

City of Springfield Oregon

Comprehensive Annual Financial Report Fiscal Year 2009

www.ci.springfield.or.us



Passion

Integrity

Results

This page intentionally left blank.

CITY OF SPRINGFIELD, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2009

Prepared by:

Finance Department
Accounting Division

This page intentionally left blank.

City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2009

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	iii-x
Organization Chart	xi
Principal City Officials	xii
Certificate of Achievement for Excellence in Financial Reporting	xiii
FINANCIAL SECTION	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-17
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds	20
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Assets – Proprietary Funds	23
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	24
Statement of Cash Flows-Proprietary Funds	25
Statement of Fiduciary Net Assets – Agency Fund	26
Notes to Basic Financial Statements	27-61
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund	62
Housing and Community Development Fund	63
Schedule of OPEB and CRP Funding Progress	64

City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2009

Other Supplementary Information:

Non-major Governmental Funds Combining Statements:	
Combining Balance Sheet – Nonmajor Governmental Funds	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds	66
Special Revenue Funds:	
Combining Balance Sheet – Nonmajor Special Revenue Funds	67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	68
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Street Fund	69
Special Revenue Fund	70
Transient Room Tax Fund	71
Building Code Fund	72
SEDA Glenwood General Fund	73
SEDA Downtown General Fund	74
Fire Local Option Levy Fund	75
Police Local Option Levy Fund	76
Jail Operations Fund	77
River Bend Fund	78
Debt Service Funds:	
Combining Balance Sheet – Nonmajor Debt Service Funds	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	80
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Obligation Debt Service Fund	81
Bancroft Redemption Fund	82
Capital Projects Funds:	
Combining Balance Sheet – Nonmajor Capital Project Funds	83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds	84
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Development Capital Projects Fund	85
Police Building Bond Capital Project Fund	86
Street Capital Projects Fund	87
SDC Transportation Reimbursement Fund	88
SDC Transportation Improvement Fund	89
Development Assessments Capital Projects Fund	90
SEDA Glenwood Capital Projects	91

City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2009

Enterprise Funds:	
Combining Balance Sheet – Nonmajor Enterprise Funds	92
Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets – Nonmajor Enterprise Funds	93
Combining Statement of Cash Flows-Nonmajor Enterprise Funds	94
Schedules of Revenues, Expenses and Changes in Fund Net Assets – Budget and Actual:	
Sewer Operations Fund	95
Storm Drainage Operations Fund	96
Sewer Capital Projects Fund	97
Ambulance Fund	98
Booth Kelly Fund	99
Storm Drainage Capital Projects Fund	100
Storm Drainage Improvement SDC Fund	101
Sewer Reimbursement SDC Fund	102
Sewer Improvement SDC Fund	103
Internal Service Funds:	
Combining Statement of Net Assets – Internal Service Funds	104
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds	105
Combining Statement of Cash Flows – Internal Service Funds	106
Schedule of Revenues, Expenses and Changes in Fund Net Assets – Budget and Actual:	
Vehicle and Equipment Fund	107
Insurance Fund	108
SDC Administration Fund	109
Fiduciary Fund:	
Statement of Changes in Assets and Liabilities – Agency Fund	110
Discretely Presented Component Unit:	
Combining Schedule of Revenues, Expenditures and Changes in Fund Net Assets-Regional Wastewater	111
Schedule of Revenues, Expenses and Changes in Fund Net Assets – Budget and Actual:	
Regional Wastewater Fund	112
Regional Wastewater Capital Fund	113
Regional Wastewater Bond Capital Fund	114
Regional Wastewater Improvement SDC Fund	115
Regional Wastewater Reimbursement SDC Fund	116
Regional Wastewater Debt Service Fund	117

City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2009

Supplemental Schedules:

Schedule of Property Tax Transactions	118
Schedule of Bonded Debt Transactions	119
Schedule of Future Requirements for Retirements of City Issued General Obligation Bonds - General Issue	120

STATISTICAL SECTION

Financial Trend Information

Net assets by component	121
Changes in net assets, last seven fiscal years	122-123
Fund balances, governmental funds, last ten fiscal years	124
Changes in fund balances, governmental funds, last ten fiscal years	125

Revenue Capacity Information

Assessed value and actual value of taxable property, last ten fiscal years	126
Direct and overlapping property tax rates, last ten fiscal years	127
Principal property tax payers, current year and nine years ago	128
Property tax levies and collections, last ten fiscal years	129

Debt Capacity Information

Ratios of outstanding debt by type, last ten fiscal years	130
Ratios of general bonded debt outstanding, last ten fiscal years	131
Direct and overlapping governmental activities debt	132
Legal debt margin information, last ten fiscal years	133
Pledged revenue coverage, last ten fiscal years	134

Demographic and Economic Information

Demographic and economic statistics, last ten calendar years	135
Principal employers, current year and nine years ago	136

Operating Information

Full-time equivalent city government employees by function/program, last ten fiscal years	137
Operating indicators by function/program, last ten fiscal years	138
Capital asset statistics by function/program, last ten fiscal years	139

COMPLIANCE SECTION

Audit Comments:

Comments and Disclosures Required by State Regulators	140-142
---	---------

City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2009

Governmental Auditing Standards:

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	143-144
--	---------

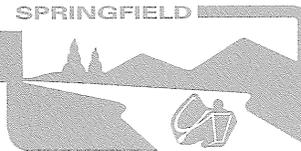
OMB Circular A-133 (Single Audit):

Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	145-146
Schedule of Findings and Questioned Costs	147
Schedule of Expenditures of Federal Awards	148
Notes to the Schedule of Expenditures of Federal Awards	149

This page intentionally left blank.

Introductory Section

This page intentionally left blank.



FINANCE DEPARTMENT
ACCOUNTING / REPORTING
ACCOUNTS RECEIVABLE / PAYABLE
ASSESSMENTS
BUDGETING / TREASURY
PAYROLL
PURCHASING

225 FIFTH STREET
SPRINGFIELD, OR 97477
(541) 726-3704
FAX (541) 726-3782
www.ci.springfield.or.us

December 21, 2009

To the Citizens of Springfield, Oregon:

Local ordinances and state statutes require that the City of Springfield issue a report on its financial position and activity within six months of the close of each fiscal year. In addition, this report must be audited in accordance with auditing standards generally accepted in the United States of America by an independent firm of certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Springfield for the fiscal year ended June 30, 2009.

This report consists of management's representations of the City's finances. Consequently, responsibility for the accuracy of the data and for the completeness and fairness of the presentation, including all disclosures, rests with management. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Springfield's financial statements have been audited by Grove, Mueller & Swank, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Springfield for the fiscal year ended June 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Springfield's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

In addition to meeting the requirements set forth above, the independent audit also was designed to meet the special needs of federal grantor agencies as provided for in the Federal Single Audit Act and the Office of Management and Budget's (OMB) Circular A-133. These standards require that the independent auditor report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The results of the independent audit for the fiscal year ended June 30, 2009 indicated no instances of material weaknesses in the internal control structure nor significant violations of applicable laws and regulations. The independent auditor's reports related specifically to the Single Audit and OMB Circular A-133 are included in the Government Auditing Standards Section.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Springfield's MD&A can be found immediately following the report of the independent auditors.



Profile of the Government

The City of Springfield was incorporated on February 25, 1885. The City has a council-manager form of government. The six-member City Council sets overall city policy and goals. The City Council also makes laws, or ordinances, which govern the City. Councilors are nominated from one of six wards and are elected at large for four-year staggered terms. The Mayor, elected at large to a four-year term, is the chief elected officer of the City and is responsible for providing political and policy leadership for the community. The Mayor has no executive power, but presides at City Council meetings and serves as the ceremonial head of the City.

Home to approximately 58,085 people, Springfield is bordered north and south by the McKenzie and Willamette Rivers, covering approximately 15 square miles in Lane County. The Springfield community has rich cultural assets like the Springfield Museum and Historic Interpretive Center, Washburne Historic District, Springfield Railroad Depot, Oregon Trail Mural, and Dorris Ranch Living History Farm.

The City provides a full range of municipal services. These services include police, fire, emergency medical services, municipal court, community planning and development, library, local sanitary system collection, regional sanitary administrative services, stormwater management, general public works, central service administration, and other functions associated with a full-service City.

For financial reporting purposes, the City includes all funds of the City subject to appropriation by the City Council. In addition, the City includes all governmental organizations and activities for which the City Council is financially accountable. Therefore, the financial statements of the Urban Renewal Agency of the City of Springfield, although legally separate, have been blended with those of the City by including them in the appropriate statements and schedules in this report. The City performs all administrative duties for the legally separate Metropolitan Wastewater Management Commission. It would be misleading to omit information about this entity from the financial statements and so it is included as a discretely presented component unit. Other potential component units have been evaluated and determined not to be component units of the City according to the criteria provided by the Governmental Accounting Standards Board.

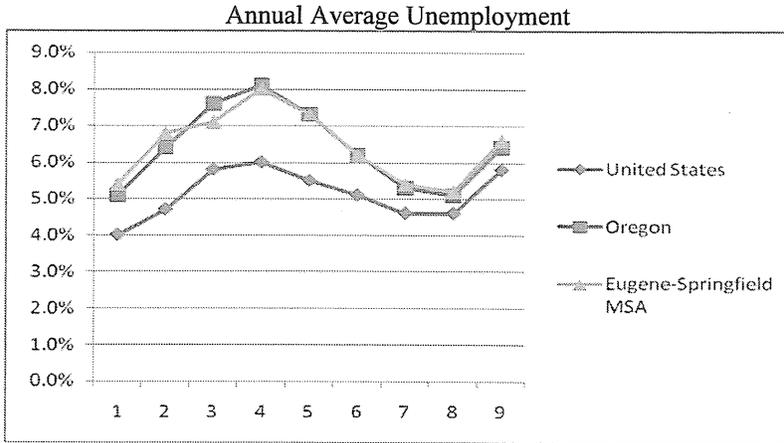
For financial planning and control, the City prepares and adopts an annual budget in accordance with Oregon law. The law establishes standard procedures for preparing, presenting and administering the budget. It requires citizen involvement in the preparation of the budget and public disclosure of the budget before final adoption. The activities of all the funds of the City (except the Agency Fund, which accounts only for non-budgeted pass-through monies) are included in the annual budget, as required by state law. The City prepares its budget, as allowed under Oregon law, using the modified accrual basis method of accounting. The legally adopted budget is presented at the departmental level for current expenditures, with separate appropriations established for capital projects, debt service, inter-fund transfers, miscellaneous fiscal transactions, statutory payments, contingencies, unappropriated fund balances and reserves.

Under the changes made by Measure 50, Oregon's municipalities now levy their annual property taxes on a partial rate based levy system. Springfield has been assigned a permanent tax rate of \$4.7403 per thousand dollars of assessed valuation for its annual property tax operating levy. This amount can be temporarily overridden through the use of voter-approved serial levies. In November 2006, Springfield voters renewed a special purpose four-year property tax levy for fire services with a modest increase in the amount from \$.36 per thousand to \$.40 per thousand. In the same election, voters approved an additional \$1.09 per thousand to fund police and municipal court services and operation costs for a city jail. This levy replaced a previous levy of \$.66 per thousand for police and municipal court services. Springfield still has the authority to levy an additional dollar value property tax levy for the retirement of its voter-approved general obligation bond debt. For the fiscal year ended June 30, 2009, the amount of the tax levy for general obligation bonded debt was \$1.00 per thousand.

Local Economy

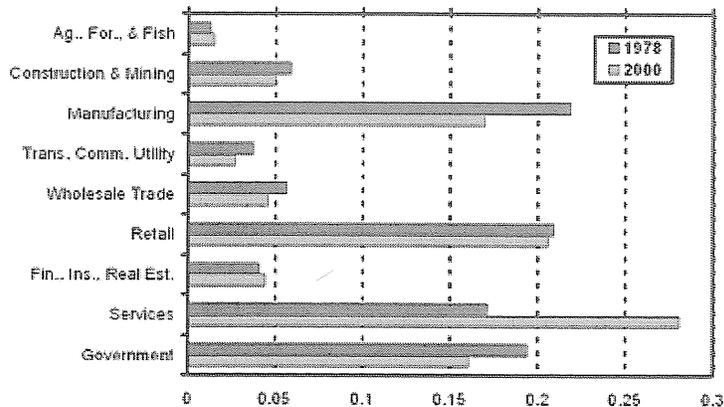
Springfield is located in the southern Willamette Valley along Interstate 5 connecting to Portland and California. Springfield is Oregon’s ninth largest city and the second largest city in Lane County. Springfield is located immediately east of Eugene and separated only by Interstate 5.

The Lane County unemployment rate increased during the year from a not seasonally adjusted 5.7% in June of 2008 to 12.6% in June 2009. In June 2009, Lane County’s unemployment rate was just above the statewide figure of 11.9% and above the United States rate of 9.5%. Lane County’s non-farm employment in June 2009 was 149,200 compared to 158,900 the previous year, an annualized loss of 5.5 percent.



Over the past year, most sectors of the local economy have declined, with significant changes being a decrease June-to-June in manufacturing jobs in Transportation Equipment Manufacturing. The City has seen a decline in employment in many industries such as: Recreational Vehicles (-2000); Wood Products (-500); Construction (-1000); Wholesale Trade (-900); Professional & business Services (-1200); Accommodation and Food Services (-800). The only offsetting increase was in Health Care jobs (+500).

**Lane County Historic Industry Mix Change
(SIC based)**



Some of the more significant development events, excluding many new housing subdivision projects, of the past year were:

- Construction was completed on Peace Health's \$600 million, 900,000 square-foot medical facility at the Riverbend campus in north Springfield's Gateway area. Over 2,500 people will be employed at this location. The eight story building with over 400 beds opened as planned in August 2008. Peace Health has also built two multi-story parking structures for about 500 vehicles and connecting several buildings with patient services and storage. Within this complex, the \$35 million Oregon Heart & Vascular Institute (OHVI) is a six-story structure connected to the Hospital. The OHVI includes a cardiac and pulmonary rehabilitation center; diagnostic cardiac and vascular services; nuclear medicine services; administrative support offices; cardiac catheterization, peripheral vascular labs, and electrophysiology labs; cardiovascular surgical suite, and patient- and family-friendly pre-procedure and recovery areas. Floors four and five contain 72 single-occupancy patient suites as a hospital-within-a-hospital.
- Construction of two medical office buildings for a number of medical clinics were completed and opened in January 2009. The five-story Riverbend Medical Pavilion operated by Peace Health primarily houses offices and exam rooms for PeaceHealth Medical Group physicians whose patients may be in need of hospital services. The independent Northwest Specialty Clinics (NSC) is now training employees in the facilities and includes eleven specialty medical clinics. A covered walkway connects both the Pavilion and NSC directly to Sacred Heart Medical Center at RiverBend. Each of the new medical clinics is valued at about \$10 million.
- Construction of the Armed Forces Reserve Center (AFRC) was completed in June 2009. Located on 20 acres off Pierce Parkway, this 156,000 square foot facility will provide office and meeting space, storage, parking, and secure public access to offices of the regional US Forest Service and federal Bureau of Land Management. All agencies are relocating from outdated individual Eugene facilities.
- The Springfield School District is immersed in the construction of rebuilding two new schools in east and mid-Springfield and the expansion of its Academy of Arts and Academics High School in Downtown. Construction will be completed and facilities outfitted with new classroom equipment to open in time for the start of the fall 2009 school year. The inclusion of this facility in the downtown core is a significant boost to the City's downtown revitalization effort.
- The City of Springfield completed the construction of a replacement facility for Fire Station #16 in east Springfield. The \$3 million project has concrete masonry walls and a two-story profile with fire crews' quarters on the second floor, above the equipment and training areas. Fire fighters readily relocated to the building after using leased residential buildings adjacent to the construction site to ensure uninterrupted fire protection service for the east Springfield area.
- Oregon Department of Transportation's initial design options and configurations of the replacement bridge over the Willamette River for Interstate 5 along Glenwood's western edge are well underway. The four-lane bridge facility spanning the Willamette River for Interstate 5 is estimated to cost about \$160 million. It will be built primarily by the Springfield firm Hamilton Construction. ODOT anticipates construction will be completed in 2012 with removal of the \$38 million temporary bridge now in use.
- The Women's Care Clinic at River Bend has completed and opened its \$6 million Phase 1 10,455 square foot building with parking lot and landscaping on the west side of Martin Luther King Jr. Parkway. Women's Care has approvals for its future expansion with Phase 2 – a second story addition for a total building area of 20,910 square feet.

Long-term Financial Planning

Changes to the national, state and regional economy have had an impact on the revenue forecasts for the City as several major resources are under-realized from budgeted estimates. In particular, property taxes, fuel taxes and fees associated with building and development activities have been underperforming. In response, mid-year, the City identified 26 positions for which it was able to reduce or eliminate funding. This action was taken to avoid the use of General Fund reserves for operating purposes. The Council did determine that it was appropriate for the General Fund to participate through the use of reserves over and above the targeted amount in the funding of three significant capital projects for the City. The first was to add additional value to Springfield Justice Center by including an ancillary building for storage. The second was to include additional features in the new Thurston area fire station. The third project was to help complete the replacement of the regional criminal justice information management system. The General Fund still meets all Council adopted policies for maintaining adequate contingency and working capital.

In the May 2009 election, the City asked voters to increase its local fuel tax from the current 3 cents per gallon to 5 cents per gallon. This increase would have provided additional resources for the street maintenance program. The measure was defeated, and the City's street preventative maintenance program will be scaled back to fit within available resources. The state and local fuel usage taxes are the primary revenue sources for the City's special revenue Street Fund. The state legislature took action on an increase in the state-wide gas tax in its last session with plans to prorate or share these new resources with local cities. It is anticipated the City will receive its first share of the new higher state fuel tax during fiscal year 2011. During this period of transition as the preventative maintenance program and the identification of alternative revenue is taken under review, it is highly likely that the level of reserves for contingency and working capital will fall below the stated minimums. Council is aware of this potential and is taking steps to provide support from the City's General Fund to maintain appropriate levels.

The City's Ambulance Fund, an enterprise fund, is also experiencing financial stress as its primary revenue sources have not kept pace with expenses. Reductions by the federal government in payments to providers of ambulance service for medicare and medicaid patients have placed providers of ambulance service in the position of subsidizing this major federal program at the local level. Local rate increases aimed at the privately insured or non-insured are intended to partially make up these differences. Similar to the Street Fund, the potential for cost reductions and the identification of alternative revenue has been taken under review, and it is highly likely that the level of reserves for contingency and working capital could fall below the stated minimums. Council is aware of this potential and is taking steps to provide support from the City's General Fund to maintain appropriate levels.

In the area of capital improvement projects, the Council annually approves a list of public projects, such as transportation and streets, wastewater, stormwater, and buildings and property that are tentatively funded for construction in the next five years. These projects are aimed at improving neighborhoods, providing for economic growth, improving traffic safety, and maintaining the existing City infrastructure and facilities. Some of the major projects in each of these program areas include the following.

Transportation and Streets:

- ◆ As a result of lost revenues from Lane County, insufficient revenues from state and local fuel taxes, and increasing costs, the funding for this program was significantly reduced in FY10 to a total budget of \$237,006, which is about 1/3 of the budget in FY09. The FY10 budget will be used for street seal and overlay projects on only arterial and collector streets throughout the City. Projections for the next five years show continued insufficient revenues to fund the program's needs, which will result in an increasing backlog of streets needing repair and preservation. One additional revenue source that is not yet reflected in the FY10 budget is a recent allocation of approximately \$400,000 in Surface Transportation Program – Urban (STP-U) funds from the Metropolitan Planning Organization (MPO).
- ◆ The Gateway/Beltline intersection has been identified as needing major transportation improvements, including the construction of a two-phase project. Phase 1 includes design and construction of an expanded intersection along with the purchase of right-of-way. Construction of Phase 1 will begin in 2010 as part of

an ODOT project to improve the I-5/Beltline Interchange. Phase 2 will be constructed in the future and will include construction of a one-way couplet. The project is needed for improving the level of service at the intersection and for maintaining proper function of the intersection in relationship to the I-5/Beltline Interchange. Current project estimates are \$10 million for Phase 1 and \$20 million for Phase 2.

- ◆ The City received \$1.96 million in ARRA funding to support construction of several transportation and street projects, including: \$1.4 million to overlay Pioneer Parkway; \$310,000 to pave and install pedestrian safety improvements on the EWEB Multi-use Path; and \$250,000 for upgrading traffic signals and street lights.
- ◆ The City has applied for a TIGER grant for \$49.5 million for design, right-of-way acquisition, and construction of a multi-way boulevard on Franklin Boulevard through Glenwood. If the City is successful in receiving the grant funding, this project will be the primary project in this program area for FY10, 11, and 12.

Wastewater:

- ◆ FY09 Revenue Bonds – In March 2009, the City sold \$22.815 million in revenue bonds to fund the following wastewater system projects: Jasper Trunk Sewer – \$11.9 million and Wet Weather Flow Management Plan (WWFMP) compliance - \$9.1 million. The Jasper Trunk Sewer involves the construction of approximately 18,000 feet of sewer to the Jasper-Natron area to allow for future development of approximately 1,000 acres within the City’s Urban Growth Boundary. The WWFMP is a regional plan adopted in 2001 that identifies priority areas for rehabilitating wastewater pipes to reduce infiltration and inflow. The completion of these rehabilitation projects on the local waste water collection systems will reduce the cost of transporting the effluent through pipes as well as the treatment costs at the plant.
- ◆ FY11 Revenue Bonds – In 2008, the City adopted a new *Wastewater Master Plan*. This Plan identified additional wastewater system needs to address, in part, other areas of the system with excessive infiltration and inflow. The City is currently considering another Revenue Bond sale in FY11 to address some or all of the following projects: Basin 22 – \$6.2 million; 10th & N parallel trunk – \$3.9 million; 58th Street By-pass sewer – \$2.2 million; 7th & 8th sewer main replacement - \$0.5 million; Main St. sewer main improvements – \$2.1 million; and Nugget Way lift station upgrade – \$1.4 million.

Stormwater:

- ◆ Drainage improvements for the Springfield Mill Race are underway and are expected to continue for several years. At completion, the project will improve water quality and stabilize year round flows, restoring the aquatic ecosystem from Clearwater Park to the 7th Street Bridge. The entire project is anticipated to cost about \$9 million, with \$5 million coming from a federal grant and the remaining balance coming from the City in donated land, in-kind services, and additional funding. This project not only opens back up an historic open water way through Springfield, but helps the City meet its obligation for clean water through natural filtration instead of treatment.
- ◆ FY10 Revenue Bonds – In 2008, the City adopted a new *Stormwater Facility Master Plan*. This Plan identified stormwater system needs to address existing localized flooding, future growth needs, and stormwater quality improvements. One of the larger projects in the Plan is that of providing stormwater service to future development in the Jasper Natron area, currently estimated at \$5 million. In addition, the City is obligated to protect the benefits of the Springfield Mill Race project. Part of this obligation will be satisfied by improvements, estimated at \$1.35 million, to the Mill Pond, Lower Mill Race, and the Booth Kelly Center drainage system. The City is considering a Revenue Bond sale in FY11 to fund some or all of these projects.

Major Initiatives

The City Council goals for this year, along with some of the more significant activities and projects addressing those goals are as follows:

Provide financially sound, stable city government

- City bond rating of A2 maintained
- Identify strategies to reduce reliance on special levies
- Update the Information Technology Disaster Recovery Plan
- Evaluate needs of present City Hall operations

Utilize resources efficiently and effectively to meet citizen needs for core services

- Initiate Glenwood refinement plan update project
- Determine appropriate levels of service for the Library
- Identify and develop alternative building maintenance funding sources to address immediate, short and long term needs
- Document growth demands on current service levels

Maintain and improve transportation infrastructure and other city facilities

- Identify and develop alternative street maintenance funding sources to address immediate, short, and long term needs
- Gateway Development [Gateway Area Transportation Management]
- Develop Franklin Boulevard design concept and alignment, including preferred alternative for Franklin/McVay intersection, with project stakeholders
- Incorporate EmX into couplet design (Gateway Development). Review and approve design detail for EmX in Gateway area as part of parkway BRT design review.
- TransPlan update

Expand the Springfield economy through commercial and industrial development to create family wage jobs

- Conduct a Commercial-Industrial Land Supply and Demand Study and Goal 14 analysis to determine whether expansion of the Urban Growth Boundary (UGB) is necessary and justifiable.

Enhance public safety in Springfield

- Continue enforcement efforts to reduce illegal activity
- Work with regional partners to establish a shared, interoperable radio system for police department operations. Develop protocols for improved interoperability with Fire Department
- Facilitate Justice Center construction timeline for on-schedule completion

Facilitate the redevelopment of Springfield

- Implement downtown urban renewal plan
- Expand and strengthen the Downtown Association
- Prepare a Downtown Revitalization Strategic Plan
- Establish design standards for downtown renovation and new construction
- Continue with Mill Race Redevelopment Plan
- Identify key infrastructure projects and phasing for downtown development

Partner with citizens and other public agencies to leverage resources

- Continue to work with other TEAM Springfield agencies to achieve community goals and periodically assess progress
- Support review of the feasibility of a Conference Center

Preserve our hometown feel as we grow

- Implement remaining Nodal Development Areas per TransPlan
- Promote Community Image

Awards and Acknowledgements

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008. This was the twenty-eighth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We also want to acknowledge the cooperation and assistance of other City staff who contributed to the information required for a fair presentation of the City's financial operations.

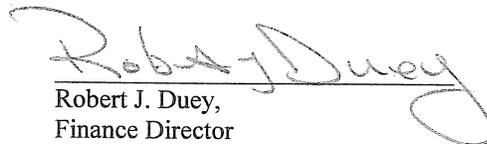
In closing, without the leadership and support of the Mayor and City Council, preparation of this report would not have been possible.

Respectfully submitted,

CITY OF SPRINGFIELD, OREGON



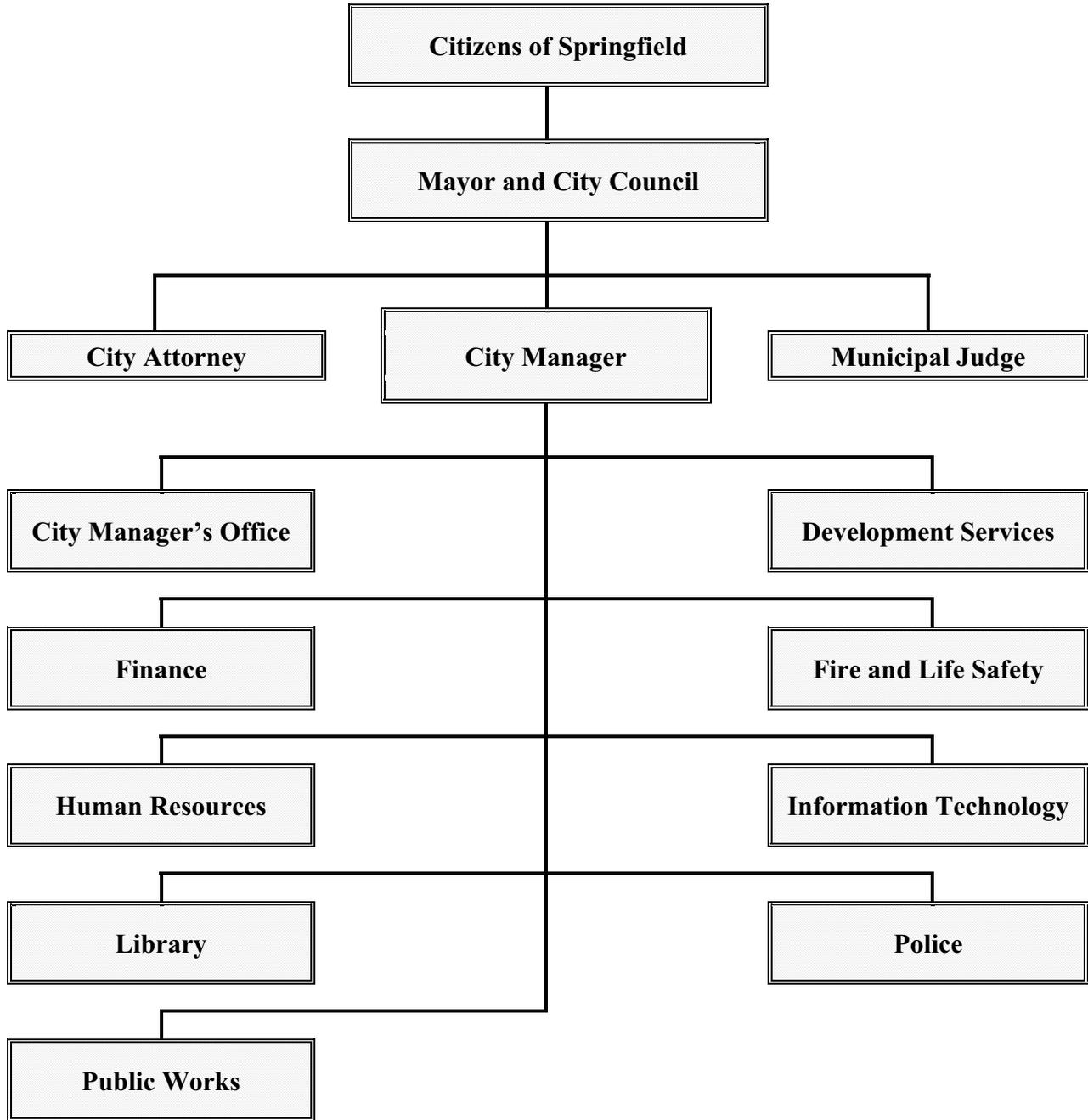
Gino Grimaldi,
City Manager



Robert J. Duey,
Finance Director

CITY OF SPRINGFIELD

Organization Chart



City of Springfield, Oregon

Principal City Officials June 30, 2009

Elected Officials

Mayor

Sidney W. Leiken
6856 Holly Street
Springfield, OR 97478

Term Expiration

December 31, 2012

Council Members

Christine Lundberg
2031 2nd Street
Springfield, OR 97477

Ward 1

December 31, 2010

Hillary Wylie
339 S "E" Street
Springfield, OR 97477

Ward 2

December 31, 2010

Terri Leezer
555 16th Street
Springfield, OR 97477

Ward 3

December 31, 2012

David Ralston
2114 "L" Street
Springfield, OR 97477

Ward 4

December 31, 2012

Fred Simmons
312 S 52nd Place
Springfield, OR 97477

Ward 5

December 31, 2010

Joe Pishioneri
961 S 70th Street
Springfield, OR 97478

Ward 6

December 31, 2012

Administrative Officials

Gino Grimaldi
Jeff Towery
Robert J. Duey

City Manager
Assistant City Manager
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Springfield
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

This page intentionally left blank.

Financial Section

This page intentionally left blank.

Independent Auditor's Report

This page intentionally left blank.



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor, Members of the
City Council and the City Manager
City of Springfield, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springfield, Oregon as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springfield, Oregon as of June 30, 2009, and the respective changes in financial position and the cash flows where applicable thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2009 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis and the schedule of funding progress for other post employment benefits are not required parts of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the schedule of revenues, expenditures and changes in fund balance (non GAAP budgetary basis) - budget and actual for the General, Street and Housing and Community Development Funds, the other supplementary information, and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The schedule of revenues, expenditures and changes in fund balance (non GAAP budgetary basis) - budget and actual for the General, Street and Housing and Community Development Funds, other supplementary information and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Charles A. Swank, A Shareholder
December 21, 2009

Management's Discussion and Analysis

This page intentionally left blank.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of City of Springfield's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2009. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's total combined assets at June 30, 2009 are \$280,152,832.
- The City's total combined liabilities at June 30, 2009 are \$78,602,238.
- The City's total combined net assets at June 30, 2009 are \$201,550,594.
- At June 30, 2009, the City's governmental funds reported a combined ending fund balance of \$33,331,724. \$27,604,186 is unreserved and available for appropriation.
- The General Fund reported an ending fund balance this year of \$7,355,424. This is a significant decrease from the previous year's fund balance of \$9,277,551.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Springfield's basic financial statements. The City's basic financial statements comprise three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements

The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include:

- General Government
- Police
- Fire
- Public Works
- Library
- Development Services

The business-type activities of the City include:

- Sanitary Sewer
- Storm Drainage
- Booth Kelly (operation of the Booth Kelly Center, a large commercial building and other similar activities)
- Ambulance Service

The government-wide financial statements include not only the City of Springfield itself (known as the primary government), but also two legally separate entities.

