

Financial Section

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General Purpose Financial Statements

City of Springfield, Oregon
 COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT

June 30, 2002

	Governmental Fund Type:				Proprietary Fund Types		Fiduciary Fund Type	Account Groups			Component Units		
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Debt	Total (Memorandum Only)	Metropolitan Wastewater	Regional Fiber Consortium	Hospital Facility Authority
ASSETS AND OTHER DEBITS													
Cash and investments	\$ 5,010,186	\$ 1,949,445	\$ 4,019,643	\$ 11,457,041	\$ 10,864,992	\$ 5,498,609	\$ 1,613,212	\$ -	\$ -	\$ 40,413,128	\$ 18,305,686	841	\$ 2,754,013
Receivables, net of allowance for uncollectable receivables:													
Property taxes	928,964	-	118,025	-	-	-	-	-	-	1,046,989	-	-	-
Accounts	632,906	364,687	-	571,404	1,163,267	-	-	-	-	2,732,264	-	89,053	-
Assessments and liens	6,400	-	148,974	205,765	-	-	-	-	-	361,139	-	-	-
Grants	68,478	347,358	-	11,433	-	-	-	-	-	427,269	-	-	-
Accrued interest	24,438	7,641	18,826	47,842	46,290	22,072	-	-	-	167,109	100,800	-	-
Mortgage notes	-	3,649,886	195,659	121,597	-	-	-	-	-	3,967,142	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	2,079,578	-	-
Due from other fund	195,108	13,451	-	-	-	-	-	-	-	208,559	1,000	-	-
Inventory	1,301	81,632	-	-	-	-	-	-	-	82,933	-	-	-
Investment in foreclosed properties	1,970	-	-	-	-	-	-	-	-	1,970	-	-	-
Prepaid items	37,125	300	-	7,240	17,889	10,087	-	-	-	72,641	68,969	-	-
Deposits	-	45,808	-	-	-	-	-	-	-	45,808	500,000	-	-
Restricted assets:													
Cash and investments	-	-	-	-	320,420	-	-	-	-	320,420	5,518,644	-	-
Notes receivable	-	-	-	-	-	-	-	-	-	-	1,187,633	-	-
Fixed assets, net, where applicable, of accumulated depreciation:	-	-	-	-	32,349,544	6,150,332	-	20,910,147	-	59,410,023	70,284,126	26,302,517	-
Bond costs	-	-	-	-	42,046	-	-	-	-	42,046	-	-	-
Other debits:													
Amount available for Debt Service Fund	-	-	-	-	-	-	-	-	416,760	416,760	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	-	10,504,275	10,504,275	-	-	11,326,726
Amount to be provided for accrued vacation and compensatory time pay	-	-	-	-	-	-	-	-	2,711,317	2,711,317	-	-	-
Total assets and other debits	\$ 6,906,876	\$ 6,460,208	\$ 4,501,127	\$ 12,422,322	\$ 44,804,448	\$ 11,681,100	\$ 1,613,212	\$ 20,910,147	\$ 13,632,352	\$ 122,931,792	\$ 98,046,436	26,392,411	\$ 14,080,739
LIABILITIES													
Accounts payable	\$ 175,329	\$ 109,307	\$ 265	\$ 61,757	\$ 102,707	\$ 153,036	\$ -	\$ -	\$ -	\$ 602,401	\$ 755,401	76	\$ -
Accrued payroll and other liabilities	1,632,163	257,755	1,871	17,066	960,639	137,880	-	-	2,711,317	5,718,691	137,722	-	-
Notes and contract payable	-	-	-	-	3,049,496	-	-	-	981,035	4,030,531	-	-	-
Deferred revenue	1,016,448	3,848,664	443,298	891,365	410,457	-	-	-	-	6,610,232	8,261	-	-
Due to other fund	13,451	195,108	-	-	-	1,000	-	-	-	209,559	-	-	-
Interest payable	-	-	-	-	77,769	-	-	-	-	77,769	-	-	286,726
Deposits	2,518	-	-	5,148	27,902	-	-	-	-	35,568	210	-	-
Matured and unmatured bonds payable	-	-	-	-	2,612,001	-	-	-	9,940,000	12,552,001	-	-	-
Amounts held in trust	-	-	-	-	-	-	1,613,212	-	-	1,613,212	-	-	-
Long term debt, not an obligation of the City	-	-	-	-	-	-	-	-	-	-	-	-	11,040,000
Total liabilities	2,839,909	4,410,834	445,434	975,336	7,240,971	291,916	1,613,212	-	13,632,352	31,449,964	901,594	76	11,326,726
EQUITY AND OTHER CREDITS													
Contributed capital	-	-	-	-	21,168,285	6,505,998	-	-	-	27,674,283	57,889,049	27,446,105	-
Investment in general fixed assets	-	-	-	-	-	-	-	20,910,147	-	20,910,147	-	-	-
Retained earnings:													
Reserved	-	-	-	-	682,317	-	-	-	-	682,317	-	-	-
Unreserved	-	-	-	-	15,712,875	4,883,186	-	-	-	20,596,061	39,255,793	(1,053,770)	-
Fund balances:													
Reserved	360,759	222,049	416,760	8,010,724	-	-	-	-	-	9,010,292	-	-	2,754,013
Unreserved	3,706,208	1,827,325	3,638,933	3,436,262	-	-	-	-	-	12,608,728	-	-	-
Total equity and other credits	4,066,967	2,049,374	4,055,693	11,446,986	37,563,477	11,389,184	-	20,910,147	-	91,481,828	97,144,842	26,392,335	2,754,013
Total liabilities, equity and other credits	\$ 6,906,876	\$ 6,460,208	\$ 4,501,127	\$ 12,422,322	\$ 44,804,448	\$ 11,681,100	\$ 1,613,212	\$ 20,910,147	\$ 13,632,352	\$ 122,931,792	\$ 98,046,436	26,392,411	\$ 14,080,739

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND
DISCRETELY PRESENTED COMPONENT UNIT

Year Ended June 30, 2007

	General	Special Revenue	Debt Service	Capital Projects	Total (Memorandum Only)	Component Unit Hospital Authority
Revenues:						
Taxes	\$ 11,312,456	\$ 837,292	\$ 1,070,386	\$ -	\$ 13,220,134	\$ -
Licenses and fees	2,836,558	15,000	-	-	2,851,558	-
Special assessments	-	-	80,368	77,006	157,374	-
Fines and forfeiture:	901,205	-	-	-	901,205	-
Use of money and property	293,146	328,900	353,905	410,863	1,386,814	131,491
Intergovernmental revenue:	3,162,191	4,516,643	-	27,470	7,706,304	1,849,809
Charges for service:	2,926,003	191,000	-	2,312,467	5,429,470	-
Miscellaneous receipts:	364,728	121,159	342	1,664	487,893	-
Total revenues	21,796,287	6,009,994	1,505,001	2,829,470	32,140,752	1,981,300
Expenditures:						
Current:						
General government	4,217,340	394,393	19,352	325,238	4,956,323	-
Public safety	14,499,315	254,134	-	4,137	14,757,586	-
Library	1,049,154	47,925	-	-	1,097,079	-
Community development	2,595,490	5,321,825	3,536	303,451	8,224,302	-
Capital outlay/project:	108,542	780,607	-	1,378,848	2,267,997	-
Debt service:						
Principal	-	-	698,528	-	698,528	1,235,000
Interest	-	-	603,403	-	603,403	762,244
Special payments:	-	-	-	587	587	-
Total expenditures	22,469,841	6,798,884	1,324,819	2,012,261	32,605,805	1,997,244
Excess of revenues over (under) expenditures	(673,554)	(788,890)	180,182	817,209	(465,053)	(15,944)
Other financing sources (uses)						
Operating transfers in	674,334	16,071	117,223	224,618	1,032,246	-
Operating transfers out	(17,027)	(153,850)	(524,618)	(124,791)	(820,286)	-
Total other financing sources (uses)	657,307	(137,779)	(407,395)	99,827	211,960	-
Excess of revenues and other financing sources over (under) expenditures and other uses	(16,247)	(926,669)	(227,213)	917,036	(253,093)	(15,944)
Fund balances, beginning of year	4,083,501	2,982,824	4,282,906	10,529,950	21,879,181	2,769,957
Change in reserve for inventories	(287)	(6,781)	-	-	(7,068)	-
Fund balances, end of year	\$ 4,066,967	\$ 2,049,374	\$ 4,055,693	\$ 11,446,986	\$ 21,619,020	\$ 2,754,013

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(NONGAAP BUDGETARY BASIS) BUDGET AND ACTUAL -
ALL GOVERNMENTAL FUND TYPES

Year Ended June 30, 2002

	General Fund			Special Revenue Funds			Debt Service Funds			Capital Projects Funds			Total (Memorandum Only)		
	Budget	Actual	Variance favorable (Unfavorable)	Budget	Actual	Variance favorable (Unfavorable)	Budget	Actual	Variance favorable (Unfavorable)	Budget	Actual	Variance favorable (Unfavorable)	Budget	Actual	Variance favorable (Unfavorable)
Revenues															
Taxes	\$ 11,079,143	\$ 11,312,456	\$ 233,313	\$ 864,453	\$ 837,292	\$ (27,161)	\$ 1,024,174	\$ 1,070,386	\$ 46,212	\$ -	\$ -	\$ -	\$ 12,967,770	\$ 13,220,134	\$ 252,364
Licenses and fees	2,557,015	2,740,915	183,900	18,000	15,000	(3,000)	-	-	-	-	-	-	2,575,015	2,755,915	180,900
Special assessments	-	-	-	-	-	-	117,041	92,315	(24,726)	451,105	163,911	(287,194)	568,146	256,226	(311,920)
Fines and forfeitures	931,764	901,205	(30,559)	-	-	-	-	-	-	-	-	-	931,764	901,205	(30,559)
Use of money and property	570,665	351,360	(219,305)	331,133	364,183	33,050	276,368	393,473	117,105	3,125,524	526,138	(2,599,386)	4,303,690	1,635,154	(2,668,536)
Intergovernmental revenues	3,009,720	3,162,191	152,471	5,737,553	4,516,594	(1,220,959)	-	-	-	1,170,000	27,470	(1,142,530)	9,917,273	7,706,255	(2,211,018)
Charges for services	2,979,216	2,926,003	(53,213)	92,139	191,000	98,861	-	-	-	1,070,900	2,315,084	1,244,184	4,142,255	5,432,087	1,289,832
Miscellaneous receipts	919,541	899,269	(20,272)	77,371	130,884	53,513	117,906	98,133	(19,773)	824,618	226,282	(598,336)	1,939,436	1,354,568	(584,868)
Bond and note proceeds	-	-	-	-	-	-	-	-	-	750,000	-	(750,000)	750,000	-	(750,000)
Total revenues	22,047,064	22,293,399	246,335	7,120,649	6,054,953	(1,065,696)	1,535,489	1,654,307	118,818	7,392,147	3,258,885	(4,133,262)	38,095,349	33,261,544	(4,833,804)
Expenditures															
Current															
General government	7,162,706	4,217,577	2,945,129	461,851	394,393	67,458	36,546	19,352	17,194	1,788,762	815,321	973,441	9,449,865	5,446,643	4,003,222
Public safety	14,899,006	14,502,891	396,115	244,453	233,468	10,985	-	-	-	219,568	6,946	212,622	15,363,027	14,743,305	619,722
Debt service	-	-	-	-	-	-	5,807,753	1,907,498	3,900,255	1,253,854	56,677	1,197,177	7,061,607	1,964,175	5,097,432
Library	1,244,896	1,157,696	87,200	52,225	45,494	6,731	-	-	-	156	-	156	1,297,277	1,203,190	94,087
Community development	2,755,791	2,595,490	160,301	9,005,192	6,115,301	2,889,891	3,974	3,536	438	14,455,062	1,285,196	13,169,866	26,220,019	9,999,523	16,220,496
Total expenditures	26,062,399	22,473,654	3,588,745	9,763,721	6,788,656	2,975,065	5,848,273	1,930,386	3,917,887	17,717,402	2,164,140	15,553,262	59,391,795	33,356,836	26,034,959
Excess of revenues over (under) expenditures	(4,015,335)	(180,255)	3,835,080	(2,643,072)	(733,703)	1,909,369	(4,312,784)	(276,079)	4,036,705	(10,325,255)	1,094,745	11,420,000	(21,296,446)	(95,292)	21,201,154
Fund balances, beginning of year	4,015,335	4,143,116	127,781	2,643,072	2,643,071	(1)	4,312,784	4,312,784	-	10,325,255	10,325,255	-	21,296,446	21,424,226	127,780
Fund balances, end of year	\$ -	\$ 3,962,861	\$ 3,962,861	\$ -	\$ 1,909,368	\$ 1,909,368	\$ -	\$ 4,036,705	\$ 4,036,705	\$ -	\$ 11,420,000	\$ 11,420,000	\$ -	\$ 21,328,934	\$ 21,328,934

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNITS

Year Ended June 30, 2002

	Enterprise	Internal Service	Total (Memorandum Only)	Component Units	
				Metropolitan Wastewater	Regional Fiber Consortium
Operating revenues					
Charges for services	\$ 10,809,324	\$ 1,889,037	\$ 12,698,361	\$ 11,577,156	\$ -
Licenses and fees	-	-	-	13,945	-
Fines and forfeitures	-	2,484	2,484	17,054	-
Miscellaneous receipts	102,460	43,829	146,289	47,040	203,000
Total operating revenues	10,911,784	1,935,350	12,847,134	11,655,195	203,000
Operating expenses					
Personal services	4,952,488	194,556	5,147,044	498,695	-
Materials and services	3,179,230	1,185,545	4,364,775	8,824,597	48,221
Depreciation	924,115	887,507	1,811,622	4,603,225	1,143,588
Bad debt expense	864,634	-	864,634	4,828	-
Total operating expenses	9,920,467	2,267,608	12,188,075	13,931,345	1,191,809
Operating income (loss)	991,317	(332,258)	659,059	(2,276,150)	(988,809)
Nonoperating revenues (expenses)					
Interest income	359,073	168,684	527,757	797,409	-
Interest expense	(270,869)	-	(270,869)	-	-
Tap Fees in excess of operating portion	-	-	-	685,913	-
Forward looking system development charge	-	-	-	73,250	-
Loss on disposal of assets	-	(100,861)	(100,861)	(11,090)	-
Miscellaneous non-operating	-	-	-	129,265	-
Unrealized loss on Investment	-	-	-	-	(125)
Total nonoperating revenues	88,204	67,823	156,027	1,674,747	(125)
Income (loss) before operating transfers	1,079,521	(264,435)	815,087	(601,403)	(988,934)
Operating transfers in	7,000	-	7,000	-	-
Operating transfers out	(218,960)	-	(218,960)	-	-
Net income (loss)	867,561	(264,435)	603,127	(601,403)	(988,934)
Add depreciation on fixed assets acquired by grants and shared revenues externally restricted for capital acquisitions and construction that reduces contributed capital	97,818	-	97,818	3,707,472	-
Net increase (decrease) in retained earnings	965,379	(264,435)	700,945	3,106,069	(988,934)
Retained earnings, beginning of year	15,443,020	5,154,621	20,597,641	36,151,481	(64,836)
Residual equity transfer out	(13,207)	(7,000)	(20,207)	(1,757)	-
Retained earnings (deficit), end of year	\$ 16,395,192	\$ 4,883,186	\$ 21,278,379	\$ 39,255,793	\$ (1,053,770)

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon

COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNITS

Year Ended June 30, 2002

	Enterprise	Internal Service	Total (Memorandum Only)	Component Units	
				Metropolitan Wastewater	Regional Fiber Consortium
Cash flows from operating activities:					
Cash received from customers	\$ 9,513,790	\$ -	\$ 9,513,790	\$ 10,845,322	\$ 38,947
Cash received from quasi-external operating transactions with other funds	-	1,889,037	1,889,037	-	-
Cash paid for employee services	(4,723,725)	(251,161)	(4,974,885)	(457,606)	-
Cash paid to suppliers for goods and services	(3,148,420)	(1,032,039)	(4,180,459)	(8,981,970)	(78,063)
Cash received from other governments for reimbursement of operating transactions	-	-	-	-	-
Other operating receipts	135,397	47,313	182,710	83,300	-
Net cash provided by operating activities	<u>1,777,042</u>	<u>653,150</u>	<u>2,430,193</u>	<u>1,489,046</u>	<u>(39,116)</u>
Cash flows from noncapital financing activities:					
Operating transfers in from other funds	7,000	-	7,000	-	-
Operating transfers out to other funds	(218,960)	-	(218,960)	-	-
Residual equity transfer	(13,207)	(7,000)	(20,207)	(1,757)	-
Net cash provided by (used in) noncapital financing activities	<u>(225,167)</u>	<u>(7,000)</u>	<u>(232,167)</u>	<u>(1,757)</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets	-	20,750	20,750	-	-
Acquisition and construction of capital assets	(801,550)	(556,111)	(1,357,660)	(502,658)	-
Proceeds of capital-type special assessments	-	-	-	121,738	-
Bond costs	3,255	-	3,255	-	-
Loan payments	(247,729)	-	(247,729)	-	-
Bond payments	(133,219)	-	(133,219)	-	-
Interest paid	(214,919)	-	(214,919)	-	-
Tap fees in excess of operation portion	-	-	-	745,275	-
Forward looking system development charges	-	-	-	73,250	-
Net cash provided by (used in) capital and related financing activities	<u>(1,394,162)</u>	<u>(535,361)</u>	<u>(1,929,523)</u>	<u>437,605</u>	<u>-</u>
Cash flows from investing activities					
Interest received	489,128	233,187	722,315	1,044,897	413
Lease income	-	-	-	0	-
Net cash provided by investing activities	<u>489,128</u>	<u>233,187</u>	<u>722,315</u>	<u>1,044,897</u>	<u>413</u>
Net change in cash and investments	646,841	343,976	990,817	2,969,791	(38,703)
Cash and investments, beginning of year	10,538,569	5,154,633	15,693,202	20,854,539	39,544
Cash and investments, end of year	<u>\$ 11,185,410</u>	<u>\$ 5,498,609</u>	<u>\$ 16,684,018</u>	<u>\$ 23,824,330</u>	<u>\$ 841</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by Operating Activities					
Operating income (loss)	\$ 991,317	\$ (332,258)	\$ 659,059	\$ (2,276,150)	\$ (988,809)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	924,115	887,507	1,811,622	4,603,225	1,143,588
Other changes in assets and liabilities:					
Prepaid expenses	90,287	85,264	175,551	(66,834)	(89,053)
Accounts receivable	(430,900)	-	(430,900)	(727,006)	(75,000)
Deposits	799	-	799	-	-
Due from other funds	-	-	-	(1,000)	-
Accounts payable	(59,477)	68,242	8,765	(89,539)	(29,842)
Accrued payroll and other liabilities	228,763	(55,605)	173,158	41,089	-
Deferred revenue	32,138	-	32,138	5,261	-
Net cash provided by operating activities	<u>\$ 1,777,042</u>	<u>\$ 653,150</u>	<u>\$ 2,430,192</u>	<u>\$ 1,489,046</u>	<u>\$ (39,116)</u>
Noncash capital and related financing activities:					
Contributed fixed assets increasing contributed capital	<u>\$ 74,153</u>	<u>\$ 515,943</u>	<u>\$ 590,096</u>	<u>\$ -</u>	<u>\$ -</u>
Retirement and disposition of capital assets, net of accumulated depreciation	<u>\$ -</u>	<u>\$ (100,861)</u>	<u>\$ (100,861)</u>	<u>\$ (11,090)</u>	<u>\$ -</u>
Increased basis of newly acquired assets due to trade-ins	<u>\$ -</u>	<u>\$ 538,494</u>	<u>\$ 538,494</u>	<u>\$ -</u>	<u>\$ -</u>
Sales commission on auctioned capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The financial statements of the City of Springfield have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government 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 are described below.

