)</u>	<u>(40,574)</u>	<u>(90,995)</u>	<u>57,197</u>
Increase in net assets						
Net assets - beginning	2,046,164	1,956,981	4,379,913	4,420,487	6,426,077	6,377,468
Prior period adjustment	<u>(84,553)</u>	<u>(8,498)</u>	<u>-</u>	<u>-</u>	<u>(84,553)</u>	<u>(8,498)</u>
Net assets - beg - as restated	<u>1,961,611</u>	<u>1,948,483</u>	<u>4,379,913</u>	<u>4,420,487</u>	<u>6,341,524</u>	<u>6,368,970</u>
Net assets - ending	<u>\$ 1,885,906</u>	<u>\$ 2,046,164</u>	<u>\$ 4,364,623</u>	<u>\$ 4,379,913</u>	<u>\$ 6,250,529</u>	<u>\$ 6,426,167</u>

The increase in revenues was due to receiving grant funds and charges for services in parks and recreation. The largest increase in expenses was in grant expenditures.

### FUND FINANCIAL STATEMENTS ANALYSIS

**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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund accounts for 95% of governmental fund revenues. Accordingly this discussion will focus on the General Fund. General fund balance was \$665 thousand at the end of the current fiscal year. Of this amount, \$595 thousand is available to meet the day-to-day needs of the City.

Revenues in the General Fund were greater than last year by \$157 thousand. The most significant increases were in sales tax and grant revenues. Expenditures were \$136 thousand more than the prior year, mainly in general government grant expenditures. A budget comparison statement has been provided to demonstrate compliance with the budget.

**Proprietary funds** - The City of Greenfield has one proprietary fund, the Water and Sewer Fund. The water system bills are based on a usage scale with minimum flat rates. Revenues remained steady from the prior year. Expenditures decreased by \$15 thousand, mainly in repair and maintenance and capital outlay for machinery and equipment.

**Budgetary highlights** - The City made various revisions to the original budget approved by the Board of Aldermen, mainly in grant revenues.

Actual revenues for the General Fund were \$10 thousand less than budgeted revenues. The most significant variance was in intergovernmental revenues. The City received less in parks and recreation grant funds than they had budgeted. Expenditures for the General Fund were in line with budgeted appropriations.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets** - At the end of Fiscal Year 2011, the City had invested \$6.4 million (net of accumulated depreciation) in a variety of capital assets. As allowed by GASB Statement No. 34, the City did not elect to report original infrastructure (streets, sidewalks, bridges, etc.). Additional information on the City's capital assets can be found in Note 1D and 4C beginning on page 24 of this report.

**Long-term debt** – The City of Greenfield had long-term liabilities totaling \$957 thousand at June 30, 2011. This total includes an accrual for compensated absences of \$23 thousand and an accrual for landfill closure and maintenance costs of \$194 thousand. The remaining balance of \$740 thousand represents long-term debt owed to creditors. The portion of this debt due within the next year was \$103 thousand. Interest rates range from 1.51% to 2.33%. Additional information on the City's long-term debt can be found in Note 1D and 4F beginning on page 24 on this report.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City anticipates receiving grants for a new fire truck and for water system improvements during the next fiscal year. The City does not anticipate any other significant changes between the current year and next year.

### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Greenfield's finances for citizens, taxpayers, customers, investors, creditors and all others with an interest in the City of Greenfield's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Recorder, City of Greenfield, 222 N. Front Street, Greenfield, TN 38230.

**CITY OF GREENFIELD, TENNESSEE**  
**STATEMENT OF NET ASSETS**  
June 30, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash on hand	\$ 100	\$ -	\$ 100
Cash in bank	235,420	101,072	336,492
Taxes receivable (net)	307,997	-	307,997
Accounts receivable (net)	-	59,291	59,291
Other taxes receivable	82,440	-	82,440
Interest receivable	24	-	24
Inventories	-	9,836	9,836
Internal balances	659	(659)	-
Notes receivable			
Due within one year	55,185	-	55,185
Due in more than one year	292,057	-	292,057
Temporarily restricted assets:			
Cash and cash equivalents	57,483	-	57,483
Receivables	10,331	-	10,331
Capital assets, not being depreciated:			
Land	184,601	58,220	242,821
Construction in progress	108,393	-	108,393
Capital assets net of accumulated depreciation:			
Infrastructure	16,286	-	16,286
Buildings	603,899	-	603,899
Ballpark improvements	119,345	-	119,345
Furniture and equipment	310,509	-	310,509
Vehicles	50,176	-	50,176
Utility plant in service	-	4,922,147	4,922,147
<b>Total assets</b>	<b><u>2,434,905</u></b>	<b><u>5,149,907</u></b>	<b><u>7,584,812</u></b>
<b>LIABILITIES</b>			
Accounts payable	9,442	7,683	17,125
Customer deposits	-	56,240	56,240
Deferred revenue - property tax	304,329	-	304,329
Noncurrent liabilities			
Due within one year	18,130	84,504	102,634
Due in more than one year	217,098	636,857	853,955
<b>Total liabilities</b>	<b><u>548,999</u></b>	<b><u>785,284</u></b>	<b><u>1,334,283</u></b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	1,157,981	4,259,006	5,416,987
Restricted for:			
State Street Aid	16,420	-	16,420
Drug enforcement	46,867	-	46,867
Unrestricted	664,638	105,617	770,255
<b>Total net assets</b>	<b><u>\$ 1,885,906</u></b>	<b><u>\$ 4,364,623</u></b>	<b><u>\$ 6,250,529</u></b>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF GREENFIELD, TENNESSEE**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Administrative	\$ 453,421	\$ 2,750	\$ 215,937	\$ -	\$ (234,734)	\$ -	\$ (234,734)
Public safety	563,259	107,989	6,810	-	(448,460)	-	(448,460)
Highways and streets	189,892	-	64,626	-	(125,266)	-	(125,266)
Recreation	86,361	55,006	-	-	(31,355)	-	(31,355)
Library	50,333	-	23,151	-	(27,182)	-	(27,182)
Sanitation	129,360	141,969	-	-	12,609	-	12,609
Total governmental activities	<u>1,472,626</u>	<u>307,714</u>	<u>310,524</u>	<u>-</u>	<u>(854,388)</u>	<u>-</u>	<u>(854,388)</u>
Business-type activities:							
Water and sewer	<u>474,793</u>	<u>449,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,063)</u>	<u>(25,063)</u>
Total government	<u>\$ 1,947,419</u>	<u>\$ 757,444</u>	<u>\$ 310,524</u>	<u>\$ -</u>	<u>(854,388)</u>	<u>(25,063)</u>	<u>(879,451)</u>
General revenues:							
Property taxes					301,654	-	301,654
Franchise taxes					23,362	-	23,362
Sales tax					346,647	-	346,647
Alcoholic beverage taxes					12,680	-	12,680
Business taxes					16,607	-	16,607
Income taxes					13,685	-	13,685
Payments in lieu of tax - TVA and housing authority					27,816	-	27,816
Interest					6,820	833	7,653
Sale of equipment					-	8,940	8,940
Miscellaneous					29,412	-	29,412
Total general revenues					<u>778,683</u>	<u>9,773</u>	<u>788,456</u>
<b>Change in net assets</b>					<b><u>(75,705)</u></b>	<b><u>(15,290)</u></b>	<b><u>(90,995)</u></b>
Net assets - beginning					2,046,164	4,379,913	6,426,077
Prior period adjustment					(84,553)	-	(84,553)
Net assets - beginning, as restated					<u>1,961,611</u>	<u>4,379,913</u>	<u>6,341,524</u>
<b>Net assets - ending</b>					<b><u>\$ 1,885,906</u></b>	<b><u>\$ 4,364,623</u></b>	<b><u>\$ 6,250,529</u></b>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF GREENFIELD, TENNESSEE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2011