The Urban Renewal Agency, called the Springfield Economic Development Agency (SEDA,) has a governing body that is substantively the same as the City's. For this reason, the SEDA special revenue and capital project funds are included as an integral part of the primary government.

The City provides all administrative duties for the Metropolitan Wastewater Management Commission in accordance with an intergovernmental agreement. Therefore, management believes it would be misleading to exclude this entity from the government-wide financial statements. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 18-19 of the basic financial statements.

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government activities. The reconciliations can be found on page 22 in the basic financial statements.

The City maintains 21 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for those funds that are considered significant (major) to the City taken as a whole. These financial statements report four funds: General Fund, Housing and Community Development Fund, Development Projects Fund, and Police Building Bond Capital Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the General Fund and the major special revenue funds as required supplementary information on pages 62-63. Budgetary comparisons for all other governmental funds have been provided elsewhere in this report.

The governmental fund financial statements can be found at pages 20-21 in the basic financial statements.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in government-wide financial statements. The City uses enterprise funds to account for its Local Sewer Operations, Storm Drainage Operations, Ambulance Service and Booth-Kelly building. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal services funds to account for its equipment, including its fleet of vehicles and its computer and telecommunication equipment, for employee benefits and risk management activities and for administrative activities related to the System Development Charge program. Because all three of these services predominantly benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Operating Fund, the Storm Drainage Fund, the Sewer Capital Projects Fund, the Ambulance Fund, and the Booth-Kelly Fund, which are all considered to be major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The proprietary fund financial statements can be found on pages 23-25 in the basic financial statements.

Fiduciary funds. The City is the trustee, or *fiduciary*, for certain funds. The City is responsible for ensuring that the assets reported in a fiduciary fund are used for their intended purposes. The city has one fiduciary fund, the Agency Fund. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in assets and liabilities. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

The fiduciary fund financial statement of net assets can be found on page 26 in the basic financial statements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-61 of this report.

Required supplementary information. This report also presents certain required supplementary information concerning budgetary comparisons for the general and major special revenue funds as well as information about the City's progress in funding its obligation to provide pension and other post employment benefits to its employees. Required supplementary information can be found on pages 62-64 of this report.

Other supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds, the schedule of property tax transactions, the schedule of bonded debt transactions and future requirements for bonded debt are included in this report and can be found on pages 65-120.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$201,550,594 at the close of the most recent fiscal year.

The largest portion of the City's net assets, \$148,694,390, or 74%, reflects its investment in capital assets (e.g., land and right-of-way, buildings, improvements, equipment, and infrastructure, net of accumulated depreciation), less any related debt used to acquire those assets

that is still outstanding. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Springfield's Net Assets

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	Current and other assets	\$ 54,938,861	\$ 68,005,011	\$ 37,263,406	\$ 17,972,656	\$ 92,202,267
Capital assets, net, where applicable, of accumulated depreciation	<u>128,634,578</u>	<u>116,916,797</u>	<u>59,315,987</u>	<u>55,588,096</u>	<u>187,950,565</u>	<u>172,504,893</u>
Total assets	<u>183,573,439</u>	<u>184,921,808</u>	<u>96,579,393</u>	<u>73,560,752</u>	<u>280,152,832</u>	<u>258,482,560</u>
Non-current liabilities	35,221,535	35,389,524	31,327,423	10,038,747	66,548,958	45,428,271
Other liabilities	<u>9,040,510</u>	<u>9,973,740</u>	<u>3,012,770</u>	<u>2,020,029</u>	<u>12,053,280</u>	<u>11,993,769</u>
Total liabilities	<u>44,262,045</u>	<u>45,363,264</u>	<u>34,340,193</u>	<u>12,058,776</u>	<u>78,602,238</u>	<u>57,422,040</u>
Net assets:						
Invested in capital assets, net of related debt	99,380,714	97,072,830	49,313,676	48,309,073	148,694,390	145,381,903
Restricted	5,956,816	7,347,374	3,447,456	4,433,871	9,404,272	11,781,245
Unrestricted	<u>33,973,864</u>	<u>35,138,340</u>	<u>9,478,068</u>	<u>8,759,032</u>	<u>43,451,932</u>	<u>43,897,372</u>
Total net assets	<u>\$ 139,311,394</u>	<u>\$ 139,558,544</u>	<u>\$ 62,239,200</u>	<u>\$ 61,501,976</u>	<u>\$ 201,550,594</u>	<u>\$ 201,060,520</u>

A portion of the City's net assets, \$9,404,272, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$43,451,932 or 22%, may be used to meet the government's ongoing obligations to citizens and creditors.

City of Springfield's Change in Net Assets

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:						
Program revenues:						
Charges for services	\$8,275,078	\$9,858,725	\$ 15,516,425	\$ 14,041,388	\$ 23,791,503	\$23,900,113
Operating grants and contributions	4,161,206	4,527,430	-	-	4,161,206	4,527,430
Capital grants and contributions	155,634	16,101,592	1,367,790	7,201,122	1,523,424	23,302,714
General revenues:						
Taxes	29,051,652	25,195,625	-	-	29,051,652	25,195,625
In lieu of tax payments	2,275,036	2,288,217	-	-	2,275,036	2,288,217
Shared revenue	1,377,642	1,146,172	-	-	1,377,642	1,146,172
Interest and investment earnings	1,727,120	2,945,365	559,713	821,733	2,286,833	3,767,098
Miscellaneous receipts	379,635	323,133	120,051	11,597	499,686	334,730
Gain (loss) on disposal of assets	19,810	-	-	-	19,810	-
Total revenues	<u>47,422,813</u>	<u>62,386,259</u>	<u>17,563,979</u>	<u>22,075,840</u>	<u>64,986,792</u>	<u>84,462,099</u>
Expenses:						
General government	4,791,069	3,929,091	-	-	4,791,069	3,929,091
Development services	4,601,270	5,566,714	-	-	4,601,270	5,566,714
Fire	10,858,907	10,354,699	-	-	10,858,907	10,354,699
Library	1,400,056	1,309,218	-	-	1,400,056	1,309,218
Police	13,974,177	13,116,023	-	-	13,974,177	13,116,023
Public works	10,295,174	9,711,960	-	-	10,295,174	9,711,960
Unallocated depreciation & amortization	313,042	273,239	-	-	313,042	273,239
Interest on debt	1,406,144	1,394,478	-	-	1,406,144	1,394,478
Sewer	-	-	6,619,628	3,791,922	6,619,628	3,791,922
Drainage	-	-	3,894,947	3,953,921	3,894,947	3,953,921
Booth Kelly	-	-	779,773	660,713	779,773	660,713
Ambulance	-	-	4,939,277	4,602,490	4,939,277	4,602,490
Total expenses	<u>47,639,839</u>	<u>45,655,422</u>	<u>16,233,625</u>	<u>13,009,046</u>	<u>63,873,464</u>	<u>58,664,468</u>
Increase in net assets before transfers	(217,026)	16,730,837	1,330,354	9,066,794	1,113,328	25,797,631
Transfers	593,130	272,692	(593,130)	(272,692)	-	-
Increase in net assets	376,104	17,003,529	737,224	8,794,102	1,113,328	25,797,631
Net assets – beginning, as restated	<u>138,935,290</u>	<u>121,931,761</u>	<u>61,501,976</u>	<u>52,707,875</u>	<u>200,437,266</u>	<u>174,639,636</u>
Net assets ending	<u>\$ 139,311,394</u>	<u>\$ 138,935,290</u>	<u>\$ 62,239,200</u>	<u>\$ 61,501,977</u>	<u>\$ 201,550,594</u>	<u>\$ 200,437,267</u>

Entity-wide change in net assets: Entity-wide net assets increased by \$1.1 million in the current fiscal year compared to an increase of \$25.8 million in the prior year. This represents a significant decrease from the prior year and can be attributed to the completion of some large development projects and resulting capital contributions in the prior year and a significant decline in development in the current year.

Governmental Activities. The change in governmental activities before transfers decreased from a surplus of \$16.7 million in the prior year to a deficit of \$217,000 in the current year. This decrease of \$17 million can be explained by the following highlights:

- Charges for services decreased by \$1.6 million (16%) from the prior year due to the general downturn in the economy and the resulting decline in development activity.
- Capital grants and contributions decreased by \$16 million, representing the primary factor in explaining the changes in governmental activities. Again, this is primarily due to the decline in development activity, however, it should be noted the prior year amount was unusually high due to a single large contribution from a developer at the end of a project that spanned multiple years.
- Taxes increased by \$3.9 million (15%) due primarily to an increase in property tax receipts. The City's police levy expired in fiscal year 2007 and was replaced by an expanded five year levy beginning in fiscal year 2009. The expanded levy includes jail operations in addition to police services and represents \$3.6 million of the increase.
- Interest and investment earnings decreased by \$1.2 million (41%) due to a decrease in the return on the City's cash and investments as well smaller investment balances resulting from the completion of some large capital projects funded by a bond issue.
- General government expenses increased by \$860,000 (22%) due to some one-time expenses that include a \$250,000 payment to Lane County, a \$200,000 contribution to the Wildish Theatre, and \$30,000 for a compensation and classification study, as well as normal inflationary increases.
- Development services expenses decreased by \$965,000 (17%) due to a decline in development activity.
- Expenses for fire, police, library and public works increased in the range of 5-7% and can be attributed to normal inflationary increases.

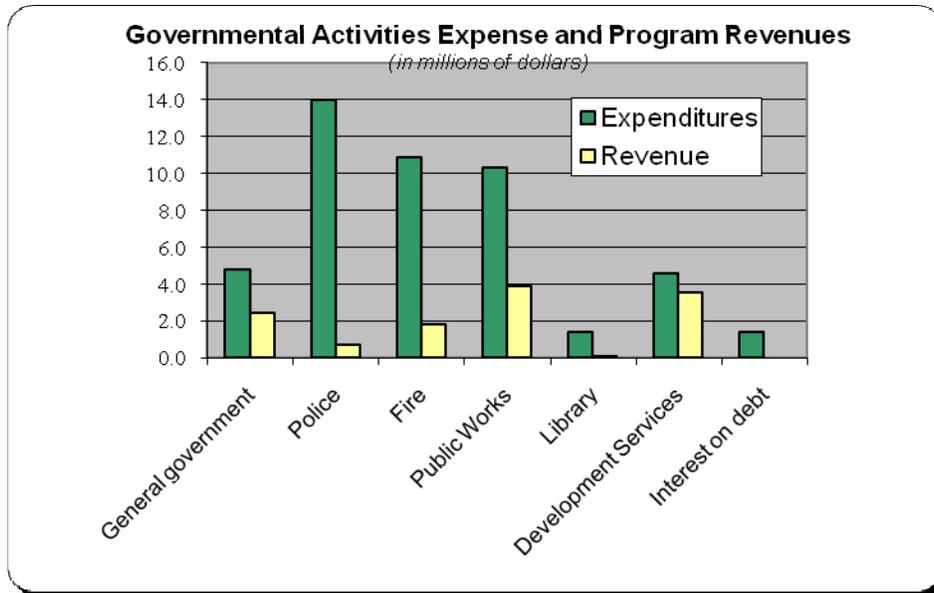


Chart 1

Chart 1 compares program revenues and expenses for the individual governmental activities for the current year. As the chart reflects, most governmental activities relied on general revenues to support the function.

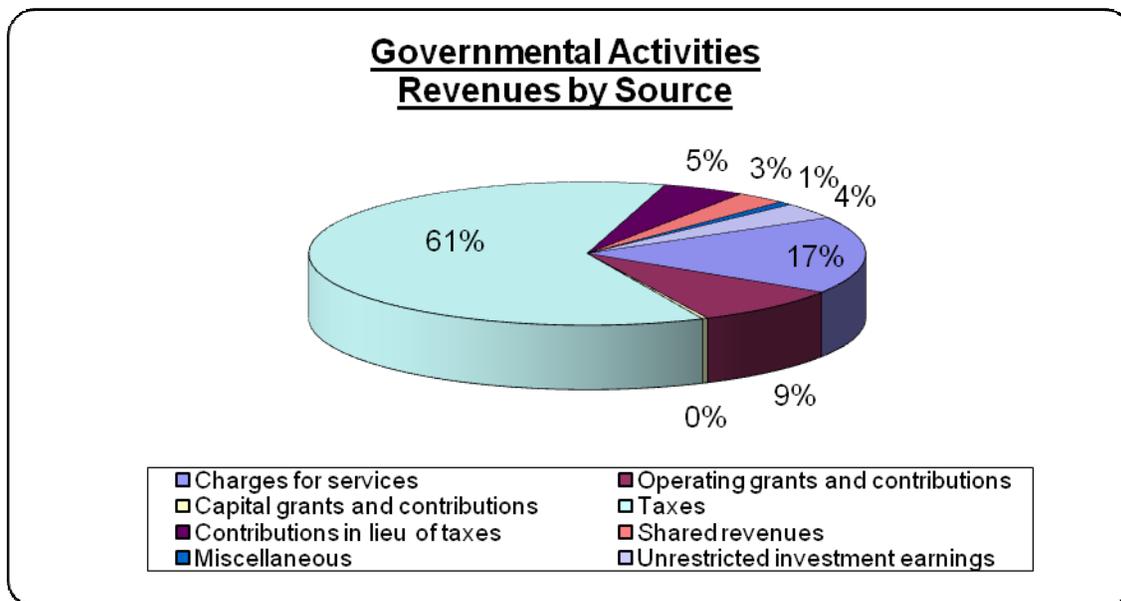


Chart 2

Chart 2 shows the percent of the total for each source of revenue supporting governmental activities. The chart demonstrates that the City depends on taxes as its major source of revenue. The City is making a deliberate effort to increase revenues generated by charges for services both by implementing new fees and by increasing the cost recovery percentage on existing fees.

Business-type Activities. The change in business-type activities before transfers decreased from \$9.1 million in the prior year to a \$1.3 million in the current year. This decrease of \$7.7 million can be explained by the following highlights.

- Charges for services increased by \$1.5 million (11%) from the prior year due to an 12.5% increase in local sewer user fees as well as a 40% increase in ambulance service fees that took effect in April 2009.
- Capital grant and contributions decreased by \$5.8 million, representing the primary factor in explaining the changes in business-type activities. This is primarily due to the general downturn in the economy and the resulting decline in development activity.
- Interest on investments earnings decreased by \$262,000 (32%) due to a decrease in the return on the City’s cash and investments.
- Sanitary Sewer expenses increased by \$2.8 million (75%) due to an increase in local sewer infrastructure repair and maintenance expenditures that were funded as part of a \$21 million revenue bond issuance.
- Expenses for drainage services decreased slightly due to normal fluctuations in storm drainage expense activity while ambulance services increased 7% and can be attributed to normal inflationary increases.

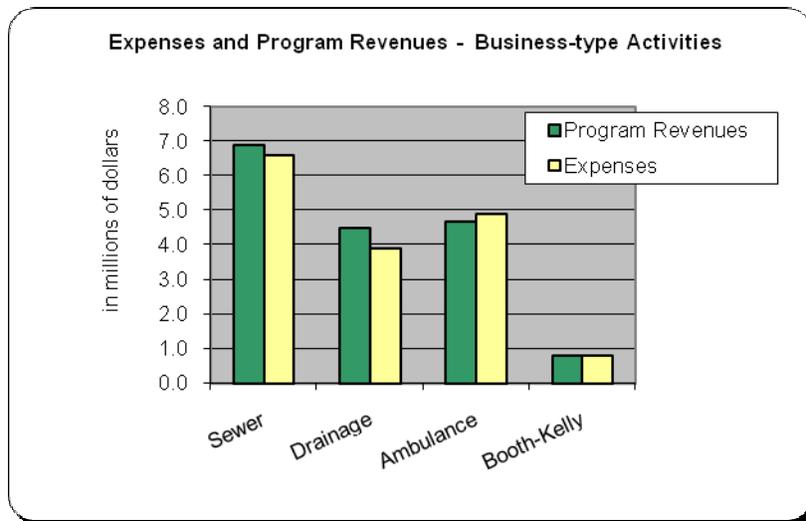


Chart 3

Chart 3 compares program revenues and expenses for the individual business-type activities for the current year.

The Sanitary Sewer, Storm Drainage, and Booth Kelly Funds relied primarily on program revenue to fund operating expenses.

The Ambulance Fund continues a trend of expenses exceeding revenues. A major contributing factor to this trend has been the reduction in Medicare reimbursements for ambulance services that began April 1, 2002, and was fully implemented by December 31, 2005. Included in this fund are the business-type activities of ambulance billing services for other agencies and the FireMed program. Both of these programs are meant to contribute to the fund balance. The City is actively working towards growing its ambulance billing services and the FireMed program.

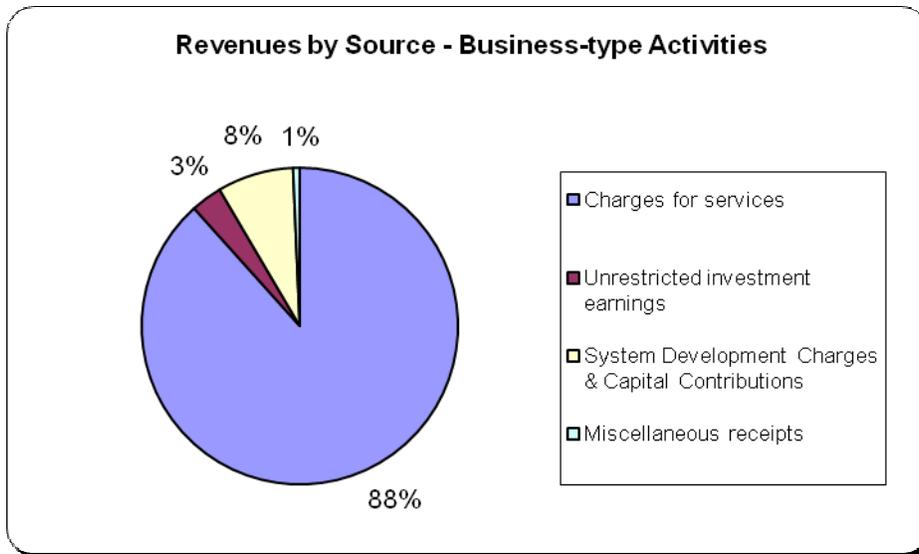


Chart 4

Chart 4 shows the percent of the total for each source of revenue supporting business-type activities. The largest component of business-type fund revenue comes from charges for services.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$33.3 million. Of this total amount, \$27.6 million (83%) constitutes unreserved fund balance which is available for spending at the government's discretion, subject to reporting

fund-type limitations. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for a variety of purposes.

The General Fund is the chief operating fund of the City of Springfield. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$7 million, while total fund balance was \$7.4 million. As measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 22 percent of total General Fund expenditures, while total fund balance represents 24 percent of that same amount.

The fund balance of the City's General Fund decreased by \$1.9 million during the current fiscal year. While revenues remained relatively steady over the prior year, current operating expenditures increased by \$2.1 million (7%). This can be attributed to some one-time expenditures previously discussed in the City's governmental activities as well as normal inflationary increases. The City has implemented a Continuous Process Improvement program with the goal of matching expenditure growth to revenue growth.

The fund balance of the Development Capital Projects Fund decreased by \$1.1 million during the current fiscal year, with an ending fund balance of \$8.4 million. This was primarily due to \$4.2 million in current year capital outlay expenditures that were funded primarily by prior year's resources as well as a \$1.8 million commercial loan.

The fund balance of the Police Building Bond Capital Fund decreased by \$8.6 million during the current fiscal year due to the continuing progress of the Justice Center construction project. The fund's ending balance at year end was \$4.4 million, consisting mostly of general obligation bond proceeds not yet spent on construction in progress.

Other governmental funds remained relatively stable during the year.

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

As of the end of the current fiscal year, the City's proprietary funds reported combined ending net assets of \$62.2 million. Of this amount, \$9.3 million (15%) constitutes unrestricted net assets. Proprietary fund highlights are as follows:

The Sanitary Sewer Operations Fund reported a \$2.7 million increase in net assets. This increase was primarily due to an increase in local sewer user fees as well capital contributions of \$1.4 million.

Sanitary sewer operations issued \$22.8 million in revenue bonds. \$21 million was receipted into the Sewer Capital Projects Fund for sewer infrastructure capital projects. The balance of \$1.8 million was receipted into the Sanitary Sewer Operations Fund and held as a reserve.

The Storm Drainage Operations Fund remained relatively stable during the year.

The Ambulance Fund reported a loss of \$257,000 before transfers. As discussed earlier, this has been a continuing trend resulting from the reduction in Medicare reimbursement for ambulance services compounded by an increase in expenses. The City has determined that this is an important service for the community and decided to subsidize ambulance services out of the General Fund.

The Booth Kelly Fund reported a \$262,000 decrease in net assets. This decrease was due to a \$.5 million transfer to the City's General Fund in support of general government activities.

Other factors concerning the finances of the proprietary funds can be found in the previous discussion of the City's business-type activities.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was a net decrease of \$163,596.

- \$459,796 increase to General Government
- \$297,668 increase to Fire
- \$77,715 increase to Police
- \$13,293 increase to Library
- \$37,113 increase to Public Works
- \$42,173 increase to Development Services
- \$1,508,759 increase to Non-Departmental transfers
- \$2,600,113 decrease in the City reserves

For actual expenditures the City under spent the amended budget by \$1,784,630.

The impact of the economic recession, primarily on revenues, became apparent soon after the fiscal year began and the City saw revenue shortfalls occur in almost every major revenue category this past year. These differences in actual revenue received compared to the amended budget are as follows:

- \$441,002 decrease in property taxes
- \$562,653 decrease in licenses, permits and fees
- \$96,748 decrease in intergovernmental revenues
- \$6,808 from increases in interest and investment earnings
- \$143,812 increases in charges for service
- \$211,749 from decreases in fines and forfeitures
- \$98,697 increases in miscellaneous revenues
- \$663,145 decrease in beginning cash

For the year ended June 30, 2009, the total variance between the final amended budgeted revenue and the actual budget-basis revenue amounts in the General Fund was -3.7%, where actual revenues were less than budgeted revenues. Actual property tax revenues were -2.7%

below budgeted amounts. Other revenue line items were above or below budget, with the aggregate difference representing the -6.4% variance. Beginning Cash on July 1, 2008 was \$663,145 less than budgeted (-6.7%) while Ending Cash on June 30, 2009 was \$2,391,483 (-24.5%) less than was projected in the FY09 Adopted Budget.

In response to the economic conditions, the City began mid-year to establish expenditure targets for all operating departments that were less than legal authorities. The City made mid-year personnel cuts with further reductions planned for the upcoming fiscal year that consist of more than 20 FTE. Additional restrictions were put on other expenditures. As a result, expenditures were under budget in all General Fund operating departments in amounts ranging from 0.2% to 12.3%. In aggregate, operating expenditures in all General Fund departments were 3.3% under the revised budget amount. Personal services are the largest component of the General Fund's operating budget (76%) and as a result of the elimination of positions, this category was under expended by \$397,406 (1.6%). In many cases, departments had budgeted line items for larger capital purchases they were unable to complete in the current year. The majority of the under-expenditures for capital outlay occurred in the Fire and Life Safety Department with \$356,872 budgeted for computer and emergency equipment, but only \$284,299 spent.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounts to \$188 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, sewer pipes, improvements, machinery and equipment and roads.

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

- Donated right of way during the year was recorded at an estimated cost of \$.5 million, down from \$8 million in the prior year.
- Fire 16 construction was completed at a cost \$2.8 million.
- MLK Parkway improvements for \$100,000.
- A Criminal Justice Data System for the Justice Center totaled \$.9 million.
- The Justice Center construction was completed at a cost of \$23.4 million
- The Bureau of Land Management Building Facility construction was completed at a cost of \$6.3 million.

City of Springfield's Capital Assets
(net of depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$48,301,844	\$47,793,123	\$4,698,289	\$4,493,125	\$53,000,133	\$52,286,248
Land improvements	-	-	49,440	74,838	49,440	74,838
Construction in progress	1,810,309	18,221,110	4,209,422	11,472,859	6,019,731	29,693,969
Buildings	33,973,234	7,107,808	49,897,033	38,996,513	83,870,267	46,104,321
Infrastructure	37,215,727	37,803,305	-	-	37,215,727	37,803,305
Machinery & equipment	6,340,195	4,903,269	111,085	141,956	6,451,280	5,045,225
Library books	551,743	582,200	-	-	551,743	582,200
Studies	<u>441,526</u>	<u>505,982</u>	<u>350,718</u>	<u>408,805</u>	<u>792,244</u>	<u>914,787</u>
Total	<u>\$128,634,578</u>	<u>\$116,916,797</u>	<u>\$59,315,987</u>	<u>\$55,588,096</u>	<u>\$187,950,565</u>	<u>\$172,504,893</u>

Additional information on the City's capital assets can be found in note F in the Basic Financial Statement section of this report.

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of \$56 million. Of this amount, \$31.9 million comprises debt backed by the full faith and credit of the City. The remainder of the City's debt represents bonds secured solely by specified revenue sources.

City of Springfield's Outstanding Debt
General Obligation and Revenue Bonds

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
General obligation bonds – 2005	\$ 8,925,000	\$ 9,910,000	\$ -	\$ -	\$ 8,925,000	\$9,910,000
General obligation bonds - 2007	23,015,000	23,930,000	-	-	23,015,000	23,930,000
Revenue bonds series 2005	-	-	1,280,000	1,470,000	1,280,000	1,470,000
Revenue Bonds series 2009	<u>-</u>	<u>-</u>	<u>22,815,000</u>	<u>-</u>	<u>22,815,000</u>	<u>-</u>
Total	<u>\$31,940,000</u>	<u>\$33,840,000</u>	<u>\$24,095,000</u>	<u>\$1,470,000</u>	<u>\$56,035,000</u>	<u>\$35,310,000</u>

The City's total debt increased by \$20.7 million during the current fiscal year, due to a \$22.8 million revenue bonds issuance, less \$2.1 million in scheduled debt payments. For additional

information on the City's long-term debt, see Note I in the Basic Financial Statement section of this report.

Economic Factors and Next Year's Budgets and Rates

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The following are the major assumptions used in developing the FY2010 budget:

- Assessed values, the basis of property tax revenues and under the guidelines established by Measures 49 & 50, will grow by 3%.
- Interest rates on investments will be 1%.
- Inflation will occur at 3%, with special attention given to energy, fuel and intergovernmental costs.
- Wages will be frozen for employees represented by OPEU and AFSCME and also for Non-Union employees.
- Wages will increase by 4% for Springfield Police Association employees.
- Wages will increase by 3% for employees represented by International Association of Fire Fighters.
- Retirement benefit rates for PERS will remain the same for 2009/10 while the contribution rate for the City Retirement Plan will also remain stable rate for one more year.
- Health insurance costs will increase 15%.
- Springfield voters will be asked to increase the local gas tax from 3 cents to 5 cents per gallon. Contingency plans will be made for either the failure of this measure and/or if the State legislature follows through on their effort to increase the State gas tax. This election was held in May 2009 and failed to pass. The governor did sign into law a higher state-wide gas tax in the summer of 2009.
- In early FY10, a community panel studying the City's current system development charges will report their findings and recommendations to Council. If approved, rate increase could take effect in the same year.
- The City's new 100-bed municipal jail will open approximately mid-year of the FY2010.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Accounting Supervisor
City of Springfield
225 Fifth Street
Springfield, OR 97477

This page intentionally left blank.

City of Springfield, Oregon

Basic Financial Statements

This page intentionally left blank.

City of Springfield, Oregon

Statement Of Net Assets

June 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Metropolitan Wastewater
ASSETS				
Cash and investments	\$ 46,794,053	\$ 35,161,745	\$ 81,955,798	\$ 92,037,889
Receivables, net of allowance for uncollectable receivables	7,022,651	1,443,687	8,466,338	1,858,621
Internal balances	(149,160)	149,160	-	-
Due to/from other governments	(40,580)	-	(40,580)	40,580
Inventory	53,236	-	53,236	-
Investment in foreclosed properties	1,970	-	1,970	-
Prepaid items	315,798	26,102	341,900	28,565
Deposits	119,141	958	120,099	700,000
Deferred charges	583,654	396,479	980,133	-
Restricted assets - cash and investments	-	-	-	9,196,973
Restricted assets - accounts receivables	-	-	-	88,811
Accrued interest	238,098	85,275	323,373	392,033
Capital assets				
Land and construction in progress	50,112,152	8,907,709	59,019,861	37,798,944
Other capital assets net of accumulated depreciation	78,522,426	50,408,278	128,930,704	72,468,067
Total assets and other debits	183,573,439	96,579,393	280,152,832	214,610,483
LIABILITIES				
Current liabilities				
Accounts payable	3,175,219	886,235	4,061,454	6,930,544
Accrued payroll and other liabilities	3,504,718	370,124	3,874,842	101,549
Unearned revenue	-	460,369	460,369	9,871
Interest payable	146,474	249,847	396,321	755,083
Deposits	-	30,178	30,178	-
Notes payable due within one year	208,240	816,017	1,024,257	-
Revenue bonds payable due within one year	-	200,000	200,000	3,235,000
Capital lease obligations due within one year	40,859	-	40,859	-
General long-term debt due within one year	1,965,000	-	1,965,000	-
Noncurrent liabilities				
Accrued absence payable	2,289,842	299,778	2,589,620	66,258
Accrued interest payable	-	34,655	34,655	-
General long-term debt	30,243,997	-	30,243,997	-
Revenue bonds payable (net of unamortized discount)	-	24,167,431	24,167,431	94,707,200
Arbitrage liability	102,726	-	102,726	294,800
Notes and contracts payable	2,130,962	6,697,965	8,828,927	-
Capital lease	5,446	-	5,446	-
Net OPEB obligation	448,562	127,594	576,156	28,475
Total liabilities	44,262,045	34,340,193	78,602,238	106,128,780
NET ASSETS				
Invested in capital assets, net of related debt	99,380,714	49,313,676	148,694,390	68,774,366
Restricted for:				
SDC projects	179,993	3,447,456	3,627,449	-
Transportation	4,390,377	-	4,390,377	-
Regional sanitary sewer	-	-	-	9,285,784
Debt service	587,395	-	587,395	-
Other purposes	799,051	-	799,051	-
Unrestricted	33,973,864	9,478,068	43,451,932	30,421,553
Total net assets	\$ 139,311,394	\$ 62,239,200	\$ 201,550,594	\$ 108,481,703

The accompanying notes are an integral part of this statement.