1. Financial Reporting Entity

These general purpose financial statements present the City of Springfield and its component units. Each discretely presented component unit is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the City.

DISCRETELY PRESENTED COMPONENT UNITS

Metropolitan Wastewater Management Commission (MWMC) provides regional sewage treatment and is governed by a board comprised of appointed members. The City of Springfield provides all administrative duties for MWMC in accordance with an intergovernmental agreement. Given the nature and significance of MWMC's relationship, the City of Springfield believes it would be misleading to exclude MWMC from the general purpose financial statements. MWMC is presented as a proprietary fund type.

The Hospital Facilities Authority of the City of Springfield, Oregon (the Hospital Facilities Authority) provides facilities funding for the McKenzie-Willamette Hospital. It is governed by a board appointed by the City and the City has the authority to remove appointed board members at its will. The Hospital Facilities Authority's fiscal year ended December 31, 2001 and it is presented as a governmental fund type.

The Regional Fiber Consortium was formed by units of local government on August 1, 1999 pursuant to ORS190. There are ten member governments: eight cities and two counties. The board is comprised of one representative appointed by each member government. The City of Springfield provides all administrative duties for the Regional Fiber Consortium in accordance with an intergovernmental agreement, and therefore believes it would be misleading to exclude the Regional Fiber Consortium from the general purpose financial statements. The Regional Fiber Consortium is presented as a proprietary fund type.

Complete financial statements for each of the discretely presented component units may be obtained as follows:

<u>MWMC</u>	<u>Hospital Facilities Authority of the City of Springfield, Oregon</u>	<u>Regional Fiber Consortium</u>
City of Springfield 225 5 th Street Springfield, Oregon 97477	McKenzie-Willamette Hospital 1460 "G" Street Springfield, Oregon 97477	City of Springfield 225 5 th Street Springfield, Oregon 97477

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are classified in three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types”. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The City’s financial operations are accounted for in the following funds and account groups:

GOVERNMENTAL FUND TYPES

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

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Funds included in this category are:

- Street
- Housing and Community Development
- Transient Room tax
- Special Revenue
- Museum

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs. Funds included in this category are:

- General Obligation Debt Service
- Bancroft Redemption

Capital Projects Funds – Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds types). Such facilities include, but are not necessarily limited to, streets and sewers. Primary resources of the Capital

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Projects Funds are interfund revenues, system development charges, intergovernmental revenues, special assessments, and bond proceeds. Funds included in this category are:

- Development Assessment Capital Projects
- Development Capital Projects
- System Development Capital Projects
- General Obligation Bond Capital Projects

PROPRIETARY FUND TYPES

Enterprise Funds – Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the City Council is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Funds included in this category are:

- Sewer Utility
- Emergency Medical Services
- Booth-Kelly

Internal Service Funds – The Internal Service Funds are used to account for the financing of goods and services provided by one department to the other City departments and programs. Charges to the other City departments and programs are made on a cost-reimbursement or sinking fund basis. Funds included in this category are:

- Vehicle and Equipment
- Insurance

FIDUCIARY FUND TYPES

Agency Fund – The Agency Fund is a non-budgeted fund which accounts for resources received and held by the City on behalf of outside parties, including other governments, or on behalf of other funds within the City. It is custodial in nature (assets equal liabilities) and does not involve measurement of the results of operations.

ACCOUNT GROUPS

General Fixed Assets Account Group – This account group is established to account for all fixed assets of the City, other than those accounted for in the proprietary fund types.

General Long-term Debt Account Group – This account group is established to account for all long-term debt of the City, except that accounted for in the proprietary fund types.

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured by the fund. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting used by the City and described below are consistent with generally accepted accounting principles.

The governmental fund types and the agency fund are reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded in the accounting period in which they become measurable and available. Expenditures are recorded when the related fund liabilities are incurred, if measurable, except for:

Debt service expenditures on general long-term debt, which are recorded when due.

Earned but unpaid vacation and accrued compensatory time pay, which is recorded as an expenditure to the extent that it is expected to be liquidated with expendable available financial resources.

Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues which were susceptible to accrual (measurable and available) under the modified accrual basis of accounting were as follows:

Federal and state grants (to the extent that revenues are recorded as eligible expenditures are incurred)

State and local shared revenues for franchise taxes, transient room tax, rural fire protection and other shared revenues

Assessment receivable installments collected within thirty days following year-end

Property taxes collected within thirty days following year-end

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

The proprietary fund types are accounted for utilizing the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded at the time they are earned and expenses are recorded at the time liabilities are incurred. Proprietary fund types use the flow of economic resources measurement focus.

The City has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletin (ARB) issued on or before November 30, 1989 unless those pronouncements conflict with or

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -Continued

contradict GASB pronouncements. Accordingly, the proprietary fund accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to reporting proprietary activity.

Deferred revenues, reported on the City's combined balance sheet, arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grants are received prior to the incurrence of qualified expenditures.

4. Budgets

The City's budget is prepared on the modified accrual basis for all funds. Except for the agency fund, which accounts for "pass-through" transactions, the City adopts annual budgets for all of its funds as required by State law. Expenditures are controlled by appropriations adopted by resolutions of the City Council. Appropriations are made at the level of fund, program and major category, and lapse at the end of each fiscal year.

5. Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds, as well as for MWMC and the Regional Fiber Consortium, two discretely presented component units. Interest earned on pooled investments is allocated to funds based on the pro-rata amounts each fund has in the pool. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments".

State statutes authorize the City and its discretely presented component units to invest in obligations of the U.S. Treasury and its agencies, bankers' acceptances, high grade commercial paper, the State of Oregon Local Government Investment Pool and repurchase agreements.

Investments are reported at fair value.

For purposes of the statement of cash flows for proprietary fund types, cash and investments in the City-wide investment pool (including restricted cash and investments) are considered cash and cash equivalents.

The pool has the general characteristics of a demand deposit account in that funds may deposit additional cash at any time and may withdraw cash at any time without prior notice or penalty.

6. Short-term Inter-entity and Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds, and/or component units, for goods provided or services rendered. These receivables and payables are classified as "due from other funds", "due from component unit", "due to other funds" or "due to component unit" on the balance sheet.

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. Property Taxes Receivable

Property taxes receivable, which have been collected within thirty days subsequent to the year-end, are considered measurable and available and are therefore recognized as revenue. All other property taxes receivable are offset by deferred revenue and, accordingly, have not been recorded as revenue. Real and personal property taxes attach as an enforceable lien on property as of July 1. All taxes are levied as of July 1 and are payable in three installments on November 14, February 15 and May 15. All property taxes are billed and collected by Lane County, Oregon and then turned over to the City.

For the year ended June 30, 2002, the City's tax levy did not exceed the Oregon constitutional limitation. The total property tax levy was \$12,905,272. This includes general property taxes to support general obligation bond debt service of \$1,072,914.

8. Assessments and Liens Receivable and Investment in Foreclosed Property

Assessments are recognized as receivables at the time property owners are assessed for property improvements. Assessments receivable collected within thirty days subsequent to the year-end are considered measurable and available and are recognized as revenue. All other assessments receivable are offset by deferred revenue and, accordingly, have not been recorded as revenue.

The City has foreclosed on properties, collateralizing assessments receivable over the past twenty years. The properties collateralizing the assessments receivable, where the right to redemption still exists by the benefited property owner, are recorded as liens receivable, which include the cost of the original assessment, foreclosure costs and interest to the date of foreclosure, as provided by Oregon Statutes. Once the right to redeem these properties no longer exists (after one year), the properties are deeded to the City and then become investment in foreclosed property. Liens receivable and investment in foreclosed property are offset by deferred revenue and, accordingly, have not been recorded as revenue.

The value of these properties, both liens and investment in foreclosed property, has been adjusted to the lower of net realizable value or cost. Net realizable value for the City has been determined by reviewing the true cash value of these properties as recorded by the Lane County assessor, less the underlying property taxes that must be paid upon the sale of the property by the City.

9. Inventory

Governmental fund types – Inventory of materials and supplies is recorded at first-in, first-out (FIFO) cost and is shown in the balance sheet as an asset and a reservation of fund balance. The amount shown as inventory has been recorded as an expenditure, consistent with the “purchase method” of accounting for inventories.

Proprietary fund types – Inventory of materials and supplies is valued at the lower of first-in, first out (FIFO) cost or market. Expense is recognized as materials and supplies are used, consistent with the “consumption method” of accounting for inventories.

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

10. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2002 are recorded as prepaid items.

11. Restricted Assets

Assets whose use is restricted for construction or other purposes by provisions of grant or other agreements are segregated on the combined balance sheet.

12. Fixed Assets

Fixed assets in the General Fixed Assets Account Group are stated at historical cost, or estimated historical cost if actual historical cost is not available, or the estimated fair market value at the time received, in the case of gifts or projects constructed by others and accepted for ownership and maintenance by the City. The total amount of general fixed assets for which estimated costs have been used is not significant. Fixed assets are charged to expenditures in the governmental fund types when they are purchased and are capitalized in the General Fixed Assets Account Group. Maintenance and repairs of fixed assets are charged to expenditures in the governmental fund types as incurred and are not capitalized. Expenditures for public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government. Upon disposal of fixed assets, historical cost or estimated historical cost is removed from the General Fixed Assets Account Group and proceeds from any sales are generally recorded as revenue in the funds originally acquiring the assets. Depreciation is not computed on these fixed assets.

Fixed assets in the proprietary fund types and MWMC are capitalized at historical cost or estimated historical cost when historical cost is not available, or the estimated fair market value at the time received in the case of gifts or projects constructed by others. Maintenance and repairs are expensed as incurred. Replacements, which improve or extend the lives or property, are capitalized. Depreciation and amortization of fixed assets are computed on the straight-line method over the estimated useful lives of the related assets. Upon disposal of such assets, the accounts are relieved of the related historical costs and accumulated depreciation, and resulting gains or losses are reflected in income.

The fixed assets of the Regional Fiber Consortium consist of fiber optic cable donated by the member governments. The cable is valued at fair market value. The fair market value was estimated at the present value of the right-of-way fees waived by the member governments in exchange for the cable. The useful life of the cable is estimated at 24 years.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completing of the project with interest earned on invested proceeds over the same period.

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

13. Long-term Liabilities and Compensated Absences

Unmatured long-term debt directly related and expected to be paid from proprietary funds is included in such funds. All other unmatured long-term debt is recorded in the General Long-term Debt Account Group. Repayment of all General Long-Term Debt Account Group liabilities, except accrued absence pay, is recorded in the Debt Service Funds or for bond anticipation notes qualifying for inclusion in the General Long-term Debt Account Group, the Capital Projects Funds. Accrued vacation pay, holiday pay, compensatory time pay and sick pay at year-end is included in the General Long-Term Debt Account Group as “accrued absence pay” for governmental funds. The portion of the liability expected to be paid from current resources is reported as a liability in the governmental fund. For proprietary funds, the full liability is reported in such funds.

14. Fund Equity and Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or required by third parties to be legally segregated for a specific future use (e.g. debt service, inventory, bicycle trails, library, police forfeits, an historic interpretive center, and systems development charges for streets, sewer, drainage and other SDC projects).

15. Interfund Transactions

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

16. Use of Estimates

In preparing the City of Springfield’s financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

17. Total (Memorandum Only) Columns

Total (Memorandum Only) columns on the general purpose statements are presented only to facilitate analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE B – BUDGETARY ACCOUNTING

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

In April of each year, the City Manager submits a recommended budget to the budget Committee (which consists of the City Council and an equal number of citizens of the city). The city's budget is prepared for each fund on the modified accrual basis of accounting. Estimated receipts and expenditures are budgeted for by fund, program and object. Information on the past two years' actual receipts and expenditures and current-year estimates are included in the budget document.

The Budget Committee conducts public hearings for the purpose of obtaining citizens' comments.

The Budget Committee then proposes a budget to the City Council for final adoption. The approved expenditures for each fund may not be increased by more than 10% by Council without returning to the Budget Committee for a second approval. After the council adopts the budget and certifies the total of ad valorem taxes to be levied, no additional tax levy may be made for that fiscal year.

The City Council legally adopts the budget before July 1, by resolution. The resolution establishes appropriations for each fund and expenditures cannot legally exceed these appropriations. The level of control established by the resolution for each fund is at the object group level (i.e., personal services, materials and services, capital outlay, capital projects, unappropriated fund balance, contingency, debt service, special payments and interfund transfers) within each fund and program. Appropriations lapse as of the end of the year.

The City Council may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Oregon Revised statutes. Management may transfer budget amounts between individual line items within the object group, but cannot make changes to the object groups themselves, which is the legal level of control. During the fiscal year ended June 30, 2002, the City Council approved several transfer resolutions and supplemental budgets increasing appropriations by \$5,708,507.

Excess of Expenditures over Appropriation

For the year ended June 30, 2002, expenditures exceeded appropriations in the Insurance Fund, General Government Program, Special Payments category by \$62,205.19. This over-expenditure was funded by a revenue surplus in the fund.

NOTE C – BUDGET TO GAAP RECONCILIATION

Accounting principles applied for purposes of developing data on the City's budgetary accounting methods differ from those used by the City to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The Combined Statement of Revenues, Expenditures and Changes in Fund Balances (NonGAAP Budgetary Basis) - Budget and Actual - All Governmental Fund Types presents data on a budgetary accounting basis.

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE C – BUDGET TO GAAP RECONCILIATION – Continued

The following table presents a reconciliation between the City's Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Non-GAAP Budgetary - Basis) - Budget and Actual - All Governmental Fund Types and the Combined statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types for the year ended June 30, 2002.

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Excess of revenues over (under) expenditures- NonGAAP budgetary basis	<u>\$ (180,255)</u>	<u>\$ (733,703)</u>	<u>\$ (276,079)</u>	<u>\$ 1,094,745</u>
Differences in revenues:				
Accruals of grant and other revenues on a GAAP basis over (under) amounts recognized on a budgetary basis	<u>497,112</u>	<u>(44,959)</u>	<u>(149,306)</u>	<u>(429,415)</u>
Differences in expenditures:				
Expenditures recognized on a budgetary basis over (under) amounts recognized on a GAAP basis	<u>3,813</u>	<u>(10,228)</u>	<u>605,567</u>	<u>151,879</u>
Differences in other financing sources (uses)	<u>657,307</u>	<u>(137,779)</u>	<u>(407,395)</u>	<u>99,827</u>
Excess of revenues and other sources over (under) expenditures and other uses – GAAP basis	<u>\$ (16,247)</u>	<u>\$ (926,669)</u>	<u>\$ (227,213)</u>	<u>\$ 917,036</u>

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE D – CASH AND INVESTMENTS

Cash and investments are reflected in the combined balance sheet as follows:

	Total (Memorandum Only)	Component Units			Total
		MWMC	Regional Fiber Consortium	Hospital Facility Authority	
Cash and investments	\$ 40,413,128	\$ 18,305,686	\$ 841	\$ 2,754,013	\$ 61,473,668
Restricted cash and investments	<u>320,420</u>	<u>5,518,644</u>	<u>-</u>	<u>-</u>	<u>5,839,064</u>
	<u>\$ 40,733,548</u>	<u>\$ 23,824,330</u>	<u>\$ 841</u>	<u>\$ 2,754,013</u>	<u>\$ 67,312,732</u>

Deposits and Investments

Deposits with financial institutions are comprised of bank demand deposits, certificates of deposit, and amounts on deposit with a bond trustee and an insurance provider. Deposits that are not entirely insured are to be classified into the following three categories of credit risk:

- (1) Insured or collateralized with securities held by the city or by its agent in the City's name
- (2) Collateralized with securities held by the pledging financial institution's trust department or agent in the city's name
- (3) Uncollateralized. (including any balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the City's name).