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash on hand	\$ 100	\$ -	\$ 100
Cash in banks	235,420	57,483	292,903
Taxes receivable, net	307,997	-	307,997
Other taxes receivables	82,440	10,331	92,771
Interest receivable	24	-	24
Due from other funds	659	-	659
Note receivable	347,242	-	347,242
<b>Total assets</b>	<b>\$ 973,882</b>	<b>\$ 67,814</b>	<b>\$ 1,041,696</b>
 <b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts payable	\$ 4,915	\$ 4,527	\$ 9,442
Deferred revenue	304,329	-	304,329
Total liabilities	309,244	4,527	313,771
Fund balance			
Restricted for State Street Aid	-	16,420	16,420
Restricted for drug enforcement	-	46,867	46,867
Assigned	69,672	-	69,672
Unassigned	594,966	-	594,966
Total fund balance	664,638	63,287	727,925
<b>Total liabilities and fund balance</b>	<b>\$ 973,882</b>	<b>\$ 67,814</b>	<b>\$ 1,041,696</b>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF GREENFIELD, TENNESSEE**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
June 30, 2011

Total fund balance of governmental funds	\$ 727,925
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,393,209
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(235,228)</u>
Net assets of governmental activities	<u>\$ 1,885,906</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF GREENFIELD, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2011

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Local taxes	\$ 560,402	\$ -	\$ 560,402
Intergovernmental revenue	424,593	59,913	484,506
Charges for services	236,275	-	236,275
Fines, forfeitures and penalties	69,055	2,384	71,439
Interest income	6,790	30	6,820
Miscellaneous	<u>29,352</u>	<u>8,127</u>	<u>37,479</u>
Total revenues	<u>1,326,467</u>	<u>70,454</u>	<u>1,396,921</u>
<b>Expenditures</b>			
Current:			
Administrative	420,814	-	420,814
Public safety	524,139	9,579	533,718
Highways and streets	127,131	60,183	187,314
Recreation	86,361	-	86,361
Library	54,788	-	54,788
Sanitation	140,537	-	140,537
Debt service:			
Principal	4,455	-	4,455
Capital outlay:			
Recreation	7,500	-	7,500
Highways and streets	<u>-</u>	<u>12,310</u>	<u>12,310</u>
Total expenditures	<u>1,365,725</u>	<u>82,072</u>	<u>1,447,797</u>
<b>Revenues over (under) expenditures</b>	<b><u>(39,258)</u></b>	<b><u>(11,618)</u></b>	<b><u>(50,876)</u></b>
Fund balance - July 1, 2010	776,401	74,905	851,306
Prior period adjustment	<u>(72,505)</u>	<u>-</u>	<u>(72,505)</u>
Fund balance - July 1, 2010, restated	<u>703,896</u>	<u>74,905</u>	<u>778,801</u>
Fund balance - June 30, 2011	<u>\$ 664,638</u>	<u>\$ 63,287</u>	<u>\$ 727,925</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF GREENFIELD, TENNESSEE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2011

Net change in fund balances of governmental funds	\$ (50,876)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current year.	(39,080)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This is the net effect of long-term debt activity during the current year.	15,632
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.	<u>(1,381)</u>
Change in net assets of governmental activities	<u>\$ (75,705)</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF GREENFIELD, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>				
Local taxes				
Property taxes	\$ 273,200	\$ 295,484	\$ 295,208	\$ (276)
Interest and penalties	2,450	6,446	6,446	-
Payments in lieu of tax	11,500	9,180	9,180	-
Sales tax	200,000	201,614	200,375	(1,239)
Wholesale beer tax	18,000	11,391	11,528	137
Franchise taxes	22,000	20,915	21,173	258
Business taxes	20,000	17,567	16,492	(1,075)
Total local taxes	<u>547,150</u>	<u>562,597</u>	<u>560,402</u>	<u>(2,195)</u>
Intergovernmental revenues				
Local sales tax - state	155,000	146,110	146,272	162
State income tax	13,000	6,639	13,685	7,046
State beer tax	1,200	1,152	1,152	-
Corporate franchise and excise tax	4,500	2,189	2,189	-
City streets	5,000	4,739	4,713	(26)
Telecommunications tax	300	210	115	(95)
State - tva in lieu of tax	21,000	24,848	18,636	(6,212)
State building permit	-	1,050	1,050	-
Home grant revenue	-	217,937	215,937	(2,000)
Library computer grant	-	14,034	14,034	-
Parks and recreation grant	-	10,008	-	(10,008)
Police supplement	4,200	4,200	4,200	-
Forestry fire grant	-	2,610	2,610	-
Total intergovernmental revenues	<u>204,200</u>	<u>435,726</u>	<u>424,593</u>	<u>(11,133)</u>
Charges for services				
Rent	3,000	2,750	2,750	-
Rural fire subscriptions	28,000	28,025	28,000	(25)
Special fire protection fees	5,000	8,525	8,550	25
Parks and recreation	29,800	55,006	55,006	-
Total charges for services	<u>65,800</u>	<u>94,306</u>	<u>94,306</u>	<u>-</u>
Fines, forfeitures and penalties				
City court fines and costs	89,250	67,675	67,675	-
Drivers license and school fees	1,650	1,380	1,380	-
Total fines, forfeitures and penalties	<u>90,900</u>	<u>69,055</u>	<u>69,055</u>	<u>-</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF GREENFIELD, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Other revenues				
Zoning permits	500	700	700	-
Library revenues	3,900	9,117	9,117	-
Fundraisers	7,550	12,345	12,345	-
Interest income	5,325	3,516	6,744	3,228
Donations	3,500	1,160	1,160	-
Miscellaneous	6,350	6,030	6,030	-
Total other revenues	<u>27,125</u>	<u>32,868</u>	<u>36,096</u>	<u>3,228</u>
<b>Total revenues</b>	<b><u>935,175</u></b>	<b><u>1,194,552</u></b>	<b><u>1,184,452</u></b>	<b><u>(10,100)</u></b>
<b>Expenditures</b>				
Administrative				
Salaries	74,125	79,766	79,767	1
Retirement/pension	7,000	36,974	16,505	(20,469)
Workers' compensation	750	750	750	-
Hospitalization	4,550	29,004	5,004	(24,000)
Social security	5,700	18,880	8,186	(10,694)
Repair and maintenance	2,000	1,086	1,086	-
Miscellaneous	2,100	5,655	5,657	2
Office supplies	2,000	3,598	3,598	-
Operating supplies	1,750	1,275	1,613	338
Dues and subscriptions	3,000	3,986	3,986	-
Utilities	19,500	14,178	14,377	199
Advertising/printing	1,750	1,453	1,711	258
Donations	5,300	2,189	2,189	-
Travel	3,000	1,886	1,886	-
Insurance	24,450	22,822	22,822	-
Professional/technical services	15,000	14,074	14,074	-
Machinery and equipment	20,000	2,136	2,136	-
Capital outlay	200,000	-	-	-
Joint Economic Development contribution	12,600	12,600	12,600	-
Grant expenditures	4,455	221,892	220,392	(1,500)
Lease expense	1,000	1,000	1,000	-
Fundraising expenditures	1,000	5,170	5,170	-
Property tax reappraisal	750	760	760	-
Total administrative	<u>411,780</u>	<u>481,134</u>	<u>425,269</u>	<u>(55,865)</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF GREENFIELD, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Police department				
Salaries	289,200	285,255	285,255	-
Retirement/pension	48,800	33,294	48,779	15,485
Academy and in-service	3,500	293	293	-
Hospitalization	48,000	32,020	48,020	16,000
Workers' compensation	11,000	11,000	11,000	-
Social security	21,800	14,895	21,822	6,927
Repair and maintenance	17,000	9,456	9,456	-
Judicial services	1,800	1,800	1,800	-
Boarding fees	1,000	-	-	-
Office supplies	1,000	863	863	-
Operating supplies	3,000	1,677	1,677	-
Dues and subscriptions	100	80	80	-
Fuel	17,250	15,690	16,900	1,210
Litigation tax	1,500	1,621	1,621	-
Travel	1,000	342	342	-
Uniforms	4,240	2,595	2,595	-
Internet services	780	-	-	-
Sundry	1,100	333	333	-
Total police department	<u>472,070</u>	<u>411,214</u>	<u>450,836</u>	<u>39,622</u>
Fire department				
Salaries	17,100	17,000	17,000	-
Social security	2,600	1,475	2,490	1,015
Workers' compensation	1,750	1,750	1,750	-
Repair and maintenance	2,000	3,309	3,309	-
Fire hydrant fees	18,216	18,216	18,216	-
Volunteer fire expense	17,250	15,552	15,552	-
Operating supplies	2,250	1,346	1,646	300
Office supplies	1,000	825	825	-
Fundraiser expenses	8,500	7,541	7,541	-
Dues and subscriptions	250	150	150	-
Fuel	500	370	370	-
Telephone	550	590	590	-
Advertising/printing	500	424	424	-
Training	750	390	390	-
Miscellaneous	-	(177)	(177)	-
Capital outlay	5,000	3,227	3,227	-
Total fire department	<u>78,216</u>	<u>71,988</u>	<u>73,303</u>	<u>1,315</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF GREENFIELD, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Street department</b>				
Salaries	68,500	68,159	68,159	-
Hospitalization	18,000	12,000	18,000	6,000
Retirement/pension	11,750	7,887	11,655	3,768
Workers' compensation	3,500	3,500	3,500	-
Social security	5,250	3,528	5,214	1,686
Repair and maintenance	7,500	8,521	8,521	-
Operating supplies	500	577	577	-
Fuel	8,500	9,716	10,251	535
Capital outlay	98,679	1,806	1,254	(552)
Total street department	<u>222,179</u>	<u>115,694</u>	<u>127,131</u>	<u>11,437</u>
<b>Recreation</b>				
Salaries	11,000	10,581	10,581	-
Workers' compensation	1,000	1,000	1,000	-
Social security	1,450	906	1,375	469
Senior citizen aide salary	7,550	7,395	7,395	-
Repair and maintenance	3,000	4,069	4,069	-
Operating supplies	150	78	78	-
Baseball/softball	18,225	31,834	30,350	(1,484)
Utilities	11,100	10,523	10,523	-
Basketball/football	5,100	5,325	5,325	-
Tournament travel	3,000	-	-	-
Concessions	3,000	12,288	13,692	1,404
Field maintenance	5,000	3,447	3,447	-
United way	3,500	2,663	2,663	-
Miscellaneous	750	79	79	-
Van expense	500	-	-	-
Capital outlay	2,500	3,284	3,284	-
Total recreation	<u>76,825</u>	<u>93,472</u>	<u>93,861</u>	<u>389</u>
<b>Library</b>				
Salaries	24,850	24,350	24,350	-
Social security	1,900	1,265	1,863	598
Retirement/pension	3,900	2,628	3,844	1,216
Hospitalization	6,000	4,000	6,000	2,000
Workers' compensation	150	150	150	-
Dues and subscriptions	400	588	588	-
Advertising	100	-	-	-
Utilities	4,620	4,091	4,091	-
Technical support	500	495	495	-
Internet	900	848	848	-