CITY OF SPRINGFIELD
Statement of Activities
For the Year Ended June 30, 2009

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues			Primary Government			Component Unit			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Business-type Activities	Total	Metropolitan Wastewater Mgmt Commission			
Primary government										
Governmental activities:										
General government	\$ 4,791,069	\$ 2,403,988	\$ -	\$ (2,384,461)	\$ -	\$ (2,384,461)	\$ -			
Police	13,974,177	490,731	-	(13,225,700)	-	(13,225,700)	-			
Fire	10,858,907	1,677,216	50,964	(9,040,459)	-	(9,040,459)	-			
Public works	10,295,174	1,494,678	104,670	(6,352,708)	-	(6,352,708)	-			
Library	1,400,056	89,853	-	(1,257,263)	-	(1,257,263)	-			
Development services	4,601,270	2,118,612	-	(1,068,144)	-	(1,068,144)	-			
Depreciation & amortization, unallocated	313,042	-	-	(313,042)	-	(313,042)	-			
Interest on long-term debt	1,406,144	-	-	(1,406,144)	-	(1,406,144)	-			
Total governmental activities	47,639,839	8,275,078	155,634	(35,047,921)	-	(35,047,921)	-			
Business-type activities:										
Sanitary sewer	6,619,628	5,590,002	1,367,790	-	338,164	338,164	-			
Storm drainage	3,894,947	4,475,347	-	-	580,400	580,400	-			
Booth Kelly	779,773	788,095	-	-	8,322	8,322	-			
Ambulance	4,939,277	4,662,981	-	-	(276,296)	(276,296)	-			
Total business-type activities	16,233,625	15,516,425	1,367,790	-	650,590	650,590	-			
Total primary government	\$ 63,873,464	\$ 23,791,503	\$ 1,523,424	(35,047,921)	650,590	(34,397,331)	-			
Component unit										
Metropolitan Wastewater Management Commission	\$ 21,342,962	\$ 22,077,736	\$ -	\$ -	\$ -	\$ -	734,774			
General revenues:										
Taxes										
Property taxes				24,888,500		24,888,500				
Contributions in lieu of taxes				2,275,036		2,275,036				
Franchise tax				2,008,348		2,008,348				
Local fuel tax				1,073,696		1,073,696				
Room tax				771,994		771,994				
911 tax				309,114		309,114				
Interest and investment earnings				1,727,120	559,713	2,286,833				
Miscellaneous				379,635	120,051	499,686				9,473
Gain on disposition of capital assets				19,810	-	19,810				
Shared revenue				1,377,642	-	1,377,642				
Transfers				593,130	(593,130)	-				
Total general revenues and transfers				35,424,025	86,634	35,510,659	2,537,537			
Change in net assets				376,104	737,224	1,113,328	3,272,311			
Net assets, beginning, as restated (Note Q)				138,935,290	61,501,976	200,437,266	105,209,392			
Net assets, ending				\$ 139,311,394	\$ 62,239,200	\$ 201,550,594	\$ 108,481,703			

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009

	General	Housing and Community Development	Development Projects	Police Building Bond Capital	Nonmajor Governmental	Total Governmental
ASSETS						
Cash and investments	\$ 7,417,069	\$ -	\$ 8,894,090	\$ 6,583,307	\$ 12,734,651	\$ 35,629,117
Receivables:						
Accounts	683,365	-	90,154	-	626,762	1,400,281
Taxes	902,634	-	-	-	787,147	1,689,781
Grants	-	350,235	-	-	77,761	427,996
Accrued interest	60,173	-	50,618	-	69,610	180,401
Assessments and liens	-	-	-	-	63,320	63,320
Mortgage notes	-	3,412,897	-	-	8,409	3,421,306
Inventory	2,701	-	-	-	50,535	53,236
Investment in foreclosed property	1,970	-	-	-	-	1,970
Due from other funds	358,117	-	-	-	-	358,117
Prepaid items	25,740	-	-	-	200	25,940
Deposits	468	-	-	-	118,673	119,141
	<u>9,452,237</u>	<u>3,763,132</u>	<u>9,034,862</u>	<u>6,583,307</u>	<u>14,537,068</u>	<u>43,370,606</u>
Total assets	<u>\$ 9,452,237</u>	<u>\$ 3,763,132</u>	<u>\$ 9,034,862</u>	<u>\$ 6,583,307</u>	<u>\$ 14,537,068</u>	<u>\$ 43,370,606</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 177,278	\$ 26,549	\$ 542,195	\$ 2,149,661	\$ 216,523	\$ 3,112,206
Accrued payroll and other liabilities	870,911	12,454	-	3,586	284,889	1,171,840
Deferred revenue	1,048,624	3,412,897	83,954	-	851,244	5,396,719
Due to other funds	-	182,530	-	-	175,587	358,117
	<u>2,096,813</u>	<u>3,634,430</u>	<u>626,149</u>	<u>2,153,247</u>	<u>1,528,243</u>	<u>10,038,882</u>
Total liabilities	<u>2,096,813</u>	<u>3,634,430</u>	<u>626,149</u>	<u>2,153,247</u>	<u>1,528,243</u>	<u>10,038,882</u>
Fund balances:						
Reserved						
Inventory	2,701	-	-	-	50,535	53,236
Bicycle trails	-	-	-	-	61,712	61,712
Library	-	-	-	-	41,817	41,817
Prepays	25,740	-	-	-	-	25,740
Deposits	-	-	-	-	118,673	118,673
Police forfeitures	-	-	-	-	495,903	495,903
Transportation	-	-	-	-	4,390,377	4,390,377
Property held for resale	1,970	-	-	-	-	1,970
Interfund receivable	358,117	-	-	-	-	358,117
SDC projects	-	-	179,993	-	-	179,993
Unreserved, reported in:						
General fund	6,966,896	-	-	-	-	6,966,896
Special revenue funds	-	128,702	-	-	4,201,073	4,329,775
Capital projects funds	-	-	8,228,720	4,430,060	2,278,912	14,937,692
Debt service funds	-	-	-	-	1,369,823	1,369,823
	<u>7,355,424</u>	<u>128,702</u>	<u>8,408,713</u>	<u>4,430,060</u>	<u>13,008,825</u>	<u>33,331,724</u>
Total fund balances	<u>7,355,424</u>	<u>128,702</u>	<u>8,408,713</u>	<u>4,430,060</u>	<u>13,008,825</u>	<u>33,331,724</u>
Total liabilities and fund balances	<u>\$ 9,452,237</u>	<u>\$ 3,763,132</u>	<u>\$ 9,034,862</u>	<u>\$ 6,583,307</u>	<u>\$ 14,537,068</u>	

Reconciliation to the statement of net assets

The statement of net assets reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are deferred in governmental funds.

5,396,719

Capital assets are not financial resources in governmental funds, but are reported in the statement of net assets at their net depreciable value.

123,690,100

All liabilities are reported in the statement of net assets. However, if they are not due and payable in the current period, they are not recorded in the governmental funds.

(38,178,175)

Internal service funds are proprietary-type funds and not reported with governmental funds. However, because internal service funds primarily benefit governmental activities, their assets, liabilities, and net assets are reported along with governmental activities in the statement of net assets.

15,071,026

Net assets of governmental activities

\$ 139,311,394

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2009

	General	Housing and Community Development	Development Capital Projects	Police Building Bond Capital	Nonmajor Governmental	Total Governmental
Revenues:						
Taxes	\$ 15,854,902	\$ -	\$ -	\$ -	\$ 10,941,498	\$ 26,796,400
Licenses, permits and fees	2,945,158	-	-	-	202,309	3,147,467
Intergovernmental	3,850,297	1,173,798	-	-	3,027,036	8,051,131
Charges for services	4,795,992	-	320,784	-	2,544,078	7,660,854
Fines & forfeitures	1,093,944	-	-	-	191,483	1,285,427
Use of money & property	354,057	22,539	290,872	74,051	418,145	1,159,664
Special assessments	-	-	-	-	11,684	11,684
Miscellaneous revenues	225,198	-	40,267	-	198,735	464,200
Total revenues	<u>29,119,548</u>	<u>1,196,337</u>	<u>651,923</u>	<u>74,051</u>	<u>17,534,968</u>	<u>48,576,827</u>
Expenditures:						
Current operating:						
General government	5,713,511	16,030	-	-	730,914	6,460,455
Fire	9,743,067	-	-	-	1,245,704	10,988,771
Police	11,722,951	-	-	-	2,415,549	14,138,500
Library	1,259,839	-	-	-	94,709	1,354,548
Public works	983,951	-	-	391,828	6,720,354	8,096,133
Development services	1,694,855	1,187,360	-	-	1,702,315	4,584,530
Capital projects	-	2,501	4,206,651	8,299,237	1,264,872	13,773,261
Debt service						
Principal	75,000	-	-	-	1,955,047	2,030,047
Interest	40,180	-	-	-	1,350,636	1,390,816
Total expenditures	<u>31,233,354</u>	<u>1,205,891</u>	<u>4,206,651</u>	<u>8,691,065</u>	<u>17,480,100</u>	<u>62,817,061</u>
Excess of revenues over (under) expenditures	<u>(2,113,806)</u>	<u>(9,554)</u>	<u>(3,554,728)</u>	<u>(8,617,014)</u>	<u>54,868</u>	<u>(14,240,234)</u>
Other financing sources (uses)						
Proceeds of debt issuance	-	-	1,800,000	-	-	1,800,000
Transfers in	1,693,588	-	1,110,275	-	3,266,319	6,070,182
Transfers out	(1,501,909)	-	(488,000)	-	(3,297,353)	(5,287,262)
Total other financing sources (uses)	<u>191,679</u>	<u>-</u>	<u>2,422,275</u>	<u>-</u>	<u>(31,034)</u>	<u>2,582,920</u>
Net change in fund balance	<u>(1,922,127)</u>	<u>(9,554)</u>	<u>(1,132,453)</u>	<u>(8,617,014)</u>	<u>23,834</u>	<u>(11,657,314)</u>
Fund balances, beginning	9,277,551	138,256	9,541,166	13,047,074	13,022,771	45,026,818
Change in reserve for inventories	-	-	-	-	(37,780)	(37,780)
Fund balances, ending	<u>\$ 7,355,424</u>	<u>\$ 128,702</u>	<u>\$ 8,408,713</u>	<u>\$ 4,430,060</u>	<u>\$ 13,008,825</u>	<u>\$ 33,331,724</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon

Reconciliation of Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2009

Net change in fund balances - total governmental funds	\$ (11,657,314)
The net revenue of certain activities of internal service funds is reported with governmental activities.	873,768
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements.	168,110
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	11,148,974
Governmental funds do not report expenditures for unpaid compensated absences or other post employment benefits since they do not require the use of current financial resources. However, the statement of activities reports such expenses when incurred, regardless of when settlement ultimately occurs.	(408,511)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	288,857
Decreases in inventory in governmental funds increase expenses.	<u>(37,780)</u>
Change in net assets of governmental activities	<u>\$ 376,104</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS

June 30, 2009

	Business-type Activities - Enterprise Funds						Total	Governmental Activities Internal Service Funds
	Sanitary Sewer Operations	Storm Drainage Operations	Sewer Capital Projects Fund	Ambulance	Booth Kelly	Other Nonmajor Proprietary		
ASSETS								
Current assets:								
Cash and investments	\$ 4,192,934	\$ 1,630,739	\$ 23,094,607	\$ 232,752	\$ 755,528	\$ 5,255,185	\$ 35,161,745	\$ 11,164,936
Accounts receivable, net of allowance for estimated uncollectibles	537,507	434,968	-	440,149	10,640	20,423	1,443,687	19,967
Prepays	-	-	-	26,102	-	-	26,102	289,858
Deposits	958	-	-	-	-	-	958	-
Accrued interest	10,309	7,530	31,372	-	3,684	32,380	85,275	57,697
Total current assets	4,741,708	2,073,237	23,125,979	699,003	769,852	5,307,988	36,717,677	11,532,458
Noncurrent assets:								
Bond costs - net	396,479	-	-	-	-	-	396,479	-
Capital assets - net	41,337,552	-	-	114,881	8,955,845	-	50,408,278	4,944,478
Construction in progress	4,209,422	-	-	-	2,641,557	-	4,209,422	-
Land and land rights	2,056,730	-	-	-	-	-	4,698,287	-
Total noncurrent assets	48,000,183	-	-	114,881	11,597,402	-	59,712,466	4,944,478
Total assets	52,741,891	2,073,237	23,125,979	813,884	12,367,254	5,307,988	96,430,233	16,476,936
LIABILITIES								
Current liabilities:								
Accounts payable	54,075	22,789	726,931	28,257	1,806	52,377	886,235	63,013
Accrued payroll and other liabilities	58,979	82,402	-	224,341	4,402	-	370,124	1,083,024
Accrued interest payable	249,847	-	-	-	-	-	249,847	-
Deposits	-	-	-	-	30,178	-	30,178	-
Notes payable - current maturity	333,394	-	-	-	482,623	-	816,017	-
Capital lease payable - current maturity	-	-	-	-	-	-	-	40,859
Unearned revenues	200,000	-	-	460,369	-	-	460,369	-
Revenue bonds payable - current maturity	-	-	-	-	-	-	200,000	-
Total current liabilities	896,295	105,191	726,931	712,967	519,009	52,377	3,012,770	1,186,896
Noncurrent liabilities:								
Accrued absence payable	62,092	118,695	-	114,125	4,866	-	299,778	23,828
Accrued interest	-	-	-	-	34,655	-	34,655	-
Revenue bonds payable (net of unamortized discount)	3,167,431	-	21,000,000	-	-	-	24,167,431	-
Notes payable	698,998	-	-	-	5,998,967	-	6,697,965	-
Net OPEB obligation payable	30,275	46,184	-	51,135	-	-	127,594	-
Capital lease obligation	-	-	-	-	-	-	-	5,446
Total noncurrent liabilities	3,958,796	164,879	21,000,000	165,260	6,038,488	-	31,327,423	29,274
Total liabilities	4,855,091	270,070	21,726,931	878,227	6,557,497	52,377	34,340,193	1,216,170
NET ASSETS								
Invested in capital assets, net of related debt	43,600,360	-	-	114,881	5,598,435	-	49,313,676	4,898,173
Restricted for SDC projects	-	-	-	-	-	3,447,456	3,447,456	-
Unrestricted	4,286,440	1,803,167	1,399,048	(179,224)	211,322	1,808,155	9,328,908	10,362,593
Total net assets	47,886,800	1,803,167	1,399,048	(64,343)	5,809,757	5,255,611	62,090,040	15,260,766
Adjustment to reflect consolidation of internal service fund activities							149,160	
Net assets of business-type activities							\$ 62,239,200	

The accompanying notes are an integral part of this statement.

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

Year Ended June 30, 2009

	Business-type Activities - Enterprise Funds							Total	Governmental Activities
	Sanitary Sewer Operations	Storm Drainage Operations	Sewer Capital Projects Fund	Ambulance	Booth Kelly	Other Nonmajor Proprietary	Internal Service Funds		
OPERATING REVENUES:									
Charges for services	\$ 5,361,117	\$ 4,267,116	\$ -	\$ 9,211,018	\$ 788,095	\$ 437,116	\$ 20,064,462	\$ 4,008,221	
Less: Contractual adjustments	-	-	-	(4,548,037)	-	-	(4,548,037)	-	
Licenses and permits	-	-	-	-	-	-	-	68,028	
Miscellaneous receipts	92	44	-	6,835	113,080	-	120,051	131,750	
Total operating revenues	5,361,209	4,267,160	-	4,669,816	901,175	437,116	15,636,476	4,207,999	
Operating expenses:									
City manager's office	-	-	-	-	-	-	-	-	
Court	-	-	-	-	-	-	-	3,712	
Human resources	-	-	-	-	-	-	-	1,834,276	
Finance	9,398	9,396	-	-	-	-	18,794	27,245	
Information technology	-	-	-	-	-	-	-	108,783	
Library	-	-	-	-	-	-	-	12,990	
Fire	-	-	-	4,902,875	-	-	4,902,875	34,601	
Police	-	-	-	-	-	-	-	130,869	
Public works	2,728,408	3,615,868	-	-	23,251	443,738	6,811,265	507,621	
Development services	22,312	37,085	2,044,417	-	362,623	-	2,466,437	98,706	
Depreciation	1,282,269	-	-	24,563	307,850	-	1,614,682	852,940	
Total operating expenses	4,042,387	3,662,349	2,044,417	4,927,438	693,724	443,738	15,814,053	3,611,743	
Operating income (loss)	1,318,822	604,811	(2,044,417)	(257,622)	207,451	(6,622)	(177,577)	596,256	
Nonoperating revenues (expenses):									
Interest on investments	71,531	43,765	184,261	134	76,255	183,767	559,713	330,094	
Interest expense	(310,035)	-	-	-	(107,357)	-	(417,392)	(4,318)	
Gain/(loss) on disposal of assets	-	-	-	-	-	-	-	(11,805)	
Total nonoperating revenues	(238,504)	43,765	184,261	134	(31,102)	183,767	142,321	313,971	
Income (loss) before contributions and transfers	1,080,318	648,576	(1,860,156)	(257,488)	176,349	177,145	(35,256)	910,227	
Transfers in	1,557,586	-	1,269,400	161,758	40,000	262,189	3,290,933	-	
Transfers out	(1,269,400)	(507,400)	(86,139)	-	(478,366)	(1,542,758)	(3,884,063)	(189,789)	
Capital contributions	1,367,790	-	-	-	-	-	1,367,790	146,730	
Change in net assets	2,736,294	141,176	(676,895)	(95,730)	(262,017)	(1,103,424)	739,404	867,168	
Net assets, beginning	45,461,118	1,661,991	2,075,943	31,387	6,071,774	6,048,423	15,016,852	15,016,852	
Prior period adjustment (Note Q)	(310,612)	-	-	-	-	310,612	(623,254)	(623,254)	
Net assets, beginning, as restated	45,150,506	1,661,991	2,075,943	31,387	6,071,774	6,359,035	14,393,598	14,393,598	
Net assets, end of year	\$ 47,886,800	\$ 1,803,167	\$ 1,399,048	\$ (64,343)	\$ 5,809,757	\$ 5,255,611	\$ 15,260,766	\$ 15,260,766	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.								(2,180)	
Change in net assets of business-type activities								\$ 737,224	

The accompanying notes are an integral part of this statement.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

Year Ended June 30, 2009

	Business type activities - Enterprise Funds						Governmental Activities Internal Service Funds
	Sanitary Sewer Operations	Storm Drainage Operations	Sanitary Sewer Capital	Ambulance	Booth Kelly	Other Nonmajor Proprietary	
Cash flows from operating activities:							
Cash received from customers	\$ 5,363,099	\$ 4,313,445	\$ -	\$ 4,644,180	\$ 790,771	\$ 493,758	\$ 15,605,253
Cash received from interfund services provided	-	-	-	-	-	-	-
Cash paid for employee services	(1,790,274)	(2,089,487)	-	(3,383,498)	(73,722)	-	(7,336,981)
Cash paid to suppliers for goods and services	(1,063,346)	(1,440,061)	(1,499,516)	(1,516,317)	(349,063)	(513,067)	(6,381,370)
Other operating receipts	95	44	-	5,231	112,930	-	118,300
Net cash provided by (used in) operating activities	2,509,574	783,941	(1,499,516)	(250,404)	480,916	(19,309)	2,005,202
Cash flows from noncapital financing activities:							
Transfers from other funds	1,557,586	-	1,269,400	161,758	40,000	257,400	3,286,144
Transfers to other funds	(1,269,400)	(507,400)	(86,139)	-	(478,366)	(1,537,969)	(3,879,274)
Net cash provided (used) by noncapital financing activities	288,186	(507,400)	1,183,261	161,758	(438,366)	(1,280,569)	(593,130)
Cash flows from capital and related financing activities:							
Proceeds from sale of bonds and notes	2,094,240	-	21,000,000	-	-	-	23,094,240
Bond costs	(357,194)	-	-	-	-	-	(357,194)
Acquisition and construction of capital assets	(1,572,300)	-	-	(2,402,483)	-	-	(3,974,783)
Disposition of capital assets	-	-	-	-	-	-	-
Principal paid on bonds and notes	(511,230)	-	-	-	(991,358)	-	(1,502,588)
Interest paid on bonds and notes	(99,535)	-	-	-	(107,357)	-	(206,892)
Net cash used in capital and related financing activities	(446,019)	-	21,000,000	-	(3,501,198)	-	17,052,783
Cash flows from investing activities:							
Interest received	71,765	44,199	172,746	1,907	87,284	200,209	578,110
Net change in cash and investments	2,423,506	320,740	20,856,491	(86,739)	(3,371,364)	(1,099,669)	19,042,965
Cash and investments, beginning of year, as restated (Note Q)	1,769,428	1,309,999	2,238,116	319,491	4,126,892	6,354,854	16,118,780
Cash and investments, end of year	4,192,934	1,630,739	23,094,607	232,752	755,528	5,255,185	35,161,745
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 1,318,822	\$ 604,811	\$ (2,044,417)	\$ (257,622)	\$ 207,451	\$ (6,622)	\$ (177,577)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation & amortization	1,282,269	-	-	24,563	307,850	-	1,614,682
Changes in assets and liabilities:							
Accounts receivable	1,878	46,226	-	(9,110)	2,676	56,642	98,312
Prepaid expenses	104	103	-	(9,691)	-	-	(9,484)
Accounts payable	(16,567)	5,929	544,901	(43,414)	(36,161)	(69,329)	385,359
Accrued payroll and other liabilities	(107,210)	80,688	-	(4,661)	(750)	-	(31,933)
Net OPEB obligation payable	30,275	46,184	-	51,135	-	-	127,594
Deposits	3	-	-	(640)	(150)	-	(787)
Unearned revenue	-	-	-	(964)	-	-	(964)
Net cash provided by (used in) operating activities	2,509,574	783,941	(1,499,516)	(250,404)	480,916	(19,309)	2,005,202
Noncash capital and related financing activities:							
Contributed capital assets	\$ 1,367,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,367,790
Retirement and disposition of capital assets, net of accumulated depreciation	-	-	-	-	-	-	(11,805)

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
Statement of Fiduciary Net Assets
Agency Fund
June 30, 2009

ASSETS	
Cash and investments	<u>\$ 1,886,066</u>
Total assets	<u><u>\$ 1,886,066</u></u>
LIABILITIES	
Amounts held in trust for other parties	<u>\$ 1,866,066</u>
Total liabilities	<u><u>\$ 1,866,066</u></u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 polices are described below.

1. Financial Reporting Entity

The accompanying financial statements present the City of Springfield and its component units. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

DISCRETELY PRESENTED COMPONENT UNIT

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 basic financial statements. MWMC is presented as an enterprise 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 administrative duties for the Regional Fiber Consortium in accordance with an intergovernmental agreement, however, this administrative activity is minor and insignificant to the City as a whole, and therefore, the City has determined that the Regional Fiber Consortium does not qualify as a component unit.

BLENDED COMPONENT UNIT

The Springfield Economic Development Agency (SEDA) is a legally separate body, acting as the Urban Renewal Agency of the City of Springfield. Because the SEDA governing body is substantively the same as the City’s, the SEDA funds are blended with those of the City by including them in the appropriate statements and schedules of this Comprehensive Annual Financial Report.

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

<u>MWMC</u>	<u>Springfield Economic Development Agency</u>
City of Springfield 225 5 th Street Springfield, Oregon 97477	City of Springfield 225 5 th Street Springfield, Oregon 97477

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on charges for services for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

3. Measurement focus, basis of accounting and financial statement presentation

Measurement focus refers to what is being measured by a fund. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, other taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The fiduciary fund reported by the city, the Agency Fund, has no measurement focus and is reported on the full accrual basis of accounting.

The City reports the following major governmental funds:

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

The 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.

The Development Capital Projects Fund is used to account for costs of constructing and improving city-owned buildings and also to account for construction projects with numerous funding sources, including system development charges, grants, intergovernmental revenues and contributions by private parties.

The Police Building Bond Capital Fund is used to account for the costs to construct the new municipal building to house the Police Department, Municipal Court, City Prosecutor and a city jail.

The City reports the following major proprietary funds:

The Ambulance Fund accounts for the City's ambulance operations. Revenue is derived mainly from ambulance fees. The fund also performs billing and collection of ambulance operations for other Oregon cities. This service is provided for a fee.

The Booth-Kelly Fund accounts for operations and maintenance of the Booth-Kelly Center and other similarly managed city owned properties. Revenue is derived from commercial leases.

The Sewer Operations Fund accounts for the local share of the operations of the wastewater collection system. Revenue is derived from sewer user fees.

The Storm Drainage Operations Fund accounts for operations and maintenance costs of the local public storm drainage system and is supported by local storm drainage fees.

The Sewer Capital Projects Fund accounts for sewer capital improvement costs and is supported by sewer connection fees and Sewer Operations Fund revenues.

Additionally, the government reports the following fund types:

Internal Service funds account for the ownership and use of rolling stock and computer equipment, the City's risk and employee benefit program, and costs related to the administration of system development charges. Resources are provided by charges to other funds, including discretely presented component units.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The Agency Fund is a fiduciary fund used to account for funds received and held by the City in a custodial capacity. The majority of the activity in this fund is made up of Ambulance fees and fees collected by the municipal court, and are passed on to other government agencies.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include interfund services provided and/or used. Interfund services provided and/or used are accounted for as revenues and expenses since the elimination of such revenues and expenses would distort the direct costs and program revenues reported for the various functions.

Accounts recorded as program revenues include charges to customers, operating grants and contributions, and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Ambulance Fund are ambulance fees and billing and collection charges. The principal operating revenues of the Booth-Kelly Fund are lease revenues. The principal operating revenues of the Sewer Fund are sewer user fees. The principal operating revenues of the internal service funds are charges to other funds for depreciation on equipment and for services provided. Operating expenses for the enterprise funds and internal service funds include administrative expenses, depreciation on capital assets and the cost of providing services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

b. Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Real and personal property taxes attach as an enforceable lien on property as of July 1st. All taxes are levied as of July 1st and are payable in three installments on November 15th, February 15th, and May 15th. All property taxes are billed and collected by Lane County, Oregon and then turned over to the City.

For the year ended June 30, 2009, the City’s tax levy did not exceed the Oregon constitutional limitation. The total property tax levy was \$25,639,015. This includes general property taxes to support general obligation bond debt service of \$3,494,590.

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 in the governmental funds.

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.

c. 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.

d. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2009 are recorded as prepaid items.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

e. Restricted Assets

Assets whose use is restricted for construction, debt service or other purposes by provisions of grants, bond indentures or other agreements are segregated on the balance sheet.

f. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, multi-use paths and traffic control devices), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Such assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. In the case of donations, the government values these capital assets at the estimated fair value of the item at the date of its donation.

As permitted by GAAP, the City has limited the retroactive capitalization of governmental fund infrastructure to fiscal years ending after June 30, 1980. Although the majority of such infrastructure was placed in service before that date, it has not been included in these financial statements since it has been substantially depreciated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation and amortization of capital 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 estimated useful lives of the various categories of assets are as follows:

<u>Category</u>	<u>Estimated Useful Life</u>
Buildings	10-50 years
Equipment	3-20 years
Infrastructure	20-50 years
Studies	20 years
Library Books	10 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 completion of the project with interest earned on invested proceeds over the same period.

g. Compensated Absences

Liabilities for accumulated vacation pay, holiday pay, compensatory time pay and sick pay at year-end are recorded in the government-wide financial statements and proprietary fund financial statements. The governmental fund financial statements do not report liabilities for compensated absences unless they are due for payment.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

h. Long-term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

i. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

j. Indirect Expenses Allocation

In the government-wide statement of activities, program costs include incidental indirect costs.

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “all liabilities are reported in the statement of net assets, however if they are not due and payable in the current period, they are not recorded in the governmental funds.” The details of this \$38,178,175 difference are as follows:

Bonds payable, net of original issue discount	\$ 31,625,343
Notes payable	2,129,202
Due to developer	210,000
Accrued interest payable	146,474
Rebatable arbitrage	102,726
Compensated absences	3,515,868
Net OPEB obligation	<u>448,562</u>
Total	<u>\$ 38,178,175</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS –
Continued

Another element of that reconciliation states that “capital assets are not financial resources in governmental funds, but are reported in the statement of net assets at their net depreciable value.” The details of this \$123,690,100 are as follows:

Capital assets (net of accumulated depreciation) reported in the Statement of Net Assets – governmental activities column:	
Land and work in progress	\$ 50,112,152
Other capital assets (net of accumulated depreciation)	78,522,426
Total capital assets reported in internal service funds included in the Statement of Net Assets – governmental activities column (net of accumulated depreciation):	<u>(4,944,478)</u>
Net adjustment	<u>\$ 123,690,100</u>

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net assets of government activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$11,148,974 difference are as follows:

Capital outlay	\$ 13,643,194
Donated capital assets	121,920
Depreciation	<u>(2,616,140)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 11,148,974</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$288,857 difference are as follows:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS –
Continued

Issuance of note payable	\$ (1,800,000)
Principal repayment of general obligation debt	1,900,000
Principal repayment of note payable	130,047
Amortization of deferred charge on refunding	(49,191)
Amortization on issuance costs	(27,456)
Amortization of bond discounts	(508)
Amortization of bond premiums	15,612
Increase in accrued interest payable	(26,622)
Decrease in rebatable arbitrage	<u>146,975</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 288,857</u>

Another element of the reconciliation states that “governmental funds do not report expenditures for unpaid compensated absences or other post employment benefits since they do not use current financial resources.” The details of this \$408,511 difference are as follows:

Decrease in accrued compensated absences	\$ 40,051
Increase in net OPEB obligation	<u>(448,562)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 408,511</u>

NOTE C – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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 year’s actual receipts and expenditures and current-year amended budgets are included in the budget document.

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

The Budget Committee then presents an approved budget to the City Council for final adoption. The adopted expenditures for each fund may not be increased by more than 10% during the year without a special public hearing of the governing body with notice to the citizens published 5 to 30 days in advance. 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 authorizes fund appropriations as current annual departmental requirements, debt service, capital projects, interfund transfers,

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE C – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

interfund loans, statutory payments, contingencies, unappropriated fund balances and reserves. Expenditures cannot legally exceed appropriations at these control levels. 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 administratively transfer budget amounts between individual line items within the control level, but cannot make changes between the legal levels of control. During the fiscal year ended June 30, 2009, the City Council approved several transfer resolutions and supplemental budgets increasing appropriations by \$26,621,516.

NOTE D – CASH AND INVESTMENTS

The City of Springfield maintains a common cash and investment pool that is available for use by all funds. At June 30, 2009, cash and investments are composed of the following:

Cash on Hand	\$	7,547
Cash with Fiscal Agent		5,500
Deposits		19,575,430
Local Government Investment Pool Accounts		72,770,005
Investments		<u>92,748,336</u>
		<u>\$ 185,106,818</u>

Each fund's portion of this pool is displayed in the Statement of Net Assets.

Governmental Funds	\$	46,824,145
Business-type Funds		35,161,745
Component Units		
MWMC		92,037,890
MWMC Restricted		9,196,972
Not Appearing on Statement of Net Assets		
Fiduciary Fund		<u>1,886,066</u>
		<u>\$ 185,106,818</u>

Deposits

On June 30, 2009 the City of Springfield held \$19,575,430 in deposits. Of this total, \$1,074,373 is in a commercial checking account with a bank balance of \$1,753,995. The difference is due to transactions in process. The remainder is invested in time certificates of deposit with local institutions. The Oregon legislature passed new public funds collateralization statutes effective July 1, 2008. The new legislation creates a shared liability structure for depository banks but does not guarantee that public funds are 100% protected. ORS requires depository banks to pledge collateral against public funds in excess of federal depository insurance (FDIC) amounts and sets the value and type of collateral needed. The Public Funds Collateralization Program (PFCP) was created by the Oregon Office of the State Treasurer to facilitate depository bank, custodian, and public official compliance with ORS. Depository banks are required to report quarterly to the Office of the State Treasurer information on public funds in excess of FDIC insurance limits, the bank's net worth, and FDIC capitalization information. Based on this information the PFCP calculates the amount of collateral required for the following quarter. The City is required to verify that amounts in excess of FDIC insurance limits are deposited only in qualified depository banks listed by

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE D – CASH AND INVESTMENTS - Continued

the Office of the State Treasurer. The City must also report, at least annually, the depository banks the City does business with and public official contact information. \$1,750,000 of the City's cash and investment balance is insured by the FDIC. The remaining balance has been placed in qualified depository banks in compliance with Oregon Revised Statutes.