At June 30, 2002, the city's demand deposits and certificates of deposit have a carrying amount of \$20,044,054 and a bank value of \$20,535,816. \$500,000 is covered by federal depository insurance. Deposits in the amount of \$20,035,816 are in excess of the federal depository insurance and are collateralized with securities pledged by the depository institution as public funds and are considered to be Category 3. Oregon Revised Statutes require the depository institution to maintain, on deposit with a collateral pool manager, securities having a value not less than 25% of the outstanding certificates of participation issued by the pool manager

In addition, the City has the amount of \$320,420, deposited in a money market account, uninsured and uncollateralized and held by a trustee for bond principal and interest payments. This is considered to be Category 3. The City has \$20,000 on deposit with ACE-USA/ESIS, an insurance provider. This amount is uncollateralized and is considered to be Category 3.

The City also has cash on hand of \$5,325.

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE E - RECEIVABLES

Receivables at June 30, 2002 consist of the following:

	General	Special Revenue	Debt Service	Capital projects	Enterprise	Internal Service	Total	Allowance for Uncollectible Accounts	Net Receivable
Property Taxes	\$ 928,964	\$ -	\$ 118,025	\$ -	\$ -	\$ -	\$ 1,046,989	\$ -	\$ 1,046,989
Accounts	632,906	364,687	-	571,404	1,335,845	-	2,904,842	(172,578)	2,732,264
Assessments and liens	6,400	-	148,974	205,765	-	-	361,139	-	361,139
Grants	68,478	347,358	-	11,433	-	-	427,269	-	427,269
Accrued interest	24,438	7,641	18,826	47,842	46,290	22,072	167,109	-	167,109
Mortgage notes	-	3,649,886	195,659	121,597	-	-	3,967,142	-	3,967,142
	<u>1,661,186</u>	<u>4,369,572</u>	<u>481,484</u>	<u>958,041</u>	<u>1,382,135</u>	<u>22,072</u>	<u>8,874,490</u>	<u>\$ (172,578)</u>	<u>\$ 8,701,912</u>
Less allowances for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(172,578)</u>	<u>-</u>	<u>(172,578)</u>		
	<u>\$ 1,661,186</u>	<u>\$ 4,369,572</u>	<u>\$ 481,484</u>	<u>\$ 958,041</u>	<u>\$ 1,209,557</u>	<u>\$ 22,072</u>	<u>\$ 8,701,912</u>		

Assessments and liens, and mortgage notes are collateralized by real estate.

Mortgage notes within the Special Revenue funds are a result of loans made under the HOME and CDBG federal programs. Repayment is dependent on the type of mortgage note. Deferred payment loans, housing improvement loans, and SHOP loans are due and payable at the time of sale or transfer of title. Rental rehabilitation loans are considered paid in full 10 years after the date the note is signed, provided the client meets all contract requirements. If all contract requirements are not met, the note becomes immediately due in full. Home revolving loans are due and payable at the earlier of sale or transfer of title, or 24 months from the date of project completion. CHDO and HOME rent loans require amortized monthly payments. The first payment is due a specified number of months after project completion. Most loans are interest free.

In all cases, loans become immediately due and payable if the client fails to meet any contract requirements.

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE F – FIXED ASSETS

Changes in the General Fixed Assets Account Group for the year ended June 30, 2002 are as follows:

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Land	\$ 2,945,714	\$ -	\$ -	\$ 2,945,714
Buildings	13,505,765	141,409	-	13,647,174
Machinery and Equipment	1,934,804	7,000	61,311	1,880,493
Library Books	1,691,186	108,731	155,366	1,644,551
Studies	-	183,592	-	183,592
WIP	850,829	61,119	303,325	608,623
	<u>\$20,928,298</u>	<u>\$ 501,851</u>	<u>\$ 520,002</u>	<u>\$20,910,147</u>

Fixed assets by major classes for the proprietary funds are comprised of:

	Enterprise	Internal Service	Total
Land and land rights	\$ 2,791,339	\$ -	\$ 2,791,339
Plant and buildings	36,368,224	-	36,368,224
Machinery and equipment	973,705	9,336,680	10,310,385
Land improvements	507,931	-	507,931
Work in progress	829,785	1,187,012	2,016,797
	<u>41,470,984</u>	<u>10,523,692</u>	<u>51,994,676</u>
Less accumulated depreciation	9,121,440	4,373,360	13,494,800
	<u>\$32,349,544</u>	<u>\$6,150,332</u>	<u>\$ 38,499,876</u>

Fixed Assets by major classes for the component units are comprised of:

	Regional Fiber Consortium	Metropolitan Wastewater
Land and land rights	\$ -	\$ 7,830,600
Buildings and supply and distributed systems	-	60,453,720
Machinery and equipment	-	68,121,005
Other asset	27,446,105	1,082,845
Construction in progress	-	991,908
Work in progress	-	-
	<u>27,446,105</u>	<u>138,480,078</u>
Less accumulated depreciation	1,143,588	68,195,952
	<u>\$ 26,302,517</u>	<u>\$ 70,284,126</u>

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE F – FIXED ASSETS – Continued

In proprietary funds, the following estimated useful lives are used to compute depreciation:

Buildings	10 to 40 years
Sewer lines	50 years
Equipment	3 to 20 years
Fiber system	24 years

NOTE G - 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; injuries to employees; and natural disasters.

The City maintains a professional risk management program. Various risk control techniques, including employee accident prevention training, have been implemented to minimize accident-related losses. The City has third-party coverage for all lines of insurance. The liability program has token deductibles (less than \$500), except for workers' compensation claims. No significant reductions in the levels of insurance coverage have been made in the past fiscal year. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

During fiscal year 1991, the City implemented a Workers' Compensation Self-Insurance Plan (Plan). Under the Plan, the City is self-insured up to a maximum of \$150,000 per occurrence with specific excess and aggregate excess insurance purchased. Claims, expenditures and liabilities are reported when it is probably that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

The Workers' Compensation Self-Insurance Plan was terminated on March 31, 1999. From that point forward, workers compensation claims will be covered by third-party carrier, SAIF Corporation.

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE G – RISK MANAGEMENT - Continued

At June 30, 2002, the amount of liabilities for self-insured claims incurred but not reported was approximately \$64,000. This liability is the City's best estimated based on available information. Changes in the reported

liability since June 30, 1993 resulted from the following:

	Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Changes <u>Estimates</u>	Claim Payments	Balance At Fiscal Year End
1992-93	\$212,000	(\$75,000)	(\$73,000)	\$64,000
1993-94	64,000	702,000	(194,000)	572,000
1994-95	572,000	52,000	(169,000)	455,000
1995-96	455,000	232,000	(117,000)	570,000
1996-97	570,000	179,000	(186,000)	563,000
1997-98	563,000	215,000	(317,000)	461,000
1998-99	461,000	193,000	(204,000)	450,000
1999-00	450,000	(192,000)	(117,000)	141,000
2000-01	141,000	67,000	(61,000)	147,000
2001-02	147,000	(23,000)	(60,000)	64,000

NOTE H - CAPITAL AND OPERATING LEASES

The City leases certain equipment under various operating leases, which are not, in the aggregate, material.

NOTE I - LONG-TERM DEBT

General Obligation Bonds, Limited Tax Obligation Bonds and Revenue Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and special assessments for public improvements. Special assessment bonds are also a general obligation of the City, with the same legal status as general obligation bonds, and resulting in the same pledge to levy taxes in the event of property owner default. At June 30, 2002 there are no outstanding special assessment general obligation bonds. Limited tax obligation bonds are similar to general obligation bonds, however, the City's taxing power is subject to constitutional limitation. Revenue bonds are secured by system revenues.

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE I – LONG-TERM DEBT – Continued

General obligation bonds payable transactions for the year ended June 30, 2002 are as follows:

	Issue Date	Final Maturity Date	Effective Interest Rate	Matured During Year	Outstanding July 1, 2001	Paid During Year	Outstanding June 30, 2002
General issue bonds, paid from ad valorem taxes:							
General improvement	3-1-96	2015	5.37%	<u>\$ 545,000</u>	<u>\$ 10,425,000</u>	<u>\$ (545,000)</u>	<u>\$ 9,880,000</u>

Special assessment bonds with governmental commitment, paid from assessment revenues and proceeds from the sale of foreclosed properties:

	Issue Date	Final Maturity Date	Effective Interest Rate	Outstanding July 1, 2001	Matured/ Called During Year	Outstanding June 30, 2002
Series 1994 One *	10-01-94	2005	6.000	15,000	(15,000)	-
Series 1996 One *	06-01-96	2008	5.750	30,000	(30,000)	-
Series 1997 One *	06-01-97	2009	5.150	<u>115,000</u>	<u>(55,000)</u>	<u>60,000</u>
				<u>\$ 160,000</u>	<u>\$ (100,000)</u>	<u>\$ 60,000</u>
Sewer system revenue bonds:						
Series 1995A	06-01-95	2015	5.500	<u>\$ 2,770,000</u>	<u>\$ (135,000)</u>	<u>\$ 2,635,000</u>

*Limited tax obligation bonds

Maturities of bond principal and interest are as follows:

Year	General Issue Bonds		Improvement Issue Bonds		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2002-03	\$ 565,000	\$ 524,065	\$ -	\$ 3,090	\$ 140,000	\$ 138,105	\$ 705,000	\$ 665,260
2003-04	590,000	497,510	-	3,090	150,000	131,525	740,000	632,125
2004-05	620,000	469,190	-	3,090	160,000	124,325	780,000	596,605
2005-06	645,000	438,810	-	3,090	165,000	116,485	810,000	558,385
2006-07	675,000	406,560	-	3,090	175,000	108,235	850,000	517,885
2007-08	710,000	372,135	-	3,090	185,000	99,310	895,000	474,535
2008-09	745,000	335,215	60,000	3,090	200,000	89,690	1,005,000	427,995
2009-10	780,000	295,730	-	-	210,000	79,190	990,000	374,920
2010-11	820,000	253,610	-	-	220,000	68,060	1,040,000	321,670
2011-12	860,000	208,510	-	-	235,000	56,290	1,095,000	264,800
Thereafter	2,870,000	327,991	-	-	795,000	88,975	3,665,000	416,966
	9,880,000	4,129,326	60,000	21,630	2,635,000	1,100,190	12,575,000	5,251,146
Matured and unpaid	-	-	-	-	-	-	-	-
Unamortized discount	-	-	-	-	(22,999)	-	(22,999)	-
	<u>\$ 9,880,000</u>	<u>\$ 4,129,326</u>	<u>\$ 60,000</u>	<u>\$ 21,630</u>	<u>\$ 2,612,001</u>	<u>\$ 1,100,190</u>	<u>\$12,552,001</u>	<u>\$ 5,251,146</u>

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE I – LONG-TERM DEBT – Continued

Notes Payable

At June 30, 2002, notes payable are as follows:

General Long-Term Debt Account Group

Oregon Department of Energy Small Scale Energy Loan (SELP), payable in monthly installments of \$823 including interest at 8%, due 2003	\$ 11,367
State of Oregon, payable in semiannual installments of \$4,778 including interest at 5%, due 2005	28,025
Oregon Special Public Works (OSPW), payable in annual installments of \$81,684 including interest at 5.8%, due 2015	<u>731,643</u>
Subtotal General Long-Term Debt Account Group	<u>771,035</u>

Enterprise Fund Debt

Oregon Department of Environmental Quality (DEQ) State Revolving Fund loan, payable in semiannual installments of \$36,609 including interest at 3%, due 2014	733,284
Oregon Department of Environmental Quality (DEQ) State Revolving Fund loan, payable in semiannual installments of \$147,256 including interest at 3.93%, due 2011. In addition, the City pays additional interest annually based on the declining principal balance.	<u>2,316,212</u>
Subtotal Enterprise Fund	<u>3,049,496</u>
TOTAL	<u>\$3,820,531</u>

Principal amounts due on these notes payable, in each of the next five years and in the aggregate thereafter, are as follows:

<u>Fiscal Year</u>	<u>General Long-Term Debt Account Group</u>	<u>Enterprise Funds</u>
2002-03	\$ 56,771	\$ 257,087
2003-04	52,300	266,802
2004-05	53,046	276,887
2005-06	48,462	287,358
2006-07	49,177	298,227
Thereafter	<u>511,279</u>	<u>1,663,135</u>
	<u>\$ 771,035</u>	<u>\$ 3,049,496</u>

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE I – LONG-TERM DEBT – Continued

Notes and Contracts Payable, General Long-Term Debt Account Group

Due to Sycan B Corporation, for land purchase, due date to be established by mutual agreement of both parties, \$210,000.

Changes in notes and contracts payable recorded in the General Long-Term Debt Account Group and Enterprise Funds for the year ended June 30, 2002 are as follows:

	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002
General Long-Term Debt Account Group				
Notes Payable	\$ 823,877	\$ -	\$ 52,842	\$ 771,035
Contracts Payable	<u>210,000</u>	<u>-</u>	<u>-</u>	<u>210,000</u>
	<u>\$1,033,877</u>	<u>\$ -</u>	<u>\$ 52,842</u>	<u>\$ 981,035</u>
Enterprise Funds	<u>\$3,297,225</u>	<u>\$ -</u>	<u>\$ 247,729</u>	<u>\$ 3,049,496</u>

Accrued Absence Payable, General Long-Term Debt Account Group

Changes in amounts accrued for vacation, holiday, compensatory and sick time payable for employees paid by governmental funds are recorded in the General Long-Term Debt Account Group for the year ended June 30, 2002 as follows:

	Balance July 1, 2001	Increase/ (decrease)	Balance June 30, 2002
Accrued absence payable	<u>\$ 2,379,497</u>	<u>\$ 331,820</u>	<u>\$ 2,771,317</u>

Accrued Absence Payable, Proprietary Funds

Changes in amounts accrued for vacation, holiday, compensatory and sick time payable for proprietary fund employees are recorded as long term liabilities in the proprietary funds for the year ended June 30, 2002 as follows:

	Balance July 1, 2001	Increase/ (decrease)	Balance June 30, 2002
Sewer Utility Fund	\$ 238,079	\$ 76,763	\$ 314,842
Emergency Medical Services Fund	\$ 149,916	\$ 7,917	\$ 157,833
Booth-Kelly Fund	\$ -	\$ 13,857	\$ 13,857
Insurance Fund	\$ 30,726	\$ (2,971)	\$ 27,755

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE I – LONG-TERM DEBT – Continued

Accrued Absence Payable, Component Unit: Metropolitan Wastewater

Changes in amounts accrued for vacation, holiday, compensatory and sick time payable for proprietary fund employees are recorded as long term liabilities in the proprietary funds for the year ended June 30, 2002 as follows:

	Balance <u>July 1, 2001</u>	Increase/ <u>(decrease)</u>	Balance <u>June 30, 2002</u>
Metropolitan Wastewater	<u>\$ 65,158</u>	<u>\$ 24,776</u>	<u>\$ 89,934</u>

Long-Term Debt and Capital Leases, Not an Obligation of the City

The Hospital Facilities Authority's long-term debt decreased during its fiscal year from \$12,275,000 at December 31, 2000, to \$11,040,000 at December 31, 2001.

Future maturities of its long-term debt follow:

<u>Fiscal Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2002	\$ 1,310,000	\$ 688,144
2003	1,390,000	609,544
2004	1,475,000	526,144
2005	1,560,000	437,644
2006	1,660,000	338,194
2007	1,765,000	232,369
2008	<u>1,880,000</u>	<u>119,850</u>
Total Long-Term Debt, not an obligation of the City	<u>\$11,040,000</u>	<u>\$2,951,889</u>

NOTE J – RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

<u>Amount</u>	<u>Fund Containing the Payable – “Due to Other Fund”</u>	<u>Fund Containing the Receivable – “Due from Other Fund”</u>
\$ 195,108	Special Revenue	General Fund
13,451	General Fund	Special Revenue
1,000	Vehicle & Equipment Fund	Regional Wastewater (Component Unit)

NOTE K – REBATABLE ARBITRAGE

The City issued general obligation bonds in the amount of \$12,700,000 on March 1, 1996. Interest earnings on unspent bond proceeds may result in an arbitrage rebate due to the federal government. Arbitrage regulations require that the first installment date computation be made at five years from the delivery date of March 27, 1996. The rebate is required to be made within 60 days of the calculation.

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

The City's liability was calculated at \$207,647.92. Payments were made in the amount of \$186,883.13 , leaving a liability in the General Obligation Bond Capital Projects Fund of \$20,764.79.