*The accompanying notes are an integral part of these financial statements.*

**CITY OF GREENFIELD, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Repairs and maintenance	1,000	768	768	-
Travel and food	650	741	741	-
Office supplies	600	325	325	-
Operating supplies	1,750	2,210	2,210	-
Summer reading program	250	663	663	-
Other grant expenditures	-	4,660	3,503	(1,157)
Books	3,750	3,897	4,023	126
Miscellaneous	100	1,539	326	(1,213)
Total library	<u>51,420</u>	<u>53,218</u>	<u>54,788</u>	<u>1,570</u>
<b>Total expenditures</b>	<b><u>1,312,490</u></b>	<b><u>1,226,720</u></b>	<b><u>1,225,188</u></b>	<b><u>(1,532)</u></b>
<b>Revenues under expenditures</b>	<b><u>(377,315)</u></b>	<b><u>(32,168)</u></b>	<b><u>(40,736)</u></b>	<b><u>(8,568)</u></b>
Other financing sources (uses)				
Bank note	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<b><u>(177,315)</u></b>	<b><u>(32,168)</u></b>	<b><u>(40,736)</u></b>	<b><u>(8,568)</u></b>
Fund balance - July 1, 2010	708,207	708,207	708,207	-
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(72,505)</u>	<u>(72,505)</u>
Fund balance - July 1, 2010, as restated	<u>708,207</u>	<u>708,207</u>	<u>635,702</u>	<u>(72,505)</u>
Fund balance - June 30, 2011	<u>\$ 530,892</u>	<u>\$ 676,039</u>	<u>\$ 594,966</u>	<u>\$ (81,073)</u>

Reconciliation to governmental fund financial statements:

Net change in fund balance - budget statement (above)	\$ (40,736)
Revenues and expenditures not included in budget statement:	
Sanitation revenues	142,015
Sanitation expenditures	<u>(140,537)</u>
Net change in fund balance - governmental statement of revenues, expenditures and change in fund balance (page 12)	<u>\$ (39,258)</u>
General fund balance - budget statement (above)	\$ 594,966
Assets related to sanitation operations	69,672
Liabilities related to sanitation operations	<u>-</u>
General fund balance - governmental balance sheet (page 10)	<u>\$ 664,638</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF GREENFIELD, TENNESSEE**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUND**  
June 30, 2011

**ASSETS**

Current Assets		
Cash in bank		\$ 101,072
Accounts receivable		59,291
Inventory		<u>9,836</u>
Total current assets		170,199
Noncurrent assets		
Capital assets (net of accumulated depreciation)		
Land	58,220	
Utility plant in service	<u>4,922,147</u>	
Total capital assets		<u>4,980,367</u>
<b>Total assets</b>		<b>5,150,566</b>

**LIABILITIES**

Current liabilities		
Accounts payable	7,683	
Due to other funds	659	
Customer deposits	<u>56,240</u>	
Total current liabilities		<u>64,582</u>
Noncurrent liabilities		
Due within one year	84,504	
Due in more than one year	<u>636,857</u>	
Total noncurrent liabilities		<u>721,361</u>
<b>Total liabilities</b>		<b><u>785,943</u></b>

**NET ASSETS**

Invested in capital assets, net of related debt	4,259,006	
Unrestricted	<u>105,617</u>	
<b>Total net assets</b>		<b><u>\$ 4,364,623</u></b>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF GREENFIELD, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUND**  
For the Year Ended June 30, 2011

<b>Operating revenues</b>	
Metered water sales	151,371
Servicing customer installations	1,430
Sewer service charges	269,488
Hydrant fees	18,216
Meter reading service	6,490
Miscellaneous	2,735
Total revenues	<u>449,730</u>
<b>Operating expenses</b>	
Salaries	123,896
Hospitalization	18,165
Retirement/pension	21,573
Electric	31,930
Architectural and engineering	3,741
Repairs and maintenance services	15,307
Miscellaneous	5,802
Chemicals	9,516
Other materials	18,311
Gas, oil, diesel and fuel	8,014
Payroll taxes	9,651
Office supplies and materials	2,978
Insurance	12,500
Machinery and equipment	3,776
Depreciation	176,757
Total operating expenses	<u>461,917</u>
<b>Operating income (loss)</b>	<b><u>(12,187)</u></b>
<b>Non-operating revenues (expenses)</b>	
Interest income	833
Sale of equipment	8,940
Interest expense	<u>(12,876)</u>
Total non-operating revenues (expenses)	<u>(3,103)</u>
<b>Change in net assets</b>	<b>(15,290)</b>
Net assets - July 1, 2010	<u>4,379,913</u>
Net assets - June 30, 2011	<u>\$ 4,364,623</u>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF GREENFIELD, TENNESSEE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
For the Year Ended June 30, 2011