The City's policy for custodial credit risk for deposits is outlined in the City's Investment and Portfolio Policies, adopted by the City Council. This investment policy applies to all cash-related assets included within the scope of the City of Springfield's audited financial statements and held directly by the City. Funds will be invested in compliance with the provisions of, but not necessarily limited to the Oregon Revised Statutes (ORS), Chapter 295, other applicable statutes and this policy. Investment of any tax exempt borrowings proceeds and any related debt service funds will comply with the arbitrage restrictions in all applicable Internal Revenue Service codes. The City will limit investment activities in order to ensure safety, legality, liquidity, diversity and yield. The standard of prudence used by the City's investment officer in the context of managing the overall portfolio shall be the prudent investor rule, which states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Local Government Investment Pool

The Oregon State Treasurer maintains the Oregon Short Term Fund, of which the Local Government Investment Pool (LGIP) is a part. Participation by local governments is voluntary. The State of Oregon Investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. LGIP was created to offer a short-term investment alternative for Oregon local governments. The investments are regulated by the Oregon Short-term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Separate financial statements for the Oregon Short-term Fund are available from the Oregon State Treasurer or www.ost.state.or.us. On June 30, 2009, the City had \$36,135,051 in the LGIP and \$36,634,954 in the MWMC LGIP account. This represents book amounts of \$36,463,220 for the City and 36,967,663 for MWMC, which were adjusted down by \$328,169 for the City and \$332,709 for MWMC to the fair values. The maximum amount of pooled investments to be placed in the LGIP is limited by Oregon Statute. At June 30, 2009, that amount was \$42,523,082.

Investments

On June 30, 2009, the City of Springfield held \$92,748,336 of investments: Corporate indebtedness of \$19,581,773 and Government Agency securities totaling \$73,166,563.

The scope of the City's investment policy includes not only investments, but all cash-related assets included within the scope of the City of Springfield's financial statements and held directly by the City. The investment policy establishes the City's permitted investments and provides guidelines for managing the various types of risk associated with these investments. The different risks will be discussed below.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE D – CASH AND INVESTMENTS - Continued

A. Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. City staff manages this risk by limiting the maturity of the investments held by the City. The investment policy requires that all short-term investments mature in less than 18 months. The investment policy defines short-term investments as those not reserved for specific capital projects or debt payments. Long-term investments are required to have maturities less than 3 years. Commercial paper is required to have a maturity which does not exceed 270 days. On June 30, 2009, 100% of the total investments were considered short-term and had maturities less than 18 months. The table below displays the liquidity requirements of the investment policy and the liquidity characteristics of the City’s cash and investments on June 30, 2009.

<u>Maturity</u>	<u>Amount</u>	<u>Actual %</u>	<u>Investment Policy %</u>
Under 30 days	\$ 89,113,222	48%	10 % minimum
Under 90 days	89,114,222	48	25 % minimum
Under 270 days	131,205,183	71	50 % minimum
Under one year	146,898,933	80	80 % minimum
Under 18 months	185,106,818	100	100 % minimum

B. Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The City’s investment policy provides that all corporate debt securities be rated at a minimum of A1 or AA by Standard and Poor’s rating service or P1 or Aa by Moody’s rating service, or for an Oregon issuer, a minimum of A1 or A or better by S & P; or P1 or Aa by Moody’s. At June 30, 2009, all of the corporate debt in the City’s portfolio is in compliance with the investment policy. The policies of the State of Oregon Investment Pool provide that the weighted average credit quality ratings for their holdings are a minimum of AA and Aa2 for Standard & Poor’s and Moody’s respectively. On June 30, 2009, the pool’s weighted average rating was between S&P’s AA+/Aa1 and Moody’s AA/Aa2 ratings. At June 30, 2009, the City has \$72,770,005 invested in pool accounts.

C. Custodial credit risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The City’s investment policy requires that broker/dealers meet certain qualifications and that purchased investment securities will be delivered by either Fed book entry, DTC, or physical delivery, and held in third party safekeeping - registered to the City of Springfield - with a designated custodian. All of the City’s investments at June 30, 2009 were delivered by book entry to the account of BNY Western Trust Company or Bank of the West, who hold the securities for the benefit of the City.

D. Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The City’s investment policy provides concentration guidelines by both institution and by type of investment. The table below displays the investment policy parameters and the actual concentrations of cash and investment funds at June 30, 2009.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE D – CASH AND INVESTMENTS – Continued

Diversification by Financial Institution:

<u>Financial Institution</u>	<u>Amount</u>	<u>% Invested</u>	<u>Maximum % of Portfolio</u>
State of Oregon Investment Pool	\$ 72,770,005	39%	100
Government Agencies	73,166,564	39	N/A
US Bank	3,133,934	2	15
Bank of the West	2,985	0	15
Key Bank	1,116,579	1	15
Pacific Continental Bank	2,410,269	1	15
Siuslaw Valley Bank	1,149,423	1	15
Umqua Bank	11,761,239	6	15
Bank of America	1,000	0	15
Corporate Indebtedness:			
CitiGroup Inc	3,009,030	2	5
Wells Fargo	7,156,887	4	5
General Elec Cap Corp	2,019,530	1	5
US BankCorp	3,404,806	2	5
HSBC Financial Corp	3,991,520	2	5
Other	13,047	0	N/A
Totals	<u>\$ 185,106,818</u>	<u>100%</u>	

Diversification by Financial Instrument:

<u>Instrument</u>	<u>Amount</u>	<u>% Invested</u>	<u>Maximum% of Portfolio</u>
State of Oregon Investment Pool	\$ 72,770,005	39%	100 %
Interest Bearing Checking Account	1,074,373	1	50 %
Money Market Account	7,187,933	4	50 %
Time Certificates of Deposit	11,313,124	6	25 %
Commercial Paper	19,581,773	11	25 %
Government Agencies	73,166,563	39	50 %
Other	13,047	0	0 %
Totals	<u>\$ 185,106,818</u>	<u>100 %</u>	

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE D – CASH AND INVESTMENTS - Continued

E. Foreign currency

The City of Springfield has not made any investments that are not in US dollar denominations therefore the City is not exposed to this risk.

NOTE E – RECEIVABLES AND DEFERRED REVENUE

Receivables at June 30, 2009 consist of the following:

<u>Fund</u>	<u>Property Taxes and Other</u>	<u>Accounts</u>	<u>Assessments and liens</u>	<u>Grants</u>	<u>Accrued Interest</u>	<u>Mortgage Notes</u>	<u>Total gross receivable</u>	<u>Less Allowance for uncollectibles</u>	<u>Total net receivable</u>
General	\$ 902,634	\$ 683,365	\$ -	\$ -	\$ 60,173	\$ -	\$ 1,646,172	\$ -	\$ 1,646,172
CDBG	-	-	-	350,235	-	3,412,897	3,763,132	-	3,763,132
Development Projects	-	90,154	-	-	50,618	-	140,772	-	140,772
Sewer	-	537,507	-	-	10,309	-	547,816	-	547,816
Storm Drainage	-	434,968	-	-	7,530	-	442,498	-	442,498
Ambulance	-	1,125,370	-	-	-	-	1,125,370	(685,221)	440,149
Sanitary Sewer Capital	-	-	-	-	31,372	-	31,372	-	31,372
Booth-Kelly	-	10,640	-	-	3,684	-	14,324	-	14,324
Nonmajor Gov	787,147	626,762	63,320	77,761	69,610	8,409	1,633,009	-	1,633,009
Nonmajor Prop	-	20,423	-	-	32,380	-	52,803	-	82,803
Internal Service Funds	-	19,967	-	-	57,697	-	77,664	-	77,664
	<u>\$ 1,689,781</u>	<u>\$ 3,549,156</u>	<u>\$ 63,320</u>	<u>\$ 427,996</u>	<u>\$ 323,373</u>	<u>\$ 3,421,306</u>	<u>\$ 9,474,932</u>	<u>\$ (685,221)</u>	<u>\$ 8,789,711</u>

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

Mortgage notes within the Special Revenue and CDBG 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 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 FINANCIAL STATEMENTS

June 30, 2009

NOTE E – RECEIVABLES AND DEFERRED REVENUE - Continued

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. In addition, governmental funds report unearned revenue in connection with resources that have been received but not yet earned. At June 30, 2009, the various components of deferred and unearned revenue consist of the following:

FUND BY TYPE	Deferred
Property taxes receivable:	
General fund	\$ 867,664
Debt service funds	245,532
Special revenue funds	222,406
Fees and charges:	
General fund	178,690
Special revenue funds	311,577
Mortgage notes receivable:	
Special revenue funds	8,409
CDBG fund	3,412,897
Assessments:	
Debt service funds	21,118
Capital projects funds	42,202
Other:	
General Fund	2,270
Development projects funds	83,954
Total deferred revenue	\$ 5,396,719

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE F – CAPITAL ASSETS

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 47,793,123	\$ 508,721	\$ -	\$ 48,301,844
Work in progress	<u>18,221,110</u>	<u>13,170,028</u>	<u>(29,580,829)</u>	<u>1,810,309</u>
Total capital assets, not being depreciated	<u>66,014,233</u>	<u>13,678,749</u>	<u>(29,580,829)</u>	<u>50,112,153</u>
Capital assets, being depreciated:				
Buildings	14,592,538	27,360,787	-	41,953,325
Infrastructure	55,129,651	1,215,422	-	56,345,073
Machinery & equipment	14,512,909	2,443,829	(143,008)	16,813,730
Library books	2,010,280	92,599	-	2,102,879
Studies	<u>644,561</u>	<u>-</u>	<u>-</u>	<u>644,561</u>
Total capital assets, being depreciated	<u>86,889,939</u>	<u>31,112,637</u>	<u>(143,008)</u>	<u>117,859,568</u>
Less accumulated depreciation for :				
Buildings	(7,484,730)	(495,361)	-	(7,980,091)
Infrastructure	(17,326,346)	(1,803,000)	-	(19,129,346)
Machinery & equipment	(9,609,640)	(983,207)	119,312	(10,473,535)
Library books	(1,428,080)	(123,056)	-	(1,551,136)
Studies	<u>(138,579)</u>	<u>(64,456)</u>	<u>-</u>	<u>(203,035)</u>
Total depreciation	<u>(35,987,375)</u>	<u>(3,469,080)</u>	<u>119,312</u>	<u>(39,337,143)</u>
Total capital assets, being depreciated, net	<u>50,902,564</u>	<u>27,643,557</u>	<u>(23,696)</u>	<u>78,522,425</u>
Governmental activities capital assets, net	<u>\$ 116,916,797</u>	<u>\$ 41,322,306</u>	<u>\$ (29,604,525)</u>	<u>\$ 128,634,578</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE F – CAPITAL ASSETS- Continued

Business-type activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 4,493,125	\$ 205,164	\$ -	\$ 4,698,289
Construction in progress	<u>11,472,858</u>	<u>1,557,585</u>	<u>(8,821,021)</u>	<u>4,209,422</u>
Total capital assets, not being depreciated:	<u>15,965,983</u>	<u>1,762,749</u>	<u>(8,821,021)</u>	<u>8,907,711</u>
Capital assets, being depreciated:				
Buildings & structure	52,957,092	12,386,131	(3,181)	65,340,042
Land improvements	507,931	-	-	507,931
Equipment	1,114,104	-	-	1,114,104
Studies	<u>539,289</u>	<u>-</u>	<u>-</u>	<u>539,289</u>
Total capital assets, being depreciated	<u>55,118,416</u>	<u>12,386,131</u>	<u>(3,181)</u>	<u>67,501,366</u>
Less accumulated depreciation for:				
Land improvements	(433,094)	(25,397)	-	(458,491)
Buildings	(13,960,577)	(1,482,432)	-	(15,443,009)
Equipment	(972,148)	(30,871)	-	(1,003,019)
Studies	<u>(130,484)</u>	<u>(58,087)</u>	<u>-</u>	<u>(188,571)</u>
Total depreciation	<u>(15,496,303)</u>	<u>(1,596,787)</u>	<u>-</u>	<u>(17,093,090)</u>
Total capital assets, being depreciated, net	<u>39,622,113</u>	<u>10,789,344</u>	<u>(3,181)</u>	<u>50,408,276</u>
Business-type activities capital assets, net	<u>\$55,588,096</u>	<u>\$ 12,552,093</u>	<u>\$ (8,824,202)</u>	<u>\$ 59,315,987</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE F – CAPITAL ASSETS- Continued

Depreciation expense was charged to functions of the City as follows:

Governmental activities:

General Government	\$ 141,644
Police	206,131
Fire	388,207
Public Works	2,305,500
Library	141,380
Development Services	50,330
Unallocated	<u>235,888</u>

Total depreciation expense – governmental activities \$3,469,080

Business-type activities:

Sewer	\$1,264,374
Booth-Kelly	307,850
Ambulance	<u>24,563</u>

Total depreciation expense – business type activities \$1,596,787

Reconciliation to Proprietary Funds Statement of Revenues, Expenses and Changes in Fund Net Assets

Business type activities depreciation	\$1,596,787
Amortization of bond issue costs	5,646
Amortization of original issue discount	<u>3,181</u>
Total depreciation and amortization expense	<u>\$1,605,614</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE F – CAPITAL ASSETS- Continued

Component unit:

Metropolitan Wastewater Management Commission

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases and Reclassifications</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 7,731,549	\$ -	\$ -	\$ 7,731,549
Construction in progress	<u>5,778,969</u>	<u>24,361,370</u>	<u>(72,943)</u>	<u>30,067,396</u>
Total capital assets, not being depreciated:	<u>13,510,518</u>	<u>24,361,370</u>	<u>(72,943)</u>	<u>37,798,945</u>
Capital assets, being depreciated:				
Buildings	59,665,361	1,909,287	(353,831)	61,220,817
Machinery & equipment	96,804,088	1,895,615	(373,423)	98,326,280
Other	<u>1,448,179</u>	<u>3,094,654</u>	<u>-</u>	<u>4,542,833</u>
Total capital assets, being depreciated	<u>157,917,628</u>	<u>6,899,556</u>	<u>(727,254)</u>	<u>164,089,930</u>
Less accumulated depreciation for:				
Buildings	(36,079,604)	(1,572,609)	-	(37,652,213)
Machinery & equipment	(48,607,386)	(3,714,064)	338,513	(51,982,937)
Other	<u>(1,966,676)</u>	<u>(103,691)</u>	<u>83,654</u>	<u>(1,986,713)</u>
Total depreciation	<u>(86,653,666)</u>	<u>(5,390,364)</u>	<u>422,166</u>	<u>(91,621,864)</u>
Total capital assets, being depreciated, net	<u>71,263,962</u>	<u>1,509,192</u>	<u>(305,088)</u>	<u>72,468,066</u>
Total capital assets, net	<u>\$ 84,774,480</u>	<u>\$ 25,870,562</u>	<u>\$ (378,031)</u>	<u>\$ 110,267,011</u>

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

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 an aggregate deductible of \$100,000, 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 four fiscal years.

NOTE H - CAPITAL AND OPERATING LEASES

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

The City purchased a fire engine in the fiscal year ending June 30, 2004 for \$227,501 with a down payment of \$5,563 and entered into a lease agreement for financing the remaining balance of \$221,938 over 6 years. The City purchased equipment in the fiscal year ending June 30, 2006 for \$32,296 with no down payment and monthly payments over 5 years. The City purchased equipment in the fiscal year ending June 30, 2007 for \$6,130 with no down payment and monthly payments over 5 years. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Machinery and equipment	\$265,928
Less: Accumulated depreciation	<u>(106,517)</u>
Total	<u>\$159,411</u>

The future minimum lease obligations as of June 30, 2009, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 40,859	\$ 2,211
2011	4,811	199
2012	<u>635</u>	<u>16</u>
Totals	<u>\$ 46,305</u>	<u>\$ 2,426</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE I - LONG-TERM DEBT

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are backed by the full faith and credit of the City and are serviced by general property tax revenues. The original amount of general obligation bonds issued in prior years was \$37,075,000.

General obligation bonds payable transactions for the year ended June 30, 2009 are as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Effective Interest Rate</u>	<u>Outstanding July 1, 2008</u>	<u>Issued During Year</u>	<u>Matured During Year</u>	<u>Outstanding June 30, 2009</u>	<u>Due Within One Year</u>
Series 2007	3-09-07	2026	4.00%	<u>\$23,930,000</u>	<u>\$ -</u>	<u>\$(915,000)</u>	<u>\$23,015,000</u>	<u>\$ 955,000</u>
Series 2005	7-26-05	2025	3.48%	<u>\$ 9,910,000</u>	<u>\$ -</u>	<u>\$(985,000)</u>	<u>\$ 8,925,000</u>	<u>\$1,010,000</u>

Revenue Bonds

The City issues revenue bonds to finance major construction projects in business-type activities. Revenue bonds are secured and serviced by system revenues. The original amount of revenue bonds issued in prior years was \$1,985,000.

On March 26, 2009, the City issued \$22,815,000 of Sewer System Revenues Bonds, Series 2009. The proceeds of the bond issuance will be used to finance \$11.9 million in new local sanitary sewer construction projects, \$9.1 million in local sanitary sewer rehabilitation projects, and the remaining \$1.8 million held in reserve.

Revenue obligation bonds payable transactions for the year ended June 30, 2009 are as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Effective Interest Rate</u>	<u>Outstanding July 1, 2008</u>	<u>Issued During Year</u>	<u>Matured During Year</u>	<u>Outstanding June 30, 2009</u>	<u>Due Within One Year</u>
Series 2005	5-13-05	2015	3.700%	<u>\$1,470,000</u>	<u>\$ -</u>	<u>\$(190,000)</u>	<u>\$ 1,280,000</u>	<u>\$ 200,000</u>
Series 2009	4-02-09	2029	4.070%	<u>\$ -</u>	<u>\$ 22,815,000</u>	<u>\$ -</u>	<u>\$22,815,000</u>	<u>\$ 660,000</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE I - LONG-TERM DEBT- Continued

Maturities of bond principal and interest are as follows:

Year	General Obligation Bonds		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2009-10	\$ 1,965,000	\$ 1,256,193	\$ 860,000	\$ 1,094,244	\$ 2,825,000	\$ 2,350,437
2010-11	2,030,000	1,184,828	1,025,000	920,344	3,055,000	2,105,171
2011-12	2,100,000	1,110,993	1,055,000	889,344	3,155,000	2,000,336
2012-13	2,180,000	1,033,473	1,090,000	857,181	3,270,000	1,890,654
2013-14	2,255,000	951,283	1,130,000	823,675	3,385,000	1,774,958
2014-15	2,340,000	865,618	1,165,000	788,650	3,505,000	1,654,268
2015-16	1,435,000	773,133	970,000	742,931	2,405,000	1,516,064
2016-17	1,495,000	710,608	1,005,000	704,131	2,500,000	1,414,739
2017-18	1,560,000	645,117	1,045,000	663,931	2,605,000	1,309,049
2018-19	1,615,000	586,818	1,090,000	622,131	2,705,000	1,208,949
2019-24	9,095,000	1,936,605	6,140,000	2,420,456	15,235,000	4,357,061
2024-29	3,870,000	240,740	7,520,000	1,031,087	11,390,000	1,271,828
	<u>\$ 31,940,000</u>	<u>\$11,295,409</u>	<u>\$ 24,095,000</u>	<u>\$ 11,558,105</u>	<u>\$ 56,035,000</u>	<u>\$ 22,853,514</u>

Notes Payable

At June 30, 2009 notes payable are as follows:

Governmental activities:

Oregon Special Public Works (OSPW), payable in annual installments of \$81,684 including interest at 5.8%, due 2015	\$ 404,202
Bank of America, payable in semi-annual installments including interest at 4.9%, due 2018.	<u>1,725,000</u>
Total governmental activities	<u>\$ 2,129,202</u>

Business-type activities:

McKenzie Enterprises, Inc. Note payable in monthly installments of \$7,024 including interest at 7%, due in 2020.	\$ 515,224
Bank of the West, Note payable with monthly installments beginning June 2009 at 6.97%, due in May of 2019.	5,966,366

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE I - LONG-TERM DEBT - continued

Oregon Department of Environmental Quality (DEQ)
state Revolving Fund loan, payable in semiannual
installments of \$36,609 including interest at 3%, due 2014. \$ 337,603

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. 694,789

Total business-type activities \$ 7,513,982

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

Fiscal Year	Governmental Activities	Business-type Activities
2009-10	\$ 208,240	\$ 816,017
2010-11	221,618	863,398
2011-12	230,192	766,510
2012-13	238,973	664,064
2013-14	252,973	708,961
Thereafter	<u>977,206</u>	<u>3,695,032</u>
	<u>\$ 2,129,202</u>	<u>\$ 7,513,982</u>

Beginning in 2004, the City entered into an initial agreement with the US Bureau of Land Management (USBLM) to finance their portion of the construction of a shared facility constructed by the Oregon Department of Military. In 2006, the City secured a \$6.4 million construction loan from the Bank of the West and construction began. The building was completed in the current fiscal year and the construction loan was converted into a ten-year conventional loan with remaining loan proceeds used to reduce the new loan balance to \$6 million. The USBLM's portion of the building was capitalized by the City and is being depreciated over ten years on the straight-line method. The USBLM will make lease payments to the City equal to the City's debt service payments. Per the terms of the loan agreement with the Bank of the West, the City is under no obligation to make debt service payments above the lease payments received by the USBLM. At the end of ten years, the capital asset and related loan will be fully depreciated and repaid, and the building transferred over to the Oregon Department of Military.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE I - LONG-TERM DEBT - continued

Notes and Contracts Payable, Governmental Activities

Changes in notes and contracts payable recorded in governmental activities and business-type activities for the year ended June 30, 2009 are as follows:

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
Governmental activities				
Notes payable	\$ 459,249	\$ 1,800,000	\$ 130,047	\$ 2,129,202
Contract payable	<u>210,000</u>	<u>-</u>	<u>-</u>	<u>210,000</u>
	<u>\$ 669,249</u>	<u>\$ 1,800,000</u>	<u>\$ 130,047</u>	<u>\$ 2,339,202</u>
Business-type activities	<u>\$ 8,861,225</u>	<u>\$ -</u>	<u>\$ 1,347,243</u>	<u>\$ 7,513,982</u>

The contract payable represents an amount due to Sycan B Corporation for a land purchase, with a due date to be established by mutual agreement of both parties.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE I - LONG-TERM DEBT - continued

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
General obligation bonds	\$ 33,840,000	\$ -	\$ (1,900,000)	\$31,940,000	\$ 1,965,000
Less deferred amounts					
For issuance premiums	292,727	-	(15,612)	277,115	-
For issuance discounts	<u>(8,626)</u>	<u>-</u>	<u>508</u>	<u>(8,118)</u>	<u>-</u>
Total bonds payable	34,124,101	-	(1,915,104)	32,208,997	1,965,000
Notes payable	459,249	1,800,000	(130,047)	2,129,202	208,240
Contracts payable	210,000	-	-	210,000	-
Capital leases	87,507	-	(41,202)	46,305	40,859
Rebatable arbitrage	249,701	-	(146,975)	102,726	-
Compensated absences	<u>3,555,918</u>	<u>1,221,954</u>	<u>(1,262,004)</u>	<u>3,515,868</u>	<u>1,249,854</u>
Governmental activity long-term liabilities	<u>\$ 38,686,476</u>	<u>\$ 3,021,954</u>	<u>\$ (3,495,332)</u>	<u>\$ 38,213,098</u>	<u>\$ 3,463,953</u>
<u>Business-type activities:</u>					
Bonds payable:					
Revenue bonds	\$ 1,470,000	\$22,815,000	\$ (190,000)	\$24,095,000	\$ 860,000
Less deferred amounts					
For issuance discounts	(22,134)	-	3,181	(18,953)	-
For issuance premiums	<u>-</u>	<u>279,240</u>	<u>(6,809)</u>	<u>272,431</u>	<u>-</u>
Total bonds payable	1,447,866	23,094,240	(193,628)	24,348,478	860,000
Notes payable	8,861,225	-	(1,347,243)	7,513,982	816,017
Compensated absences	<u>439,507</u>	<u>212,446</u>	<u>(196,969)</u>	<u>454,984</u>	<u>189,675</u>
Business-type activities long-term liabilities	<u>\$ 10,748,598</u>	<u>\$ 23,306,686</u>	<u>\$ (1,737,840)</u>	<u>\$ 32,317,444</u>	<u>\$ 1,865,692</u>
<u>Discretely presented component unit:</u>					
MWMC					
Compensated absences	<u>\$ 86,019</u>	<u>\$ 54,816</u>	<u>\$ (33,356)</u>	<u>\$ 107,479</u>	<u>\$ 41,221</u>

For the governmental activities, compensated absences are generally liquidated by the general fund.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE J – RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

Interfund Payables & Receivables

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Storm Drainage	Internal service funds	\$ 48,458
Sanitary Sewer	Internal service funds	26,755
Booth Kelly	Internal service funds	22,076
Ambulance	Internal service funds	<u>51,871</u>
Total due to/from other funds (different fund types)		<u>\$ 149,160</u>

The balances shown above are for services rendered and are generally paid within 30 days.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Street	\$ 88,049
General Fund	Community Development	182,530
General Fund	Riverbend Development	<u>87,538</u>
Total due/from other funds (similar fund types)		<u>\$ 358,117</u>

Interfund receivables and payables are due to temporary cash flow deficiencies and are generally paid back within 30 days.

Amounts due to/from other governments at June 30, 2009 are presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Metropolitan Wastewater	Internal service funds	<u>\$ 40,580</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE J – RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY - Continued

Interfund Transfers

Fund	General	Development Projects	Nonmajor Governmental Funds	Sewer	Sewer Capital	Ambulance	Booth Kelly	Nonmajor Enterprise Funds	Total Transfers Out
General	\$ -	\$ 810,275	\$ 529,877	\$ -	\$ -	\$ 161,758	\$ -	\$ -	\$ 1,501,910
Development Projects	-	-	488,000	-	-	-	-	-	488,000
Nonmajor Governmental	780,222	300,000	2,177,131	-	-	-	40,000	-	3,297,353
Sewer	-	-	-	-	1,269,400	-	-	-	1,269,400
Storm Drainage	250,000	-	-	-	-	-	-	257,400	507,400
Sewer Capital	-	-	-	86,139	-	-	-	-	86,139
Booth Kelly	478,366	-	-	-	-	-	-	-	478,366
Nonmajor Enterprise	-	-	71,311	1,471,446	-	-	-	-	1,542,758
Internal Service Funds	<u>185,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,789</u>	<u>189,789</u>
Total Transfers In	<u>\$ 1,693,588</u>	<u>\$ 1,110,275</u>	<u>\$ 3,266,319</u>	<u>\$ 1,557,586</u>	<u>\$ 1,269,400</u>	<u>\$ 161,758</u>	<u>\$ 40,000</u>	<u>\$ 262,189</u>	<u>\$ 9,361,115</u>

Transfers are routinely made for the following purposes:

To move unrestricted revenues collected in other funds to the general fund to finance government programs.

To move revenues appropriated for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due.

NOTE K – REBATABLE ARBITRAGE

The City issued general obligation bonds in the amount of \$12,425,000 in December 2005 and \$24,650,000 in March 2007. Arbitrage liability is estimated at \$102,726 for these two issues due to slower than anticipated spending and favorable investment returns, and is recorded.

Metropolitan Wastewater Management Commission, a component unit of the City, issued revenue bonds in the amount of \$47,270,000 in November 2006 and \$50,730,000 in November 2008. Arbitrage liability is estimated at \$294,801 and is recorded at June 30, 2009.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE L – CITY PENSION PLAN

The City sponsors a single-employer pension plan for Springfield Police Association employees hired before April 1, 1996 (City Retirement Plan – CRP). All participants are fully vested.

The CRP covers full-time regular employees covered by the Springfield Police Association, Fire management, and all Police management employees hired before April 1, 1996, and all disability retirees formerly in the Money Purchase Pension Plan. The CRP is subject to Oregon PERS “equal to or better than” statutory requirements. PERS completed its latest “equal to or better than” testing in July of 2005. The most recent testing prior to July 2005 was in 1995.

The City contributes 6% of salaries as employee contributions. The City will also pay an employer contribution of 12.8% for public safety employees and employer contribution of 10% for police dispatchers and 7% for other union employees. The annual interest earnings to be credited to plan participants’ accounts remains at a guarantee of 9% for emergency service employees while employed with the City, but includes additional provisions on the withdrawal of individual retirement funds once employment is terminated. Police management employees accepted the same terms and conditions for their participation in the CRP.

Funding policy – The City’s contribution rate, through June 30, 2009, based upon the most current actuarial valuation as of June 30, 2008, was 45.08%.

The City’s contribution to the CRP was calculated using the covered base salary amount of \$2,957,420. The City’s total payroll was \$28,032,063.

Annual Pension Cost – For the fiscal year 2008-09, the City’s contribution of \$1,358,806 for the CRP was equal to the City’s required and actual contributions. The required contribution was determined as part of the July 2008 actuarial valuation using the Individual Entry Age Actuarial Cost method and an actuarial asset method which smoothes investment returns different than the assumed investment return over a five-year period. The UAL amortization period is open for the July 2008 valuation and is equal to 20 years.

The significant actuarial assumptions used in the 2008 valuation include: (a) a rate of return on the investment of present and future assets of 7.5% per year; (b) projected annual salary increases for inflation of 5% per year; (c) and demographic assumptions as described below.

ADMINISTRATIVE EXPENSES. Assumed administrative expenses for future years are equal to the administrative expenses for the prior year increased by the average increase over the prior 3 years, but not less than the 3-year average administrative expense.

MORTALITY. Healthy mortality is assumed to follow the RP-2000 Mortality for Combined Healthy Employee/Annuitant projected to 2008 using Projection Scale AA.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE L – CITY PENSION PLAN – Continued

RETIREMENT. All active Members are assumed to retire by age 65 according to the following table:

<u>Age</u>	<u>Rate of Retirement</u>
50-54	5%
55-61	10%
62	20%
63	15%
64	15%
65	100%

All inactive Members are assumed to retire at age 65.

DISABLEMENT. None.

OTHER TERMINATIONS OF EMPLOYMENT. Withdrawal refers to an employee terminating employment for reasons other than death or retirement. Participants are expected to terminate employment prior to age 50 as specified in Table T-1 from the Actuary’s Pension Handbook adjusted for mortality. Selected rates are shown below.

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	5.44%	35	2.35%
25	4.90%	40	1.13%
30	3.71%	45	0.27%

The City makes contributions as a percentage of actual covered base salary. Thus, as long as the percentage equals the percentage required by the applicable actuarial valuation, the dollar amount of the Annual Required Contribution (ARC) and Annual Pension Cost (APC) is equal to the actual dollar amount of the City’s contributions. Because the City contributed the applicable APC the Net Pension Obligation is zero. The following tables present trend information for the CRP:

The July 1, 2003 actuarial valuation was used to determine the 2004-2005 and 2005-2006 ARC. The July 1, 2006 actuarial valuation was used to determine the 2006-2007 and the 2007-2008 ARC. The July 1, 2008 actuarial evaluation was used to determine the 2008-09 ARC. Below is a summary of the ARC by fiscal year:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Annual Recommended</u> <u>Contribution</u> <u>(percent of base salary)</u>
2005	27.60%
2006	41.72%
2007	41.72%
2008	41.72%
2009	45.08%

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE L – CITY PENSION PLAN - Continued

<u>Fiscal Year Ending</u>	<u>Annual Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2000	\$ 591,234	100%	\$ -
6/30/2001	902,199	100	-
6/30/2002	899,739	100	-
6/30/2003	803,591	100	-
6/30/2004	756,650	100	-
6/30/2005	801,702	100	-
6/30/2006	1,220,539	100	-
6/30/2007	1,253,254	100	-
6/30/2008	1,272,654	100	-
6/30/2009	1,358,806	100	-

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

<u>Actuarial Valuation for the Year Ended June 30,</u>	<u>Present Value of Projected Benefits</u>	<u>Less Actuarial Value of Assets</u>	<u>Value of Future Contributions</u>	<u>Value of Future Salaries</u>	<u>Total Valuation Rate</u>
2003	28,755,625	16,893,683	11,861,942	30,535,724	38.82%
2006	34,403,067	18,447,240	15,955,827	38,245,031	41.72%
2008	37,285,467	20,873,921	16,411,546	36,405,382	45.08%

Beginning July 1, 2006 the annual recommended contribution and annual pension cost was determined using the Individual Entry Age Actuarial Cost Method. Below is the schedule of funding progress:

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b) – (a)</u>	<u>Funded Ratio (a) / (b)</u>	<u>Estimated Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b) – (a)] / (c)</u>
7/1/2006	\$18,447,240	\$27,011,984	\$8,564,744	68.3%	\$3,299,007	260%
7/1/2008	20,873,921	30,276,437	9,402,516	68.9%	3,017,170	312%

More recent actuarial information is not available for the schedule of funding progress. A separate, audited GAAP-basis pension plan report for this plan is not available.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE M – PERS 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 already members of OPERS and eligible for contributions when they begin employment. OPERS is a cost sharing 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 OPERS covered position(s).