NOTE L - FUND BALANCES RESERVED

Fund balances at year-end are reserved as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Reserved for debt service	\$ -	\$ -	\$ 416,760	\$ -
Reserved for inventory	1,301	81,632	-	-
Reserved for bicycle trails	-	53,360	-	-
Reserved for library	27,291	-	-	-
Reserved for police forfeits	295,042	-	-	-
Reserved for streets	-	-	-	2,711,516
Reserved for sewer	-	-	-	2,299,488
Reserved for drainage	-	-	-	2,037,925
Reserved for historic interpretive center	-	40,949	-	-
Reserved for prepaid items	37,125	300	-	-
Reserved for deposits	-	45,808	-	-
Reserved for SDC projects	-	-	-	961,795
Total	<u>\$ 360,759</u>	<u>\$ 222,049</u>	<u>\$ 416,760</u>	<u>\$ 8,010,724</u>

NOTE M - INTERFUND TRANSACTIONS

Residual Equity Transfers

The following is a reconciliation of residual equity transfers for the year ended June 30, 2002:

Contributed capital in the Vehicle and Equipment Fund attributable to residual equity transfers out from proprietary funds	\$ 2,616
Increase in the General Fixed Asset Account Group attributable to residual equity transfers out from proprietary funds.	<u>\$ 19,348</u>

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE M – INTERFUND TRANSACTIONS – Continued

Residual equity transfers out of proprietary funds included in the Combined Statement of Revenues, Expenses and Retained Earnings -All Proprietary Fund Types and Discretely Presented Component Units

\$ 21,964

NOTE N - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The following is a summary of key financial information for the enterprise funds and component units for the year ended June 30, 2002:

	<u>Enterprise Funds</u>			<u>Total</u>	<u>Component Units</u>	
	<u>Sewer Utility</u>	<u>Emergency Medical Services</u>	<u>Booth Kelly</u>		<u>Regional Fiber Consortium</u>	<u>Metropolitan Wastewater</u>
Operating revenues	\$5,670,715	\$4,657,320	\$583,749	\$10,911,784	\$203,000-	\$11,655,195
Interest income	241,880	66,577	50,616	359,073	-	797,409
Other non-operating income	-	-	-	-	-	877,338
Total revenues	5,912,595	4,723,897	634,365	11,270,857	203,000-	13,329,942
Operating income (loss)	1,110,430	(229,973)	110,860	991,317	(988,809)	(2,276,150)
Net income (loss)	1,084,217	(163,396)	(53,260)	867,561	(988,934)	(601,403)
Depreciation expense	654,453	59,166	210,496	924,115	1,143,588-	4,603,225
Depreciation charged against contributed capital	18,943	-	78,875	97,818	-	3,707,472
Operating transfers (out), in net	2,776	-	(214,736)	(211,960)	-	-
Fixed asset additions, (deletions) net	751,945	124,722	-	876,667	-	132,184
Net working capital	7,392,266	2,038,829	1,171,313	10,602,408	89,818	20,244,373
Total assets	35,554,477	3,364,769	5,885,202	44,804,448	26,392,411	98,046,436
Fund equity						
Contributed capital	15,817,382	183,600	5,167,303	21,168,285	27,446,105	57,889,049
Retained earnings	13,367,874	2,363,825	663,493	16,395,192	(1,053,770)	39,255,793

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE O - CHANGES IN PROPRIETARY FUND TYPE CONTRIBUTED CAPITAL AND TOTAL EQUITY

Changes in total equity and changes in contributed capital of the proprietary funds and component units, for the year ended June 30, 2002, are as follows:

Changes in Total Fund Equity

	Proprietary Funds			Component Units	
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>	<u>Regional Fiber Consortium</u>	<u>Metropolitan Wastewater</u>
Fund equity, beginning of year	\$36,634,969	\$11,144,677	\$47,779,646	\$27,381,269	\$97,748,002
Capital contributions	74,154	515,942	590,096	-	-
Residual equity transfer out	(13,207)	(7,000)	(20,207)	-	(1,757)
Net income (loss) for the year	<u>867,561</u>	<u>(264,435)</u>	<u>603,126</u>	<u>(988,934)</u>	<u>(601,403)</u>
Fund equity, June 30, 2002	<u>\$37,563,477</u>	<u>\$11,389,184</u>	<u>\$48,952,661</u>	<u>\$26,392,335</u>	<u>\$97,144,842</u>

Changes in Total Contributed Capital

	Proprietary Funds			Component Units	
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>	<u>Regional Fiber Consortium</u>	<u>Metropolitan Wastewater</u>
Balance, July 1, 2001	\$ 21,191,949	\$ 5,990,056	\$ 27,182,005	\$ 27,446,105	\$ 61,596,521
Capital contributions	74,154	515,942	590,096	-	-
Depreciation charged against contributed capital	<u>(97,818)</u>	<u>-</u>	<u>(97,818)</u>	<u>-</u>	<u>(3,707,472)</u>
Balance, June 30, 2002	<u>\$ 21,168,285</u>	<u>\$ 6,505,998</u>	<u>\$ 27,674,283</u>	<u>\$ 27,446,105</u>	<u>\$ 57,889,049</u>

NOTE P - DEFINED CONTRIBUTION PENSION PLAN

Money Purchase Pension Plan

The City sponsors a single-employer pension plan for general service employees (a Money Purchase Pension plan – MPPP). Participants of the plan are fully vested for employer contributions after 5 years participation in the plan. Participants are fully vested for employee contributions at all times.

Through April 1, 2002, retirement contributions for general service employees were invested by Wells Fargo Bank. Beginning on the first of the month following six months of employment, full time general service employees and eligible part-time non-union employees participated in the MPPP through Wells Fargo Bank. Beginning July 1, 1999 OPEU part-time employees were eligible to participate in the MPPP. Beginning July 1, 1999, all participating general service employees were required to contribute 6% toward their retirement plan contribution. The City “picks-up” 1% of the employee contribution, for a total of 7% and a 7% employer

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE P - DEFINED CONTRIBUTION PENSION PLAN - Continued

contribution was provided. If vested, and requests are submitted in writing, trained employees could self-direct contributions within investment funds made available through the plan. Interest earnings are credited to accounts on a pass-through basis.

On April 1, 2002, active non-disabled participants in the MPPP were moved to the Oregon Public Employees Retirement System (OPERS). Beginning September 1 2002, all contributions for the remaining disabled participants in the general services plan were invested under the City Retirement Plan (CRP) (see note Q). When the MPPP is closed, sometime in late 2002 or early 2003, the remaining accounts of the disabled participants will be transferred to the CRP.

Active non-disabled participants in the MPPP were given the choice of moving to OPERS for future service only or fully integrating into OPERS (retrospective). The City purchased up to 10 years of service credit for employees moving prospectively into OPERS. This preserved employee vested service as credit toward PERS vesting requirements, and credit towards OPERS Long Term Disability coverage eligibility requirements, and credit towards OPERS benefits before normal retirement age without an actuarial reduction.

Employees who chose to fully integrate into PERS retrospectively were required:

- To agree that the balance in their MPPP be transferred to OPERS (except any voluntary contribution account). If their balance was more than enough to pay for their OPERS benefits for their service with the City before they joined OPERS, as calculated by the City's actuary, the part of their balance not needed to pay for these OPERS benefits, not to exceed the balance of the employee portion of their MPPP plan account, was transferred to their OPERS account. The rest of their balance was transferred to the City's OPERS account.
- If their balance in the City's MPPP was not enough to pay for their OPERS benefits for their service with the City before they joined OPERS, as calculated by the City's actuary:
 - None of their balance was transferred to their OPERS account. All of their balance was transferred to the City's OPERS account.
 - They paid to the City the additional money needed to pay for these OPERS benefits.

Eighteen employees chose to fully integrate into OPERS retrospectively. Of these eighteen employees, 4 employees paid a lump sum since their balance in the plan was not enough to pay for their OPERS benefits. The total lump sum paid to the City was \$49,333. This sum that was paid to the City was transferred to OPERS as part of the integration. Fourteen of the employees had a higher balance in the plan than needed to fund their OPERS benefits. A total of \$383,180 was transferred to OPERS to credit the beginning member accounts for these employees.

The City's total payroll in fiscal year 2002 was \$19,710,386.

The City's contribution to the MPPP was calculated using the covered base salary amount of \$5,866,394. The total defined contribution pension costs required and contributed by the City to Wells Fargo for the year ended June 30, 2002 was \$823,807.

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE P - DEFINED CONTRIBUTION PENSION PLAN - Continued

City Retirement Plan

The City sponsors a single-employer pension plan for Springfield Police Association employees hired before April 1, 1996 (City Retirement Plan – CRP). Participants of the plan are fully vested for employer contributions after 5 years participation in the plan. Participants are fully vested for employee contributions at all times.

The CRP plan covers full-time regular employees covered by the Springfield Police Association and Fire Management hired before April 1, 1996, and all Police Management employees. The City contributes 7% of salaries as employee contributions. The City also pays an employer contribution of 12.6% for public safety employees, 10% for police dispatchers and 7% for other union employees. The City determines the annual interest earnings to be credited to plan participants' accounts. This is currently guaranteed at nine percent in compliance with PERS "equal to or better than" statutory requirements. The 9% guaranteed earnings requirement makes the CRP a "hybrid" pension plan. Periodic actuarial valuations are performed to determine the amount of contribution needed to fund the plan. Wells Fargo Bank is trustee for the SPA pension fund.

Funding policy – The city's contribution rate, based on the most current actuarial valuation, was 25.95% of covered payroll. The City's contribution to the CRP was calculated using the covered base salary amount of \$3,317,559. The City's total payroll in fiscal year 2002 was \$19,710,386.

Annual Pension Cost – For fiscal 2001-02, the City's annual pension cost of \$899,739 for the CRP was equal to the City's required and actual contributions. The required contributions and liabilities were determined as part of the July, 2000 actuarial valuation using the Aggregate Actuarial Cost method. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 8% per year; (b) projected annual salary increases for inflation of 4.25% per year; (c) demographic assumptions have been chosen to mirror those in use by Oregon PERS, except: (d) 50% of the members who terminate or retire will leave their accounts in the Plan until they reach age 65.

The following table presents trend information for the CRP:

Fiscal year ending	Annual cost (APC)	Percentage of APC contributed	Net pension obligation
6/30/2000	\$ 591,234	100%	0
6/30/2001	\$ 902,199	100%	0
6/30/2002	\$ 899,739	100%	0

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE P - DEFINED CONTRIBUTION PENSION PLAN - Continued

The following table presents a schedule of required contributions for the CRP:

Actuarial valuation for the year	Present value of projected benefits	Less Market value of assets	Value of Future Contributions	Value of Future Salaries	Total contribution rate
1997	\$26,032,656	\$15,103,201	\$10,929,455	\$36,388,012	30.04%
2000	\$26,574,704	\$17,435,792	\$ 9,138,912	\$35,223,549	25.95%

If all future experiences emerge as assumed, the total City contribution rate multiplied by the salary of active members will produce sufficient income to fully fund all benefits by the time the last active member leaves the workforce.

NOTE Q – DEFINED BENEFITS PENSION PLAN

Plan Description – All City employees in qualified fire public safety positions and full time regular public safety employees covered by the Springfield Police Association (SPA) hired on or after April 1, 1996, and, beginning April 1, 2002, all general service employees participate in the Oregon Public Employees Retirement System (OPERS). Contributions are made for employees after six months of employment unless they are members of OPERS, and eligible for contributions when they begin employment. OPERS is an agent multiple-employer defined benefit pension plan that acts as a common investment and administrative agent for government units in the State of Oregon. Benefits generally vest after five years of continuous service in an OPERS covered position(s). Retirement is allowed at age 58 with unreduced benefits, but retirement is generally available after age 55 with reduced benefits. Compulsory retirement age is 70.

Contributions made by, or on the behalf of, the employee are payable in a lump sum or monthly amounts using several payment options. Contributions made on behalf of the employee to the employer account can only be taken in monthly payments. OPERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes, Chapter 238, Oregon Revised Statutes. OPERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplemental information. The stand-alone report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700.

Funding Policy – The City’s contribution rate, based on the most current actuarial valuation, was 10.91% of covered payroll through March 31, 2002 and 9.82% of covered payroll after April 1, 2002. The required employee contribution of 6% of covered compensation is paid by the City for SPA members, and is paid by employee contribution for all other members. The contribution requirements of the City are established or may be amended by the OPERS Retirement Board while the employees’ rate is set by the state statute, ORS 238.200. The City’s payroll for employees covered by OPERS for the year ended June 30, 2002 was \$9,727,120, the City’s total payroll was \$19,710,386.

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE Q – DEFINED BENEFITS PENSION PLAN - Continued

Annual Pension Cost – For fiscal 2001-02, the City’s annual pension cost of \$1,562,520 for OPERS was equal to the City’s required and actual contributions. The amount of \$1,065,988 was funded by the City and \$496,532 was paid by employee contributions from fire public safety and general service members. The required contributions and liabilities were determined as part of the December 31, 1999 actuarial valuation, using the entry age actuarial cost method and amended in April 2002 to reflect the additional city OPERS members. Because all OPERS employers are required by law to submit the contributions adopted by the Retirement Board, and the employer contributions are calculated in conformance with the standards of Statement No. 27, there is no net pension obligation. The contributions actually made are the equivalent to the annual pension cost. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 8.0% per year; (b) projected annual salary increases for inflation of 4.25% per year; (c) projected automatic post-retirement benefit increases of 2.0% per year; and (d) demographic assumptions that have been chosen to reflect the best estimate of emerging experience of the members of OPERS. The unfunded actuarial liability is amortized as a level percentage of covered payroll over a thirty year period on an open basis.

The following table presents three-year trend information for the City’s Defined Benefit Pension Plan:

Fiscal year ending	Annual cost (APC)	Percentage of APC contributed	Net pension obligation
6/30/98	\$ 746,000	100%	0
6/30/99	853,891	100%	0
6/30/00	903,782	100%	0

The following table presents a schedule of funding progress for the City’s Defined Benefit Pension Plan:
(Information for the period ending December 31, 2001 was not available at the time of publication)

* Actuarial valuation ending December 31,	Actuarial value of assets	Actuarial accrued liability	Unfunded actuarial accrued liability (UAAL)	Funded percent	Covered payroll	UAAL percent of payroll
1993	\$5,813,307	\$7,646,779	\$1,833,742	76%	\$2,904,969	63%
1995	7,582,525	9,321,572	1,739,047	81%	3,255,405	53%
1997	12,780,578	12,843,439	62,861	100%	3,800,125	2%
1999	22,333,739	20,736,407	-1,597,332	100%	5,187,097	-31%

* Information related to GASB Statement No. 27 disclosures prior to December 31, 1993 is not available.

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE R – OTHER POSTEMPLOYMENT BENEFITS

The city provides postretirement health benefits for qualified retirees and their eligible dependents. The following groups are eligible: Non-Medicare eligible regular retirees, Disability retirees, Non-Medicare eligible early retirees eligible for pension under a City Plan or OPERS with at least 2 years of benefited service at the City, or Non-Medicare eligible early retirees whose age plus years of service equal 70 or greater at their time of retirement. The authority for this coverage is City Personnel Policy. At June 30, 2002, 26 qualified retirees are eligible to receive this benefit. The cost of the coverage, financed on a pay-as-you-go basis, is shared between the City and the retirees. The city's share is capped at \$115.05 per month, per qualified retiree. The total cost of providing this coverage for the fiscal year ending June 30, 2002 was \$29,222.70.

The city also provides disability retirement contributions for employees who cease working because of a permanent disability. The following groups are eligible: employees, who at the time of disability retirement were covered under the City Retirement Plan, and employees, who at the time of disability retirement were covered under the Money Purchase Pension Plan. The authority for this coverage is in the pension plan documents.

For employees who were covered under the Money Purchase Pension Plan, the amount of the contribution is 7% of the employee's ending monthly salary. At June 30, 2002, there were 7 employees receiving this benefit. The cost of this coverage, financed on a pay as you go basis, is paid by the city and the total cost of the coverage for the fiscal year ending June 30, 2002 was \$12,299.36.

For employees who were covered under the City Retirement Plan, the amount of the contribution is either 7% or 12.6% of the employee's ending monthly salary, depending on what that employee's contribution rate was before retirement. At June 30, 2002, there were 3 employees receiving this benefit. No payments are sent to the plan for these employees, but their accounts are credited for the correct amount.

For information about funding, pension cost and actuarial information, see NOTE P – City Retirement Plan.

NOTE S - COMMITMENTS AND CONTINGENCIES

At June 30, 2002, the City was not obligated under any incomplete construction contracts.

The City is a defendant in various pending litigation proceedings. Management believes any losses arising from these actions will not materially affect the City's financial position.

Federal and state grants are subject to audit by the grantor agencies and any adjustments may become a liability of the appropriate fund. Management believes that adjustments, if any, will not materially affect the City's financial position.

City of Springfield, Oregon

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

NOTE T – CONSTITUTIONAL PROPERTY TAX LIMITATION

The State of Oregon has a constitutional limit on property taxes for governmental operations. The limitation specifies a maximum rate for local government operations of \$10.00 per \$1,000 of assessed value.

In May 1997, the voters approved a citizen initiative (Measure 50). Measure 50 rolls back assessed values to 90 percent of their 1995-96 real market value amount and limits future increases to 3 percent per year, except for major improvements. Under Measure 50, voters may approve new local initiatives provided a majority approves at either a general election in an even numbered year, or at any other election in which at least 50 percent of registered voters cast a ballot.

NOTE U - SUBSEQUENT EVENTS

On November 5, 2002, the Springfield voters passed two public safety funding levies. The 2 four year special purpose levies are expected to generate revenue of approximately \$2.6 million for the year ending June 30, 2004 and the funds are restricted to public safety.

**Combining, Individual Fund
and Account Group
Statements and Schedules**

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General Fund

The General Fund is used to account for all resources traditionally associated with governments which are not required to be accounted for in another fund.