<b>cash flows from operating activities</b>		
Cash received from customers		\$ 445,756
Cash payments to suppliers		(116,261)
Net cash received from customer deposits		2,160
Cash payments to employees for services		<u>(175,549)</u>
Net cash provided by operating activities		156,106
<b>Cash flows from non-capital financing activities</b>		
Decrease in due to other funds	<u>(11,103)</u>	
Net cash used by non-capital financing activities		(11,103)
<b>Cash flows from capital and related financing activities</b>		
Additions to utility plant	(30,005)	
Proceeds from sale of equipment	8,940	
Payments on principal of long-term debt	(78,528)	
Interest payments on long-term debt	<u>(12,876)</u>	
Net cash used by capital and related financing activities		(112,469)
<b>Cash flows from investing activities</b>		
Interest received	<u>833</u>	
Net cash provided by investing activities		<u>833</u>
<b>Net increase in cash and cash equivalents</b>		<b>33,367</b>
Cash and cash equivalents - July 1, 2010		<u>67,705</u>
Cash and cash equivalents - June 30, 2011		<u>\$ 101,072</u>
<b>Cash flows from operating activities</b>		
Operating income (loss)		\$ (12,187)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	176,757	
Increase in accounts receivable	(3,974)	
Increase in inventories	(784)	
Decrease in accounts payable	(3,602)	
Decrease in compensated absences	(2,264)	
Increase in customer deposits	<u>2,160</u>	
Total adjustments		<u>168,293</u>
Net cash provided by operating activities		<u>\$ 156,106</u>

*The accompanying notes are an integral part of these financial statements.*

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

June 30, 2011

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

The City of Greenfield, Tennessee, operates under a Mayor – Board of Aldermen form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, public improvements, planning and zoning, and general administrative services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below.

**A. Reporting Entity**

The City includes, for financial reporting purposes, all funds, agencies, boards, commissions and authorities that are controlled by or dependent on the City. Control by or dependence on the City has been determined on the basis of budget adoption, taxing authority, guarantee of debt, general obligations of the City, ownership of assets, or the City's obligation to fund any deficits that may occur. Based on these criteria, there were no component units applicable for inclusion in the basic financial statements.

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

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental 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

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

June 30, 2011

statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flow. 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.

In general, taxes, licenses, federal and state grants, 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental fund:

The general 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.

The City reports the following major proprietary fund:

The water and sewer fund, an enterprise fund, is used to account for operations that are financed and operated in a manner similar to a business enterprise, where costs of providing services are financed through user charges.

The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The City's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's utility divisions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

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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 principle ongoing operations. The principle operating revenues of the City's enterprise fund are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the systems. The utility fund recognizes income based on cycle billings. This results in recognizing as income the water usage through each respective cycle each month, which may not coincide with the last day of the fiscal year. Non-recognition of income from water sales as a result of cycle billing is a common industry practice. Operating expenses for the proprietary fund includes 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. The cost of purchased water is accrued based on the final meter reading of the fiscal year. This may result in unrecognized expenses for the period between the final billing and the end of the fiscal year. This practice is consistent with industry guidelines and does not differ significantly from generally accepted accounting principles.

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

**D. Assets, Liabilities and Net Assets or Equity**

**Deposits and Investments**

The City's cash includes all deposits with financial institutions, including restricted deposits, certificates of deposit and highly liquid investments with original maturities of three months or less.

**Receivables and Payables**

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 noncurrent portion of interfund loans).

**Inventories and Prepaid Items**

Inventory records are not maintained on a perpetual basis. Inventory is charged to expense as purchased. The City takes a physical inventory at fiscal year-end, which is recorded at cost using the first-in/first-out (FIFO) method.

**Capital Assets**

Capital assets, including property, plant, vehicles, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) and construction in progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 for equipment and for infrastructure. 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 cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For the year under examination, there were no interest costs capitalized.

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Capital assets are depreciated over the following useful lives using the straight line method of depreciation:

Buildings	25 – 50 years
Vehicles and equipment	3 – 10 years
Furniture and fixtures	3 – 10 years
Infrastructure	20 – 50 years

**Compensated Absences**

The City provides paid vacation annually for employees with at least one year of service. Employees must take at least five days of their vacation each year; vacation can be carried over to the following year to a maximum of twenty days. The City's sick leave policy states that employees accrue one day of sick leave per month. They may accrue a maximum of ninety days, but upon leaving their employment or retirement, they will not receive any unpaid sick leave.

**Long-term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Balance/Net Assets**

In the governmental fund financial statements, fund balances are classified as follows:

- Restricted – amounts that can be spent only for specific purposes because of limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions.
- Assigned – amounts that are designated by the Board for a particular purpose but are not spendable until there is a majority vote approval by the Board.
- Unassigned – all amounts in the general fund not included in other spendable classifications.

As of June 30, 2011, the City had restricted fund balance for state street aid funds and drug funds. The general fund had assigned fund balance of \$69,672 for sanitation activities.

Net assets in the government-wide statements are categorized as follows:

- Invested in capital assets – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any payables that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets – net assets that have third party limitations on their use.
- Unrestricted net assets – all net assets that are not included in the categories identified above.

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When an expense is incurred that can be paid using either restricted or unrestricted resources (net assets), the City’s policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the City’s policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

**Use of Estimates**

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

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets**

The governmental fund balance sheet includes reconciliation between fund equity – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of the \$1,393,209 difference are as follows:

Governmental funds capital assets	\$ 2,977,744
Less: accumulated depreciation	<u>1,584,535</u>
 Net adjustment to increase fund equity – total governmental funds to arrive at net assets – governmental activities	 <u>\$ 1,393,209</u>

A second element states “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$221,553 amount are as follows:

Landfill closure costs	\$ 194,391
Energy Efficiency loan	22,274
Compensated absences	<u>18,563</u>
 Net adjustment to decrease fund equity – total governmental funds to arrive at net assets – governmental activities	 <u>\$ 235,228</u>

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities**

The financial statements include a reconciliation between net change in fund balances of governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states “capital outlays are reported in the governmental funds as expenditures. However, In the statement of activities,

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the cost of those assets is allocated over their estimated useful lives as depreciation expense.” The details of this \$39,080 difference are as follows:

Capital outlay expenditures	\$ 19,810
Depreciation	<u>(58,890)</u>
Net adjustment to increase net change in fund balances – total governmental funds to arrive at change in net assets – governmental activities	<u>\$ (39,080)</u>

Another element of that reconciliation states “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes financial resources. Neither transaction, however, has any effect on net assets.” The details of this \$15,632 difference are as follows:

Principal payments on long-term debt	\$ 4,455
Amortization of landfill post-closure liability	<u>11,177</u>
Net adjustment to increase net change in fund balances – total governmental funds to arrive at change in net assets – governmental activities	<u>\$ 15,632</u>

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the City Recorder submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through passage of a resolution.
4. The City Recorder is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any City fund must be approved by the Board of Aldermen.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.
6. Budgets for the General and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**NOTE 4 – DETAILED NOTES ON ALL FUNDS**

**A. Deposits**

Custodial credit risk of deposits is the risk that in the event of a bank failure the government's deposits may not be returned to it. Interest-bearing deposits are covered by federal depository insurance up to \$250,000, and non-interest bearing accounts are covered by an additional \$250,000. Deposits over the insured amounts are covered by collateral held by the City's agent in

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the City's name. At June 30, 2011, all bank balances were covered by insurance or adequately collateralized. All funds are classified as public funds.