Retirement age varies depending on whether the member belongs to Tier 1, Tier 2 or OPSRP, whether the member is a general services employee or a public safety employee and whether the member is retiring with full or reduced benefits.

	Full Benefit		Reduced Benefit	
	<u>Public Safety</u>	<u>General Service</u>	<u>Public Safety</u>	<u>General Service</u>
PERS Tier 1	55	58	50	55
PERS Tier 2	55	60	50	55
OPSRP	60	65	50	55

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. OPERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes, Chapter 238, Oregon Revised Statutes.

In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for PERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive PERS members who return to employment following a six month or greater break in service. The new plan consists of a defined benefit program (the Pension Program) and a defined contribution portion (the Individual Account Program or IAP). The Pension Program portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service and a factor that varies based on type of service (general vs. police or fire).

Beginning January 1, 2004, all PERS member contributions go into the IAP portion of OPSRP. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member’s IAP, not the member’s PERS account. Those employees who had established a PERS membership prior to creation of OPSRP will be members of both the PERS and OPSRP system as long as they remain in covered employment.

Both existing PERS and OPSRP accounts are administered by the Oregon Public Employees Retirement Board (OPERB). The comprehensive annual financial report of the funds administered by the OPERB may be obtained

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE M – PERS PENSION PLAN - Continued

by writing to the Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700, by calling (503) 598-7377, or by accessing the PERS website at www.pers.state.or.us.

Funding Policy – The City’s contribution rate for the fiscal year ended June 30, 2009 was 8.55% of covered payroll for the following members: PERS Fire (Emergency Services), PERS Fire Management (Emergency Services), PERS General Service and PERS Police (Emergency Services). For members of OPSRP Fire (Emergency Services), OPSRP Fire Management (Emergency Services), OPSRP Police (Emergency Services), the rate was 10.50% of covered payroll. For members of OPSRP General Service, the rate was 7.23% of covered payroll.

The required employee contribution of 6% of covered compensation is paid by the City for SPA members. Beginning July 1, 2007, the City pays the employee contribution for non-union, OPEU and AFSCME members as well. For all others, the employee portion is contributed by the employee. The contribution requirements of the City are established and may be amended by the Public Employees Retirement Board (PERB), 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, 2009 was \$19,574,893. The City’s total payroll was \$28,032,063.

Annual Pension Cost – For the fiscal year 2008-09, the City’s annual pension cost of \$3,524,074 for OPERS was equal to the City’s required and actual contributions. Of this amount, \$3,104,579 was funded by the City and \$419,495 was paid by employee contributions from fire public safety and general service members.

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

Fiscal Year	Annual Pension Cost	Percentage of APC	Net Pension
<u>Ending</u>	<u>(APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/07	\$ 3,944,097	100	-
6/30/08	3,139,398	100	-
6/30/09	3,524,074	100	-

NOTE N – OTHER POSTEMPLOYMENT BENEFITS

The City provides post-retirement 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, and 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, 2009, 23 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 per month, per qualified retiree. The total cost of providing this coverage for the fiscal year ended June 30, 2009 was \$35,390.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE N – OTHER POSTEMPLOYMENT BENEFITS - Continued

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. All of the disability retirees are members of the City Retirement Plan.

For these employees, the amount of the pension contribution is either 7% or 12.8% of the employee’s last monthly salary, depending on what the employee’s contribution rate was before retirement. At June 30, 2009, there were five employees receiving this benefit. No payments are sent to the plan for these employees, but their accounts are credited for the correct amount.

Annual OPEB Cost and Net OPEB Obligation

The City’s annual other post-employment benefit cost (expense) is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance within the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to 30 years. The following table shows the components of the City’s annual OPEB cost for the fiscal year ending June 30, 2009, the amount actually contributed to the plans, and changes in the City’s net OPEB obligation:

Annual required contribution	\$ 963,449
Interest on net OPEB obligation	-
Adjustment to ARC	-
Annual OPEB cost (expense)	<u>963,449</u>
Contributions	<u>358,817</u>
Increase in net OPEB obligation	604,632
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u>\$ 604,632</u>

The City’s annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for 2009 and the preceding year were as follows:

<u>Fiscal year</u> <u>ending June 30</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Contribution</u>	<u>Percentage of annual</u> <u>OPEB cost</u> <u>contributed</u>	<u>Net OPEB</u> <u>obligation</u>
2009	\$ 963,449	\$ 358,817	38%	\$ 604,632

* Annual OPEB costs are not available for fiscal years prior to the fiscal year ending June 30, 2009.

Funded Status and Funding Progress

As of July 1, 2008, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$8,929,996, and the actuarial value of assets was zero, resulting in an unfunded accrued liability of \$8,929,996.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE N – OTHER POSTEMPLOYMENT BENEFITS - Continued

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to the evaluation date. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The July 1, 2008 actuarial valuations for the OPEB plan is based on the projected unit credit actuarial cost method. The actuarial assumptions include an investment return of 4.5%, a healthcare cost inflation trend rate of 16.9% for the 1st year, July 1, 2008 to July 1, 2009, 3.2% in the 2nd year, 7.5% in the third year, 6.5% in the fourth year, 6.0% for the fifth and sixth year, 5.5% for the 7th through 26th year, and 5.0% thereafter. Annual payroll increases are compounded at 3.75% annually. The unfunded actuarially accrued liability and the gain or loss is amortized as a level percentage of projected payroll over 15 years.

NOTE O - COMMITMENTS AND CONTINGENCIES

At June 30, 2009, the City was obligated under incomplete construction contracts in the amount of \$5,334,773.

The Sick Leave Reserve Program was substantially revised effective July 1, 2004. The plan allows employees to join by contributing hours from their sick leave bank. The number of hours required to join depends on the employee's status (full time vs. part time) and regular weekly schedule (40 hours vs. 56 hours). Employees may draw from the reserve bank under certain circumstances. Prior to drawing, employees must exhaust all their own leave accruals first. At June 30, 2009, the Sick Leave Reserve Program bank contained 5,535 hours. The value of these hours are not included in the liability for compensated absences because there is no estimate of the number of hours that will be used.

NOTE P – 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) that rolls back assessed property 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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE P – CONSTITUTIONAL PROPERTY TAX LIMITATION - Continued

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. This double majority requirement for local initiatives is no longer be required as a result of the passage of statewide measure 56, passed on November 4, 2008.

NOTE Q – PRIOR PERIOD ADJUSTMENTS

Insurance Fund

The City currently has three medical plans that employees may choose from. One of these plans is a Health Incentive Plan and includes a health reimbursement allowance. In prior fiscal years, an expenditure was not recognized until an employee had a qualifying expenditure and requested reimbursement. As of June 30, 2008, the City had an unrecognized liability of \$623, 254. The prior period adjustment decreased the July 1, 2008 fund balance of the Insurance Fund by \$623,254.

Sanitary Sewer Operations Fund

In the prior fiscal year, the City overstated the transfers into the Sanitary Sewer Operations Fund by \$310,612. The prior period adjustment decreased the July 1, 2008 fund balance of the Sanitary Sewer Operations Fund by \$310,612.

Storm Drainage Capital Fund

In the prior fiscal year, the City overstated the transfers out of the Storm Drainage Capital Fund by \$310,612. The prior period adjustment increased the July 1, 2008 fund balance of the Storm Drainage Capital Fund by \$310,612.

NOTE R – NEW PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have future effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on future financial statements.

GASB Statement No. 51 “Accounting and Financial Reporting for Intangible Assets,” issued June 2007 establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. The statement is effective for financial statements for periods beginning after June 30, 2009.

GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," issued February 2009 will be effective for the City beginning with its fiscal year ending June 30, 2011. The Statement establishes new classifications for fund equity and new definitions for governmental fund types.

Required Supplementary Information

This page intentionally left blank.

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, 2009

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 16,295,905	\$ 16,295,905	\$ 15,854,902	\$ (441,003)	\$ -	\$ 15,854,902
Licenses and permits	3,507,811	3,507,811	2,945,158	(562,653)	-	2,945,158
Intergovernmental revenues	3,947,045	3,957,841	3,850,297	(107,544)	-	3,850,297
Charges for services	4,526,676	4,667,038	4,783,992	116,954	12,000	4,795,992
Fines and forfeitures	1,305,693	1,305,693	1,093,944	(211,749)	-	1,093,944
Use of money and property	412,300	412,300	405,492	(6,808)	(51,435)	354,057
Miscellaneous receipts	126,500	180,831	225,198	44,367	-	225,198
Total revenues	30,121,930	30,327,419	29,158,983	(1,168,436)	(39,435)	29,119,548
Expenditures:						
Current operating						
City manager's office	1,376,934	1,648,328	1,536,336	(111,992)	-	1,536,336
Court	1,484,514	1,525,975	1,396,210	(129,765)	-	1,396,210
Human resources	494,228	597,108	523,604	(73,504)	-	523,604
Finance	1,216,044	1,216,044	909,955	(306,089)	-	909,955
Information technology	1,352,077	1,396,138	1,347,406	(48,732)	-	1,347,406
Fire	9,593,401	9,891,069	9,743,067	(148,002)	-	9,743,067
Police	11,671,900	11,749,615	11,722,951	(26,664)	-	11,722,951
Library	1,330,843	1,344,136	1,259,839	(84,297)	-	1,259,839
Public works	1,014,325	1,051,438	983,951	(67,487)	-	983,951
Development services	1,718,359	1,760,532	1,694,855	(65,677)	-	1,694,855
Contingency	600,000	600,000	-	(600,000)	-	-
Special payments	9,152,729	6,552,616	-	(6,552,616)	-	-
Debt Service						
Principal	165,000	165,000	75,000	(90,000)	-	75,000
Interest	100,000	100,000	40,180	(59,820)	-	40,180
Total expenditures	41,270,354	39,597,999	31,233,354	(8,364,645)	-	31,233,354
Excess of revenues over (under) expenditures	(11,148,424)	(9,270,580)	(2,074,371)	7,196,209	(39,435)	(2,113,806)
Other financing sources (uses):						
Transfers in	1,819,092	2,113,153	1,705,588	(407,565)	(12,000)	1,693,588
Transfers out	(565,752)	(2,074,511)	(1,501,909)	572,602	-	(1,501,909)
Total other financing sources (uses)	1,253,340	38,642	203,679	165,037	(12,000)	191,679
Net change in fund balances	(9,895,084)	(9,231,938)	(1,870,692)	7,361,246	(51,435)	(1,922,127)
Fund balance, beginning of year	9,895,084	9,231,938	9,231,938	-	45,613	9,277,551
Fund balance, end of year	\$ -	\$ -	\$ 7,361,246	\$ 7,361,246	\$ (5,822)	\$ 7,355,424

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, 2009

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenues	\$ 740,435	\$ 2,860,077	\$ 1,059,237	\$ (1,800,840)	\$ 114,561	\$ 1,173,798
Use of money and property	-	-	22,539	22,539	-	22,539
Total revenues	<u>740,435</u>	<u>2,860,077</u>	<u>1,081,776</u>	<u>(1,778,301)</u>	<u>114,561</u>	<u>1,196,337</u>
Expenditures:						
Current operating						
Finance	16,175	16,030	16,030	-	-	16,030
Development services	456,324	2,791,047	1,187,360	(1,603,687)	-	1,187,360
Capital projects	<u>565,658</u>	<u>53,000</u>	<u>2,501</u>	<u>(50,499)</u>	<u>-</u>	<u>2,501</u>
Total expenditures	<u>1,038,157</u>	<u>2,860,077</u>	<u>1,205,891</u>	<u>(1,654,186)</u>	<u>-</u>	<u>1,205,891</u>
Excess of revenues over (under) expenditures	(297,722)	-	(124,115)	(124,115)	114,561	(9,554)
Other financing sources (uses):						
Transfer out	-	(138,256)	-	138,256	-	-
Net change in fund balances	(297,722)	(138,256)	(124,115)	14,141	114,561	(9,554)
Fund balance, beginning of year	<u>297,722</u>	<u>138,256</u>	<u>138,256</u>	<u>-</u>	<u>-</u>	<u>138,256</u>
Fund balance, end of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>14,141</u>	\$ <u>14,141</u>	\$ <u>114,561</u>	\$ <u>128,702</u>

City of Springfield, Oregon

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2009

SCHEDULE OF FUNDING PROGRESS

Schedule of OPEB Funding Progress

Other Post Employment Benefits schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2006	\$ -	\$ 6,469,229	\$ 6,469,229	0%	\$ 24,377,875	27%
7/1/2008	-	8,929,996	8,929,996	0%	28,602,068	31%

Schedule of CRP Funding Progress

City Retirement Plan schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2006	\$ 18,447,240	\$ 27,011,984	\$ 8,564,744	68.3%	\$ 3,299,007	260%
7/1/2008	20,873,921	30,276,437	9,402,516	68.9%	3,017,170	312%

This page intentionally left blank.

Other Supplementary Information

This page intentionally left blank.

**Nonmajor Governmental Funds
Combining Statements**

This page intentionally left blank.

City of Springfield, Oregon

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

June 30, 2009

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 4,817,270	\$ 6,555,797	\$ 1,361,584	\$ 12,734,651
Receivables:				
Accounts	621,934	4,828	-	626,762
Taxes	535,285	-	251,862	787,147
Grants	77,761	-	-	77,761
Accrued interest	21,372	34,330	13,908	69,610
Assessments and liens	-	42,202	21,118	63,320
Mortgage notes	8,409	-	-	8,409
Inventory	50,535	-	-	50,535
Prepaid items	200	-	-	200
Deposits	<u>118,673</u>	<u>-</u>	<u>-</u>	<u>118,673</u>
 Total assets	 <u>\$ 6,251,439</u>	 <u>\$ 6,637,157</u>	 <u>\$ 1,648,472</u>	 <u>\$ 14,537,068</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 117,378	\$ 87,385	\$ 11,760	\$ 216,523
Accrued payroll and other liabilities	282,869	1,782	238	284,889
Deferred revenue	542,391	42,202	266,651	851,244
Due to other fund	<u>175,587</u>	<u>-</u>	<u>-</u>	<u>175,587</u>
 Total liabilities	 <u>1,118,225</u>	 <u>131,369</u>	 <u>278,649</u>	 <u>1,528,243</u>
 Fund Balances:				
Reserved for:				
Inventory	50,535	-	-	50,535
Bicycle trails	61,712	-	-	61,712
Library	41,817	-	-	41,817
Deposits	118,673	-	-	118,673
Police forfeitures	495,903	-	-	495,903
Transportation	163,501	4,226,876	-	4,390,377
Unreserved	<u>4,201,073</u>	<u>2,278,912</u>	<u>1,369,823</u>	<u>7,849,808</u>
 Total fund balances	 <u>5,133,214</u>	 <u>6,505,788</u>	 <u>1,369,823</u>	 <u>13,008,825</u>
 Total liabilities and fund balances	 <u>\$ 6,251,439</u>	 <u>\$ 6,637,157</u>	 <u>\$ 1,648,472</u>	 <u>\$ 14,537,068</u>

City of Springfield, Oregon

NONMAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year ended June 30, 2009

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 7,594,943	\$ -	\$ 3,346,555	\$ 10,941,498
Licenses, permits and fees	202,309	-	-	202,309
Intergovernmental revenues	2,999,573	27,463	-	3,027,036
Charges for services	2,079,923	464,155	-	2,544,078
Fines and forfeitures	191,483	-	-	191,483
Use of money and property	149,725	189,582	78,838	418,145
Special assessments	-	4,926	6,758	11,684
Miscellaneous receipts	177,865	20,870	-	198,735
Total revenues	<u>13,395,821</u>	<u>706,996</u>	<u>3,432,151</u>	<u>17,534,968</u>
Expenditures:				
Current operating:				
General government	642,694	70,727	17,493	730,914
Fire	1,245,704	-	-	1,245,704
Police	2,415,549	-	-	2,415,549
Library	94,709	-	-	94,709
Public works	6,275,376	444,978	-	6,720,354
Development services	1,702,315	-	-	1,702,315
Capital projects	-	1,264,872	-	1,264,872
Debt service				
Principal	-	-	1,955,047	1,955,047
Interest	882	-	1,349,754	1,350,636
Total expenditures	<u>12,377,229</u>	<u>1,780,577</u>	<u>3,322,294</u>	<u>17,480,100</u>
Excess of revenues over (under) expenditures	<u>1,018,592</u>	<u>(1,073,581)</u>	<u>109,857</u>	<u>54,868</u>
Other financing sources (uses)				
Transfers in	2,523,224	643,917	99,178	3,266,319
Transfers out	<u>(2,490,321)</u>	<u>(248,897)</u>	<u>(558,135)</u>	<u>(3,297,353)</u>
Total other financing sources (uses)	<u>32,903</u>	<u>395,020</u>	<u>(458,957)</u>	<u>(31,034)</u>
Net change in fund balances	1,051,495	(678,561)	(349,100)	23,834
Fund balance, beginning of year	<u>4,119,499</u>	<u>7,184,349</u>	<u>1,718,923</u>	<u>13,022,771</u>
Change in reserve for inventory	<u>(37,780)</u>	<u>-</u>	<u>-</u>	<u>(37,780)</u>
Fund balance, end of year	<u>\$ 5,133,214</u>	<u>\$ 6,505,788</u>	<u>\$ 1,369,823</u>	<u>\$ 13,008,825</u>

Special Revenue Funds

Combining statements for all individual nonmajor special revenue funds are reported here. The combined totals are reported in the combining nonmajor governmental fund statements. Fund statements for major special revenue funds are reported in the basic financial statements.

Schedules of revenues, expenses, and changes in fund balance – budget and actual are presented here for each individual nonmajor special revenue fund. Budget and actual comparisons for major special revenue funds are reported as required supplementary information.

Major Special Revenue Funds:

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

Nonmajor Special Revenue Funds:

Street Fund – This 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.

Special Revenue Fund – This fund accounts for the receipt of 911 taxes collected to provide an emergency communications system and the receipt and expenditure of grant monies from various state and federal government agencies.

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

Building Code Fund – This fund accounts for the dedicated revenues generated in providing building permit and inspection services.

SEDA Glenwood Fund – This fund accounts for the general fund of the Springfield Economic Development Agency Glenwood Urban Renewal District.

SEDA Downtown Fund – This fund accounts for the general fund of the Springfield Economic Development Agency Downtown Urban Renewal District.

Fire Local Option Levy – This fund accounts for revenue received from a 4-year Fire Local Option Levy to restore staffing to Fire Station #3.

Police Local Option Levy – This fund accounts for revenue received from a 4-year Police Local Option Levy to enhance public safety services by adding staff to the Police and Court Departments.

Jail Operations Fund – This fund accounts for revenues and expenditures associated with the operations of the Springfield Jail.

River Bend Fund – This fund accounts for revenues from the developer and expenditures related to the planning and building activities for the construction of a major hospital.

This page intentionally left blank.

City of Springfield, Oregon

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

June 30, 2009

ASSETS	Street	Special Revenue	Transient Room Tax	Building	SEDA Glenwood	SEDA Downtown	Fire Levy	Police Levy	Jail Operations	RiverBend	Total
Cash and investments	\$ -	\$ 561,658	\$ 94,842	\$ 1,498,173	\$ 9,098	\$ 2,080	\$ 672,320	\$ 607,344	\$ 1,371,755	\$ -	\$ 4,817,270
Receivables:											
Taxes	302,865	-	-	-	11,304	3,935	74,213	142,968	-	-	535,285
Accounts	434,720	-	62,091	-	-	-	-	-	-	125,123	621,934
Accrued interest	884	-	586	9,453	-	237	3,172	3,896	3,144	-	21,372
Mortgage notes	-	8,409	-	-	-	-	-	-	-	-	8,409
Grants	52,141	25,620	-	-	-	-	-	-	-	-	77,761
Inventory	50,535	-	-	-	-	-	-	-	-	-	50,535
Prepaid items	-	200	-	-	-	-	-	-	-	-	200
Deposits	-	118,673	-	-	-	-	-	-	-	-	118,673
Total assets	\$ 841,145	\$ 714,560	\$ 157,519	\$ 1,507,626	\$ 20,402	\$ 6,252	\$ 749,705	\$ 754,208	\$ 1,374,899	\$ 125,123	\$ 6,251,439
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ 51,067	\$ 7,289	\$ 3,781	\$ 3,165	\$ 6,348	\$ 2,293	\$ 155	\$ 1,678	\$ 4,017	\$ 37,585	\$ 117,378
Accrued payroll and other liabilities	114,704	2,803	5,191	33,402	-	-	33,051	70,088	23,630	-	282,869
Deferred revenue	311,577	8,409	-	-	10,640	3,745	71,277	136,743	-	-	542,391
Due to other funds	88,049	-	-	-	-	-	-	-	-	87,538	175,587
Total liabilities	565,397	18,501	8,972	36,567	16,988	6,038	104,483	208,509	27,647	125,123	1,118,225
Fund balances:											
Reserved for:											
Inventory	50,535	-	-	-	-	-	-	-	-	-	50,535
Bicycle trails	61,712	-	-	-	-	-	-	-	-	-	61,712
Library	-	41,817	-	-	-	-	-	-	-	-	41,817
Deposits	-	118,673	-	-	-	-	-	-	-	-	118,673
Police forfeitures	-	495,903	-	-	-	-	-	-	-	-	495,903
Unreserved	163,501	39,666	148,547	1,471,059	3,414	214	645,222	545,699	1,347,252	-	4,364,574
Total fund balances	275,748	696,059	148,547	1,471,059	3,414	214	645,222	545,699	1,347,252	-	5,133,214
Total liabilities and fund balances	\$ 841,145	\$ 714,560	\$ 157,519	\$ 1,507,626	\$ 20,402	\$ 6,252	\$ 749,705	\$ 754,208	\$ 1,374,899	\$ 125,123	\$ 6,251,439

City of Springfield, Oregon

Nonmajor Special Revenue Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

June 30, 2009

	Street	Special Revenue	Transient Room Tax	Building	SEDA Glenwood	SEDA Downtown	Fire Levy	Police Levy	Jail Operations	RiverBend	Total
Revenues:											
Taxes	\$ 1,073,696	\$ 309,114	\$ 771,994	\$ -	\$ 344,120	\$ 140,700	\$ 1,347,695	\$ 3,607,624	\$ -	\$ -	\$ 7,594,943
Licenses and fees	145,142	-	-	-	-	-	-	-	57,167	-	202,309
Intergovernmental	2,758,376	239,600	-	-	1,523	74	-	-	-	-	2,999,573
Charges for services	381,920	-	-	910,257	-	-	-	-	-	787,746	2,079,923
Fines and forfeitures	-	191,483	-	-	-	-	-	-	-	-	191,483
Use of money and property	33,382	-	2,960	52,920	240	1,670	18,378	20,247	19,928	-	149,725
Miscellaneous receipts	107,369	64,154	2,252	4,090	-	-	-	-	-	-	177,865
Total revenues	4,499,885	804,351	777,206	967,267	345,883	142,444	1,366,073	3,627,871	77,095	787,746	13,395,821
Expenditures:											
Current operating:											
General government:											
City manager's office	1,881	15,297	230,293	-	100,837	105,232	-	-	-	-	453,540
Court	-	-	-	-	-	-	-	171,655	-	-	171,655
Finance	-	-	-	-	12,349	5,150	-	-	-	-	17,499
Fire	-	112,349	-	-	-	-	1,133,355	-	-	-	1,245,704
Police	-	481,602	-	-	-	-	-	1,785,892	148,055	-	2,415,549
Library	-	49,652	45,057	-	-	-	-	-	-	-	94,709
Public works	5,247,687	104,034	36,743	-	99,166	-	-	-	-	787,746	6,275,376
Development services	58,045	89,780	47,555	1,467,087	-	39,848	-	-	-	-	1,702,315
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	882	-	-	-	-	-	882
Total expenditures	5,307,613	852,714	359,648	1,467,087	213,234	150,230	1,133,355	1,957,547	148,055	787,746	12,377,229
Excess of revenues over (under) expenditures	(807,728)	(48,363)	417,558	(499,820)	132,649	(7,786)	232,718	1,670,324	(70,960)	-	1,018,592
Other financing sources (uses):											
Transfers in	190,683	529,877	15,000	-	480,000	8,000	-	-	1,299,664	-	2,523,224
Transfers out	-	(15,000)	(465,935)	(54,287)	(655,435)	-	-	(1,299,664)	-	-	(2,490,321)
Total other financing sources (uses)	190,683	514,877	(450,935)	(54,287)	(175,435)	8,000	-	(1,299,664)	1,299,664	-	32,903
Net change in fund balances	(617,045)	466,514	(33,377)	(554,107)	(42,786)	214	232,718	370,660	1,228,704	-	1,051,495
Fund balances, beginning of year	930,573	229,545	181,924	2,025,166	46,200	-	412,504	175,039	118,548	-	4,119,499
Change in reserve for inventory	(37,780)	-	-	-	-	-	-	-	-	-	(37,780)
Fund balances, end of year	275,748	696,059	148,547	1,471,059	3,414	214	645,222	545,699	1,347,252	-	5,133,214

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, 2009

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,187,847	\$ 1,187,847	\$ 1,073,696	\$ (114,151)	\$ -	\$ 1,073,696
Licenses and permits	94,914	169,914	145,142	(24,772)	-	145,142
Use of money and property	22,000	22,000	37,156	15,156	(3,774)	33,382
Intergovernmental revenue	2,941,360	3,211,360	2,758,376	(452,984)	-	2,758,376
Charges for services	398,169	398,169	381,920	(16,249)	-	381,920
Miscellaneous receipts	81,820	81,820	107,369	25,549	-	107,369
Total revenues	4,726,110	5,071,110	4,503,659	(567,451)	(3,774)	4,499,885
Expenditures:						
Current operating:						
City manager's office	1,881	1,881	1,881	-	-	1,881
Public works	5,687,904	5,941,556	5,247,687	(693,869)	-	5,247,687
Development services	58,503	58,503	58,045	(458)	-	58,045
Special payments	85,125	83,908	-	(83,908)	-	-
Total expenditures	5,833,413	6,085,848	5,307,613	(778,235)	-	5,307,613
Excess of revenues over (under) expenditures	(1,107,303)	(1,014,738)	(803,954)	210,784	(3,774)	(807,728)
Other financing sources (uses):						
Transfers in	91,500	176,168	190,683	14,515	-	190,683
Net change in fund balances	(1,015,803)	(838,570)	(613,271)	225,299	(3,774)	(617,045)
Fund balance, beginning of year	1,015,803	838,570	838,570	-	92,003	930,573
Change in reserve for inventory	-	-	-	-	(37,780)	(37,780)
Fund balance, end of year	\$ -	\$ -	\$ 225,299	\$ 225,299	\$ 50,449	\$ 275,748

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, 2009

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 285,000	\$ 300,000	\$ 309,114	\$ 9,114	\$ -	\$ 309,114
Fines and forfeitures	-	-	191,483	191,483	-	191,483
Intergovernmental revenue	332,939	333,381	239,600	(93,781)	-	239,600
Miscellaneous receipts	6,020	46,570	64,154	17,584	-	64,154
Total revenues	623,959	679,951	804,351	124,400	-	804,351
Expenditures:						
Current operating						
City manager's office	18,166	18,166	15,297	(2,869)	-	15,297
Fire	140,653	148,945	112,349	(36,596)	-	112,349
Police	472,654	665,253	481,602	(183,651)	-	481,602
Library	26,569	67,119	49,652	(17,467)	-	49,652
Public works	176,065	176,065	104,034	(72,031)	-	104,034
Development services	185,437	198,313	89,780	(108,533)	-	89,780
Special payments	62,599	123,744	-	(123,744)	-	-
Total expenditures	1,082,143	1,397,605	852,714	544,891	-	852,714
Excess of revenues over (under) expenditures	(458,184)	(717,654)	(48,363)	669,291	-	(48,363)
Other financing sources (uses):						
Transfers in	360,502	503,109	529,877	26,768	-	529,877
Transfers out	-	(15,000)	(15,000)	-	-	(15,000)
Total other financing sources (uses)	360,502	488,109	514,877	26,768	-	514,877
Net change in fund balances	(97,682)	(229,545)	466,514	696,059	-	466,514
Fund balance, beginning of year	97,682	229,545	229,545	-	-	229,545
Fund balance, end of year	\$ -	\$ -	\$ 696,059	\$ 696,059	\$ -	\$ 696,059

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, 2009

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 836,100	\$ 836,100	\$ 771,994	\$ (64,106)	\$ -	\$ 771,994
Use of money and property	3,000	3,000	3,780	780	(820)	2,960
Miscellaneous receipts	-	-	2,252	2,252	-	2,252
Total revenues	839,100	839,100	778,026	(61,074)	(820)	777,206
Expenditures:						
Current operating						
City managers office	255,217	255,217	230,293	(24,924)	-	230,293
Library	40,131	55,170	45,057	(10,113)	-	45,057
Public works	36,743	36,743	36,743	-	-	36,743
Development services	47,555	47,555	47,555	-	-	47,555
Special payments	53,034	121,076	-	(121,076)	-	-
Total expenditures	432,680	515,761	359,648	(156,113)	-	359,648
Excess of revenues over (under) expenditures	406,420	323,339	418,378	95,039	(820)	417,558
Other financing sources (uses):						
Transfers in	-	-	15,000	15,000	-	15,000
Transfers out	(504,500)	(504,500)	(465,935)	38,565	-	(465,935)
Total other financing sources (uses)	(504,500)	(504,500)	(450,935)	53,565	-	(450,935)
Net change in fund balances	(98,080)	(181,161)	(32,557)	148,604	(820)	(33,377)
Fund balance, beginning of year	98,080	181,161	181,161	-	763	181,924
Fund balance, end of year	\$ -	\$ -	\$ 148,604	\$ 148,604	\$ (57)	\$ 148,547

City of Springfield, Oregon

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

Year Ended June 30, 2009

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money & property	\$ 38,000	\$ 38,000	\$ 61,314	\$ 23,314	\$ (8,394)	\$ 52,920
Charges for services	1,358,500	1,358,500	910,257	(448,243)	-	910,257
Miscellaneous receipts	-	-	4,090	4,090	-	4,090
Total revenues	1,396,500	1,396,500	975,661	(420,839)	(8,394)	967,267
Expenditures:						
Current operating:						
Development services	1,991,743	2,026,743	1,467,087	(559,656)	-	1,467,087
Special payments	938,721	1,333,155	-	(1,333,155)	-	-
Total expenditures	2,930,464	3,359,898	1,467,087	(1,892,811)	-	1,467,087
Excess of revenues over (under) expenditures	(1,533,964)	(1,963,398)	(491,426)	1,471,972	(8,394)	(499,820)
Other financing sources (uses):						
Transfer out	(54,287)	(54,287)	(54,287)	-	-	(54,287)
Net change in fund balances	(1,588,251)	(2,017,685)	(545,713)	1,471,972	(8,394)	(554,107)
Fund balance, beginning of year	1,588,251	2,017,685	2,017,685	-	7,481	2,025,166
Fund balance, end of year	\$ -	\$ -	\$ 1,471,972	\$ 1,471,972	\$ (913)	\$ 1,471,059