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City of Springfield, Oregon

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2002

	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:					
Taxes	\$ 11,079,143	\$ 11,312,456	\$ 233,313	\$ -	\$ 11,312,456
Licenses and fee:	2,557,015	2,740,915	183,900	95,643	2,836,558
Fines and forfeitures:	931,764	901,205	(30,559)	-	901,205
Use of money and property	570,665	351,360	(219,305)	(58,214)	293,146
Intergovernmental revenue	3,009,720	3,162,191	152,471	-	3,162,191
Charges for service:	2,979,216	2,926,003	(53,213)	-	2,926,003
Miscellaneous receipts:	919,541	899,269	(20,272)	(534,541)	364,728
Total revenues	22,047,064	22,293,399	246,335	(497,112)	21,796,287
Expenditures:					
Current:					
General government					
Personal services:	2,550,724	2,526,509	24,215	-	2,526,509
Materials and services:	1,717,380	1,620,133	97,247	70,698	1,690,831
Capital outlay/projects	106,039	62,685	43,354	(62,685)	-
Contingency	900,000	-	900,000	-	-
Special payments:	1,880,313	-	1,880,313	-	-
Interfund transfer:	8,250	8,250	-	(8,250)	-
Public safety:					
Personal services:	12,565,291	12,561,805	3,486	-	12,561,805
Materials and services:	1,959,063	1,875,903	83,160	61,607	1,937,510
Capital outlay/projects	91,319	61,607	29,712	(61,607)	-
Debt service	3,576	3,576	-	(3,576)	-
Special payments:	279,757	-	279,757	-	-
Library:					
Personal services:	873,215	867,645	5,570	-	867,645
Materials and services:	191,875	177,240	14,635	4,269	181,509
Capital outlay/projects	170,018	112,811	57,207	(4,269)	108,542
Special payments:	9,788	-	9,788	-	-
Community development					
Personal services:	2,221,581	2,148,156	73,425	-	2,148,156
Materials and services:	521,256	439,539	81,717	7,795	447,334
Capital outlay/projects	12,954	7,795	5,159	(7,795)	-
Total expenditures	26,062,399	22,473,654	3,588,745	(3,813)	22,469,841
Excess of revenues ove (under) expenditures	(4,015,335)	(180,255)	3,835,080	(493,299)	(673,554)
Other financing sources					
Operating transfers in	-	-	-	674,334	674,334
Operating transfers out	-	-	-	(17,027)	(17,027)
Total other financing sources	-	-	-	657,307	657,307
Excess of revenues and othe financing sources over (under) expenditures	(4,015,335)	(180,255)	3,835,080	164,008	(16,247)
Fund balance, beginning of yea	4,015,335	4,143,116	127,781	(59,615)	4,083,501
Change in reserve for inventorie	-	-	-	(287)	(287)
Fund balance (deficit), end of year	\$ -	\$ 3,962,861	\$ 3,962,861	\$ 104,106	\$ 4,066,967

Special Revenue Funds

These funds account for revenues from specific taxes or other earmarked revenues. Included are the following:

Street Fund – Accounts for revenues from state gasoline taxes apportioned from the State of Oregon and expenditures as specified under Article IX, Section 3 of the Constitution of the State of Oregon.

Housing and Community Development Fund – Accounts for the receipt and expenditure of monies received from the United States Government under the Community Development Block Grant Program.

Transient Room Tax Fund – Accounts for revenues from hotel and motel taxes and expenditures related and restricted to the economic development of the area.

Special Revenue Fund – Accounts for the receipt of hotel and motel taxes dedicated to the University of Oregon Hayward Field renovation, the 911 tax collected to provide an emergency communications system, and the receipt and expenditure of grant monies from various state and federal government agencies.

Museum Fund – Accounts for the museum operations and projects supported by museum sales, donations and fund-raising.

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City of Springfield, Oregon

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

June 30, 2002

	Street	Housing and Community Development	Transient Room Tax	Special Revenue	Museum	Total
ASSETS						
Cash and investments	\$ 1,700,958	\$ 68,805	\$ 91,508	\$ -	\$ 88,174	\$ 1,949,445
Receivables:						
Accounts	312,858	-	51,829	-	-	364,687
Grants	118,933	21,663	-	206,762	-	347,358
Accrued interest	7,146	-	179	-	316	7,641
Mortgage notes	-	1,493,299	-	2,156,587	-	3,649,886
Inventory	81,632	-	-	-	-	81,632
Due from other funds	-	-	-	13,451	-	13,451
Prepaid items	-	-	-	300	-	300
Deposits	-	-	-	45,808	-	45,808
	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,808</u>	<u>-</u>	<u>45,808</u>
Total assets	\$ <u>2,221,527</u>	\$ <u>1,583,767</u>	\$ <u>143,516</u>	\$ <u>2,422,908</u>	\$ <u>88,490</u>	\$ <u>6,460,208</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 80,539	\$ 15,251	\$ 11,579	\$ 64	\$ 1,874	\$ 109,307
Accrued payroll and other liabilities	206,968	28,516	20,579	1,692	-	257,755
Deferred revenue	146,451	1,514,962	-	2,179,936	7,315	3,848,664
Due to other funds	-	-	-	195,108	-	195,108
	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,108</u>	<u>-</u>	<u>195,108</u>
Total liabilities	433,958	1,558,729	32,158	2,376,800	9,189	4,410,834
Fund Balances:						
Reserved for:						
Inventory	81,632	-	-	-	-	81,632
Museum	-	-	-	-	40,949	40,949
Bicycle trails	53,360	-	-	-	-	53,360
Prepays	-	-	-	300	-	300
Deposits	-	-	-	45,808	-	45,808
Unreserved	1,652,577	25,038	111,358	-	38,352	1,827,325
	<u>1,787,569</u>	<u>25,038</u>	<u>111,358</u>	<u>46,108</u>	<u>79,301</u>	<u>2,049,374</u>
Total fund balances	1,787,569	25,038	111,358	46,108	79,301	2,049,374
Total liabilities and fund balances	\$ <u>2,221,527</u>	\$ <u>1,583,767</u>	\$ <u>143,516</u>	\$ <u>2,422,908</u>	\$ <u>88,490</u>	\$ <u>6,460,208</u>

City of Springfield, Oregon

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended June 30, 2002

	Street	Housing and Community Development	Transient Room Tax	Special Revenue	Museum	Total
Revenues:						
Taxes	\$ -	\$ -	\$ 588,825	\$ 248,467	\$ -	\$ 837,292
Licenses and fees	15,000	-	-	-	-	15,000
Use of money and property	70,580	97,780	3,964	123,291	33,285	328,900
Intergovernmental revenue	2,728,886	809,860	-	977,897	-	4,516,643
Charges for services	164,209	-	-	-	26,791	191,000
Miscellaneous receipts	119,049	1,666	-	-	444	121,159
Total revenues	3,097,724	909,306	592,789	1,349,655	60,520	6,009,994
Expenditures:						
Current:						
General government	48,650	-	302,542	43,201	-	394,393
Public safety	-	-	-	254,134	-	254,134
Library	-	-	36,980	8,325	2,620	47,925
Community development	3,567,869	620,893	306,157	761,812	65,094	5,321,825
Capital outlay	341,885	195,128	1,565	242,029	-	780,607
Total expenditures	3,958,404	816,021	647,244	1,309,501	67,714	6,798,884
Excess of revenues over (under) expenditures	(860,680)	93,285	(54,455)	40,154	(7,194)	(788,890)
Other financing sources (uses):						
Operating transfers in	-	-	-	13,451	2,620	16,071
Operating transfers out	(11,632)	(68,247)	-	(73,971)	-	(153,850)
Total other financing sources (uses)	(11,632)	(68,247)	-	(60,520)	2,620	(137,779)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(872,312)	25,038	(54,455)	(20,366)	(4,574)	(926,669)
Fund balances, beginning of year	2,666,662	-	165,813	66,474	83,875	2,982,824
Change in reserve for inventory	(6,781)	-	-	-	-	(6,781)
Fund balances, end of year	\$ 1,787,569	\$ 25,038	\$ 111,358	\$ 46,108	\$ 79,301	\$ 2,049,374

City of Springfield, Oregon

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(NONGAAP BUDGETARY BASIS)

Year Ended June 30, 2002

	Street	Housing and Community Development	Transient Room Tax	Special Revenue	Museum	Total
Revenues:						
Taxes	\$ -	\$ -	\$ 588,825	\$ 248,467	\$ -	\$ 837,292
Licenses and fees	15,000	-	-	-	-	15,000
Use of money and property	96,112	97,780	5,670	123,291	41,330	364,183
Intergovernmental revenue	2,728,886	809,860	-	977,848	-	4,516,594
Charges for services	164,209	-	-	-	26,791	191,000
Miscellaneous receipts	<u>126,154</u>	<u>1,666</u>	<u>-</u>	<u>-</u>	<u>3,064</u>	<u>130,884</u>
Total revenues	<u>3,130,361</u>	<u>909,306</u>	<u>594,495</u>	<u>1,349,606</u>	<u>71,185</u>	<u>6,054,953</u>
Expenditures:						
Current:						
General government	48,650	-	302,542	43,201	-	394,393
Public safety	-	-	-	233,468	-	233,468
Library	-	-	36,980	8,514	-	45,494
Community development	<u>3,920,435</u>	<u>816,021</u>	<u>307,722</u>	<u>1,003,652</u>	<u>67,471</u>	<u>6,115,301</u>
Total expenditures	<u>3,969,085</u>	<u>816,021</u>	<u>647,244</u>	<u>1,288,835</u>	<u>67,471</u>	<u>6,788,656</u>
Excess of revenues over (under) expenditures	(838,724)	93,285	(52,749)	60,771	3,714	(733,703)
Fund balances (deficits), beginning of year	<u>2,538,483</u>	<u>(68,247)</u>	<u>163,928</u>	<u>(73,921)</u>	<u>82,828</u>	<u>2,643,071</u>
Fund balances (deficits), end of year	<u>\$ 1,699,759</u>	<u>\$ 25,038</u>	<u>\$ 111,179</u>	<u>\$ (13,150)</u>	<u>\$ 86,542</u>	<u>\$ 1,909,368</u>

City of Springfield, Oregon

STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2002

	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:					
Licenses and fees	\$ 18,000	\$ 15,000	\$ (3,000)	\$ -	\$ 15,000
Use of money and property	115,800	96,112	(19,688)	(25,532)	70,580
Intergovernmental revenue	2,819,339	2,728,886	(90,453)	-	2,728,886
Charges for services	65,139	164,209	99,070	-	164,209
Miscellaneous receipts	<u>75,705</u>	<u>126,154</u>	<u>50,449</u>	<u>(7,105)</u>	<u>119,049</u>
 Total revenues	 <u>3,093,983</u>	 <u>3,130,361</u>	 <u>36,378</u>	 <u>(32,637)</u>	 <u>3,097,724</u>
Expenditures:					
Current:					
General government:					
Materials and services	48,650	48,650	-	-	48,650
Community development:					
Personal services	2,202,739	2,176,415	26,324	-	2,176,415
Materials and services	1,441,015	1,318,473	122,542	72,981	1,391,454
Capital outlay	21,550	16,243	5,307	325,642	341,885
Capital projects	863,469	397,672	465,797	(397,672)	-
Special payments	1,043,413	-	1,043,413	-	-
Debt service	<u>11,632</u>	<u>11,632</u>	<u>-</u>	<u>(11,632)</u>	<u>-</u>
 Total expenditures	 <u>5,632,468</u>	 <u>3,969,085</u>	 <u>1,663,383</u>	 <u>(10,681)</u>	 <u>3,958,404</u>
 Excess of revenues over (under) expenditures	 (2,538,485)	 (838,724)	 1,699,761	 (21,956)	 (860,680)
Other financing uses:					
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,632)</u>	<u>(11,632)</u>
 Excess of revenues over (under) expenditures and other financing uses	 (2,538,485)	 (838,724)	 1,699,761	 (33,588)	 (872,312)
 Fund balance (deficit), beginning of year	 2,538,485	 2,538,483	 (2)	 128,179	 2,666,662
 Change in reserve for inventory	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>(6,781)</u>	 <u>(6,781)</u>
 Fund balance, end of year	 <u>\$ -</u>	 <u>\$ 1,699,759</u>	 <u>\$ 1,699,759</u>	 <u>\$ 87,810</u>	 <u>\$ 1,787,569</u>

City of Springfield, Oregon

HOUSING AND COMMUNITY DEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2002

	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:					
Use of money and property	\$ 75,806	\$ 97,780	\$ 21,974	\$ -	\$ 97,780
Intergovernmental revenues	1,560,865	809,860	(751,005)	-	809,860
Miscellaneous receipts	1,666	1,666	-	-	1,666
Total revenues	1,638,337	909,306	(729,031)	-	909,306
Expenditures:					
Current:					
Community development:					
Personal services	284,317	267,920	16,397	-	267,920
Materials and services	735,883	352,973	382,910	-	352,973
Capital outlay	-	-	-	195,128	195,128
Capital projects	549,890	195,128	354,762	(195,128)	-
Special payments	-	-	-	-	-
Total expenditures	1,570,090	816,021	754,069	-	816,021
Excess of revenues over (under) expenditures	68,247	93,285	25,038	-	93,285
Other financing uses:					
Operating transfers out	-	-	-	(68,247)	(68,247)
Excess of revenues over expenditures and other financing uses	68,247	93,285	25,038	(68,247)	25,038
Fund balance (deficit), beginning of year	(68,247)	(68,247)	-	68,247	-
Fund balance (deficit), end of year	\$ -	\$ 25,038	\$ 25,038	\$ -	\$ 25,038

City of Springfield, Oregon

TRANSIENT ROOM TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2002

	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:					
Taxes	\$ 605,000	\$ 588,825	\$ (16,175)	\$ -	\$ 588,825
Use of money and property	3,500	5,670	2,170	(1,706)	3,964
Total revenues	608,500	594,495	(14,005)	(1,706)	592,789
Expenditures:					
Current:					
General government:					
Materials and services	-	-	-	302,542	302,542
Interfund transfer	355,000	302,542	52,458	(302,542)	-
Library					
Personal services	30,540	30,540	-	-	30,540
Materials and services	8,533	6,440	2,093	-	6,440
Community development:					
Personal services	236,402	210,383	26,019	-	210,383
Materials and services	140,255	95,774	44,481	-	95,774
Capital outlay	-	-	-	1,565	1,565
Capital projects	1,700	1,565	135	(1,565)	-
Total expenditures	772,430	647,244	125,186	-	647,244
Excess of revenues over (under) expenditures	(163,930)	(52,749)	111,181	(1,706)	(54,455)
Fund balance (deficit), beginning of year	163,930	163,928	(2)	1,885	165,813
Fund balance, end of year	\$ -	\$ 111,179	\$ 111,179	\$ 179	\$ 111,358

City of Springfield, Oregon

SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2002

	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:					
Taxes	\$ 259,453	\$ 248,467	\$ (10,986)	\$ -	\$ 248,467
Use of money and property	66,713	123,291	56,578	-	123,291
Intergovernmental revenue	<u>1,354,729</u>	<u>977,848</u>	<u>(376,881)</u>	<u>49</u>	<u>977,897</u>
Total revenues	<u>1,680,895</u>	<u>1,349,606</u>	<u>(331,289)</u>	<u>49</u>	<u>1,349,655</u>
Expenditures:					
Current:					
General government:					
Materials and services	43,201	43,201	-	-	43,201
Special payments	15,000	-	15,000	-	-
Public safety:					
Materials and services	244,453	233,468	10,985	20,666	254,134
Library:					
Personal services	7,920	4,984	2,936	-	4,984
Material and services	5,043	3,341	1,702	-	3,341
Capital outlay	189	189	-	-	189
Community development:					
Personal services	40,740	38,782	1,958	-	38,782
Materials and services	830,774	723,030	107,744	-	723,030
Capital outlay	-	-	-	241,840	241,840
Capital projects	<u>419,651</u>	<u>241,840</u>	<u>177,811</u>	<u>(241,840)</u>	<u>-</u>
Total expenditures	<u>1,606,971</u>	<u>1,288,835</u>	<u>318,136</u>	<u>20,666</u>	<u>1,309,501</u>
Excess of revenues over (under) expenditures	73,924	60,771	(13,153)	(20,617)	40,154
Other financing sources (uses):					
Operating transfers in	-	-	-	13,451	13,451
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(73,971)</u>	<u>(73,971)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,520)</u>	<u>(60,520)</u>
Excess of revenues over (under) expenditures and other financing uses	73,924	60,771	(13,153)	(81,137)	(20,366)
Fund balance (deficit), beginning of year	<u>(73,924)</u>	<u>(73,921)</u>	<u>3</u>	<u>140,395</u>	<u>66,474</u>
Fund balance (deficit), end of year	<u>\$ -</u>	<u>\$ (13,150)</u>	<u>\$ (13,150)</u>	<u>\$ 59,258</u>	<u>\$ 46,108</u>

City of Springfield, Oregon

MUSEUM FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2002

	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:					
Use of money & property	\$ 69,314	\$ 41,330	\$ (27,984)	\$ (8,045)	\$ 33,285
Miscellaneous receipts	2,620	3,064	444	(2,620)	444
Charges for services	<u>27,000</u>	<u>26,791</u>	<u>(209)</u>	<u>-</u>	<u>26,791</u>
Total revenues	<u>98,934</u>	<u>71,185</u>	<u>(27,749)</u>	<u>(10,665)</u>	<u>60,520</u>
Expenditures:					
Current:					
Community development:					
Personal services	4,784	2,620	2,164	-	2,620
Materials and services	103,173	64,851	38,322	243	65,094
Capital outlay	7,200	-	7,200	-	-
Special payments	<u>66,605</u>	<u>-</u>	<u>66,605</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>181,762</u>	<u>67,471</u>	<u>114,291</u>	<u>243</u>	<u>67,714</u>
Excess of revenues over (under) expenditures	(82,828)	3,714	86,542	(10,908)	(7,194)
Other financing sources:					
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,620</u>	<u>2,620</u>
Excess of revenues and other financing sources over (under) expenditures	(82,828)	3,714	86,542	(8,288)	(4,574)
Fund balance, beginning of year	<u>82,828</u>	<u>82,828</u>	<u>-</u>	<u>1,047</u>	<u>83,875</u>
Fund balance (deficit), end of year	<u>\$ -</u>	<u>\$ 86,542</u>	<u>\$ 86,542</u>	<u>\$ (7,241)</u>	<u>\$ 79,301</u>

Debt Service Funds

General Obligation Debt Service Fund – This fund is used to account for payments on all general obligation debt, except for debt secured by assessment liens. Ad valorem property taxes are levied to make the debt service payments.