**B. Receivables**

Receivables as of June 30, 2011, for the City's individual major funds and nonmajor funds in the aggregate are detailed in the statement of net assets and governmental funds balance sheet. Taxes receivable are presented net of the allowance for uncollectible accounts, which was \$748 as of June 30, 2011. An allowance for uncollectible accounts related to service receivables has not been recorded, since the amount would be immaterial.

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 184,601	\$ -	\$ -	\$ 184,601
Construction in progress	96,083	12,310	-	108,393
	<u>280,684</u>	<u>12,310</u>	<u>-</u>	<u>292,994</u>
Capital assets being depreciated				
Buildings	1,369,403	-	-	1,369,403
Infrastructure	17,400	-	-	17,400
Ballpark improvements	120,408	7,500	-	127,908
Furniture and equipment	938,243	-	-	938,243
Vehicles	231,796	-	-	231,796
	<u>2,677,250</u>	<u>7,500</u>	<u>-</u>	<u>2,684,750</u>
Less accumulated depreciation on:				
Buildings	746,462	19,042	-	765,504
Infrastructure	837	277	-	1,114
Ballpark improvements	3,853	4,710	-	8,563
Furniture and equipment	602,821	24,913	-	627,734
Vehicles	171,672	9,948	-	181,620
	<u>1,525,645</u>	<u>58,890</u>	<u>-</u>	<u>1,584,535</u>
Total capital assets being depreciated, net	<u>1,151,605</u>	<u>(51,390)</u>	<u>-</u>	<u>1,100,215</u>
Governmental capital assets, net	<u>\$ 1,432,289</u>	<u>\$ (39,080)</u>	<u>\$ -</u>	<u>\$ 1,393,209</u>
<b>Business-type activities</b>				
Capital assets not being depreciated				
Land	\$ 58,220	-	-	\$ 58,220
Capital assets being depreciated				
Water and sewer plant	7,933,536	30,005	1,000	7,962,541
Less accumulated depreciation on:				
Water and sewer plant	2,864,637	176,757	1,000	3,040,394
Total capital assets being depreciated, net	<u>5,068,899</u>	<u>(146,752)</u>	<u>-</u>	<u>4,922,147</u>
Business-type capital assets, net	<u>\$ 5,127,119</u>	<u>\$ (146,752)</u>	<u>\$ -</u>	<u>\$ 4,980,367</u>

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

June 30, 2011

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

Governmental activities	
General	\$ 31,226
Public safety	25,086
Street department	2,578
Total depreciation – governmental activities	\$ 58,890
Business-type activities	
Water and sewer	\$ 176,757

**D. Interfund Receivables, Payables, and Transfers**

At June 30, 2011, the Water and Sewer Fund owed the General Fund \$659 for sanitation sales in the month of June 2011.

**E. Note Receivable**

Tennessee Code Annotated 6-54-118 states “a municipality may appropriate funds for the purpose of making a loan, with reasonable interest assessed, to an industrial development corporation incorporated in the county in which such municipality is located for the purpose of economic and/or industrial development”. The City has a note receivable with the Industrial Development Board dated July 22, 2002. The note matures July 1, 2017, and has a variable interest rate. The monthly payment is recalculated annually based on the current interest rate. At June 30, 2011, the outstanding balance was \$347,242 and the interest rate was 1.25%.

**F. Long-Term Debt**

Governmental Activities:

The landfill was closed in July 1993. State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. Under EPA guidelines issued October 9, 1991, the closure and postclosure requirements were computed by the State and City of Greenfield’s engineering firm to be \$815,000 based upon capacity used to date. These costs are subject to change and may be affected by inflation and changes in technology and regulations. The City of Greenfield and the State of Tennessee Department of Environment and Conservation entered into a Contract in Lieu of Performance Bond for these closure and postclosure costs. Each year, the State recalculates the outstanding liability under this contract and the City’s long-term obligation is reduced to the calculated amount. This obligation is recorded as general long-term debt of the City. The balance at June 30, 2011, was \$194,391.

The City executed an interest-free loan agreement through the Tennessee Department of Economic and Community Development Local Government Energy Efficiency Loan Program on August 7, 2008 in the amount of \$31,184. The loan will be repaid in 7 annual installments of \$4,455 on October 1 of each year. The balance outstanding as of June 30, 2011, was \$22,274.

**CITY OF GREENFIELD, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2011

Business Activities:

The Water and Sewer Fund had six notes outstanding at June 30, 2011, payable to the State Loan Fund. Interest rates on these notes range from 1.51% to 2.33%. The outstanding balance on these notes at June 30, 2011, was \$716,729 with various due dates.

The following is a summary of future debt service requirements for the City:

Year Ending June 30,	Government Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2012	\$ 4,455	\$ -	\$ 79,872	\$ 11,532
2013	4,455	-	81,252	10,152
2014	4,455	-	82,632	8,772
2015	4,455	-	84,060	7,344
2016	4,454	-	85,500	5,904
2017-2021	-	-	303,413	9,258
Totals	<u>\$ 22,274</u>	<u>\$ -</u>	<u>\$ 716,729</u>	<u>\$ 52,962</u>

Long-term liability activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Energy Rights Loan	\$ 26,729	\$ -	\$ 4,455	\$ 22,274	\$ 4,455
Compensated absences	17,182	1,381	-	18,563	13,675
Landfill Closure/Maintenance	205,568	-	11,177	194,391	n/a
Totals	<u>\$ 249,479</u>	<u>\$ 1,381</u>	<u>\$ 15,632</u>	<u>\$ 235,228</u>	<u>\$ 18,130</u>
Business-type Activities:					
State Loan Fund	\$ 795,257	\$ -	\$ 78,528	\$ 716,729	\$ 79,872
Compensated absences	6,896	-	2,264	4,632	4,632
Totals	<u>\$ 802,153</u>	<u>\$ -</u>	<u>\$ 80,792</u>	<u>\$ 721,361</u>	<u>\$ 84,504</u>

**G. Restricted Assets and Restricted Net Assets**

Cash, receivables and other assets are restricted in the special revenue funds. These assets and the proceeds of these restricted assets are to be applied to the corresponding liabilities and future operating expenses for the restricted activities.

Net assets restricted for the State Street Aid Fund and Drug Enforcement Fund include the excess of assets over certain liabilities restricted for the purposes as so stated. Net assets of governmental funds restricted by enabling legislation to specific purposes include grants, limited purpose sales taxes and local legislation.

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

June 30, 2011

**H. Retirement Plan**

**Plan Description**

Employees of the City of Greenfield are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979 become vested after five years of service, and members joining prior to July 1, 1979 were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as City of Greenfield participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to Tennessee Treasury Department, Consolidated Retirement System, 10<sup>th</sup> Floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.tn.gov/treasury/tcrs/PS/](http://www.tn.gov/treasury/tcrs/PS/).

**Funding Policy**

The City of Greenfield requires employees to contribute 5.0% of earnable compensation. The City of Greenfield is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2011, was 12.10% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for City of Greenfield is established and may be amended by the TCRS Board of Trustees.

**Annual Pension Cost**

For the year ending June 30, 2011, the City of Greenfield's annual pension cost of \$65,909 to TCRS was equal to the City's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5% a year compounded annually, (b) projected 3.0% annual rate of inflation, (c) projected salary increases of 4.75% (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5% annual increase in the Social Security wage base, and (e) projected post retirement increases of 2.5% annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. City of Greenfield's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was 20 years. An

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**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2011

actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

**Trend Information**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2011	\$65,909	100.00%	\$0
June 30, 2010	\$53,528	100.00%	\$0
June 30, 2009	\$54,288	100.00%	\$0

**Funded Status and Funding Progress**

As of July 1, 2009, the most recent actuarial valuation date, the plan was 53.52% percent funded. The actuarial accrued liability for benefits was \$1.20 million, and the actuarial value of assets was \$0.6 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$0.6 million. The covered payroll (annual payroll of active employees covered by the plan) was \$0.5 million, and the ratio of the UAAL to the covered payroll was 104.50%.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

The annual required contribution (ARC) was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

*(Dollar amounts in thousands)*

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)- Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/01/09	\$642	\$1,199	\$557	53.52%	\$533	104.50%
7/01/07	\$467	\$577	\$110	80.94%	\$512	21.48%

**H. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City is covered by commercial insurance policies. Workers' compensation is also carried through insurance policies. There were no significant reductions in insurance coverage from the previous year. Insurance premiums are paid out annually for its general liability, auto liability, real and personal property damage,

**CITY OF GREENFIELD, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2011

workman's compensation and errors and omissions policies. Settled claims from losses have not exceeded commercial insurance coverage in any of the past three fiscal years.