City of Springfield, Oregon

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

Year Ended June 30, 2009

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 376,996	\$ 376,996	\$ 344,332	\$ (32,664)	\$ (212)	\$ 344,120
Use of money and property	5,000	5,000	240	(4,760)	-	240
Intergovernmental revenue	-	-	1,523	1,523	-	1,523
Total revenues	381,996	381,996	346,095	(35,901)	(212)	345,883
Expenditures:						
Current operating:						
City manager's office	580,561	348,211	100,837	(247,374)	-	100,837
Finance	-	12,350	12,349	(1)	-	12,349
Public works	85,000	268,000	99,166	(168,834)	-	99,166
Development services	40,000	40,000	-	(40,000)	-	-
Special payments	50,000	45,988	-	(45,988)	-	-
Debt service						
Interest	18,000	18,000	882	(17,118)	-	882
Total expenditures	773,561	732,549	213,234	(519,315)	-	213,234
Excess of revenues over (under) expenditures	(391,565)	(350,553)	132,861	483,414	(212)	132,649
Other financing sources (uses):						
Interfund loan proceeds and repayments	-	1,000,000	480,000	(520,000)	(480,000)	-
Interfund loan issued and repaid	(90,000)	(90,000)	(50,000)	40,000	50,000	-
Transfers in	1,000,000	-	-	-	480,000	480,000
Transfers out	(568,435)	(605,435)	(605,435)	-	(50,000)	(655,435)
Total other financing sources (uses)	341,565	304,565	(175,435)	(480,000)	-	(175,435)
Net change in fund balances	(50,000)	(45,988)	(42,574)	3,414	(212)	(42,786)
Fund balance, beginning of year	50,000	45,988	45,988	-	212	46,200
Fund balance, end of year	\$ -	\$ -	\$ 3,414	\$ 3,414	\$ -	\$ 3,414

City of Springfield, Oregon

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

Year Ended June 30, 2009

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 48,500	\$ 123,500	\$ 140,723	\$ 17,223	\$ (23)	\$ 140,700
Use of money and property	1,500	1,500	1,670	170	-	1,670
Intergovernmental revenue	-	-	74	74	-	74
Total revenues	50,000	125,000	142,467	17,467	(23)	142,444
Expenditures:						
Current operating:						
City manager's office	50,000	118,850	105,232	(13,618)	-	105,232
Finance	-	6,150	5,150	(1,000)	-	5,150
Development services	-	303,000	39,848	(263,152)	-	39,848
Total expenditures	50,000	428,000	150,230	(277,770)	-	150,230
Excess of revenues over (under) expenditures	-	(303,000)	(7,763)	295,237	(23)	(7,786)
Other financing sources (uses):						
Interfund loan proceeds and repayments	-	303,000	8,000	(295,000)	(8,000)	-
Transfers in	-	-	-	-	8,000	8,000
Total other financing sources (uses)	-	303,000	8,000	(295,000)	-	8,000
Net change in fund balances	-	-	237	237	(23)	214
Fund balance, beginning of year	-	-	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 237	\$ 237	\$ (23)	\$ 214

City of Springfield, Oregon

FIRE LOCAL OPTION LEVY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2009

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,373,474	\$ 1,373,474	\$ 1,347,695	\$ (25,779)	\$ -	\$ 1,347,695
Use of money and property	15,000	15,000	20,609	5,609	(2,231)	18,378
Intergovernmental revenue	-	3,470	-	(3,470)	-	-
Total revenues	1,388,474	1,391,944	1,368,304	(23,640)	(2,231)	1,366,073
Expenditures:						
Current operating:						
Fire	1,237,595	1,255,765	1,133,355	(122,410)	-	1,133,355
Special payments	685,432	546,758	-	(546,758)	-	-
Total expenditures	1,923,027	1,802,523	1,133,355	(669,168)	-	1,133,355
Net change in fund balances	(534,553)	(410,579)	234,949	645,528	(2,231)	232,718
Fund balance, beginning of year	534,553	410,579	410,579	-	1,925	412,504
Fund balance, end of year	\$ -	\$ -	\$ 645,528	\$ 645,528	\$ (306)	\$ 645,222

City of Springfield, Oregon

POLICE LOCAL OPTION LEVY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2009

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 3,723,217	\$ 3,723,217	\$ 3,607,624	\$ (115,593)	\$ -	\$ 3,607,624
Use of money and property	60,000	60,000	25,175	(34,825)	(4,928)	20,247
Total revenues	<u>3,783,217</u>	<u>3,783,217</u>	<u>3,632,799</u>	<u>(150,418)</u>	<u>(4,928)</u>	<u>3,627,871</u>
Expenditures:						
Current operating:						
Police	1,953,737	1,831,737	1,785,892	(45,845)	-	1,785,892
Court	212,109	212,109	171,655	(40,454)	-	171,655
Special payments	<u>739,126</u>	<u>577,834</u>	<u>-</u>	<u>(577,834)</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,904,972</u>	<u>2,621,680</u>	<u>1,957,547</u>	<u>(664,133)</u>	<u>-</u>	<u>1,957,547</u>
Excess of revenues over (under) expenditures	878,245	1,161,537	1,675,252	513,715	(4,928)	1,670,324
Other financing sources (uses):						
Transfers out	<u>(1,150,724)</u>	<u>(1,332,024)</u>	<u>(1,299,664)</u>	<u>32,360</u>	<u>-</u>	<u>(1,299,664)</u>
Net change in fund balances	(272,479)	(170,487)	375,588	546,075	(4,928)	370,660
Fund balance, beginning of year	<u>272,479</u>	<u>170,487</u>	<u>170,487</u>	<u>-</u>	<u>4,552</u>	<u>175,039</u>
Fund balance, end of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>546,075</u>	\$ <u>546,075</u>	\$ <u>(376)</u>	\$ <u>545,699</u>

City of Springfield, Oregon

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

Year Ended June 30, 2009

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money & property	\$ 1,500	\$ 1,500	\$ 20,534	\$ 19,034	\$ (606)	\$ 19,928
Licenses and fees	<u>75,000</u>	<u>75,000</u>	<u>57,167</u>	<u>(17,833)</u>	<u>-</u>	<u>57,167</u>
Total revenues	<u>76,500</u>	<u>76,500</u>	<u>77,701</u>	<u>1,201</u>	<u>(606)</u>	<u>77,095</u>
Expenditures:						
Current operating						
Police	-	181,300	148,055	(33,245)	-	148,055
Special payments	<u>1,343,688</u>	<u>1,345,470</u>	<u>-</u>	<u>(1,345,470)</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,343,688</u>	<u>1,526,770</u>	<u>148,055</u>	<u>(1,378,715)</u>	<u>-</u>	<u>148,055</u>
Excess of revenues over (under) expenditures	(1,267,188)	(1,450,270)	(70,354)	1,379,916	(606)	(70,960)
Other financing sources (uses):						
Operating transfers in	<u>1,150,724</u>	<u>1,332,024</u>	<u>1,299,664</u>	<u>(32,360)</u>	<u>-</u>	<u>1,299,664</u>
Net change in fund balance	(116,464)	(118,246)	1,229,310	1,347,556	(606)	1,228,704
Fund balance, beginning of year	<u>116,464</u>	<u>118,246</u>	<u>118,246</u>	<u>-</u>	<u>302</u>	<u>118,548</u>
Fund balance, end of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,347,556</u>	\$ <u>1,347,556</u>	\$ <u>(304)</u>	\$ <u>1,347,252</u>

City of Springfield, Oregon

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

Year Ended June 30, 2009

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ -	\$ 813,000	\$ 787,746	\$ (25,254)	\$ -	\$ 787,746
Expenditures:						
Current operating:						
Public works	-	813,000	787,746	(25,254)	-	787,746
Net change in fund balances	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Debt Service Funds

Combining statements for all individual nonmajor debt service funds are reported here. The combined totals are reported in the combining nonmajor governmental fund statements. The city has no major debt service funds.

Schedules of revenues, expenses, and changes in fund balance – budget and actual are presented here for each individual debt service fund.

Nonmajor 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.

This page intentionally left blank.

City of Springfield, Oregon

NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET

June 30, 2009

	General Obligation Debt Service	Bancroft Redemption	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$ 584,936	\$ 776,648	\$ 1,361,584
Receivables:			
Property taxes	248,779	3,083	251,862
Assessments and liens	-	21,118	21,118
Accrued interest	<u>7,890</u>	<u>6,018</u>	<u>13,908</u>
Total assets	<u>\$ 841,605</u>	<u>\$ 806,867</u>	<u>\$ 1,648,472</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts and contracts payable	\$ 11,760	\$ -	\$ 11,760
Accrued payroll and related liabilities	-	238	238
Deferred revenues	<u>242,450</u>	<u>24,201</u>	<u>266,651</u>
Total liabilities	<u>254,210</u>	<u>24,439</u>	<u>278,649</u>
Fund balances:			
Unreserved	<u>587,395</u>	<u>782,428</u>	<u>1,369,823</u>
Total fund balances	<u>587,395</u>	<u>782,428</u>	<u>1,369,823</u>
Total liabilities and fund balances	<u>\$ 841,605</u>	<u>\$ 806,867</u>	<u>\$ 1,648,472</u>

City of Springfield, Oregon

NONMAJOR DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended June 30, 2009

	General Obligation Debt Service	Bancroft Redemption	Total
Revenues:			
Taxes	\$ 3,346,519	\$ 36	\$ 3,346,555
Use of money and property	45,455	33,383	78,838
Special assessments	<u>-</u>	<u>6,758</u>	<u>6,758</u>
Total revenues	<u>3,391,974</u>	<u>40,177</u>	<u>3,432,151</u>
Expenditures:			
Current operating:			
Finance	-	17,493	17,493
Debt service:			
Principal	1,955,047	-	1,955,047
Interest	<u>1,349,754</u>	<u>-</u>	<u>1,349,754</u>
Total expenditures	<u>3,304,801</u>	<u>17,493</u>	<u>3,322,294</u>
Excess of revenues over (under) expenditures	<u>87,173</u>	<u>22,684</u>	<u>109,857</u>
Other financing sources (uses):			
Transfers in	81,685	17,493	99,178
Transfers out	<u>-</u>	<u>(558,135)</u>	<u>(558,135)</u>
Total other financing sources (uses)	<u>81,685</u>	<u>(540,642)</u>	<u>(458,957)</u>
Net change in fund balances	168,858	(517,958)	(349,100)
Fund balances, beginning of year	<u>418,537</u>	<u>1,300,386</u>	<u>1,718,923</u>
Fund balances, end of year	<u>\$ 587,395</u>	<u>\$ 782,428</u>	<u>\$ 1,369,823</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, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 3,322,695	\$ 3,322,695	\$ 3,346,521	\$ 23,826	\$ -	\$ 3,346,519
Use of money and property	20,000	20,000	51,253	31,253	(5,798)	45,455
Total revenues	<u>3,342,695</u>	<u>3,342,695</u>	<u>3,397,774</u>	<u>55,079</u>	<u>(5,798)</u>	<u>3,391,974</u>
Expenditures:						
Debt service:						
Principal	1,955,048	1,955,048	1,955,047	(1)	-	1,955,047
Interest	1,349,755	1,349,755	1,349,754	(1)	-	1,349,754
Bond issue costs	-	135,000	94,446	(40,554)	(94,446)	-
Unappropriated fund balance	496,890	533,078	-	(533,078)	-	-
Total expenditures	<u>3,801,693</u>	<u>3,972,881</u>	<u>3,399,247</u>	<u>(573,634)</u>	<u>(94,446)</u>	<u>3,304,801</u>
Excess of revenues over (under) expenditures	(458,998)	(630,186)	(1,473)	628,713	88,648	87,173
Other financing sources (uses):						
Revenue bond proceeds	-	135,000	94,446	(40,554)	(94,446)	-
Transfers in	81,685	81,685	81,685	-	-	81,685
Total other financing sources (uses)	<u>81,685</u>	<u>216,685</u>	<u>176,131</u>	<u>(40,554)</u>	<u>(94,446)</u>	<u>81,685</u>
Net change in fund balances	<u>(377,313)</u>	<u>(413,501)</u>	<u>174,658</u>	<u>588,159</u>	<u>(5,798)</u>	<u>168,858</u>
Fund balance, beginning of year	<u>377,313</u>	<u>413,501</u>	<u>413,501</u>	<u>-</u>	<u>5,036</u>	<u>418,537</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 588,159</u>	<u>\$ 588,159</u>	<u>\$ (762)</u>	<u>\$ 587,395</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, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ -	\$ -	\$ 36	\$ 36	\$ -	\$ 36
Use of money and property	45,000	45,000	40,309	(4,691)	(6,926)	33,383
Special assessments	75,000	75,000	6,758	(68,242)	-	6,758
Total revenues	120,000	120,000	47,103	(72,897)	(6,926)	40,177
Expenditures:						
Current operating:						
Finance	19,809	19,809	17,493	(2,316)	-	17,493
Special payments	783,769	789,041	-	(789,041)	-	-
Total expenditures	803,578	808,850	17,493	(791,357)	-	17,493
Excess of revenues over (under) expenditures	(683,578)	(688,850)	29,610	718,460	(6,926)	22,684
Other financing sources (uses):						
Transfers in	19,809	19,809	17,493	(2,316)	-	17,493
Transfers out	(625,000)	(625,000)	(558,135)	66,865	-	(558,135)
Total other financing sources (uses)	(605,191)	(605,191)	(540,642)	64,549	-	(540,642)
Net change in fund balances	(1,288,769)	(1,294,041)	(511,032)	783,009	(6,926)	(517,958)
Fund balance, beginning of year	1,288,769	1,294,041	1,294,041	-	6,345	1,300,386
Fund balance, end of year	\$ -	\$ -	\$ 783,009	\$ 783,009	\$ (581)	\$ 782,428

Capital Projects Funds

The City has five nonmajor capital projects funds. The combining Balance Sheet and the combining Statement of Revenues, Expenditures and Changes in Fund Balance for these funds are presented here. The combined totals are reported on the combining nonmajor governmental fund statements. Fund statements for the two major capital projects funds are reported in the basic financial statements.

Schedules of revenues, expenses, and changes in fund balance – budget and actual are presented here for each individual capital projects fund.

Major Capital Projects Fund:

Development Capital Projects Fund – This fund is used to account for costs of constructing and improving city-owned buildings and for infrastructure projects with shared funding. Financing is provided by grants, contracts, intergovernmental revenues, pre-1991 system development charges, and other non-recurring revenues.

Police Building Bond Capital Projects Fund – This fund is used to account for costs of constructing the Justice Center. Financing consists of bond proceeds.

Non major Capital Projects Funds:

Street Capital Fund – This fund accounts for transportation capital improvement costs. Financing is provided by transfers from the Street Fund and interest on investments.

SDC Transportation Reimbursement Fund – This fund accounts for public transportation improvements supported by reimbursement system development charges.

SDC Transportation Improvement Fund – This fund accounts for local capacity-increasing public transportation improvements supported by system development charges.

Development Assessments Capital Projects Fund – This fund is used to account for costs of constructing public improvements. Financing is provided by assessing benefiting property owners.

Springfield Economic Development Agency Glenwood Capital Projects Fund – This fund is used to account for capital projects undertaken by the Springfield Economic Development Agency in Glenwood. Tax increment financing is in place.

This page intentionally left blank.

City of Springfield, Oregon

Nonmajor Capital Projects Funds
BALANCE SHEET

June 30, 2009

	Street Capital	Transportation Reimbursement SDC	Transportation Improvement SDC	Development Assessments Capital Projects	SEDA Glenwood Capital Projects	Total
ASSETS						
Cash and investments	\$ 757,436	\$ 478,611	\$ 3,048,842	\$ 1,531,010	\$ 739,898	\$ 6,555,797
Receivables:						
Accounts	-	-	4,828	-	-	4,828
Assessments and liens	-	-	-	42,202	-	42,202
Accrued interest	<u>6,125</u>	<u>2,916</u>	<u>15,503</u>	<u>8,103</u>	<u>1,683</u>	<u>34,330</u>
Total assets	<u>\$ 763,561</u>	<u>\$ 481,527</u>	<u>\$ 3,069,173</u>	<u>\$ 1,581,315</u>	<u>\$ 741,581</u>	<u>\$ 6,637,157</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts and contracts payable	\$ 12,668	\$ 13,619	\$ 61,098	-	-	\$ 87,385
Accrued payroll and payroll taxes	-	-	-	1,782	-	1,782
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,202</u>	<u>-</u>	<u>42,202</u>
Total liabilities	<u>12,668</u>	<u>13,619</u>	<u>61,098</u>	<u>43,984</u>	<u>-</u>	<u>131,369</u>
Fund balances:						
Unreserved	<u>750,893</u>	<u>467,908</u>	<u>3,008,075</u>	<u>1,537,331</u>	<u>741,581</u>	<u>6,505,788</u>
Total liabilities and fund balances	<u>\$ 763,561</u>	<u>\$ 481,527</u>	<u>\$ 3,069,173</u>	<u>\$ 1,581,315</u>	<u>\$ 741,581</u>	<u>\$ 6,637,157</u>

City of Springfield, Oregon

Nonmajor Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2009

	Street Capital	Transportation Reimbursement SDC	Transportation Improvement SDC	Development Assessments Capital Projects	SEDA Glenwood Capital Projects	Total
Revenues:						
Intergovernmental revenues	\$ 27,463	\$ -	\$ -	\$ -	\$ -	\$ 27,463
Charges for services	-	89,586	374,569	-	-	464,155
Use of money and property	31,104	15,952	84,644	47,576	10,306	189,582
Special assessments	-	-	-	4,926	-	4,926
Miscellaneous receipts	-	-	20,870	-	-	20,870
Total revenues	58,567	105,538	480,083	52,502	10,306	706,996
Expenditures:						
Current operating:						
General government	-	-	-	70,727	-	70,727
Public works	-	53,553	391,425	-	-	444,978
Capital projects	624,497	193,575	435,000	-	11,800	1,264,872
Total expenditures	624,497	247,128	826,425	70,727	11,800	1,780,577
Excess of revenues over (under) expenditures	(565,930)	(141,590)	(346,342)	(18,225)	(1,494)	(1,073,581)
Other financing sources (uses):						
Transfer in	-	-	30,347	8,135	605,435	643,917
Transfer out	(190,683)	(40,721)	-	(17,493)	-	(248,897)
Total other financing sources (uses)	(190,683)	(40,721)	30,347	(9,358)	605,435	395,020
Net change in fund balances	(756,613)	(182,311)	(315,995)	(27,583)	603,941	(678,561)
Fund balance, beginning of year	1,507,506	650,219	3,324,070	1,564,914	137,640	7,184,349
Fund balance, end of year	\$ 750,893	\$ 467,908	\$ 3,008,075	\$ 1,537,331	\$ 741,581	\$ 6,505,788

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, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 133,000	\$ 133,000	\$ 329,406	\$ 196,406	\$ (38,534)	\$ 290,872
Intergovernmental revenue	2,130,160	2,130,160	-	(2,130,160)	-	-
Charges for services	6,071,382	2,471,828	320,784	(2,151,044)	-	320,784
Miscellaneous receipts	-	2,792	40,267	37,475	-	40,267
Total revenues	8,334,542	4,737,780	690,457	(4,047,323)	(38,534)	651,923
Expenditures:						
Capital projects	10,348,835	13,556,673	4,219,051	(9,337,622)	(12,400)	4,206,651
Special payments	4,096,756	2,635,895	-	(2,635,895)	-	-
Total expenditures	14,445,591	16,192,568	4,219,051	(11,973,517)	(12,400)	4,206,651
Excess of revenues over (under) expenditures	(6,111,049)	(11,454,788)	(3,528,594)	7,926,194	(26,134)	(3,554,728)
Other financing sources (uses):						
Proceeds of debt issuance	-	1,800,000	1,800,000	-	-	1,800,000
Interfund loan proceeds and repayments	-	-	50,000	-	(50,000)	-
Interfund loans issued and repaid	-	(913,000)	(488,000)	425,000	488,000	-
Transfer in	400,000	1,060,275	1,060,275	-	50,000	1,110,275
Transfer out	-	(3,040,517)	(3,040,507)	10	2,552,507	(488,000)
Total other financing sources (uses)	400,000	(1,093,242)	(618,232)	425,010	3,090,507	2,422,275
Net change in fund balances	(5,711,049)	(12,548,030)	(4,146,826)	8,351,204	3,064,373	(1,132,453)
Fund balance, beginning of year	5,711,049	12,548,030	12,548,030	-	(3,006,864)	9,541,166
Fund balance, end of year	\$ -	\$ -	\$ 8,401,204	\$ 8,351,204	\$ 57,509	\$ 8,408,713

City of Springfield, Oregon

POLICE BUILDING BOND CAPITAL PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 500,000	\$ 500,000	\$ 223,435	\$ (276,565)	\$ (149,384)	\$ 74,051
Expenditures:						
Current operating:						
Public works	378,680	636,680	391,828	(244,852)	-	391,828
Capital projects	12,232,390	12,622,390	8,299,237	(4,323,153)	-	8,299,237
Special payments	1,261,673	198,407	-	(198,407)	-	-
Total expenditures	13,872,743	13,457,477	8,691,065	(4,766,412)	-	8,691,065
Net change in fund balances	(13,372,743)	(12,957,477)	(8,467,630)	4,489,847	(149,384)	(8,617,014)
Fund balance, beginning of year	13,372,743	12,957,477	12,957,477	-	89,597	13,047,074
Fund balance, end of year	\$ -	\$ -	\$ 4,489,847	\$ 4,489,847	\$ (59,787)	\$ 4,430,060

City of Springfield, Oregon

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

Year Ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 16,800	\$ 16,800	\$ 39,327	\$ 22,527	\$ (8,223)	\$ 31,104
Intergovernmental revenue	-	-	27,463	27,463	-	27,463
Total revenues	<u>16,800</u>	<u>16,800</u>	<u>66,790</u>	<u>49,990</u>	<u>(8,223)</u>	<u>58,567</u>
Expenditures:						
Capital projects	659,795	1,028,169	624,497	(403,672)	-	624,497
Special payments	<u>372,973</u>	<u>297,822</u>	-	<u>(297,822)</u>	-	-
Total expenditures	<u>1,032,768</u>	<u>1,325,991</u>	<u>624,497</u>	<u>(701,494)</u>	<u>-</u>	<u>624,497</u>
Excess of revenues over (under) expenditures	(1,015,968)	(1,309,191)	(557,707)	751,484	(8,223)	(565,930)
Other financing sources (uses):						
Transfer out	-	<u>(190,684)</u>	<u>(190,683)</u>	<u>1</u>	-	<u>(190,683)</u>
Net change in fund balances	(1,015,968)	(1,499,875)	(748,390)	751,485	(8,223)	(756,613)
Fund balance, beginning of year	<u>1,015,968</u>	<u>1,499,875</u>	<u>1,499,875</u>	<u>-</u>	<u>7,631</u>	<u>1,507,506</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 751,485</u>	<u>\$ 751,485</u>	<u>\$ (592)</u>	<u>\$ 750,893</u>

City of Springfield, Oregon

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

Year Ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 7,400	\$ 7,400	\$ 19,118	\$ 11,718	\$ (3,166)	\$ 15,952
Charges for services	<u>130,000</u>	<u>130,000</u>	<u>89,586</u>	<u>(40,414)</u>	<u>-</u>	<u>89,586</u>
Total revenues	<u>137,400</u>	<u>137,400</u>	<u>108,704</u>	<u>(28,696)</u>	<u>(3,166)</u>	<u>105,538</u>
Expenditures:						
Current operating:						
Public works	53,553	53,553	53,553	-	-	53,553
Capital projects	570,289	690,461	193,575	(496,886)	-	193,575
Special payments	<u>1,080</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>624,922</u>	<u>744,014</u>	<u>247,128</u>	<u>(496,886)</u>	<u>-</u>	<u>247,128</u>
Excess of revenues over (under) expenditures	(487,522)	(606,614)	(138,424)	468,190	(3,166)	(141,590)
Other financing sources (uses):						
Transfer out	<u>(10,374)</u>	<u>(40,721)</u>	<u>(40,721)</u>	<u>-</u>	<u>-</u>	<u>(40,721)</u>
Net change in fund balances	(497,896)	(647,335)	(179,145)	468,190	(3,166)	(182,311)
Fund balance, beginning of year	<u>497,896</u>	<u>647,335</u>	<u>647,335</u>	<u>-</u>	<u>2,884</u>	<u>650,219</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 468,190</u>	<u>\$ 468,190</u>	<u>\$ (282)</u>	<u>\$ 467,908</u>

City of Springfield, Oregon

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

Year Ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 60,000	\$ 60,000	\$ 101,426	\$ 41,426	\$ (16,782)	\$ 84,644
Charges for services	696,453	767,844	379,984	(387,860)	(5,415)	374,569
Miscellaneous receipts	-	20,870	20,870	-	-	20,870
Total revenues	<u>756,453</u>	<u>848,714</u>	<u>502,280</u>	<u>(346,434)</u>	<u>(22,197)</u>	<u>480,083</u>
Expenditures:						
Current operating:						
Public works	227,202	391,425	391,425	-	-	391,425
Capital projects	2,586,972	2,936,543	435,000	(2,501,543)	-	435,000
Special payments	1,021,257	849,636	-	(849,636)	-	-
Total expenditures	<u>3,835,431</u>	<u>4,177,604</u>	<u>826,425</u>	<u>(3,351,179)</u>	<u>-</u>	<u>826,425</u>
Excess of revenues over (under) expenditures	(3,078,978)	(3,328,890)	(324,145)	3,004,745	(22,197)	(346,342)
Other financing sources (uses):						
Transfer in	-	30,347	30,347	-	-	30,347
Net change in fund balances	(3,078,978)	(3,298,543)	(293,798)	3,004,745	(22,197)	(315,995)
Fund balance, beginning of year	<u>3,078,978</u>	<u>3,298,543</u>	<u>3,298,543</u>	<u>-</u>	<u>25,527</u>	<u>3,324,070</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,004,745</u>	<u>\$ 3,004,745</u>	<u>\$ 3,330</u>	<u>\$ 3,008,075</u>

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, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Special assessments	\$ 80,000	\$ 5,000	\$ 4,926	\$ (74)	\$ -	\$ 4,926
Use of money and property	42,000	42,000	54,283	12,283	(6,707)	47,576
Total revenues	<u>122,000</u>	<u>47,000</u>	<u>59,209</u>	<u>12,209</u>	<u>(6,707)</u>	<u>52,502</u>
Expenditures:						
Current operating:						
Finance	95,761	95,761	70,727	(25,034)	-	70,727
Special payments	1,306,303	1,270,670	-	(1,270,670)	-	-
Total expenditures	<u>1,402,064</u>	<u>1,366,431</u>	<u>70,727</u>	<u>(1,295,704)</u>	<u>-</u>	<u>70,727</u>
Excess of revenues over (under) expenditures	<u>(1,280,064)</u>	<u>(1,319,431)</u>	<u>(11,518)</u>	<u>1,307,913</u>	<u>(6,707)</u>	<u>(18,225)</u>
Other financing sources (uses):						
Transfer in	55,250	130,250	8,135	(122,115)	-	8,135
Transfer out	(369,809)	(369,809)	(17,493)	352,316	-	(17,493)
Total other financing sources (uses)	<u>(314,559)</u>	<u>(239,559)</u>	<u>(9,358)</u>	<u>230,201</u>	<u>-</u>	<u>(9,358)</u>
Net change in fund balances	<u>(1,594,623)</u>	<u>(1,558,990)</u>	<u>(20,876)</u>	<u>1,538,114</u>	<u>(6,707)</u>	<u>(27,583)</u>
Fund balance, beginning of year	<u>1,594,623</u>	<u>1,558,990</u>	<u>1,558,990</u>	<u>-</u>	<u>5,924</u>	<u>1,564,914</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,538,114</u>	<u>\$ 1,538,114</u>	<u>\$ (783)</u>	<u>\$ 1,537,331</u>

City of Springfield, Oregon

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

Year Ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 2,139,709	\$ 2,139,709	\$ 10,956	\$ (2,128,753)	\$ (650)	\$ 10,306
Expenditures:						
Capital projects	2,624,000	2,624,000	11,800	(2,612,200)	-	11,800
Special payments	-	38,297	-	(38,297)	-	-
Total expenditures	<u>2,624,000</u>	<u>2,662,297</u>	<u>11,800</u>	<u>(2,650,497)</u>	<u>-</u>	<u>11,800</u>
Excess of revenues over (under) expenditures	(484,291)	(522,588)	(844)	521,744	(650)	(1,494)
Other financing sources (uses):						
Transfer in	<u>385,435</u>	<u>385,435</u>	<u>605,435</u>	<u>220,000</u>	<u>-</u>	<u>605,435</u>
Fund balance, beginning of year	<u>98,856</u>	<u>137,153</u>	<u>137,153</u>	<u>-</u>	<u>487</u>	<u>137,640</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 741,744</u>	<u>\$ 741,744</u>	<u>\$ (163)</u>	<u>\$ 741,581</u>

This page intentionally left blank.

Enterprise Funds

Combining statements for all individual nonmajor enterprise funds are reported in this section. Fund statements for major enterprise funds are reported in the basic financial statements.

Schedules of revenues, expenses, and changes in fund net assets – budget and actual are presented here for each individual enterprise fund.

Major Enterprise Funds:

Sewer Operations Fund – This fund accounts for the local share of the operation of the wastewater collection system. Primary revenues are sewer user fees.

Storm Drainage Operations Fund – This fund accounts for the operations and maintenance costs of the local public storm drainage system. Primary revenues are storm drainage fees.

Sewer Capital Projects Fund – This fund accounts for sewer capital improvement costs. Revenues are provided by sewer connection fees and Sewer Operations Fund revenues.

Ambulance Fund – This fund accounts for the City's ambulance operations. Revenue sources include ambulance transport fees, ambulance billing services fees and FireMed program memberships.

Booth-Kelly Fund – This fund accounts for the cost of managing and maintaining City-owned income properties. The primary revenue source is rental income.

Nonmajor Enterprise Funds:

Storm Drainage Capital Projects Fund – This fund accounts for storm sewer capital improvement costs supported by drainage system connection fees and Storm Drainage Operations Fund revenues.

Storm Drainage Improvement SDC Fund – This fund accounts for capacity-increasing public storm drainage improvements supported by system development charges.

Sewer Reimbursement SDC Fund – This fund accounts for public sanitary sewer improvements supported by reimbursement system development charges.

Sewer Improvement SDC Fund – This fund accounts for local capacity-increasing public sanitary sewer improvements supported by system development charges.

This page intentionally left blank.