Bancroft Redemption Fund – This fund is used to account for all assessments financed at the election of property owners under the State Bancroft Bonding Act.

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City of Springfield, Oregon

DEBT SERVICE FUNDS
COMBINING BALANCE SHEET

June 30, 2002

	General Obligation Debt Service	Bancroft Redemption	Total
ASSETS			
Cash and investments	\$ 366,212	\$ 3,653,431	\$ 4,019,643
Receivables:			
Property taxes	112,505	5,520	118,025
Assessments and liens	-	148,974	148,974
Accrued interest	3,034	15,792	18,826
Mortgage notes	-	195,659	195,659
	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>481,751</u>	\$ <u>4,019,375</u>	\$ <u>4,501,127</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts and contracts payable	\$ -	\$ 265	\$ 265
Accrued payroll and related liabilities	-	1,871	1,871
Deferred revenues	107,793	335,505	443,298
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	107,793	337,640	445,434
Fund balances:			
Reserved for debt service	373,958	42,802	416,760
Unreserved	-	3,638,933	3,638,933
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	373,958	3,681,735	4,055,693
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	\$ <u>481,751</u>	\$ <u>4,019,375</u>	\$ <u>4,501,127</u>

City of Springfield, Oregon

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended June 30, 2002

	General Obligation Debt Service	Bancroft Redemption	Total
Revenues:			
Taxes	\$ 1,070,235	\$ 151	\$ 1,070,386
Special assessments	-	80,368	80,368
Use of money and property	28,305	325,600	353,905
Miscellaneous receipts	-	342	342
Total revenues	<u>1,098,540</u>	<u>406,461</u>	<u>1,505,001</u>
Expenditures:			
Current:			
General government	-	19,352	19,352
Community development	-	3,536	3,536
Debt service:			
Principal	598,528	100,000	698,528
Interest	596,722	6,681	603,403
Total expenditures	<u>1,195,250</u>	<u>129,569</u>	<u>1,324,819</u>
Excess of revenues over (under) expenditures	<u>(96,710)</u>	<u>276,892</u>	<u>180,182</u>
Other financing sources (uses):			
Operating transfers in	101,116	16,107	117,223
Operating transfers out	-	(524,618)	(524,618)
Total other financing sources (uses)	<u>101,116</u>	<u>(508,511)</u>	<u>(407,395)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	4,406	(231,619)	(227,213)
Fund balances, beginning of year	<u>369,552</u>	<u>3,913,354</u>	<u>4,282,906</u>
Fund balances, end of year	<u>\$ 373,958</u>	<u>\$ 3,681,735</u>	<u>\$ 4,055,693</u>

City of Springfield, Oregon

DEBT SERVICE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(NONGAAP BUDGETARY BASIS)

Year Ended June 30, 2002

	General Obligation Debt Service	Bancroft Redemption	Total
Revenues:			
Taxes	\$ 1,070,235	\$ 151	\$ 1,070,386
Special assessments	-	92,315	92,315
Use of money and property	29,615	363,858	393,473
Miscellaneous receipts	<u>81,684</u>	<u>16,449</u>	<u>98,133</u>
Total revenues	<u>1,181,534</u>	<u>472,773</u>	<u>1,654,307</u>
Expenditures:			
Current:			
General government	-	19,352	19,352
Community development	-	3,536	3,536
Debt service	<u>1,175,819</u>	<u>731,679</u>	<u>1,907,498</u>
Total expenditures	<u>1,175,819</u>	<u>754,567</u>	<u>1,930,386</u>
Excess of revenues over (under) expenditures	5,715	(281,794)	(276,079)
Fund balances, beginning of year	<u>365,015</u>	<u>3,947,769</u>	<u>4,312,784</u>
Fund balances, end of year	<u>\$ 370,730</u>	<u>\$ 3,665,975</u>	<u>\$ 4,036,705</u>

City of Springfield, Oregon

GENERAL OBLIGATION DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2002

	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:					
Taxes	\$ 1,023,174	\$ 1,070,235	\$ 47,061	\$ -	\$ 1,070,235
Use of money and property	20,000	29,615	9,615	(1,310)	28,305
Miscellaneous receipts	81,684	81,684	-	(81,684)	-
Total revenues	<u>1,124,858</u>	<u>1,181,534</u>	<u>56,676</u>	<u>(82,994)</u>	<u>1,098,540</u>
Expenditures:					
Debt service:					
Unappropriated fund balance	274,568	-	274,568	-	-
Special Payments	39,486	-	39,486	-	-
Debt service	1,175,819	1,175,819	-	(1,175,819)	-
Principal	-	-	-	598,528	598,528
Interest	-	-	-	596,722	596,722
Total expenditures	<u>1,489,873</u>	<u>1,175,819</u>	<u>314,054</u>	<u>19,431</u>	<u>1,195,250</u>
Excess of revenues over (under) expenditures	(365,015)	5,715	370,730	(102,425)	(96,710)
Other financing sources:					
Operating transfers in	-	-	-	101,116	101,116
Excess of revenues and other financing sources over (under) expenditures	(365,015)	5,715	370,730	(1,309)	4,406
Fund balance (deficit), beginning of year	<u>365,015</u>	<u>365,015</u>	<u>-</u>	<u>4,537</u>	<u>369,552</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 370,730</u>	<u>\$ 370,730</u>	<u>\$ 3,228</u>	<u>\$ 373,958</u>

City of Springfield, Oregon

BANCROFT REDEMPTION FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2002

	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:					
Taxes	\$ 1,000	\$ 151	\$ (849)	\$ -	\$ 151
Special assessments	117,041	92,315	(24,726)	(11,947)	80,368
Use of money and property	256,368	363,858	107,490	(38,258)	325,600
Miscellaneous receipts	36,222	16,449	(19,773)	(16,107)	342
Total revenues	<u>410,631</u>	<u>472,773</u>	<u>62,142</u>	<u>(66,312)</u>	<u>406,461</u>
Expenditures:					
Current:					
General government:					
Personal services	13,092	13,089	3	-	13,089
Materials and services	23,454	6,263	17,191	-	6,263
Debt service:					
Unappropriated fund balance	155,000	-	155,000	-	-
Interfund transfer	686,523	624,998	61,525	(624,998)	-
Special payments	3,367,809	-	3,367,809	-	-
Debt service	108,548	106,681	1,867	(106,681)	-
Principal	-	-	-	100,000	100,000
Interest	-	-	-	6,681	6,681
Community development:					
Personal services	3,924	3,486	438	-	3,486
Materials and services	50	50	-	-	50
Total expenditures	<u>4,358,400</u>	<u>754,567</u>	<u>3,603,833</u>	<u>(624,998)</u>	<u>129,569</u>
Excess of revenues over (under) expenditures	<u>(3,947,769)</u>	<u>(281,794)</u>	<u>3,665,975</u>	<u>558,686</u>	<u>276,892</u>
Other financing sources (uses):					
Operating transfers in	-	-	-	16,107	16,107
Operating transfers out	-	-	-	(524,618)	(524,618)
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(508,511)</u>	<u>(508,511)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(3,947,769)</u>	<u>(281,794)</u>	<u>3,665,975</u>	<u>50,175</u>	<u>(231,619)</u>
Fund balance (deficit), beginning of year	<u>3,947,769</u>	<u>3,947,769</u>	<u>-</u>	<u>(34,416)</u>	<u>3,913,354</u>
Fund balance (deficit), end of year	<u>\$ -</u>	<u>\$ 3,665,975</u>	<u>\$ 3,665,975</u>	<u>\$ 15,759</u>	<u>\$ 3,681,735</u>

Capital Projects Funds

Development Assessments Capital Projects Fund – The fund is used to account for costs of constructing public improvements. Financing is provided by the City and Lane County and by assessing benefiting property owners.

Development Capital Projects Fund – The fund is used to account for costs of constructing and improving City-owned buildings and streets. Financing is provided by system development charges, grants, and intergovernmental revenues.

Systems Development Capital Projects Fund – The fund is used to account for costs of constructing or improving transportation, sanitary sewer and storm sewer systems which are financed with systems development charges collected for projects approved after July 1, 1991.

General Obligation Bond Capital Projects Fund – The fund is used to account for costs of constructing and improving City infrastructure, major equipment purchases, and replacing computer systems. Financing consists of bond proceeds.

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City of Springfield, Oregon

CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET

June 30, 2002

	Development Assessments Capital Projects	Development Capital Projects	Systems Development Capital Projects	General Obligation Bond Capital Projects	Total
ASSETS					
Cash and investments	\$ 1,633,078	\$ 1,252,488	\$ 7,039,912	\$ 1,531,563	\$ 11,457,041
Accounts receivable:					
Accounts	-	83,954	487,450	-	571,404
Assessments and liens	205,765	-	-	-	205,765
Grants	-	11,393	40	-	11,433
Accrued interest	6,639	5,524	28,632	7,047	47,842
Mortgage notes	-	121,597	-	-	121,597
Prepays	-	-	-	7,240	7,240
Total assets	\$ 1,845,482	\$ 1,474,956	\$ 7,556,034	\$ 1,545,850	\$ 12,422,322
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts and contracts payable	\$ -	\$ 23,065	\$ 2,637	\$ 36,055	\$ 61,757
Accrued payroll and payroll taxes	5,196	-	11,870	-	17,066
Deferred revenue	196,489	207,426	487,450	-	891,365
Deposits	-	-	5,148	-	5,148
Total liabilities	201,685	230,491	507,105	36,055	975,336
Fund balances:					
Reserved for SDC projects	-	961,795	-	-	961,795
Reserved for street	-	-	2,711,516	-	2,711,516
Reserved for sewer	-	-	2,299,488	-	2,299,488
Reserved for drainage	-	-	2,037,925	-	2,037,925
Unreserved	1,643,797	282,670	-	1,509,795	3,436,262
Total fund balances	1,643,797	1,244,465	7,048,929	1,509,795	11,446,986
Total liabilities and fund balances	\$ 1,845,482	\$ 1,474,956	\$ 7,556,034	\$ 1,545,850	\$ 12,422,322

City of Springfield, Oregon

CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended June 30, 2002

	Development Assessments Capital Projects	Development Capital Projects	Systems Development Capital Projects	General Obligation Bond Capital Projects	Total
Revenues:					
Special assessments	\$ 77,006	\$ -	\$ -	\$ -	\$ 77,006
Use of money and property	109,904	79,990	199,475	21,494	410,863
Intergovernmental revenues	-	27,470	-	-	27,470
Charges for services	15,659	-	2,296,808	-	2,312,467
Miscellaneous receipts	1,404	-	-	260	1,664
Total revenues	<u>203,973</u>	<u>107,460</u>	<u>2,496,283</u>	<u>21,754</u>	<u>2,829,470</u>
Expenditures:					
Current:					
General government	60,109	236,526	15,805	12,798	325,238
Public safety	-	4,137	-	-	4,137
Community development	-	78,457	171,856	53,138	303,451
Capital outlay/project	96,405	44,338	738,532	499,573	1,378,848
Debt service:					
Late payment penalty	-	-	-	587	587
Total expenditures	<u>156,514</u>	<u>363,458</u>	<u>926,193</u>	<u>566,096</u>	<u>2,012,261</u>
Excess of revenues over (under) expenditures	<u>47,459</u>	<u>(255,998)</u>	<u>1,570,090</u>	<u>(544,342)</u>	<u>817,209</u>
Other financing sources (uses)					
Operating transfers in	-	224,618	-	-	224,618
Operating transfers out	<u>(36,107)</u>	<u>-</u>	<u>(81,684)</u>	<u>(7,000)</u>	<u>(124,791)</u>
Total other financing sources (uses)	<u>(36,107)</u>	<u>224,618</u>	<u>(81,684)</u>	<u>(7,000)</u>	<u>99,827</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	11,352	(31,380)	1,488,406	(551,342)	917,036
Fund balances, beginning of year	<u>1,632,445</u>	<u>1,275,845</u>	<u>5,560,523</u>	<u>2,061,137</u>	<u>10,529,950</u>
Fund balances, end of year	\$ <u><u>1,643,797</u></u>	\$ <u><u>1,244,465</u></u>	\$ <u><u>7,048,929</u></u>	\$ <u><u>1,509,795</u></u>	\$ <u><u>11,446,986</u></u>

City of Springfield, Oregon

CAPITAL PROJECTS FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 (NONGAAP BUDGETARY BASIS)

Year Ended June 30, 2002

	Development Assessments Capital Projects	Development Capital Projects	Systems Development Capital Projects	General Obligation Bond Capital Projects	Total
Revenues:					
Special assessments	\$ 163,911	\$ -	\$ -	\$ -	\$ 163,911
Use of money and property	123,295	91,782	265,228	45,833	526,138
Intergovernmental revenues	-	27,470	-	-	27,470
Charges for services	15,659	-	2,299,425	-	2,315,084
Miscellaneous receipts	1,404	224,618	-	260	226,282
Total revenues	304,269	343,870	2,564,653	46,093	3,258,885
Expenditures:					
Current:					
General government	60,109	236,526	15,805	502,881	815,321
Public safety	-	4,137	-	2,809	6,946
Community development	96,405	129,900	992,072	66,819	1,285,196
Debt service	36,107	-	-	20,570	56,677
Total expenditures	192,621	370,563	1,007,877	593,079	2,164,140
Excess of revenues over (under) expenditures	111,648	(26,693)	1,556,776	(546,986)	1,094,745
Fund balances, beginning of year	1,525,522	1,265,644	5,463,576	2,070,513	10,325,255
Fund balances, end of year	\$ 1,637,170	\$ 1,238,951	\$ 7,020,352	\$ 1,523,527	\$ 11,420,000

City of Springfield, Oregon

DEVELOPMENT ASSESSMENTS CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2002

	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:					
Special assessments	\$ 451,105	\$ 163,911	\$ (287,194)	\$ (86,905)	\$ 77,006
Use of money and property	51,900	123,295	71,395	(13,391)	109,904
Charges for services	5,000	15,659	10,659	-	15,659
Miscellaneous receipts		1,404	1,404	-	1,404
Bond and note proceeds	750,000	-	(750,000)	-	-
Total revenues	<u>1,258,005</u>	<u>304,269</u>	<u>(953,736)</u>	<u>(100,296)</u>	<u>203,973</u>
Expenditures:					
Current:					
General government:					
Personal services	51,164	51,122	42	-	51,122
Materials and services	33,609	8,987	24,622	-	8,987
Debt service:					
Special payments	1,147,584	-	1,147,584	-	-
Interfund Transfer	56,270	36,107	20,163	(36,107)	-
Community development:					
Capital outlay	-	-	-	96,405	96,405
Capital projects	1,223,596	96,405	1,127,191	(96,405)	-
Interfund Transfer	-	-	-	-	-
Special payments	271,304	-	271,304	-	-
Total expenditures	<u>2,783,527</u>	<u>192,621</u>	<u>2,590,906</u>	<u>(36,107)</u>	<u>156,514</u>
Excess of revenues over (under) expenditures	(1,525,522)	111,648	1,637,170	(64,189)	47,459
Other financing uses:					
Operating transfer out	-	-	-	(36,107)	(36,107)
Excess of revenues over (under) expenditures and other financing uses	(1,525,522)	111,648	1,637,170	(100,296)	11,352
Fund balance, beginning of year	<u>1,525,522</u>	<u>1,525,522</u>	<u>-</u>	<u>106,923</u>	<u>1,632,445</u>
Fund balance, end of year	\$ <u><u>-</u></u>	\$ <u><u>1,637,170</u></u>	\$ <u><u>1,637,170</u></u>	\$ <u><u>6,627</u></u>	\$ <u><u>1,643,797</u></u>

City of Springfield, Oregon

DEVELOPMENT CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2002

	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:					
Use of money and property	\$ 2,702,887	\$ 91,782	\$ (2,611,105)	\$ (11,792)	\$ 79,990
Intergovernmental revenue	1,170,000	27,470	(1,142,530)	-	27,470
Miscellaneous receipts	824,618	224,618	(600,000)	(224,618)	-
Total revenues	4,697,505	343,870	(4,353,635)	(236,410)	107,460
Expenditures:					
Current:					
General government:					
Materials and services	50,000	-	50,000	236,526	236,526
Capital projects	332,253	236,526	95,727	(236,526)	-
Special payments	34,984	-	34,984	-	-
Public safety:					
Personal services	-	-	-	-	-
Materials and services	10,057	4,137	5,920	-	4,137
Community development:					
Materials and services	87,170	37,274	49,896	41,183	78,457
Capital outlay	-	-	-	44,338	44,338
Capital projects	4,448,468	85,521	4,362,947	(85,521)	-
Special payments	993,110	-	993,110	-	-
Interfund transfers	7,105	7,105	-	(7,105)	-
Total expenditures	5,963,147	370,563	5,592,584	(7,105)	363,458
Excess of revenues over (under) expenditures	(1,265,642)	(26,693)	1,238,949	(229,305)	(255,998)
Other financing sources:					
Operating transfer in	-	-	-	224,618	224,618
Excess of revenues and other financing sources over (under) expenditures	(1,265,642)	(26,693)	1,238,949	(4,687)	(31,380)
Fund balance, beginning of year	1,265,642	1,265,644	2	10,201	1,275,845
Fund balance, end of year	\$ -	\$ 1,238,951	\$ 1,238,951	\$ 5,514	\$ 1,244,465