**I. Prior Period Adjustments**

During the current year, it was determined that a receivable set up for grant funds in the prior year was overstated. A prior period adjustment was made to reduce grant receivable and beginning fund balance in the General Fund by \$78,143. Also during the current year, it was discovered that bank accounts attributable to the Library were overstated by \$6,410. Cash in bank and fund balance were both reduced by this amount. The prior period adjustment for compensated absences made in the prior year did not include the current portion of the liability that should also have been accounted for in the government-wide statements only. This resulted in an increase to beginning fund balance of \$12,048 with a corresponding decrease in liabilities. The first two adjustments affected beginning net assets in the government-wide statements by the same amounts; the third adjustment did not affect governmental fund net assets.

**CITY OF GREENFIELD, TENNESSEE**  
**SCHEDULE OF FUNDING PROGRESS – PENSION PLAN**  
 June 30, 2011

*(Dollar amounts in thousands)*

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)-Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/01/09	\$642	\$1,199	\$557	53.52%	\$533	104.50%
7/01/07	\$467	\$577	\$110	80.94%	\$512	21.48%

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method went into effect during the year of the 2007 actuarial valuation; therefore, only the two most recent valuations are presented.

## **OTHER SUPPLEMENTARY INFORMATION SECTION**

**CITY OF GREENFIELD, TENNESSEE  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2011**

	<b>Special Revenue Funds</b>		
	<b>State Street</b>		
	<b>Aid Fund</b>	<b>Drug Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash in banks	\$ 10,143	\$ 47,340	\$ 57,483
Accounts receivable, net	10,331	-	10,331
<b>Total assets</b>	<b>\$ 20,474</b>	<b>\$ 47,340</b>	<b>\$ 67,814</b>
 <b>LIABILITIES AND FUND BALANCE</b>			
Current liabilities			
Accounts payable	\$ 4,054	\$ 473	\$ 4,527
Fund balance			
Restricted	16,420	46,867	63,287
<b>Total liabilities and fund balance</b>	<b>\$ 20,474</b>	<b>\$ 47,340</b>	<b>\$ 67,814</b>

*See independent auditor's report*

**CITY OF GREENFIELD, TENNESSEE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2011

	<b>Special Revenue Fund</b>		
	<b>State Street</b>		
	<b>Aid Fund</b>	<b>Drug Fund</b>	<b>Total</b>
<b>Revenues</b>			
Drug related fines	\$ -	\$ 2,384	\$ 2,384
State gas and motor fuel tax	59,913	-	59,913
Interest income	8	22	30
Miscellaneous	3,590	4,537	8,127
Total revenues	63,511	6,943	70,454
<b>Expenditures</b>			
Salaries	-	399	399
Utilities-electric	43,177	-	43,177
Miscellaneous	3,733	-	3,733
Operating supplies	3,686	9,149	12,835
Payroll Taxes	-	31	31
Repair and maintenance	9,587	-	9,587
Capital outlay	12,310	-	12,310
Total expenditures	72,493	9,579	82,072
<b>Revenues over (under) expenditures</b>	<b>(8,982)</b>	<b>(2,636)</b>	<b>(11,618)</b>
Fund balance - July 1, 2010	25,402	49,503	74,905
Fund balance - June 30, 2011	\$ 16,420	\$ 46,867	\$ 63,287

*See independent auditor's report*

**CITY OF GREENFIELD, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - STATE STREET AID FUND**  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>				
State gas and motor fuel tax	\$ 60,000	\$ 60,357	\$ 59,913	\$ (444)
Sale of equipment	-	50	50	-
Miscellaneous income	-	3,540	3,540	-
Interest income	50	8	8	-
Total revenues	<u>60,050</u>	<u>63,955</u>	<u>63,511</u>	<u>(444)</u>
<b>Expenditures</b>				
Utilities-electric	40,600	40,198	43,177	2,979
Operating supplies	-	2,610	3,686	1,076
Capital outlay	16,000	12,310	12,310	-
Repairs and maintenance	3,450	9,587	9,587	-
Miscellaneous	-	3,733	3,733	-
Total expenditures	<u>60,050</u>	<u>68,438</u>	<u>72,493</u>	<u>4,055</u>
<b>Revenues over (under) expenditures</b>	<b>-</b>	<b>(4,483)</b>	<b>(8,982)</b>	<b>(4,499)</b>
Fund balance - July 1, 2010	<u>25,402</u>	<u>25,402</u>	<u>25,402</u>	<u>-</u>
Fund balance - June 30, 2011	<u>\$ 25,402</u>	<u>\$ 20,919</u>	<u>\$ 16,420</u>	<u>\$ (4,499)</u>

*See independent auditor's report*

**CITY OF GREENFIELD, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - DRUG FUND**  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>				
Drug related fines	\$ 3,400	\$ 2,288	\$ 2,384	\$ 96
Interest	125	14	22	8
Sale of confiscated equipment	<u>-</u>	<u>4,537</u>	<u>4,537</u>	<u>-</u>
Total revenues	<u>3,525</u>	<u>6,839</u>	<u>6,943</u>	<u>104</u>
<b>Expenditures</b>				
Salaries	500	399	399	-
Payroll taxes	50	31	31	-
Advertising	200	-	-	-
Operating supplies	1,775	8,677	9,149	472
Capital outlay	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>3,525</u>	<u>9,107</u>	<u>9,579</u>	<u>472</u>
<b>Revenues over (under) expenditures</b>	<b>-</b>	<b>(2,268)</b>	<b>(2,636)</b>	<b>(368)</b>
Fund balance - July 1, 2010	<u>49,503</u>	<u>49,503</u>	<u>49,503</u>	<u>-</u>
Fund balance - June 30, 2011	<u>\$ 49,503</u>	<u>\$ 47,235</u>	<u>\$ 46,867</u>	<u>\$ (368)</u>

*See independent auditor's report*

**CITY OF GREENFIELD, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - SANITATION FUND**  
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>				
Refuse collection charges	\$ 142,000	\$ 153,072	\$ 141,969	\$ (11,103)
Interest	75	46	46	-
Total revenues	<u>142,075</u>	<u>153,118</u>	<u>142,015</u>	<u>(11,103)</u>
<b>Expenditures</b>				
Sanitation collection	129,000	131,718	131,718	-
Professional services	11,000	7,808	7,819	11
Repairs and maintenance	1,125	-	-	-
State fees	<u>975</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total expenditures	<u>142,100</u>	<u>140,526</u>	<u>140,537</u>	<u>11</u>
<b>Revenues over (under) expenditures</b>	<b>(25)</b>	<b>12,592</b>	<b>1,478</b>	<b>(11,114)</b>
Fund balance - July 1, 2010	<u>68,194</u>	<u>68,194</u>	<u>68,194</u>	<u>-</u>
Fund balance - June 30, 2011	<u>\$ 68,169</u>	<u>\$ 80,786</u>	<u>\$ 69,672</u>	<u>\$ (11,114)</u>

*See independent auditor's report*

**CITY OF GREENFIELD, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2011

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA #</u>	<u>Agency or Pass-through Number</u>	<u>Balance July 1, 2010</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Balance June 30, 2011</u>	<u>Due from Grantors</u>
<b>Department of Economic and Community Development/</b>							
Pass-through Tennessee Housing Development Agency							
Home Program Grant	14.239	HM-10-18	\$ -	\$ 215,937	\$ 215,937	\$ -	\$ -
<b>Total federal awards</b>			<u>\$ -</u>	<u>\$ 215,937</u>	<u>\$ 215,937</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE:** The accompanying schedule of expenditures of federal awards was prepared on the modified accrual basis of accounting. Federal awards related to proprietary funds are prepared on the accrual basis of accounting.