City of Springfield, Oregon
 COMBINING BALANCE SHEET
 Nonmajor Enterprise Funds

June 30, 2009

	Storm Drainage Capital Projects Fund	Storm Drainage Improvement SDC Fund	Sewer Reimbursement SDC Fund	Sewer Improvement SDC Fund	Total
ASSETS					
Current assets:					
Cash and investments	\$ 1,828,407	\$ 2,370,692	\$ 758,226	\$ 297,860	\$ 5,255,185
Accounts receivable, net of allowance for estimated uncollectibles	-	5,681	4,814	9,928	20,423
Accrued interest	10,006	16,892	3,783	1,699	32,380
Total assets	<u>1,838,413</u>	<u>2,393,265</u>	<u>766,823</u>	<u>309,487</u>	<u>5,307,988</u>
LIABILITIES					
Current liabilities:					
Accounts payable	<u>30,258</u>	<u>22,119</u>	-	-	<u>52,377</u>
Total current liabilities	<u>30,258</u>	<u>22,119</u>	-	-	<u>52,377</u>
NET ASSETS					
Restricted	-	2,371,146	766,823	309,487	3,447,456
Unrestricted	<u>1,808,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,808,155</u>
Total net assets	<u>\$ 1,808,155</u>	<u>\$ 2,371,146</u>	<u>\$ 766,823</u>	<u>\$ 309,487</u>	<u>\$ 5,255,611</u>

City of Springfield, Oregon

Nonmajor Enterprise Funds

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

Year Ended June 30, 2009

	Storm Drainage Capital Projects Fund	Storm Drainage Improvement SDC Fund	Sewer Reimbursement SDC Fund	Sewer Improvement SDC Fund	Total Fund
Operating revenues:					
Charges for services	\$ -	\$ 208,231	\$ 151,946	\$ 76,939	\$ 437,116
Operating expenses:					
Public works	22,954	258,102	108,068	54,615	443,739
Operating income (loss)	(22,953)	(49,871)	43,878	22,324	(6,622)
Nonoperating revenues (expenses):					
Interest on investments	56,449	97,355	23,357	6,606	183,767
Income (loss) before contributions	33,496	47,484	67,235	28,930	177,145
Other financing sources (uses):					
Transfers in	257,400	4,789	-	-	262,189
Transfers out	(407,905)	(942,693)	(68,962)	(123,198)	(1,542,758)
Total other financing sources (uses)	(150,505)	(937,904)	(68,962)	(123,198)	(1,280,569)
Change in net assets	(117,009)	(890,420)	(1,727)	(94,268)	(1,103,424)
Net assets, beginning of year	1,614,552	3,261,566	768,550	403,755	6,048,423
Prior period adjustment (Note Q)	310,612	-	-	-	310,612
Net assets, beginning of year, as restated	1,925,164	3,261,566	768,550	403,755	6,359,035
Net assets, end of year	\$ 1,808,155	\$ 2,371,146	\$ 766,823	\$ 309,487	\$ 5,255,611

City of Springfield, Oregon

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS

Year Ended June 30, 2009

	Storm Drainage Capital Projects Fund	Storm Drainage Improvement SDC Fund	Sewer Reimbursement SDC Fund	Sewer Improvement SDC Fund	Total
Cash flows from operating activities					
Cash received from customers	\$ -	\$ 227,751	\$ 171,479	\$ 94,528	\$ 493,758
Cash paid to suppliers for goods and services	<u>(64,557)</u>	<u>(279,109)</u>	<u>(108,093)</u>	<u>(61,308)</u>	<u>(513,067)</u>
Net cash provided by (used in) operating activities	<u>(64,557)</u>	<u>(51,358)</u>	<u>63,386</u>	<u>33,220</u>	<u>(19,309)</u>
Cash flows from noncapital financing activities					
Operating transfers from other funds	257,400	-	-	-	257,400
Operating transfers to other funds	<u>(407,905)</u>	<u>(937,904)</u>	<u>(68,962)</u>	<u>(123,198)</u>	<u>(1,537,969)</u>
Net cash provided (used) by noncapital financing activities	<u>(150,505)</u>	<u>(937,904)</u>	<u>(68,962)</u>	<u>(123,198)</u>	<u>(1,280,569)</u>
Cash flows from investing activities					
Interest received	<u>59,650</u>	<u>101,976</u>	<u>26,374</u>	<u>12,209</u>	<u>200,209</u>
Net change in cash and investments	(155,412)	(887,286)	20,798	(77,769)	(1,099,669)
Cash and investments, beginning of year	<u>1,983,819</u>	<u>3,257,978</u>	<u>737,428</u>	<u>375,629</u>	<u>6,354,854</u>
Cash and investments, end of year	<u>\$ 1,828,407</u>	<u>\$ 2,370,692</u>	<u>\$ 758,226</u>	<u>\$ 297,860</u>	<u>\$ 5,255,185</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (22,953)	\$ (49,870)	\$ 43,878	\$ 22,324	\$ (6,621)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Changes in assets and liabilities:					
Accounts receivable	-	19,520	19,533	17,589	56,642
Accounts payable	<u>(41,604)</u>	<u>(21,008)</u>	<u>(25)</u>	<u>(6,693)</u>	<u>(69,330)</u>
Net cash provided by (used in) operating activities	<u>\$ (64,557)</u>	<u>\$ (51,358)</u>	<u>\$ 63,386</u>	<u>\$ 33,220</u>	<u>\$ (19,309)</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon

SEWER OPERATIONS FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 5,194,139	\$ 5,194,139	\$ 5,392,682	\$ 198,543	\$ (31,565)	\$ 5,361,117
Use of money and property	90,200	90,200	78,414	(11,786)	(6,883)	71,531
Miscellaneous receipts	30,000	30,000	92	(29,908)	-	92
Total revenues	5,314,339	5,314,339	5,471,188	156,849	(38,448)	5,432,740
Expenses:						
Current operating:						
Public works	3,157,944	3,151,544	2,805,570	(345,974)	(77,162)	2,728,408
Development services	22,312	22,312	22,312	-	-	22,312
Finance	9,411	9,411	9,398	(13)	-	9,398
Debt service						
Debt service principal	511,230	511,230	511,230	-	(511,230)	-
Interest	99,534	99,534	66,996	(32,538)	243,039	310,035
Depreciation	-	-	-	-	1,282,269	1,282,269
Special payments	1,104,564	4,230,687	-	(4,230,687)	-	-
Total expenses	4,904,995	8,024,718	3,415,506	(4,609,212)	936,916	4,352,422
Excess of revenues over (under) expenses	409,344	(2,710,379)	2,055,682	4,766,061	(975,364)	1,080,318
Other financing sources (uses):						
Capital contributions	-	-	-	-	1,367,790	1,367,790
Proceeds of revenue bond sale	-	1,975,000	1,722,332	(252,668)	(1,722,332)	-
Transfers in	45,720	45,720	-	-	1,557,586	1,557,586
Transfers out	(1,263,000)	(1,269,400)	(1,269,400)	-	-	(1,269,400)
Total other financing sources (uses)	(1,217,280)	751,320	452,932	(252,668)	1,203,044	1,655,976
Change in net assets	(807,936)	(1,959,059)	2,508,614	4,513,393	227,680	2,736,294
Net assets, beginning of year	807,936	1,959,059	1,959,059	-	43,502,059	45,461,118
Prior period adjustment (Note Q)	-	-	-	-	(310,612)	(310,612)
Net assets, beginning of year, as restated	807,936	1,959,059	1,959,059	-	43,191,447	45,150,506
Net assets, end of year	\$ -	\$ -	\$ 4,467,673	\$ 4,513,393	\$ 43,419,127	\$ 47,886,800

City of Springfield, Oregon

STORM DRAINAGE OPERATIONS FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 4,525,402	\$ 4,525,402	\$ 4,313,635	\$ (211,767)	\$ (46,519)	\$ 4,267,116
Use of money and property	39,200	39,200	48,939	9,739	(5,174)	43,765
Miscellaneous receipts	27,000	27,000	44	(26,956)	-	44
Total revenues	<u>4,591,602</u>	<u>4,591,602</u>	<u>4,362,618</u>	<u>(228,984)</u>	<u>(51,693)</u>	<u>4,310,925</u>
Expenses:						
Current operating						
Public works	4,387,129	4,129,577	3,450,989	(678,588)	164,879	3,615,868
Development services	47,124	47,124	37,085	(10,039)	-	37,085
CMO	-	-	-	-	-	-
Finance	9,409	9,409	9,396	(13)	-	9,396
Special payments	872,802	1,426,533	-	(1,426,533)	-	-
Total expenses	<u>5,316,464</u>	<u>5,612,643</u>	<u>3,497,470</u>	<u>(2,115,173)</u>	<u>164,879</u>	<u>3,662,349</u>
Excess of revenues over (under) expenses	<u>(724,862)</u>	<u>(1,021,041)</u>	<u>865,148</u>	<u>1,886,189</u>	<u>(216,572)</u>	<u>648,576</u>
Other financing sources (uses):						
Transfers in	45,780	45,780	-	-	-	-
Transfers out	(264,800)	(521,200)	(507,400)	13,800	-	(507,400)
Total other financing sources/(uses)	<u>(219,020)</u>	<u>(475,420)</u>	<u>(507,400)</u>	<u>13,800</u>	<u>-</u>	<u>(507,400)</u>
Change in net assets	(943,882)	(1,496,461)	357,748	1,899,989	(216,572)	141,176
Net assets, beginning of year	<u>943,882</u>	<u>1,496,461</u>	<u>1,496,461</u>	<u>-</u>	<u>165,530</u>	<u>1,661,991</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,854,209</u>	<u>\$ 1,899,989</u>	<u>\$ (51,042)</u>	<u>\$ 1,803,167</u>

City of Springfield, Oregon

SEWER CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 145,000	\$ 145,000	\$ 198,378	\$ 53,378	\$ (14,117)	\$ 184,261
Expenses:						
Current operating:						
Public works	-	-	-	-	2,044,417	2,044,417
Capital projects	2,008,513	23,977,148	2,130,555	(21,846,593)	(2,130,555)	-
Special payments	21,483,633	502,108	-	(502,108)	-	-
Total expenses	23,492,146	24,479,256	2,130,555	(22,348,701)	(86,138)	2,044,417
Excess of revenues over (under) expenses	(23,347,146)	(24,334,256)	(1,932,177)	22,402,079	72,021	(1,860,156)
Other financing sources (uses):						
Transfers out	-	-	-	-	(86,139)	(86,139)
Transfers in	1,263,000	1,269,400	1,269,400	-	-	1,269,400
Proceeds of revenue bond sale	21,000,000	21,000,000	21,000,000	-	(21,000,000)	-
Total other financing sources (uses)	22,263,000	22,269,400	22,269,400	-	(21,086,139)	1,183,261
Change in net assets	(1,084,146)	(2,064,856)	20,337,223	22,402,079	(21,014,118)	(676,895)
Net assets, beginning of year	1,084,146	2,064,856	2,064,856	-	11,087	2,075,943
Net assets, end of year	\$ -	\$ -	\$ 22,402,079	\$ 22,402,079	\$ (21,003,031)	\$ 1,399,048

City of Springfield, Oregon

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

Year Ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 4,850,456	\$ 4,918,724	\$ 4,715,566	\$ (203,158)	\$ 4,495,452	\$ 9,211,018
Less: Contractual adjustments	-	-	-	-	(4,548,037)	(4,548,037)
Intergovernmental revenues	-	1,215	-	(1,215)	-	-
Use of money and property	5,000	5,000	1,070	(3,930)	(936)	134
Miscellaneous receipts	2,500	7,923	6,835	(1,088)	-	6,835
Total revenues	<u>4,857,956</u>	<u>4,932,862</u>	<u>4,723,471</u>	<u>(209,391)</u>	<u>(53,521)</u>	<u>4,669,950</u>
Expenses:						
Current operating:						
Fire	4,857,956	4,875,962	4,847,241	(28,721)	55,634	4,902,875
Special payments	-	18,918	-	(18,918)	-	-
Depreciation	-	-	-	-	24,563	24,563
Total expenses	<u>4,857,956</u>	<u>4,894,880</u>	<u>4,847,241</u>	<u>(47,639)</u>	<u>80,197</u>	<u>4,927,438</u>
Excess of revenues over (under) expenses	<u>-</u>	<u>37,982</u>	<u>(123,770)</u>	<u>(161,752)</u>	<u>(133,718)</u>	<u>(257,488)</u>
Other financing sources (uses):						
Transfers in	-	-	161,758	161,758	-	161,758
Transfer out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>161,758</u>	<u>161,758</u>	<u>-</u>	<u>161,758</u>
Change in net assets	-	37,982	37,988	6	(133,718)	(95,730)
Net assets, beginning of year	<u>-</u>	<u>(37,982)</u>	<u>(37,982)</u>	<u>-</u>	<u>69,369</u>	<u>31,387</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ (64,349)</u>	<u>\$ (64,343)</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, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,211,240	\$ 1,216,240	\$ 788,095	\$ (428,145)	\$ -	\$ 788,095
Use of money	46,000	46,000	65,908	19,908	10,347	76,255
Miscellaneous receipts	-	-	113,080	113,080	-	113,080
Total revenues	1,257,240	1,262,240	967,083	(295,157)	10,347	977,430
Expenses:						
Current operating:						
Public works	13,639	24,439	23,251	(1,188)	-	23,251
Development services	436,422	390,622	348,347	(42,275)	(1,359)	346,988
Capital projects	3,905,188	2,841,759	2,069,528	(772,231)	(2,053,893)	15,635
Special payment	175,834	195,242	-	(195,242)	-	-
Debt service						
Principal	263,000	506,729	505,406	(1,323)	(505,406)	-
Interest	249,000	941,283	941,899	616	(834,542)	107,357
Depreciation	-	-	-	-	307,850	307,850
Total expenses	5,043,083	4,900,074	3,888,431	(1,011,643)	(3,087,350)	801,081
Excess of revenues over (under) expenses	(3,785,843)	(3,637,834)	(2,921,348)	716,486	3,097,697	176,349
Other financing sources (uses):						
Transfers out	(453,305)	(497,366)	(478,366)	19,000	-	(478,366)
Transfers in	40,000	3,080,507	3,080,507	-	(3,040,507)	40,000
Total other financing sources (uses)	(413,305)	2,583,141	2,602,141	19,000	(3,040,507)	(438,366)
Change in net assets	(4,199,148)	(1,054,693)	(319,207)	735,486	57,190	(262,017)
Net assets, beginning of year	4,199,148	1,054,693	1,054,693	-	5,017,081	6,071,774
Net assets, end of year	\$ -	\$ -	\$ 735,486	\$ 735,486	\$ 5,074,271	\$ 5,809,757

City of Springfield, Oregon

STORM DRAINAGE CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 95,000	\$ 95,000	\$ 64,791	\$ (30,209)	\$ (8,342)	\$ 56,449
Expenses:						
Current operating:						
Public works	-	-	-	-	22,954	22,954
Capital projects	1,786,601	2,016,339	430,859	(1,585,480)	(430,860)	(1)
Special payments	248,786	253,851	-	(253,851)	-	-
Total expenses	2,035,387	2,270,190	430,859	(1,839,331)	(407,906)	22,953
Excess of revenues over (under) expenses	(1,940,387)	(2,175,190)	(366,068)	1,809,122	399,564	33,496
Other financing sources:						
Transfers out	-	-	-	-	(407,905)	(407,905)
Transfers in	251,000	257,400	257,400	-	-	257,400
Total other financing sources (uses)	251,000	257,400	257,400	-	(407,905)	(150,505)
Change in net assets	(1,689,387)	(1,917,790)	(108,668)	1,809,122	(8,341)	(117,009)
Net assets, beginning of year	1,689,387	1,917,790	1,917,790	-	(303,238)	1,614,552
Prior period adjustment (Note Q)	-	-	-	-	310,612	310,612
Net assets, beginning of year, as restated	1,689,387	1,917,790	1,917,790	-	7,374	1,925,164
Net assets, end of year	\$ -	\$ -	\$ 1,809,122	\$ 1,809,122	\$ (967)	\$ 1,808,155

City of Springfield, Oregon

STORM IMPROVEMENT SYSTEM DEVELOPMENT CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 317,000	\$ 317,000	\$ 227,752	\$ (89,248)	\$ (19,521)	\$ 208,231
Use of money and property	73,938	73,938	110,999	37,061	(13,644)	97,355
Total revenues	390,938	390,938	338,751	(52,187)	(33,165)	305,586
Expenses:						
Current operating:						
Public works	76,427	226,692	226,689	(3)	31,413	258,102
Capital projects	1,379,514	2,325,454	948,457	(1,376,997)	(948,457)	-
Special payments	1,801,850	1,042,285	-	(1,042,285)	-	-
Total expenses	3,257,791	3,594,431	1,175,146	(2,419,285)	(917,044)	258,102
Excess of revenues over (under) expenses	(2,866,853)	(3,203,493)	(836,395)	2,367,098	883,879	47,484
Other financing sources (uses):						
Transfers out	(25,649)	(25,649)	(25,649)	-	(917,044)	(942,693)
Transfers in	-	4,789	4,789	-	-	4,789
Total other financings sources (uses)	(25,649)	(20,860)	(20,860)	-	(917,044)	(937,904)
Change in net assets	(2,892,502)	(3,224,353)	(857,255)	2,367,098	(33,165)	(890,420)
Net assets, beginning of year	2,892,502	3,224,353	3,224,353	-	37,213	3,261,566
Net assets, end of year	\$ -	\$ -	\$ 2,367,098	\$ 2,367,098	\$ 4,048	\$ 2,371,146

City of Springfield, Oregon

SEWER REIMBURSEMENT SYSTEM DEVELOPMENT CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 130,000	\$ 130,000	\$ 171,478	\$ 41,478	\$ (19,532)	\$ 151,946
Use of money and property	16,865	16,865	27,520	10,655	(4,163)	23,357
Total revenues	146,865	146,865	198,998	52,133	(23,695)	175,303
Expenses:						
Current operating:						
Public works	51,696	51,696	51,696	-	56,372	108,068
Capital projects	215,000	285,027	125,334	(159,693)	(125,334)	-
Special payments	447,138	550,549	-	(550,549)	-	-
Total expenses	713,834	887,272	177,030	(710,242)	(68,962)	108,068
Excess of revenues over (under) expenses	(566,969)	(740,407)	21,968	762,375	45,267	67,235
Other financing sources (uses)						
Transfers out	-	-	-	-	(68,962)	(68,962)
Change in net assets	(566,969)	(740,407)	21,968	762,375	(23,695)	(1,727)
Net assets, beginning of year	566,969	740,407	740,407	-	28,143	768,550
Net assets, end of year	\$ -	\$ -	\$ 762,375	\$ 762,375	\$ 4,448	\$ 766,823

City of Springfield, Oregon

SEWER IMPROVEMENT SYSTEM DEVELOPMENT CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 351,000	\$ 351,000	\$ 94,528	\$ (256,472)	\$ (17,589)	\$ 76,939
Use of money and property	12,183	12,183	10,847	(1,336)	(4,241)	6,606
Total revenues	<u>363,183</u>	<u>363,183</u>	<u>105,375</u>	<u>(257,808)</u>	<u>(21,830)</u>	<u>83,545</u>
Expenses:						
Current operating						
Public works	39,295	54,616	54,615	(1)	-	54,615
Capital projects	95,000	144,838	77,536	(67,302)	(77,536)	-
Special payments	383,090	490,228	-	(490,228)	-	-
Total expenses	<u>517,385</u>	<u>689,682</u>	<u>132,151</u>	<u>(557,531)</u>	<u>(77,536)</u>	<u>54,615</u>
Excess of revenues over (under) expenses	(154,202)	(326,499)	(26,776)	299,723	55,706	28,930
Other financing sources (uses):						
Transfers out	(45,662)	(45,662)	(45,662)	-	(77,536)	(123,198)
Change in net assets	(199,864)	(372,161)	(72,438)	299,723	(21,830)	(94,268)
Net assets, beginning of year	<u>199,864</u>	<u>372,161</u>	<u>372,161</u>	<u>-</u>	<u>31,594</u>	<u>403,755</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,723</u>	<u>\$ 299,723</u>	<u>\$ 9,764</u>	<u>\$ 309,487</u>

Internal Service Funds

Combining statements for all internal service funds are reported here. The combined totals are reported alongside the individual enterprise funds in the basic financial statements.

Schedules of revenues, expenses, and changes in fund net assets – budget and actual are presented here for each individual internal service fund.

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

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

SDC Administration Fund – This fund accounts for the activities required to administer the city's various system development charges. Resources are provided primarily by charges to other City funds.

This page intentionally left blank.

City of Springfield, Oregon

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS

June 30, 2009

	Vehicle and Equipment	Insurance	SDC Administration	Total
ASSETS				
Current assets:				
Cash and investments	\$ 5,843,995	\$ 4,981,489	\$ 339,452	\$ 11,164,936
Prepaid insurance	-	289,858	-	289,858
Accounts receivable	-	-	19,967	19,967
Accrued interest receivable	30,873	24,898	1,926	57,697
Total current assets	<u>5,874,868</u>	<u>5,296,245</u>	<u>361,345</u>	<u>11,532,458</u>
Capital assets:				
Machinery and equipment	13,717,544	-	-	13,717,544
Less accumulated depreciation	<u>8,773,066</u>	<u>-</u>	<u>-</u>	<u>8,773,066</u>
Total capital assets	<u>4,944,478</u>	<u>-</u>	<u>-</u>	<u>4,944,478</u>
Total assets	<u>10,819,346</u>	<u>5,296,245</u>	<u>361,345</u>	<u>16,476,936</u>
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	25,019	29,287	8,707	63,013
Capital lease obligation, current portion	40,859	-	-	40,859
Accrued payroll and other related liabilities	<u>-</u>	<u>1,051,330</u>	<u>31,694</u>	<u>1,083,024</u>
Total current liabilities	<u>65,878</u>	<u>1,080,617</u>	<u>40,401</u>	<u>1,186,896</u>
Noncurrent liabilities:				
Accrued absence payable	-	-	23,828	23,828
Capital lease obligation, less current portion	<u>5,446</u>	<u>-</u>	<u>-</u>	<u>5,446</u>
Total noncurrent liabilities	<u>5,446</u>	<u>-</u>	<u>23,828</u>	<u>29,274</u>
Total liabilities	<u>71,324</u>	<u>1,080,617</u>	<u>64,229</u>	<u>1,216,170</u>
NET ASSETS				
Invested in capital assets, net of related debt	4,898,173	-	-	4,898,173
Unrestricted	<u>5,849,849</u>	<u>4,215,628</u>	<u>297,116</u>	<u>10,362,593</u>
Total net assets	<u>\$ 10,748,022</u>	<u>\$ 4,215,628</u>	<u>\$ 297,116</u>	<u>\$ 15,260,766</u>

City of Springfield, Oregon

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS

Year ended June 30, 2009

	Vehicle and Equipment	Insurance	SDC Administration	Total
Operating revenues:				
Charges for services	\$ 1,242,531	\$ 2,317,091	\$ 448,599	\$ 4,008,221
Licenses & permits	-	-	68,028	68,028
Miscellaneous receipts	-	131,750	-	131,750
Total operating revenues	<u>1,242,531</u>	<u>2,448,841</u>	<u>516,627</u>	<u>4,207,999</u>
Operating expenses:				
Current operating:				
Court	3,712	-	-	3,712
Human resources	564	1,833,712	-	1,834,276
Finance	3,557	-	23,688	27,245
Information technology	108,783	-	-	108,783
Library	12,990	-	-	12,990
Fire	34,601	-	-	34,601
Police	130,869	-	-	130,869
Public works	40,340	-	467,281	507,621
Development services	3,410	-	95,296	98,706
Depreciation	852,940	-	-	852,940
Total operating expenses	<u>1,191,766</u>	<u>1,833,712</u>	<u>586,265</u>	<u>3,611,743</u>
Operating income (loss)	<u>50,765</u>	<u>615,129</u>	<u>(69,638)</u>	<u>596,256</u>
Nonoperating revenues(expenses):				
Interest income	174,344	144,684	11,066	330,094
Interest expense	(4,318)	-	-	(4,318)
Gain (loss) on disposition of equipment	(11,805)	-	-	(11,805)
Total nonoperating revenues (expenses)	<u>158,221</u>	<u>144,684</u>	<u>11,066</u>	<u>313,971</u>
Income (loss) before capital contributions and transfers	208,986	759,813	(58,572)	910,227
Transfers out	-	(185,000)	(4,789)	(189,789)
Capital contributions	146,730	-	-	146,730
Change in net assets	<u>355,716</u>	<u>574,813</u>	<u>(63,361)</u>	<u>867,168</u>
Net assets, beginning of year	10,392,306	4,264,069	360,477	15,016,852
Prior period adjustment (Note Q)	-	(623,254)	-	(623,254)
Net assets, beginning of year, as restated	<u>10,392,306</u>	<u>3,640,815</u>	<u>360,477</u>	<u>14,393,598</u>
Net assets, end of year	<u>\$ 10,748,022</u>	<u>\$ 4,215,628</u>	<u>\$ 297,116</u>	<u>\$ 15,260,766</u>

City of Springfield, Oregon

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS

Year Ended June 30, 2009

	<u>Vehicle and Equipment</u>	<u>Insurance</u>	<u>SDC Administration</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from interfund services provided	\$ 1,242,531	\$ 2,319,772	\$ 472,185	\$ 4,034,488
Cash paid for employee services	-	(278,019)	(354,382)	(632,401)
Cash paid to suppliers for goods and services	(348,698)	(1,694,020)	(225,899)	(2,268,617)
Other operating receipts	<u>-</u>	<u>131,750</u>	<u>68,028</u>	<u>199,778</u>
Net cash provided by (used in) operating activities	<u>893,833</u>	<u>479,483</u>	<u>(40,068)</u>	<u>1,333,248</u>
Cash flows from noncapital financing activities:				
Operating transfers to other funds	<u>-</u>	<u>(185,000)</u>	<u>(4,789)</u>	<u>(189,789)</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets	(1,298,713)	-	-	(1,298,713)
Disposition of capital assets	11,891	-	-	11,891
Capital lease principal paid	(41,202)	-	-	(41,202)
Interest paid	<u>(4,318)</u>	<u>-</u>	<u>-</u>	<u>(4,318)</u>
Net cash used in capital and related financing activities	<u>(1,332,342)</u>	<u>-</u>	<u>-</u>	<u>(1,332,342)</u>
Cash flows from investing activities:				
Interest received	<u>184,690</u>	<u>146,166</u>	<u>11,947</u>	<u>342,803</u>
Net change in cash and investments	(253,819)	440,649	(32,910)	153,920
Cash and investments, beginning of year	<u>6,097,814</u>	<u>4,540,840</u>	<u>372,362</u>	<u>11,011,016</u>
Cash and investments, end of year	<u>\$ 5,843,995</u>	<u>\$ 4,981,489</u>	<u>\$ 339,452</u>	<u>\$ 11,164,936</u>
Reconciliation of Operating Loss to Net Cash Provided by (used in) Operating Activities				
Operating income (loss)	\$ 50,765	\$ 615,129	\$ (69,638)	\$ 596,256
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	852,940	-	-	852,940
Changes in assets and liabilities:				
Prepaid insurance	-	(135,959)	-	(135,959)
Accounts receivable	-	2,681	23,586	26,267
Accounts payable	(9,872)	8,959	3,730	2,817
Accrued payroll and other liabilities	<u>-</u>	<u>(11,327)</u>	<u>2,254</u>	<u>(9,073)</u>
Net cash provided by (used in) operating activities	<u>\$ 893,833</u>	<u>\$ 479,483</u>	<u>\$ (40,068)</u>	<u>\$ 1,333,248</u>
Noncash capital and related financing activities:				
Contributed capital assets	\$ 146,730	\$ -	\$ -	\$ 146,730
Retirement and disposition of capital assets, net of accumulated depreciation	(11,805)	-	-	(11,805)

City of Springfield, Oregon

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

Year ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,244,861	\$ 1,244,861	\$ 1,242,531	\$ (2,330)	\$ -	\$ 1,242,531
Use of money and property	163,257	163,257	212,232	48,975	(37,888)	174,344
Total revenues	<u>1,408,118</u>	<u>1,408,118</u>	<u>1,454,763</u>	<u>46,645</u>	<u>(37,888)</u>	<u>1,416,875</u>
Expenses:						
Current operating:						
Court	1,200	4,300	3,712	(588)	-	3,712
Human resources	3,400	4,618	564	(4,054)	-	564
Finance	3,000	3,560	3,557	(3)	-	3,557
Information technology	216,225	266,225	165,785	(100,440)	(57,002)	108,783
Library	-	13,550	12,990	(560)	-	12,990
Fire	730,498	870,498	533,230	(337,268)	(498,629)	34,601
Police	386,100	386,100	364,148	(21,952)	(233,279)	130,869
Public works	466,707	904,546	535,144	(369,402)	(494,804)	40,340
Development services	4,200	19,200	18,410	(790)	(15,000)	3,410
Special payments	5,282,052	5,007,550	-	(5,007,550)	-	-
Debt service						
Principal	41,203	41,203	41,202	(1)	(41,202)	-
Interest	4,318	4,318	4,318	-	-	4,318
Depreciation	-	-	-	-	852,940	852,940
Total expenses	<u>7,138,903</u>	<u>7,525,668</u>	<u>1,683,060</u>	<u>(5,842,608)</u>	<u>(486,976)</u>	<u>1,196,084</u>
Excess of revenues over (under) expenses	<u>(5,730,785)</u>	<u>(6,117,550)</u>	<u>(228,297)</u>	<u>5,889,253</u>	<u>449,088</u>	<u>220,791</u>
Other financing sources (uses):						
Gain (loss) on disposal of assets	-	-	-	-	(11,805)	(11,805)
Assets contributed by other funds	-	-	-	-	146,730	146,730
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,925</u>	<u>134,925</u>
Change in net assets	<u>(5,730,785)</u>	<u>(6,117,550)</u>	<u>(228,297)</u>	<u>5,889,253</u>	<u>584,013</u>	<u>355,716</u>
Net assets, beginning of year	<u>5,730,785</u>	<u>6,117,550</u>	<u>6,117,550</u>	<u>-</u>	<u>4,274,756</u>	<u>10,392,306</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,889,253</u>	<u>\$ 5,889,253</u>	<u>\$ 4,858,769</u>	<u>\$ 10,748,022</u>

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, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 14,999,228	\$ 14,999,228	\$ 14,043,347	\$ (955,881)	\$ (11,726,256)	\$ 2,317,091
Intergovernmental revenue	30,000	30,000	-	(30,000)	-	-
Use of money and property	130,000	130,000	161,818	31,818	(17,134)	144,684
Miscellaneous receipts	13,000	164,050	134,431	(29,619)	(2,681)	131,750
Total revenues	15,172,228	15,323,278	14,339,596	(983,682)	(11,746,071)	2,593,525
Expenses:						
Current operating:						
Human resources	655,670	856,527	778,834	(77,693)	1,054,878	1,833,712
Special payments	3,751,464	4,269,539	-	(4,269,539)	-	-
Statutory payments	14,306,755	14,306,755	12,556,060	(1,750,695)	(12,556,060)	-
Total expenses	18,713,889	19,432,821	13,334,894	(6,097,927)	(11,501,182)	1,833,712
Excess of revenues over (under) expenses	(3,541,661)	(4,109,543)	1,004,702	5,114,245	(244,889)	759,813
Other financing sources (uses):						
Transfers out	(185,000)	(185,000)	(185,000)	-	-	(185,000)
Change in net assets	(3,726,661)	(4,294,543)	819,702	5,114,245	(244,889)	574,813
Net assets, beginning of year	3,726,661	4,294,543	4,294,543	-	(30,474)	4,264,069
Prior period adjustment (Note Q)	-	-	-	-	(623,254)	(623,254)
Net assets, beginning of year, as restated	3,726,661	4,294,543	4,294,543	-	(653,728)	3,640,815
Net assets, end of year	\$ -	\$ -	\$ 5,114,245	\$ 5,114,245	\$ (898,617)	\$ 4,215,628

City of Springfield, Oregon

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

Year ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 448,173	\$ 448,173	\$ 467,541	\$ 19,368	\$ (18,942)	\$ 448,599
Licenses and permits	90,000	90,000	72,672	(17,328)	(4,644)	68,028
Use of money and property	7,700	7,700	12,819	5,119	(1,753)	11,066
Total revenues	<u>545,873</u>	<u>545,873</u>	<u>553,032</u>	<u>7,159</u>	<u>(25,339)</u>	<u>527,693</u>
Expenses:						
Current operating:						
Finance	23,688	23,688	23,688	-	-	23,688
Public works	465,648	538,079	465,218	(72,861)	2,063	467,281
Development services	95,296	95,296	95,296	-	-	95,296
Special payments	240,265	238,980	-	(238,980)	-	-
Total expenses	<u>824,897</u>	<u>896,043</u>	<u>584,202</u>	<u>(311,841)</u>	<u>2,063</u>	<u>586,265</u>
Excess of revenues over (under) expenses	(279,024)	(350,170)	(31,170)	319,000	(27,402)	(58,572)
Other financing sources (uses):						
Transfers out	-	(4,789)	(4,789)	-	-	(4,789)
Change in net assets	(279,024)	(354,959)	(35,959)	319,000	(27,402)	(63,361)
Net assets, beginning of year	<u>279,024</u>	<u>354,959</u>	<u>354,959</u>	<u>-</u>	<u>5,518</u>	<u>360,477</u>
Net assets, end of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>319,000</u>	\$ <u>319,000</u>	\$ <u>(21,884)</u>	\$ <u>297,116</u>

Fiduciary Funds

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, and other governments.