City of Springfield, Oregon

SYSTEMS DEVELOPMENT CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2002

	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:					
Use of money and property	\$ 270,737	\$ 265,228	\$ (5,509)	\$ (65,753)	\$ 199,475
Charges for services	<u>1,065,900</u>	<u>2,299,425</u>	<u>1,233,525</u>	<u>(2,617)</u>	<u>2,296,808</u>
Total revenues	<u>1,336,637</u>	<u>2,564,653</u>	<u>1,228,016</u>	<u>(68,370)</u>	<u>2,496,283</u>
Expenditures:					
Current:					
General government:					
Personal services	15,528	15,520	8	-	15,520
Materials and services	285	285	-	-	285
Community development:					
Personal services	170,692	147,109	23,583	-	147,109
Materials and services	29,815	23,088	6,727	1,659	24,747
Capital outlay	3,000	1,659	1,341	736,873	738,532
Capital projects	3,370,925	738,532	2,632,393	(738,532)	-
Special payments	3,128,285	-	3,128,285	-	-
Interfund transfers	<u>81,684</u>	<u>81,684</u>	<u>-</u>	<u>(81,684)</u>	<u>-</u>
Total expenditures	<u>6,800,214</u>	<u>1,007,877</u>	<u>5,792,337</u>	<u>(81,684)</u>	<u>926,193</u>
Excess of revenues over (under) expenditures	(5,463,577)	1,556,776	7,020,353	13,314	1,570,090
Other financing uses:					
Operating transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(81,684)</u>	<u>(81,684)</u>
Excess of revenues over (under) expenditures and other financing uses	(5,463,577)	1,556,776	7,020,353	(68,370)	1,488,406
Fund balance, beginning of year	<u>5,463,577</u>	<u>5,463,576</u>	<u>-</u>	<u>96,947</u>	<u>5,560,523</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 7,020,352</u>	<u>\$ 7,020,353</u>	<u>\$ 28,577</u>	<u>\$ 7,048,929</u>

City of Springfield, Oregon

GENERAL OBLIGATION BOND CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2002

	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:					
Use of money and property	\$ 100,000	\$ 45,833	\$ (54,167)	\$ (24,339)	\$ 21,494
Miscellaneous receipts	-	260	260	-	260
Total revenues	100,000	46,093	(53,907)	(24,339)	21,754
Expenditures:					
Current:					
General government:					
Materials and services	-	-	-	12,798	12,798
Capital outlay	-	-	-	490,083	490,083
Capital projects	702,111	502,881	199,230	(502,881)	-
Special payments	568,828	-	568,828	-	-
Public safety:					
Materials and services	30,000	-	30,000	-	-
Capital outlay	118,447	-	118,447	2,809	2,809
Capital projects	61,064	2,809	58,255	(2,809)	-
Library:					
Capital outlay	156	-	156	-	-
Community development:					
Materials and services	-	-	-	53,138	53,138
Capital outlay	-	-	-	6,681	6,681
Capital projects	632,908	59,819	573,089	(59,819)	-
Interfund transfers	7,000	7,000	-	(7,000)	-
Debt Service:					
Penalty	50,000	20,570	29,430	(19,983)	587
Total expenditures	2,170,514	593,079	1,577,435	(26,983)	566,096
Excess of revenues over (under) expenditures	(2,070,514)	(546,986)	1,523,528	2,644	(544,342)
Other financing uses:					
Operating transfer out	-	-	-	(7,000)	(7,000)
Excess of revenues over (under) expenditures and other financing uses	(2,070,514)	(546,986)	1,523,528	(4,356)	(551,342)
Fund balance (deficit), beginning of year	2,070,514	2,070,513	(1)	(9,376)	2,061,137
Fund balance (deficit), end of year	\$ -	\$ 1,523,527	\$ 1,523,527	\$ (13,732)	\$ 1,509,795

Enterprise Funds

These funds are used to finance and account for the acquisition, operation, and maintenance of facilities which are supported by user charges. Included are:

Sewer Utility Fund – Accounts for the local share of the operation of the wastewater collection system. Revenue is derived mainly from sewer user fees.

Emergency Medical Services Fund – Accounts for the City's ambulance operations. Revenue is derived mainly from ambulance fees.

Booth-Kelly Fund – Accounts for the cost of improvements and operating expenses of the booth-Kelly Center. Revenue is derived from commercial leases.

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City of Springfield, Oregon

ENTERPRISE FUNDS
COMBINING BALANCE SHEET

June 30, 2002

	Sewer Utility	Emergency Medical Services	Booth- Kelly	Total
ASSETS				
Current assets:				
Cash and investments	\$ 7,626,901	\$ 2,034,460	\$ 1,203,631	\$ 10,864,992
Accounts receivable, net of allowance for estimated uncollectibles	521,974	638,205	3,088	1,163,267
Prepays	547	17,342	-	17,889
Accrued interest	32,814	8,333	5,143	46,290
Total current assets	<u>8,182,236</u>	<u>2,698,340</u>	<u>1,211,862</u>	<u>12,092,438</u>
Restricted assets:				
Cash	<u>320,420</u>	-	-	<u>320,420</u>
Fixed assets:				
Plant and buildings	31,697,682	174,894	4,495,648	36,368,224
Machinery and equipment	583,486	390,219	-	973,705
Land improvements	-	-	507,931	507,931
	<u>32,281,168</u>	<u>565,113</u>	<u>5,003,579</u>	<u>37,849,860</u>
Less accumulated depreciation	6,331,845	231,683	2,557,912	9,121,440
	<u>25,949,323</u>	<u>333,430</u>	<u>2,445,667</u>	<u>28,728,420</u>
Construction in progress	829,785	-	-	829,785
Land and land rights	230,667	332,999	2,227,673	2,791,339
	<u>27,009,775</u>	<u>666,429</u>	<u>4,673,340</u>	<u>32,349,544</u>
Other assets:				
Bond costs (net of accumulated amortization)	<u>42,046</u>	-	-	<u>42,046</u>
Total assets	<u>\$ 35,554,477</u>	<u>\$ 3,364,769</u>	<u>\$ 5,885,202</u>	<u>\$ 44,804,448</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Current liabilities:				
Accounts payable	\$ 83,080	\$ 11,321	\$ 8,306	\$ 102,707
Accrued payroll and other liabilities	231,148	237,743	5,216	474,107
Accrued interest	77,769	-	-	77,769
Notes payable - current portion	257,088	-	-	257,088
Revenue bonds payable - current portion	140,000	-	-	140,000
Deferred revenue	10	410,447	-	410,457
Deposits	875	-	27,027	27,902
Total current liabilities	<u>789,970</u>	<u>659,511</u>	<u>40,549</u>	<u>1,490,030</u>
Long-term liabilities:				
Accrued absence payable	314,842	157,833	13,857	486,532
Revenue bonds payable (net of unamortized discount)	2,472,001	-	-	2,472,001
Notes payable	2,792,408	-	-	2,792,408
Total long-term liabilities	<u>5,579,251</u>	<u>157,833</u>	<u>13,857</u>	<u>5,750,941</u>
Total liabilities	<u>6,369,221</u>	<u>817,344</u>	<u>54,406</u>	<u>7,240,971</u>
Fund equity:				
Contributed capital	15,817,382	183,600	5,167,303	21,168,285
Retained earnings:				
Reserved	682,317	-	-	682,317
Unreserved	12,685,557	2,363,825	663,493	15,712,875
Total fund equity	<u>29,185,256</u>	<u>2,547,425</u>	<u>5,830,796</u>	<u>37,563,477</u>
Total liabilities and fund equity	<u>\$ 35,554,477</u>	<u>\$ 3,364,769</u>	<u>\$ 5,885,202</u>	<u>\$ 44,804,448</u>

City of Springfield, Oregon

ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS

Year Ended June 30, 2002

	Sewer Utility	Emergency Medical Services	Booth- Kelly	Total
Operating revenues:				
Charges for services	\$ 5,577,598	\$ 4,647,977	\$ 583,749	\$ 10,809,324
Miscellaneous receipts	<u>93,117</u>	<u>9,343</u>	<u>-</u>	<u>102,460</u>
Total operating revenues	<u>5,670,715</u>	<u>4,657,320</u>	<u>583,749</u>	<u>10,911,784</u>
Operating expenses:				
Personal services	2,340,196	2,543,427	68,865	4,952,488
Materials and services	1,565,636	1,420,066	193,528	3,179,230
Depreciation	654,453	59,166	210,496	924,115
Bad debt expense	<u>-</u>	<u>864,634</u>	<u>-</u>	<u>864,634</u>
Total operating expenses	<u>4,560,285</u>	<u>4,887,293</u>	<u>472,889</u>	<u>9,920,467</u>
Operating income (loss)	<u>1,110,430</u>	<u>(229,973)</u>	<u>110,860</u>	<u>991,317</u>
Nonoperating revenues (expenses):				
Interest on investments	241,880	66,577	50,616	359,073
Interest expense	<u>(270,869)</u>	<u>-</u>	<u>-</u>	<u>(270,869)</u>
Total nonoperating revenues (expenses)	<u>(28,989)</u>	<u>66,577</u>	<u>50,616</u>	<u>88,204</u>
Income (loss) before operating transfers	1,081,441	(163,396)	161,476	1,079,521
Operating transfers:				
Operating transfers in	7,000	-	-	7,000
Operating transfers out	<u>(4,224)</u>	<u>-</u>	<u>(214,736)</u>	<u>(218,960)</u>
Net income (loss)	1,084,217	(163,396)	(53,260)	867,561
Add depreciation on fixed assets acquired by grants and shared revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>18,943</u>	<u>-</u>	<u>78,875</u>	<u>97,818</u>
Net increase (decrease) in retained earnings	1,103,160	(163,396)	25,615	965,379
Retained earnings, beginning of year	12,272,768	2,532,374	637,878	15,443,020
Residual equity transfers	<u>(8,054)</u>	<u>(5,153)</u>	<u>-</u>	<u>(13,207)</u>
Retained earnings, end of year	<u>\$ 13,367,874</u>	<u>\$ 2,363,825</u>	<u>\$ 663,493</u>	<u>\$ 16,395,192</u>

City of Springfield, Oregon

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS

Year Ended June 30, 2002

	Sewer Utility	Emergency Medical Services	Booth- Kelly	Total
Cash flows from operating activities:				
Cash received from customers	\$ 5,465,817	\$ 3,466,394	\$ 581,579	\$ 9,513,790
Cash paid for employee services	(2,202,015)	(2,468,054)	(53,656)	(4,723,725)
Cash paid to suppliers for goods and services	(1,493,963)	(1,464,864)	(189,593)	(3,148,420)
Other operating receipts	<u>93,127</u>	<u>41,471</u>	<u>799</u>	<u>135,397</u>
Net cash provided by (used in) operating activities	<u>1,862,966</u>	<u>(425,053)</u>	<u>339,129</u>	<u>1,777,042</u>
Cash flows from noncapital financing activities:				
Operating transfers out to other funds	(4,224)	-	(214,736)	(218,960)
Operating transfers received from other funds	7,000	-	-	7,000
Residual equity transfer	<u>(8,054)</u>	<u>(5,153)</u>	<u>-</u>	<u>(13,207)</u>
Net cash used in noncapital financing activities	<u>(5,278)</u>	<u>(5,153)</u>	<u>(214,736)</u>	<u>(225,167)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(682,828)	(118,722)	-	(801,550)
Bond costs	3,255	-	-	3,255
Loan payments	(247,729)	-	-	(247,729)
Bond payments	(133,219)	-	-	(133,219)
Interest paid	<u>(214,919)</u>	<u>-</u>	<u>-</u>	<u>(214,919)</u>
Net cash used in capital and related financing activities	<u>(1,275,440)</u>	<u>(118,722)</u>	<u>-</u>	<u>(1,394,162)</u>
Cash flows from investing activities:				
Interest received	<u>328,147</u>	<u>97,877</u>	<u>63,104</u>	<u>489,128</u>
Net change in cash and investments	910,395	(451,051)	187,497	646,841
Cash and investments, beginning of year	<u>7,036,926</u>	<u>2,485,511</u>	<u>1,016,132</u>	<u>10,538,569</u>
Cash and investments, end of year	<u>\$ 7,947,321</u>	<u>\$ 2,034,460</u>	<u>\$ 1,203,629</u>	<u>\$ 11,185,410</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used in) Operating Activities				
Operating income (loss)	\$ 1,110,430	\$ (229,973)	\$ 110,860	\$ 991,317
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	654,453	59,166	210,496	924,115
Other changes in assets and liabilities:				
Accounts receivable	(111,781)	(316,949)	(2,170)	(430,900)
Prepays	99,582	(9,295)	-	90,287
Accounts payable	(27,909)	(35,503)	3,935	(59,477)
Accrued payroll and other liabilities	138,181	75,373	15,209	228,763
Deposits	-	-	799	799
Deferred revenue	<u>10</u>	<u>32,128</u>	<u>-</u>	<u>32,138</u>
Net cash provided by (used in) operating activities	<u>\$ 1,862,966</u>	<u>\$ (425,053)</u>	<u>\$ 339,129</u>	<u>\$ 1,777,042</u>
Noncash capital and related financing activities:				
Contributed fixed assets	<u>\$ 74,153</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,153</u>

City of Springfield, Oregon

SEWER UTILITY FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2002

	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:					
Charges for services	\$ 5,398,000	\$ 5,545,366	\$ 147,366	\$ 32,232	\$ 5,577,598
Use of money and property	334,007	306,516	(27,491)	(64,636)	241,880
Miscellaneous receipts	1,350,455	1,334,438	(16,017)	(1,241,321)	93,117
Total revenues	7,082,462	7,186,320	103,858	(1,273,725)	5,912,595
Expenses:					
Current:					
Debt service:					
Debt service	659,614	653,598	6,016	(653,598)	-
Interest	-	-	-	270,869	270,869
Special payments	761,897	-	761,897	-	-
Community development:					
Personal services	2,484,307	2,331,983	152,324	8,213	2,340,196
Materials and services	1,728,041	1,470,001	258,040	95,635	1,565,636
Capital outlay	92,815	15,003	77,812	(15,003)	-
Capital projects	2,482,736	696,440	1,786,296	(696,440)	-
Interfund transfers	1,238,585	1,238,585	-	(1,238,585)	-
Debt service	4,224	4,224	-	(4,224)	-
Special payments	4,852,575	-	4,852,575	-	-
Depreciation	-	-	-	654,453	654,453
Total expenses	14,304,794	6,409,834	7,894,960	(1,578,680)	4,831,154
Excess of revenues over (under) expenses	(7,222,332)	776,486	7,998,818	304,955	1,081,441
Other financing sources (uses):					
Operating transfers in	-	-	-	7,000	7,000
Operating transfers out	-	-	-	(4,224)	(4,224)
Total other financing sources	-	-	-	2,776	2,776
Excess of revenues and other financing sources over (under) expenses	(7,222,332)	776,486	7,998,818	307,731	1,084,217
Add depreciation on fixed assets acquired by grants and shared revenues externally restricted for capital acquisitions and construction that reduces contributed capital	-	-	-	18,943	18,943
Net increase (decrease) in retained earnings	(7,222,332)	776,486	7,998,818	326,674	1,103,160
Retained earnings, beginning of year	7,222,332	7,222,332	-	5,050,436	12,272,768
Residual equity transfer out	-	-	-	(8,054)	(8,054)
Retained earnings, end of year	\$ -	\$ 7,998,818	\$ 7,998,818	\$ 5,369,056	\$ 13,367,874

City of Springfield, Oregon

EMERGENCY MEDICAL SERVICES FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2002

	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:					
Charges for services	\$ 3,344,550	\$ 3,533,372	\$ 188,822	\$ 1,114,605	\$ 4,647,977
Use of money and property	77,810	90,673	12,863	(24,096)	66,577
Miscellaneous receipts	3,000	9,834	6,834	(491)	9,343
Total revenues	<u>3,425,360</u>	<u>3,633,880</u>	<u>208,519</u>	<u>1,090,018</u>	<u>4,723,897</u>
Expenses:					
Current:					
Public safety:					
Personal services	2,615,914	2,535,510	80,404	7,917	2,543,427
Materials and services	1,626,889	1,357,266	269,624	62,800	1,420,066
Capital outlay	387,585	181,522	206,063	(181,522)	-
Capital Projects	698,898	5,153	693,745	(5,153)	-
Special payments	83,933	-	83,933	-	-
Contingency	108,711	-	108,711	-	-
Depreciation	-	-	-	59,166	59,166
Bad debt expense	-	-	-	864,634	864,634
Total expenses	<u>5,521,930</u>	<u>4,079,451</u>	<u>1,442,480</u>	<u>807,842</u>	<u>4,887,293</u>
Excess of revenues over (under) expenses	(2,096,570)	(445,571)	1,650,999	282,176	(163,396)
Retained earnings, beginning of year	2,096,570	2,096,570	-	435,804	2,532,374
Residual equity transfer out	-	-	-	(5,153)	(5,153)
Retained earnings, end of year	<u>\$ -</u>	<u>\$ 1,650,999</u>	<u>\$ 1,650,999</u>	<u>\$ 712,827</u>	<u>\$ 2,363,825</u>

City of Springfield, Oregon

BOOTH-KELLY FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2002

	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:					
Charges for services	\$ 669,342	\$ 594,834	\$ (74,508)	\$ (11,085)	\$ 583,749
Use of money and property	<u>35,000</u>	<u>47,274</u>	<u>12,274</u>	<u>3,342</u>	<u>50,616</u>
Total revenues	<u>704,342</u>	<u>642,108</u>	<u>(62,234)</u>	<u>(7,743)</u>	<u>634,365</u>
Expenses:					
Current:					
Community development:					
Personal services	61,113	55,008	6,105	13,857	68,865
Materials and services	210,295	135,953	74,342	57,575	193,528
Capital projects	390,000	52,375	337,625	(52,375)	-
Interfund transfer	214,736	214,736	-	(214,736)	-
Special payment	813,998	-	813,998	-	-
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,496</u>	<u>210,496</u>
Total expenses	<u>1,690,142</u>	<u>458,072</u>	<u>1,232,070</u>	<u>14,817</u>	<u>472,889</u>
Excess of revenues over (under) expenses	(985,800)	184,036	1,169,836	(22,560)	161,476
Other financing uses:					
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(214,736)</u>	<u>(214,736)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(214,736)</u>	<u>(214,736)</u>
Excess of revenues over (under) expenses and other financing uses	(985,800)	184,036	1,169,836	(237,296)	(53,260)
Add depreciation on fixed assets acquired by grants and shared revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,875</u>	<u>78,875</u>
Net increase (decrease) in retained earnings	(985,800)	184,036	1,169,836	(158,421)	25,615
Retained earnings, beginning of year	<u>985,800</u>	<u>985,799</u>	<u>(1)</u>	<u>(347,921)</u>	<u>637,878</u>
Retained earnings (deficit), end of year	<u>\$ -</u>	<u>\$ 1,169,835</u>	<u>\$ 1,169,835</u>	<u>\$ (506,342)</u>	<u>\$ 663,493</u>

Internal Service Funds

Vehicle and Equipment Fund – the fund accounts for the ownership and use of major equipment. Resources are provided by charges to other City funds.