*See independent auditor's report*

**CITY OF GREENFIELD, TENNESSEE**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE**  
For the Year Ended June 30, 2011

<u>Program Title</u>	<u>Contract Number</u>	<u>Balance 7/1/2010</u>	<u>Prior Period Adjustment</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Balance June 30, 2011</u>	<u>Due from Grantors</u>
<b>Tennessee Department of Environment and Conservation</b>							
Local Park and Recreation Fund Grant	CG-09-26895-00	\$ (88,151)	\$ 78,143	\$ 10,008	\$ -	\$ -	\$ -
<b>Tennessee Department of Agriculture</b>							
Volunteer Fire Assistance Grant	GG 11-3-09	-	-	2,610	2,610	-	-
<b>Tennessee State Library and Archives</b>							
Rural Libraries Computer Grant	30504-00111-09	-	-	14,034	14,034	-	-
<b>Total state awards</b>		<u>\$ (88,151)</u>	<u>\$ 78,143</u>	<u>\$ 26,652</u>	<u>\$ 16,644</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE:** The accompanying schedule of expenditures of state awards was prepared on the modified accrual basis of accounting.

*See independent auditor's report*

**CITY OF GREENFIELD, TENNESSEE**  
**SCHEDULE OF NOTE PAYABLE - GENERAL FUND**  
June 30, 2011

Tennessee Department of Economic and Community Development  
Local Government Energy Efficiency Loan Program  
Interest Rate: 0%  
Paid Annually

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
June 30, 2012	\$ 4,455	\$ -	\$ 4,455
June 30, 2013	4,455	-	4,455
June 30, 2014	4,455	-	4,455
June 30, 2015	4,455	-	4,455
June 30, 2016	4,454	-	4,454
	<u>\$ 22,274</u>	<u>\$ -</u>	<u>\$ 22,274</u>

*See independent auditor's report*

**CITY OF GREENFIELD, TENNESSEE**  
**SCHEDULE OF NOTE PAYABLE - STATE LOAN FUND**  
**WATER AND SEWER FUND**  
June 30, 2011

State Revolving Loan No. 97-100  
Interest Rate: 1.76%  
Paid Monthly: \$3,973.00

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
June 30, 2012	\$ 41,616	\$ 6,060	\$ 47,676
June 30, 2013	42,360	5,316	47,676
June 30, 2014	43,104	4,572	47,676
June 30, 2015	43,860	3,816	47,676
June 30, 2016	44,640	3,036	47,676
June 30, 2017	45,432	2,244	47,676
June 30, 2018	46,236	1,440	47,676
June 30, 2019	47,052	624	47,676
June 30, 2020	15,862	36	15,898
Total	<u>\$ 370,162</u>	<u>\$ 27,144</u>	<u>\$ 397,306</u>

*See independent auditor's report*

**CITY OF GREENFIELD, TENNESSEE**  
**SCHEDULE OF NOTE PAYABLE - STATE LOAN FUND**  
**WATER AND SEWER FUND**  
June 30, 2011

State Revolving Loan No. 98-010  
Interest Rate: 1.58%  
Paid Monthly: \$1,215.00

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
June 30, 2012	\$ 13,044	\$ 1,536	\$ 14,580
June 30, 2013	13,248	1,332	14,580
June 30, 2014	13,452	1,128	14,580
June 30, 2015	13,668	912	14,580
June 30, 2016	13,884	696	14,580
June 30, 2017	14,100	480	14,580
June 30, 2018	14,328	252	14,580
June 30, 2019	8,520	21	8,541
Total	<u>\$ 104,244</u>	<u>\$ 6,357</u>	<u>\$ 110,601</u>

*See independent auditor's report*

**CITY OF GREENFIELD, TENNESSEE**  
**SCHEDULE OF NOTE PAYABLE - STATE LOAN FUND**  
**WATER AND SEWER FUND**  
June 30, 2011

State Revolving Loan No. 98-013  
Interest Rate: 1.55%  
Paid Montly: \$599.00

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
June 30, 2012	\$ 6,432	\$ 756	\$ 7,188
June 30, 2013	6,540	648	7,188
June 30, 2014	6,636	552	7,188
June 30, 2015	6,744	444	7,188
June 30, 2016	6,852	336	7,188
June 30, 2017	6,960	228	7,188
June 30, 2018	7,068	120	7,188
June 30, 2019	4,162	36	4,198
Total	<u>\$ 51,394</u>	<u>\$ 3,120</u>	<u>\$ 54,514</u>

*See independent auditor's report*

**CITY OF GREENFIELD, TENNESSEE**  
**SCHEDULE OF NOTE PAYABLE - STATE LOAN FUND**  
**WATER AND SEWER FUND**  
June 30, 2011

State Revolving Loan No. 98-115  
Interest Rate: 1.55%  
Paid Monthly: \$675.00

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
June 30, 2012	\$ 6,984	\$ 1,116	\$ 8,100
June 30, 2013	7,092	1,008	8,100
June 30, 2014	7,200	900	8,100
June 30, 2015	7,320	780	8,100
June 30, 2016	7,428	672	8,100
June 30, 2017	7,548	552	8,100
June 30, 2018	7,668	432	8,100
June 30, 2019	7,788	312	8,100
June 30, 2020	7,908	192	8,100
June 30, 2021	7,988	76	8,064
Total	<u>\$ 74,924</u>	<u>\$ 6,040</u>	<u>\$ 80,964</u>

*See independent auditor's report*

**CITY OF GREENFIELD, TENNESSEE**  
**SCHEDULE OF NOTE PAYABLE - STATE LOAN FUND**  
**WATER AND SEWER FUND**  
June 30, 2011

State Revolving Loan No. 99-128  
Interest Rate: 1.51%  
Paid Monthly: \$658.00

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
June 30, 2012	\$ 6,924	\$ 972	\$ 7,896
June 30, 2013	7,032	864	7,896
June 30, 2014	7,140	756	7,896
June 30, 2015	7,248	648	7,896
June 30, 2016	7,356	540	7,896
June 30, 2017	7,476	420	7,896
June 30, 2018	7,584	312	7,896
June 30, 2019	7,704	192	7,896
June 30, 2020	7,812	84	7,896
June 30, 2021	617	1	618
Total	<u>\$ 66,893</u>	<u>\$ 4,789</u>	<u>\$ 71,682</u>

*See independent auditor's report*

**CITY OF GREENFIELD, TENNESSEE**  
**SCHEDULE OF NOTE PAYABLE - STATE LOAN FUND**  
**WATER AND SEWER FUND**  
June 30, 2011

State Revolving Loan No. 00-136  
Interest Rate: 2.33%  
Paid Monthly: \$497.00

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
June 30, 2012	\$ 4,872	\$ 1,092	\$ 5,964
June 30, 2013	4,980	984	5,964
June 30, 2014	5,100	864	5,964
June 30, 2015	5,220	744	5,964
June 30, 2016	5,340	624	5,964
June 30, 2017	5,472	492	5,964
June 30, 2018	5,592	372	5,964
June 30, 2019	5,724	240	5,964
June 30, 2020	5,868	96	5,964
June 30, 2021	944	4	948
Total	<u>\$ 49,112</u>	<u>\$ 5,512</u>	<u>\$ 54,624</u>

*See independent auditor's report*

**CITY OF GREENFIELD, TENNESSEE**  
**SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE**  
For the year ended June 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Assessment</u>	<u>Collections/ Adjustments</u>	<u>Balance</u> <u>June 30, 2011</u>
2010	\$ -	\$ 291,549	\$ (275,582)	\$ 15,967
2009	15,115	-	(12,792)	2,323
2008	3,499	-	(3,100)	399
2007	1,153	-	(938)	215
2006	318	-	(318)	-
2005	318	-	(318)	-
2004	269	-	(269)	-
2003	524	-	(520)	4
2002	397	-	(390)	7
2001	3	-	-	3
Prior	<u>62</u>	<u>-</u>	<u>-</u>	<u>62</u>
	<u>\$ 21,658</u>	<u>\$ 291,549</u>	<u>\$ (294,227)</u>	18,980

Estimated 2011 levy due October 1, 2011 considered as deferred revenue	289,765
Allowance for uncollectible accounts	<u>(748)</u>
<b>Total taxes receivable</b>	<u><u>\$ 307,997</u></u>

*As of June 30, 2011, no delinquent property taxes had been turned over to Chancery Court.*

*See independent auditor's report*

**CITY OF GREENFIELD, TENNESSEE**  
**SCHEDULE OF PROPERTY TAX RATES AND ASSESSMENTS -**  
**UNAUDITED**  
June 30, 2011

<u>Year</u>	<u>Assessed Valuation</u>	<u>Tax Rate Per \$100</u>
2011	\$22,271,423	\$1.25
2010	\$22,414,396	\$1.25
2009	\$22,299,695	\$1.25
2008	\$22,177,924	\$1.25
2007	\$18,814,062	\$1.25
2006	\$18,558,177	\$1.25
2005	\$18,082,504	\$1.25
2004	\$18,392,303	\$1.25
2003	\$18,362,557	\$1.25
2002	\$17,137,669	\$0.99
2001	\$15,899,693	\$1.04

*See independent auditor's report*

**CITY OF GREENFIELD, TENNESSEE  
SCHEDULE OF UTILITY RATES IN FORCE**

June 30, 2011

City Water

0 - 3,000 gallons	\$6.00	minimum charge
Over 3,000 gallons	\$3.00	per 1,000 over 3,000 gallons

Rural Water

0 - 3,000 gallons	\$10.00	minimum charge
Over 3,000 gallons	\$3.00	per 1,000 over 3,000 gallons

Sewer

0 - 3,000 gallons - City	\$17.00	minimum charge
over 3,000 gallons - City	\$3.00	per 1,000 over 3,000 gallons
0 - 3,000 gallons - Rural	\$18.00	minimum charge
over 3,000 gallons - Rural	\$3.00	per 1,000 over 3,000 gallons

Garbage

Residential	\$13.71	per month
Commercial	\$16.85	per month
Rural	\$20.12	per month

Water customers - 974  
Sewer customers - 906  
Garbage customers - 961

*See independent auditor's report*

**CITY OF GREENFIELD, TENNESSEE**  
**SCHEDULE OF UNACCOUNTED FOR WATER**  
**UNAUDITED**  
June 30, 2011

*(All amounts in gallons)*

<b>A</b>	<b>Water treated and purchased:</b>		
<b>B</b>	Water pumped (potable)	86,758,000	
<b>C</b>	Water purchased	<u>0</u>	
<b>D</b>	<b>Total water treated and purchased</b>		86,758,000
	<b>(sum Lines B and C)</b>		
<b>E</b>	<b>Accounted for water:</b>		
<b>F</b>	Water sold	54,200,960	
<b>G</b>	Metered for consumption (In house usage)	5,866,000	
<b>H</b>	Fire department usage	106,800	
<b>I</b>	Flushing	9,124,000	
<b>J</b>	Tank cleaning/filling	0	
<b>K</b>	Street cleaning	0	
<b>L</b>	Bulk sales	0	
<b>M</b>	Water bill adjustments/plus or (minus)	<u>3,336,420</u>	
<b>N</b>	<b>Total accounted for water</b>		<u>72,634,180</u>
	<b>(sum lines F thru M)</b>		
<b>O</b>	<b>Unaccounted for water</b>		14,123,820
	<b>(line D minus line N)</b>		
<b>P</b>	<b>Percent unaccounted for water</b>		16.28%
	<b>(line O divided by line D times 100)</b>		

**Q Other (explain)** See Below

Explain Other:

1,775,000 main leaks
500,000 usage not billed

All amounts included in this schedule are supported by documentation on file at the water system. If no support is on file for a line item or if the line item is not applicable, a "0" is shown.

## **INTERNAL CONTROL AND COMPLIANCE SECTION**



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**Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

The Honorable Mayor and Members of the Board of Aldermen  
City of Greenfield, Tennessee

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the City of Greenfield, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise the City of Greenfield's basic financial statements and have issued our report thereon dated March 20, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings as 03-1 and 08-1, that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## Compliance and Other Matters

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

We noted certain matters that we reported to the management of City of Greenfield in a separate letter dated March 20, 2012.

The City of Greenfield's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the City's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Mayor, members of the Board of Aldermen, management, the State of Tennessee Comptroller's Office and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Alexander Thompson Arnold PLLC*

Martin, Tennessee  
March 20, 2012

**CITY OF GREENFIELD, TENNESSEE**  
**SCHEDULE OF FINDINGS**  
For the Year Ended June 30, 2011

**FINDINGS RELATIVE TO THE AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**03-01 Segregation of Duties**

Condition: The City of Greenfield has a city recorder and a clerk who work together in performing the accounting duties for the City. At present, the city recorder writes and signs checks for all disbursements of the City while also having cash receipts and recordkeeping duties. The checks are presented to the Mayor's designee who is the clerk for a second signature, which weakens controls more. The duties are not segregated enough to have adequate controls over the accounting function.

Criteria: Generally accepted accounting principles require that accounting functions be adequately segregated to ensure that the internal accounting controls are effective.

Effect: The risk of errors and irregularities occurring and not being detected in a timely manner increases when accounting functions are not adequately segregated.

Recommendation: We realize that the staff size will not allow the City to completely segregate the duties to the optimum level desired. However, the accounting functions should be segregated as much as possible. Management needs to be aware that a weakness does exist in the system of internal accounting controls. We further recommend that the Mayor change the person designated to sign checks. The designee should not be performing accounting and recordkeeping duties.

Response: *The City of Greenfield's Mayor and Board of Aldermen are aware of the limited segregation of duties; however, steps have been taken to strengthen any possible weakness. The recorder and the clerk are both responsible for collection of funds. The clerk prepares the deposit while the recorder does the bank reconciliations. The only option for the City to segregate the accounting functions any further is to hire a third person. This would be unnecessary due to the workload and improbable due to an increase in administrative salaries.*

**08-01 General Ledger Accounts Not Being Reconciled**

Condition: During our testing, it was noted that many of the general ledger accounts were not being reconciled and adjusted as necessary.

Criteria: Asset and liability accounts should be reconciled monthly, at a minimum, to subsidiary documentation to ensure that balances are accurate.

Effect: Failure to reconcile accounts on a regular basis can result in loss of revenue or late charges due to untimely initiation of collection or payment procedures and improper recognition of revenues and expenditures in the proper period.

Recommendation: All accounts in the general ledger should be balanced monthly to ensure the proper reporting of the Town's finances to the Mayor and Board of Aldermen.

Response: *City concurs.*

**CITY OF GREENFIELD, TENNESSEE**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
For the Year Ended June 30, 2011

**Prior findings relative to the audit of financial statements performed in accordance with *Government Auditing Standards*:**

**03-01 Segregation of Duties**

This finding was repeated.

**08-01 General Ledger Accounts Not Being Reconciled**

This finding was repeated.