Insurance Fund – The fund accounts for the accumulation of resources to provide for the City's insurance, the worker's compensation program, and employee benefit program. Resources are provided by charges to other City funds.

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City of Springfield, Oregon

INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET

June 30, 2002

	Vehicle and Equipment	Insurance	Total
ASSETS			
Current assets:			
Cash and investments	\$ 4,911,181	\$ 587,428	\$ 5,498,609
Prepaid insurance	-	10,087	10,087
Accrued interest receivable	19,996	2,076	22,072
	<u>4,931,177</u>	<u>599,591</u>	<u>5,530,768</u>
Total current assets			
Fixed assets:			
Machinery and equipment	9,336,680	-	9,336,680
	<u>9,336,680</u>	<u>-</u>	<u>9,336,680</u>
Less accumulated depreciation	4,373,360	-	4,373,360
	<u>4,963,320</u>	<u>-</u>	<u>4,963,320</u>
Work in progress	1,187,012	-	1,187,012
	<u>1,187,012</u>	<u>-</u>	<u>1,187,012</u>
Total fixed assets			
	<u>6,150,332</u>	<u>-</u>	<u>6,150,332</u>
Total assets			
	<u>\$ 11,081,509</u>	<u>\$ 599,591</u>	<u>\$ 11,681,100</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Current liabilities:			
Accounts and contracts payable	\$ 131,166	\$ 21,870	\$ 153,036
Accrued payroll and other related liabilities	-	137,880	137,880
Due to other fund	1,000	-	1,000
	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total liabilities			
	<u>132,166</u>	<u>159,750</u>	<u>291,916</u>
Fund equity:			
Contributed capital	6,497,279	8,719	6,505,998
Retained earnings, unreserved	4,452,064	431,122	4,883,186
	<u>4,452,064</u>	<u>431,122</u>	<u>4,883,186</u>
Total fund equity			
	<u>10,949,343</u>	<u>439,841</u>	<u>11,389,184</u>
Total liabilities and fund equity			
	<u>\$ 11,081,509</u>	<u>\$ 599,591</u>	<u>\$ 11,681,100</u>

City of Springfield, Oregon

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS

Year ended June 30, 2002

	<u>Vehicle and Equipment</u>	<u>Insurance</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 740,446	\$ 1,148,591	\$ 1,889,037
Fines and forfeitures	-	2,484	2,484
Miscellaneous receipts	-	43,829	43,829
	<u>740,446</u>	<u>1,194,904</u>	<u>1,935,350</u>
Total operating revenues			
Operating expenses:			
Personal services	-	194,556	194,556
Materials and services	157,898	1,027,647	1,185,545
Depreciation	887,507	-	887,507
	<u>1,045,405</u>	<u>1,222,203</u>	<u>2,267,608</u>
Total operating expenses			
Operating loss	<u>(304,959)</u>	<u>(27,299)</u>	<u>(332,258)</u>
Nonoperating revenues (expenses):			
Interest income	155,151	13,533	168,684
Loss on disposition of equipment	<u>(100,861)</u>	<u>-</u>	<u>(100,861)</u>
Total nonoperating revenues	<u>54,290</u>	<u>13,533</u>	<u>67,823</u>
Net income (loss)	(250,669)	(13,766)	(264,435)
Retained earnings, beginning of year	4,709,733	444,888	5,154,621
Residual equity transfer	<u>(7,000)</u>	<u>-</u>	<u>(7,000)</u>
Retained earnings, end of year	<u>\$ 4,452,064</u>	<u>\$ 431,122</u>	<u>\$ 4,883,186</u>

City of Springfield, Oregon

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS

Year Ended June 30, 2002

	<u>Vehicle and Equipment</u>	<u>Insurance</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from quasi-external operating transactions with other funds	\$ 740,446	\$ 1,148,591	\$ 1,889,037
Cash paid for employee services	-	(251,161)	(251,161)
Cash paid to suppliers for goods and services	(65,630)	(966,409)	(1,032,039)
Other operating receipts	<u>1,000</u>	<u>46,313</u>	<u>47,313</u>
Net cash provided by (used in) operating activities	<u>675,816</u>	<u>(22,666)</u>	<u>653,150</u>
Cash flows from noncapital financing activities:			
Residual equity transfer	<u>(7,000)</u>	<u>-</u>	<u>(7,000)</u>
Net cash used in noncapital financing activities	<u>(7,000)</u>	<u>-</u>	<u>(7,000)</u>
Cash flows from capital and related financing activities:			
Proceed from sale of capital assets	20,750	-	20,750
Acquisition of capital assets	<u>(556,111)</u>	<u>-</u>	<u>(556,111)</u>
Net cash used in capital and related financing activities	<u>(535,361)</u>	<u>-</u>	<u>(535,361)</u>
Cash flows from investing activities:			
Interest received	<u>213,251</u>	<u>19,936</u>	<u>233,187</u>
Net change in cash and investments	346,706	(2,730)	343,976
Cash and investments, beginning of year	<u>4,564,475</u>	<u>590,158</u>	<u>5,154,633</u>
Cash and investments, end of year	<u>\$ 4,911,181</u>	<u>\$ 587,428</u>	<u>\$ 5,498,609</u>
Reconciliation of Operating Loss to Net Cash Provided by (used in) Operating Activities			
Operating loss	\$ (304,959)	\$ (27,299)	\$ (332,258)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	887,507	-	887,507
Changes in assets and liabilities:			
Prepaid insurance	-	85,264	85,264
Accounts payable	92,268	(24,026)	68,242
Accrued payroll and other liabilities	<u>1,000</u>	<u>(56,605)</u>	<u>(55,605)</u>
Net cash provided by (used in) operating activities	<u>\$ 675,816</u>	<u>\$ (22,666)</u>	<u>\$ 653,150</u>
Noncash capital and related financing activities:			
Contributed fixed assets	<u>\$ 515,943</u>	<u>\$ -</u>	<u>\$ 515,943</u>
Retirement and disposition of capital assets, net of accumulated depreciation	<u>\$ (100,861)</u>	<u>\$ -</u>	<u>\$ (100,861)</u>
Increased basis of newly acquired assets due to trade-ins	<u>\$ 538,494</u>	<u>\$ -</u>	<u>\$ 538,494</u>

City of Springfield, Oregon

VEHICLE EQUIPMENT FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year ended June 30, 2002

	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:					
Charges for service:	\$ 728,651	\$ 740,446	\$ 11,795	\$ -	\$ 740,446
Use of money and property	260,000	220,812	(39,188)	(65,661)	155,151
Miscellaneous receipts	23,000	-	(23,000)	-	-
Total revenues	1,011,651	961,258	(50,393)	(65,661)	895,597
Expenses:					
Current:					
General government					
Materials and services:	-	-	-	37,798	37,798
Capital outlay	91,619	57,639	33,980	(57,639)	-
Special payments:	598,056	-	598,056	-	-
Library:					
Materials and services:	-	-	-	16,244	16,244
Capital outlay	19,492	16,244	3,248	(16,244)	-
Special payments:	39,383	-	39,383	-	-
Public safety:					
Materials and services:	-	-	-	38,011	38,011
Capital outlay	287,328	200,533	86,795	(200,533)	-
Special payments:	2,263,462	-	2,263,462	-	-
Community development					
Materials and services:	-	-	-	65,845	65,845
Capital outlay	625,122	446,593	178,529	(446,593)	-
Special payments:	1,626,993	-	1,626,993	-	-
Depreciation	-	-	-	887,507	887,507
Total expenses	5,551,455	721,009	4,830,446	324,396	1,045,405
Excess of revenues over (under) expenses:	(4,539,804)	240,249	4,780,053	(390,057)	(149,808)
Other financing uses					
Loss on disposal of asset	-	-	-	(100,861)	(100,861)
Excess of revenues over (under) expenses and other financing uses	(4,539,804)	240,249	4,780,053	(490,918)	(250,669)
Retained earnings, beginning of year	4,539,804	4,539,805	1	169,928	4,709,733
Residual equity transfer out	-	-	-	(7,000)	(7,000)
Retained earnings (deficit), end of year	\$ -	\$ 4,780,054	\$ 4,780,054	\$ (327,990)	\$ 4,452,064

City of Springfield, Oregon

INSURANCE FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year ended June 30, 2002

	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:					
Charges for services	\$ 6,845,209	\$ 7,279,565	\$ 434,356	\$ (6,130,974)	\$ 1,148,591
Fines and forfeitures	1,000	2,484	1,484	-	2,484
Use of money and property	12,000	18,396	6,396	(4,863)	13,533
Miscellaneous receipts	20,360	43,829	23,469	-	43,829
Total revenues	6,878,569	7,344,273	465,705	(6,135,837)	1,208,437
Expenses:					
Current:					
General government					
Personal services	236,216	197,527	38,689	(2,971)	194,556
Materials and services	430,266	352,519	77,747	675,128	1,027,647
Capital outlay	4,500	4,495	5	(4,495)	-
Special payments	6,812,409	6,874,614	(62,205)	(6,874,614)	-
Total expenses	7,483,391	7,429,155	54,236	(6,206,952)	1,222,203
Excess of revenues over (under) expenses	(604,822)	(84,882)	519,941	71,115	(13,766)
Retained earnings (deficit), beginning of year	604,822	604,820	(2)	(159,932)	444,888
Retained earnings (deficit), end of year	\$ -	\$ 519,938	\$ 519,939	\$ (88,817)	\$ 431,122

Agency Fund

The Agency Fund is a non-budgeted fund which accounts for resources received and held by the City in a fiduciary capacity. Disbursements from this fund are made in accordance with the applicable agreements for each type of transaction. This fund is custodial in nature (assets equal liabilities) and does not involve measurement of the results of operation.

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City of Springfield, Oregon

AGENCY FUND
BALANCE SHEET

Year Ended June 30, 2002

	<u>Total</u>
ASSETS	
Cash	<u>\$1,613,212</u>
Total assets	<u><u>\$1,613,212</u></u>
LIABILITIES	
Amounts held in trust	<u>\$1,613,212</u>
Total liabilities	<u><u>\$1,613,212</u></u>

City of Springfield, Oregon

AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year Ended June 30, 2002

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
ASSETS				
Cash	\$ <u>1,542,120</u>	\$ <u>9,515,564</u>	\$ <u>9,444,472</u>	\$ <u>1,613,212</u>
LIABILITIES				
Amounts held in trust	\$ <u>1,542,120</u>	\$ <u>9,515,564</u>	\$ <u>9,444,472</u>	\$ <u>1,613,212</u>

General Fixed Assets Account Group

The General Fixed Assets Account Group is an independent, self-balancing account group set up to account for the fixed assets of the City which are not accounted for in proprietary funds.

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City of Springfield, Oregon

COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS
BY TYPE AND SOURCE

June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
General fixed assets:		
Work in progress	\$ 608,623	\$ 850,829
Land	2,945,714	2,945,714
Buildings	13,647,174	13,505,765
Equipment	1,880,493	1,934,804
Studies	183,592	-
Library books	<u>1,644,551</u>	<u>1,691,186</u>
	<u>\$ 20,910,147</u>	<u>\$ 20,928,298</u>
Investment in general fixed assets by source:		
Investment in property at June 30, 1979*	\$ 2,507,207	\$ 2,507,207
Add:		
Federal grants	3,071,568	3,071,379
State grants	38,732	38,732
General revenue	3,977,847	3,875,243
Bond proceeds	10,705,985	10,826,929
Gifts	<u>608,808</u>	<u>608,808</u>
	<u>\$ 20,910,147</u>	<u>\$ 20,928,298</u>

* Historical information is not available to determine sources of investment prior to this date because records reflecting information in this form were not maintained prior to July 1, 1979.

City of Springfield, Oregon

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION
AND ACTIVITY

June 30, 2002

FUNCTION AND ACTIVITY	Work in Progress	Land	Buildings	Equipment	Studies	Books	Total
General government:							
Control:							
Executive	\$ -	\$ -	\$ 10,021	\$ -	\$ -	\$ -	\$ 10,021
Judicial	-	-	5,344	12,122	-	-	17,466
	-	-	15,365	12,122	-	-	27,487
Staff agencies:							
Administrative services	-	-	-	353,451	183,592	-	537,043
Library	-	-	334,301	112,058	-	1,644,551	2,090,910
General government buildings	-	1,959,707	7,811,680	-	-	-	9,771,387
	-	1,959,707	8,145,981	465,509	183,592	1,644,551	12,399,340
Total general government	-	1,959,707	8,161,346	477,631	183,592	1,644,551	12,426,827
Public safety:							
Police protection	-	18,856	967,573	968,234	-	-	1,954,663
Fire protection	7,961	114,045	2,299,648	59,367	-	-	2,481,021
Total public safety	7,961	132,901	3,267,221	1,027,601	-	-	4,435,684
Community development:							
Public works	600,662	853,106	2,210,465	356,011	-	-	4,020,244
Planning and zoning	-	-	8,142	19,250	-	-	27,392
Total community development	600,662	853,106	2,218,607	375,261	-	-	4,047,636
Total general fixed assets	\$ 608,623	\$ 2,945,714	\$ 13,647,174	\$ 1,880,493	\$ 183,592	\$ 1,644,551	\$ 20,910,147

City of Springfield, Oregon

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY
FUNCTION AND ACTIVITY

Year Ended June 30, 2002

FUNCTION AND ACTIVITY	General Fixed Assets	Additions	Deletions	General Fixed Assets
	July 1, 2001			June 30, 2002
General government:				
Control:				
Executive	\$ 10,021	\$ -	\$ -	\$ 10,021
Judicial	17,466	-	-	17,466
	<u>27,487</u>	<u>-</u>	<u>-</u>	<u>27,487</u>
Staff agencies:				
Administrative services	537,043	183,592	(183,592)	537,043
Library	2,137,545	108,731	(155,366)	2,090,910
General government buildings	9,771,387	-	-	9,771,387
	<u>12,445,975</u>	<u>292,323</u>	<u>(338,958)</u>	<u>12,399,340</u>
Total general government	<u>12,473,462</u>	<u>292,323</u>	<u>(338,958)</u>	<u>12,426,827</u>
Public safety:				
Police protection	1,957,988	7,000	(10,325)	1,954,663
Fire protection	2,517,193	14,814	(50,986)	2,481,021
Total public safety	<u>4,475,181</u>	<u>21,814</u>	<u>(61,311)</u>	<u>4,435,684</u>
Community development:				
Public works	3,960,405	179,572	(119,733)	4,020,244
Planning and zoning	19,250	8,142	-	27,392
Total community development	<u>3,979,655</u>	<u>187,714</u>	<u>(119,733)</u>	<u>4,047,636</u>
Total general fixed assets	<u>\$ 20,928,298</u>	<u>\$ 501,851</u>	<u>\$ (520,002)</u>	<u>\$ 20,910,147</u>

General Long-Term Debt Account Group

The General Long-Term Debt Account Group is an independent, self-balancing account group set up to account for long-term debts which are legally payable from general revenues, with or without limitation to levy property taxes as set forth in Section 11b(1), Article XI of the Oregon constitution (Property Tax Limitation).

The long-term debt included in this group consists of general obligation serial bonds, limited tax obligation term bonds, notes and contracts payable, and accrued vacation and compensatory time pay.

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City of Springfield, Oregon

SCHEDULE OF GENERAL LONG-TERM DEBT

June 30, 2002

Amount available and to be provided for the payment of general long-term debt and accrued vacation and compensatory time pay:	
General obligation serial bonds and limited tax obligation term bonds:	
Amount available in Debt Service Fund	\$ 416,760
Amount to be provided	<u>9,523,240</u>
	9,940,000
Amount to be provided for contract payable	210,000
Amount to be provided for notes payable	771,035
Amount to be provided for accrued vacation and compensatory time pay	<u>2,711,317</u>
Total amounts available and to be provided	\$ <u><u>13,632,352</u></u>
General long-term debt payable and accrued vacation and compensatory time pay:	
General obligation serial bonds payable:	
General improvement	\$ 9,880,000
Limited tax obligation improvement term bonds payable	60,000
Notes payable	771,035
Contract payable	210,000
Accrued vacation and compensatory time pay	<u>2,711,317</u>
Total general long-term debt	\$ <u><u>13,632,352</u></u>