Statement of changes in assets and liabilities of the Agency Fund is presented here.

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 operations.

This page intentionally left blank.

City of Springfield, Oregon

Statement of Changes in Assets and Liabilities
Agency Fund

Year Ended June 30, 2009

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Assets				
Cash and investments	\$ <u>2,030,026</u>	\$ <u>12,327,779</u>	\$ <u>(12,471,739)</u>	\$ <u>1,886,066</u>
Liabilities				
Due to other agencies	\$ <u>2,030,026</u>	\$ <u>20,432,774</u>	\$ <u>(20,576,734)</u>	\$ <u>1,886,066</u>

This page intentionally left blank.

Component Unit

Budget and actual statements are presented here for the City's discretely presented component unit, the Metropolitan Wastewater Management Commission.

The Metropolitan Wastewater Management Commission is budgeted in one enterprise fund, four capital project funds and one debt service fund. A combining statement is also presented here.

This page intentionally left blank.

METROPOLITAN WASTEWATER MANAGEMENT COMMISSION

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Year Ended June 30, 2009

	Regional Wastewater Fund	Regional Capital Fund	Regional Wastewater Improve SDC Fund	Regional Wastewater Reimb SDC Fund	Regional Debt Service Fund	Eliminations	Total
Revenues:							
Charges for services	\$ 22,311,164	\$ -	\$ 833,969	\$ 99,220	\$ -	\$ (1,212,437)	\$ 22,064,926
Use of money and property	367,548	1,071,504	205,676	110,937	-	-	2,663,041
Licenses and permits	8,710	-	-	-	-	-	8,710
Fines and forfeitures	4,100	-	-	-	-	-	4,100
Miscellaneous receipts	2,668	-	-	-	-	-	9,473
Total revenues	22,694,190	1,071,504	1,039,645	210,157	-	(1,212,437)	24,750,250
Expenses:							
Current operating:							
Finance	84,185	-	-	-	-	-	84,185
Public works	13,467,305	19,882	143,645	2,607	-	(1,212,437)	12,421,296
Debt service:							
Interest	-	(156,434)	-	-	3,618,576	-	3,452,742
Depreciation	5,390,365	-	-	-	-	-	5,381,412
Total expenses	18,941,855	(136,552)	294	2,607	3,618,576	(1,212,437)	21,339,635
Excess of revenues over (under) expenses	3,752,335	1,208,056	1,039,351	207,550	(3,618,576)	-	3,410,615
Other financing sources (uses):							
Transfers in	31,394,513	6,643,081	-	-	4,901,088	(47,038,682)	-
Transfers out	(10,221,776)	(3,569,420)	(2,233,696)	(1,633,696)	(1,535,000)	47,038,682	-
Loss on disposal of assets	(138,304)	-	-	-	-	-	(138,304)
Total other financing sources (uses)	21,034,433	3,073,661	(2,233,696)	(1,633,696)	3,346,088	-	(138,304)
Change in net assets	24,786,768	4,281,717	(1,194,345)	(1,426,146)	(272,488)	-	3,272,311
Net assets, beginning of year	93,701,141	(23,535,763)	7,490,947	4,396,988	-	-	105,209,392
Net assets, end of year	\$ 118,487,909	\$ (19,254,046)	\$ 6,296,602	\$ 2,970,842	\$ (272,488)	\$ -	\$ 108,481,703

METROPOLITAN WASTEWATER MANAGEMENT COMMISSION
 REGIONAL WASTEWATER FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 22,093,517	\$ 22,093,517	\$ 22,326,860	\$ 233,343	\$ (15,696)	\$ 22,311,164
Use of money and property	355,000	355,000	357,312	2,312	10,236	367,548
Licenses and permits	6,000	6,000	8,710	2,710	-	8,710
Fines and forfeitures	2,500	2,500	4,100	1,600	-	4,100
Miscellaneous receipts	715,000	715,000	2,668	(712,332)	-	2,668
Total revenues	23,172,017	23,172,017	22,699,650	(472,367)	(5,460)	22,694,190
Expenses:						
Current operating:						
Finance	86,237	86,237	84,185	(2,052)	-	84,185
Public works	14,441,284	14,554,596	12,773,268	(1,781,328)	694,037	13,467,305
Debt service						
Debt service principal	88,300	88,300	-	(88,300)	-	-
Interest	85,000	85,000	-	(85,000)	-	-
Special payments	6,389,150	6,809,972	-	(6,809,972)	-	-
Depreciation	-	-	-	-	5,390,365	5,390,365
Total expenses	21,089,971	21,624,105	12,857,453	(8,766,652)	6,084,402	18,941,855
Excess of revenues over (under) expenses	2,082,046	1,547,912	9,842,197	8,294,285	(6,089,862)	3,752,335
Other financing sources (uses):						
Transfers in	-	-	-	-	31,394,513	31,394,513
Transfers out	(10,230,977)	(10,230,977)	(10,221,776)	9,201	-	(10,221,776)
Gain (loss) on disposal of assets	-	-	-	-	(138,304)	(138,304)
Total other financing sources (uses)	(10,230,977)	(10,230,977)	(10,221,776)	9,201	31,256,209	21,034,433
Change in net assets	(8,148,931)	(8,683,065)	(379,579)	8,303,486	25,166,347	24,786,768
Net assets, beginning of year	8,148,931	8,683,065	8,683,065	-	85,018,076	93,701,141
Net assets, end of year	\$ -	\$ -	\$ 8,303,486	\$ 8,303,486	\$ 110,184,423	\$ 118,487,909

METROPOLITAN WASTEWATER MANAGEMENT COMMISSION
 REGIONAL WASTEWATER CAPITAL FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ 80,400	\$ 80,400	\$ -	\$ (80,400)	\$ -	\$ -
Use of money and property	560,000	560,000	887,024	327,024	184,480	1,071,504
Total revenues	640,400	640,400	887,024	246,624	184,480	1,071,504
Expenses:						
Current operating:						
Public works	1,758,010	4,418,335	3,495,794	(922,541)	(3,475,912)	19,882
Special payments	30,970,985	31,103,907	-	(31,103,907)	-	-
Debt service:						
Interest	-	-	-	-	(156,434)	(156,434)
Capital projects	362,000	362,000	73,625	(288,375)	(73,625)	-
Total expenses	33,090,995	35,884,242	3,569,419	(32,314,823)	(3,705,971)	(136,552)
Excess of revenues over (under) expenses	(32,450,595)	(35,243,842)	(2,682,395)	32,561,447	3,890,451	1,208,056
Other financing sources (uses):						
Transfers in	5,088,081	5,088,081	5,088,081	(1)	1,555,000	6,643,081
Transfers out	-	-	-	-	(3,569,420)	(3,569,420)
Proceeds of SRF loans	5,000,000	5,000,000	-	(5,000,000)	-	-
Total other financing sources (uses)	10,088,081	10,088,081	5,088,081	(5,000,001)	(2,014,420)	3,073,661
Change in net assets	(22,362,514)	(25,155,761)	2,405,686	27,561,446	1,876,031	4,281,717
Net assets, beginning of year	22,362,514	25,155,761	25,155,761	-	(48,691,524)	(23,535,763)
Net assets, end of year	\$ -	\$ -	\$ 27,561,447	\$ 27,561,446	\$ (46,815,493)	\$ (19,254,046)

METROPOLITAN WASTEWATER MANAGEMENT COMMISSION
 REGIONAL WASTEWATER BOND CAPITAL FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Rebates	\$ -	\$ -	\$ 33,010	\$ 33,010	\$ -	\$ 33,010
Use of money and property	1,100,000	1,100,000	1,192,529	92,529	(285,153)	907,376
Miscellaneous receipts	-	-	6,805	6,805	-	6,805
Total revenues	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,232,344</u>	<u>132,344</u>	<u>(285,153)</u>	<u>947,191</u>
Expenses:						
Current operating						
Public works	-	-	134,977	134,977	8,668	143,645
Special payments	8,856,313	9,701,348	-	(9,701,348)	-	-
Debt service:						
Interest	-	-	-	-	(9,400)	(9,400)
Capital projects	94,782,404	99,929,344	27,825,091	(72,104,253)	(27,834,044)	(8,953)
Total expenses	<u>103,638,717</u>	<u>109,630,692</u>	<u>27,960,068</u>	<u>(81,670,624)</u>	<u>(27,834,776)</u>	<u>125,292</u>
Excess of revenues over (under) expenses	<u>(102,538,717)</u>	<u>(108,530,692)</u>	<u>(26,727,724)</u>	<u>81,802,968</u>	<u>27,549,623</u>	<u>821,899</u>
Other financing sources (uses):						
Transfers in	4,100,000	4,100,000	4,100,000	-	-	4,100,000
Transfers out	-	-	-	-	(27,825,094)	(27,825,094)
Total other financing sources (uses)	<u>85,100,000</u>	<u>85,100,000</u>	<u>54,852,093</u>	<u>(30,247,907)</u>	<u>(78,577,187)</u>	<u>(23,725,094)</u>
Change in net assets	<u>(17,438,717)</u>	<u>(23,430,692)</u>	<u>28,124,369</u>	<u>51,555,061</u>	<u>(51,027,564)</u>	<u>(22,903,195)</u>
Net assets, beginning of year	17,438,717	23,430,692	23,430,692	-	(274,613)	23,156,079
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,555,061</u>	<u>\$ 51,555,061</u>	<u>\$ (51,302,177)</u>	<u>\$ 252,884</u>

METROPOLITAN WASTEWATER MANAGEMENT COMMISSION
 REGIONAL WASTEWATER IMPROVEMENT SDC FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,615,000	\$ 1,615,000	\$ 856,344	\$ (758,656)	\$ (22,375)	\$ 833,969
Use of money and property	400,000	400,000	236,053	(163,947)	(30,377)	205,676
Total revenues	<u>2,015,000</u>	<u>2,015,000</u>	<u>1,092,397</u>	<u>(922,603)</u>	<u>(52,752)</u>	<u>1,039,645</u>
Expenses:						
Current operating:						
Public works	4,500	4,500	294	(4,206)	-	294
Special payments	7,226,824	7,216,858	-	(7,216,858)	-	-
Total expenses	<u>7,231,324</u>	<u>7,221,358</u>	<u>294</u>	<u>(7,221,064)</u>	<u>-</u>	<u>294</u>
Excess of revenues over (under) expenses	(5,216,324)	(5,206,358)	1,092,103	6,298,461	(52,752)	1,039,351
Other financing sources (uses):						
Transfers out	(2,233,696)	(2,233,696)	(2,233,696)	-	-	(2,233,696)
Change in net assets	(7,450,020)	(7,440,054)	(1,141,593)	6,298,461	(52,752)	(1,194,345)
Net assets, beginning of year	7,450,020	7,440,054	7,440,054	-	50,893	7,490,947
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,298,461</u>	<u>\$ 6,298,461</u>	<u>\$ (1,859)</u>	<u>\$ 6,296,602</u>

METROPOLITAN WASTEWATER MANAGEMENT COMMISSION
 REGIONAL WASTEWATER REIMBURSEMENT SDC FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 155,000	\$ 155,000	\$ 101,341	\$ (53,659)	\$ (2,121)	\$ 99,220
Use of money and property	301,000	301,000	131,651	(169,349)	(20,714)	110,937
Total revenues	<u>456,000</u>	<u>456,000</u>	<u>232,992</u>	<u>(223,008)</u>	<u>(22,835)</u>	<u>210,157</u>
Expenses:						
Current operating:						
Public works	8,500	8,500	2,607	(5,893)	-	2,607
Special payments	3,247,014	3,189,728	-	(3,189,728)	-	-
Total expenses	<u>3,255,514</u>	<u>3,198,228</u>	<u>2,607</u>	<u>(3,195,621)</u>	<u>-</u>	<u>2,607</u>
Excess of revenues over (under) expenses	(2,799,514)	(2,742,228)	230,385	2,972,613	(22,835)	207,550
Other financing sources (uses):						
Transfers out	(1,633,696)	(1,633,696)	(1,633,696)	-	-	(1,633,696)
Change in net assets	(4,433,210)	(4,375,924)	(1,403,311)	-	(22,835)	(1,426,146)
Net assets, beginning of year	4,433,210	4,375,924	4,375,924	-	21,064	4,396,988
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,972,613</u>	<u>\$ 2,972,613</u>	<u>\$ (1,771)</u>	<u>\$ 2,970,842</u>

METROPOLITAN WASTEWATER MANAGEMENT COMMISSION
 REGIONAL WASTEWATER DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2009

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Expenses:						
Debt service:						
Principal	\$ 1,555,000	\$ 1,555,000	\$ 1,555,000	\$ -	\$ (1,555,000)	\$ -
Interest	<u>3,346,088</u>	<u>3,346,088</u>	<u>2,863,494</u>	<u>(482,594)</u>	<u>755,082</u>	<u>3,618,576</u>
Total expenses	<u>4,901,088</u>	<u>4,901,088</u>	<u>4,418,494</u>	<u>(482,594)</u>	<u>(799,918)</u>	<u>3,618,576</u>
Excess of revenues over (under) expenses	<u>(4,901,088)</u>	<u>(4,901,088)</u>	<u>(4,418,494)</u>	<u>482,594</u>	<u>799,918</u>	<u>(3,618,576)</u>
Other financing sources (uses)						
Transfers in	4,901,088	4,901,088	4,901,088	-	-	4,901,088
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,555,000)</u>	<u>(1,555,000)</u>
Total other financing sources (uses)	<u>4,901,088</u>	<u>4,901,088</u>	<u>4,901,088</u>	<u>-</u>	<u>(1,555,000)</u>	<u>3,346,088</u>
Change in net assets	-	-	482,594	-	(755,082)	(272,488)
Net assets, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 482,594</u>	<u>\$ 482,594</u>	<u>\$ (755,082)</u>	<u>\$ (272,488)</u>

This page intentionally left blank.

Supplemental Schedules

This page intentionally left blank.

City of Springfield, Oregon

SCHEDULE OF PROPERTY TAX TRANSACTIONS - ALL FUNDS

Year Ended June 30, 2009

	Taxes Receivable 7/1/2008	Tax Levy	(Adjustments) Interest and (Discounts)	(Deduct) Collections	Taxes Receivable 6/30/2009
Prior Years	\$ 72,023	-	\$ 406	\$ (1,020)	\$ 71,408
1999-00	9,369	-	145	(460)	9,054
2000-01	13,789	-	232	(1,048)	12,973
2001-02	12,626	-	256	(1,175)	11,707
2002-03	14,900	-	163	(2,968)	12,096
2003-04	20,603	-	(1,021)	(5,058)	14,524
2004-05	48,027	-	5,384	(35,029)	18,382
2005-06	101,396	-	5,919	(59,316)	47,999
2006-07	217,033	-	1,040	(101,922)	116,150
2007-08	624,660	-	(17,426)	(335,153)	272,082
2008-09	-	25,639,015	(745,617)	(24,092,260)	801,138
	<u>\$ 1,134,426</u>	<u>\$ 25,639,015</u>	<u>\$ (750,519)</u>	<u>\$ (24,635,408)</u>	<u>\$ 1,387,514</u>

Summary by Fund:

General Fund				\$ (15,853,956)	\$ 903,219
Fire Levy Fund				(1,347,567)	74,214
Police Levy Fund				(3,603,148)	142,968
SEDA Glenwood Fund				(344,235)	11,312
SEDA Downtown Fund				(140,529)	3,939
Debt Service Funds:					
Bancroft Redemption				(36)	3,083
General Obligation				(3,345,937)	248,779
				<u>\$ (24,635,408)</u>	<u>\$ 1,387,514</u>

SCHEDULE OF OTHER TAX REVENUES RECEIVED

Special Revenue Funds	
Transient Room Taxes	\$ 771,994
Gas Tax	1,073,696
911 Tax	309,114
	<u>\$ 2,154,804</u>

City of Springfield, Oregon

SCHEDULE OF BONDED DEBT TRANSACTIONS

Year Ended June 30, 2009

	Principal Transactions						Interest Transactions					
	Issue Date	Effective Interest Rate	Original Issue	Outstanding July 1, 2008	Issued	Bonds Matured/ Called	Bonds Paid	Outstanding June 30, 2009	Outstanding July 1, 2008	Matured 2008-09	Paid in 2008-09	Outstanding June 30, 2009
<u>General Obligation Bonds</u>												
General issue bonds:												
Series 2007	3/9/2007	4.00%	\$ 24,650,000	\$ 23,930,000	\$ -	\$ 915,000	\$ 915,000	\$ 23,015,000	\$ -	\$ 993,780	\$ 993,780	\$ -
Series 2005	7/26/2005	3.48%	12,425,000	9,910,000	-	985,000	985,000	8,925,000	-	329,338	329,338	-
Total general obligation bonds				\$ 33,840,000	\$ -	\$ 1,900,000	\$ 1,900,000	\$ 31,940,000	\$ -	\$ 1,323,118	\$ 1,323,118	\$ -
<u>Revenue Bonds</u>												
Revenue Bonds:												
Series 2005	5/13/2005	3.70%	\$ 1,985,000	\$ 1,470,000	\$ -	\$ 190,000	\$ 190,000	\$ 1,280,000	\$ -	\$ 48,263	\$ 48,263	\$ -
Series 2009	4/2/2009	4.07%	22,815,000	-	22,815,000	-	-	22,815,000	-	-	-	-
Total City revenue bonds				\$ 1,470,000	\$ 22,815,000	\$ 190,000	\$ 190,000	\$ 24,095,000	\$ -	\$ 48,263	\$ 48,263	\$ -
<u>Component Unit</u>												
MW/MC Revenue Bonds:												
Series 2006	11/15/2006	3.97%	\$ 47,270,000	\$ 45,775,000	\$ -	\$ 1,555,000	\$ 1,555,000	\$ 44,220,000	\$ -	\$ 2,146,088	\$ 2,146,088	\$ -
Series 2008	11/20/2008	4.91%	50,730,000	-	50,730,000	-	-	50,730,000	-	1,080,271	1,080,271	-
Total MW/MC revenue bonds				\$ 45,775,000	\$ 50,730,000	\$ 1,555,000	\$ 1,555,000	\$ 94,950,000	\$ -	\$ 3,226,359	\$ 3,226,359	\$ -

City of Springfield, Oregon

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENTS OF
CITY ISSUED GENERAL OBLIGATION BONDS
GENERAL ISSUE

June 30, 2009

	<u>Series 2005 Bonds</u>		<u>Series 2007 Bonds</u>		Total Interest	Total Principal	Total Interest	Total Principal	Total Interest	Total Debt Service
	Principal	Interest	Principal	Interest						
2009-10	\$ 1,010,000	\$ 301,758	\$ 955,000	\$ 954,435	\$ 1,256,193	\$ 1,965,000	\$ 1,256,193	\$ 1,965,000	\$ 1,256,193	\$ 3,221,193
2010-11	1,035,000	271,458	995,000	913,370	1,184,828	2,030,000	1,184,828	2,030,000	1,184,828	3,214,828
2011-12	1,065,000	240,408	1,035,000	870,585	1,110,993	2,100,000	1,110,993	2,100,000	1,110,993	3,210,993
2012-13	1,100,000	207,393	1,080,000	826,080	1,033,473	2,180,000	1,033,473	2,180,000	1,033,473	3,213,473
2013-14	1,130,000	171,643	1,125,000	779,640	951,283	2,255,000	951,283	2,255,000	951,283	3,206,283
2014-15	1,165,000	134,352	1,175,000	731,265	865,617	2,340,000	865,617	2,340,000	865,617	3,205,617
2015-16	205,000	94,743	1,230,000	678,390	773,133	1,435,000	773,133	1,435,000	773,133	2,208,133
2016-17	210,000	87,568	1,285,000	623,040	710,608	1,495,000	710,608	1,495,000	710,608	2,205,608
2017-18	220,000	79,902	1,340,000	565,215	645,117	1,560,000	645,117	1,560,000	645,117	2,205,117
2018-19	225,000	71,653	1,390,000	514,965	586,618	1,615,000	586,618	1,615,000	586,618	2,201,618
2019-20	235,000	62,990	1,445,000	462,840	525,830	1,680,000	525,830	1,680,000	525,830	2,205,830
2020-21	245,000	53,825	1,500,000	406,485	460,310	1,745,000	460,310	1,745,000	460,310	2,205,310
2021-22	255,000	44,025	1,560,000	346,485	390,510	1,815,000	390,510	1,815,000	390,510	2,205,510
2022-23	265,000	33,825	1,625,000	284,085	317,910	1,890,000	317,910	1,890,000	317,910	2,207,910
2023-24	275,000	22,960	1,690,000	219,085	242,045	1,965,000	242,045	1,965,000	242,045	2,207,045
2024-25	285,000	11,685	1,755,000	151,485	163,170	2,040,000	163,170	2,040,000	163,170	2,203,170
2025-26	-	-	1,830,000	77,775	77,775	1,830,000	77,775	1,830,000	77,775	1,907,775
	\$ 8,925,000	\$ 1,890,188	\$ 23,015,000	\$ 9,405,225	\$ 11,295,413	\$ 31,940,000	\$ 11,295,413	\$ 31,940,000	\$ 11,295,413	\$ 43,235,413

This page intentionally left blank.

Statistical Section

This part of the City of Springfield's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	121-125
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	126-129
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	130-134
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	135-136
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	137-139

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

This page intentionally left blank.

Financial Trend Information

This page intentionally left blank.

City of Springfield, Oregon
Net Assets by Component
Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Governmental activities							
Invested in capital assets, net of related debt	\$ 64,575,366	\$ 67,293,340	\$ 69,745,316	\$ 73,775,040	\$ 82,593,165	\$ 97,072,830	\$ 99,380,714
Restricted	4,575,250	8,827,375	8,616,435	6,709,199	8,109,950	7,347,374	5,956,816
Unrestricted	22,032,997	23,520,828	29,931,254	32,344,595	31,810,532	35,138,340	33,973,864
Total governmental activities net assets	\$ 91,183,613	\$ 99,641,543	\$ 108,293,005	\$ 112,828,834	\$ 122,513,647	\$ 139,558,544	\$ 139,311,394
Business-type activities							
Invested in capital assets, net of related debt	\$ 27,984,816	\$ 24,282,731	\$ 33,842,248	\$ 36,211,661	\$ 37,602,170	\$ 48,309,073	\$ 49,313,676
Restricted	5,226,609	5,509,851	4,260,230	5,011,183	5,522,505	4,433,871	3,447,456
Unrestricted	10,377,605	15,130,205	8,971,858	8,554,956	9,583,199	8,759,032	9,478,068
Total business-type activities net assets	\$ 43,589,030	\$ 44,922,787	\$ 47,074,336	\$ 49,777,800	\$ 52,707,874	\$ 61,501,976	\$ 62,239,200
Primary government							
Invested in capital assets, net of related debt	\$ 92,559,182	\$ 91,576,071	\$ 103,587,564	\$ 109,986,701	\$ 120,195,335	\$ 145,381,903	\$ 148,694,390
Restricted	9,801,859	14,337,226	12,876,665	11,720,382	13,632,455	11,781,245	9,404,272
Unrestricted	32,410,603	38,651,033	38,903,112	40,899,551	41,393,731	43,897,372	43,451,932
Total primary government net assets	\$ 134,771,644	\$ 144,564,330	\$ 155,367,341	\$ 162,606,634	\$ 175,221,521	\$ 201,060,520	\$ 201,550,594

(1) The City implemented GASB 34, the new reporting standard, in fiscal year 2003. Therefore, ten years of data is not available but will be accumulated over time.

City of Springfield, Oregon
 Changes in Net Assets, Last Seven Fiscal years
 (accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental activities:							
General government	\$ 4,552,975	\$ 4,840,651	\$ 5,088,042	\$ 5,452,865	\$ 5,512,588	\$ 3,929,091	\$ 4,791,069
Police	9,219,461	10,454,210	11,652,431	12,040,291	12,619,083	13,116,023	13,974,177
Fire	6,230,207	7,833,341	8,394,509	8,714,544	9,713,840	10,354,699	10,858,907
Public works	5,704,476	6,239,200	9,125,560	10,869,437	10,006,943	9,711,960	10,295,174
Library	1,415,560	1,330,856	1,278,006	1,298,373	1,269,704	1,309,218	1,400,056
Development services	4,720,587	6,515,102	5,410,298	4,791,592	6,326,538	5,566,714	4,601,270
Depreciation, unallocated	235,888	235,888	235,888	255,614	259,908	273,239	313,042
Interest on long-term debt	571,376	538,563	516,454	381,657	706,762	1,394,478	1,406,144
Total governmental activities expense	32,650,530	37,987,811	41,701,188	43,804,373	46,415,366	45,655,422	47,639,839
Sewer	6,505,305	6,677,105	6,918,423	7,653,331	7,854,400	7,745,843	6,619,628
Storm drainage							
Booth-Kelly	496,460	438,049	502,163	520,007	589,313	660,713	3,894,947
Ambulance	4,467,552	4,654,840	5,018,686	4,785,189	4,865,158	4,602,490	779,773
Business-type activities expenses	11,469,317	11,769,994	12,439,272	12,958,527	13,308,871	13,009,046	4,939,277
Total primary government expenses	44,119,847	49,757,805	54,140,460	56,762,900	59,724,237	58,664,468	63,873,464
Program Revenue							
Governmental activities:							
Charges for services:							
General government	\$ 2,622,159	\$ 2,900,208	\$ 3,865,736	\$ 3,442,133	\$ 3,749,720	\$ 2,078,657	\$ 2,403,988
Police	170,630	150,892	156,735	250,968	232,563	274,968	490,731
Fire	1,065,802	919,655	1,679,977	1,423,906	1,587,419	1,659,654	1,677,216
Public works	2,831,343	2,664,605	8,071,249	4,627,601	4,487,753	1,424,937	1,494,678
Library	108,720	100,226	94,313	79,534	88,338	91,273	89,853
Development services	1,617,568	2,807,175	3,565,487	4,483,247	3,804,598	4,370,602	2,118,612
Operating grants and contributions	7,453,464	4,320,643	5,632,824	4,679,550	6,106,694	4,527,430	4,161,206
Capital grants and contributions	814,064	8,862,192	2,894,691	2,019,869	6,003,405	16,101,592	155,634
Total governmental activities program revenues	16,683,750	22,725,596	25,961,012	21,006,808	26,060,490	30,529,113	12,591,918
Business-type activities:							
Charges for services:							
Sewer	5,887,097	7,476,531	6,933,656	7,687,885	8,967,919	9,116,078	5,590,002
Storm drainage							
Booth-Kelly	563,247	537,199	593,937	600,968	634,721	664,398	4,475,347
Ambulance	4,248,020	3,753,519	4,266,972	4,194,871	4,436,801	4,260,912	788,095
Operating grants and contributions			675	6,068	2,294		4,662,981
Capital grants and contributions	1,932,085	926,308	2,683,114	3,004,413	1,263,879	7,201,122	1,367,790
Total business-type activities program revenues	12,630,449	12,693,557	14,478,354	15,494,205	15,305,614	21,242,510	16,884,215
Total primary government program revenues	29,314,199	35,419,153	40,439,366	36,501,013	41,366,104	51,771,623	29,476,133
Net (Expense) Revenue	\$ (15,966,780)	\$ (15,262,215)	\$ (15,740,176)	\$ (22,797,565)	\$ (20,354,876)	\$ (15,126,309)	\$ (35,047,921)
Governmental activities	1,161,132	923,563	2,039,082	2,535,678	1,996,743	8,233,464	650,590
Business-type activities	(14,805,648)	(14,338,652)	(13,701,094)	(20,261,887)	(18,358,133)	(6,892,845)	(34,397,331)
Total primary government net expense							

Continued

Continued

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	\$ 13,711,384	\$ 16,778,764	\$ 16,542,797	\$ 17,978,830	\$ 19,023,927	\$ 20,761,839	\$ 24,888,500
Room taxes	822,279	524,726	586,748	678,594	819,206	783,767	771,994
Other taxes	1,203,474	2,441,620	2,756,003	2,960,673	2,943,197	3,650,019	3,391,158
Payment in lieu of taxes	1,950,145	2,148,012	2,208,008	2,258,956	2,307,909	2,288,217	2,275,036
Investment earnings	629,891	295,382	814,959	1,702,251	2,758,907	2,945,365	1,727,120
Miscellaneous	258,703	253,878	151,033	206,256	385,310	323,133	379,635
Gain (loss) on disposition of capital assets	5,401,456	(108,614)	-	49,900	(35,598)	-	19,810
Shared revenue	880,291	927,259	1,000,195	1,090,631	1,193,858	1,146,172	1,377,642
Transfer to a separate entity	-	-	(100,454)	-	-	-	-
Transfers	(4,109,189)	455,019	454,999	416,552	643,168	272,692	593,130
Total governmental activities	20,748,434	23,716,046	24,414,288	27,342,643	30,039,884	32,171,204	35,424,025
Business-type activities:							
Investment earnings	350,104	141,853	328,840	441,688	868,946	821,733	559,713
Miscellaneous	42,882	165,850	238,626	142,650	707,548	11,597	120,051
Gain (loss) on disposition of capital assets	-	557,509	-	-	-	-	-
Transfers	4,109,189	(455,019)	(454,999)	(416,552)	(643,168)	(272,692)	(593,130)
Total business-type activities	4,502,175	410,193	112,467	167,786	933,326	560,638	86,634
Total primary government	\$ 25,250,609	\$ 24,126,239	\$ 24,526,755	\$ 27,510,429	\$ 30,973,210	\$ 32,731,842	\$ 35,510,659
Change In Net Assets							
Governmental activities	\$ 4,781,654	\$ 8,453,831	\$ 8,674,112	\$ 4,545,078	\$ 9,685,008	\$ 17,044,895	\$ 376,104
Business-type activities	5,663,307	1,333,755	2,151,549	2,703,464	2,930,069	8,794,102	737,224
Total primary government	\$ 10,444,961	\$ 9,787,586	\$ 10,825,661	\$ 7,248,542	\$ 12,615,077	\$ 25,838,997	\$ 1,113,328

1 This schedule reports using the accrual basis of accounting.

2 Expenses include allocated indirect expenses.

3 The City implemented GASB 34, the new reporting standard, in fiscal year 2003. Therefore, ten years of data is not available but will be accumulated over time.

City of Springfield
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 242,435	\$ 360,759	\$ 281,390	\$ 289,211	\$ 288,075	\$ 293,103	\$ 494,395	\$ 391,918	\$ 926,688	\$ 388,528
Unreserved	3,942,336	3,706,208	3,802,111	4,620,032	5,679,318	6,437,254	6,896,167	7,874,253	8,350,863	6,966,896
Total general fund	<u>\$ 4,184,771</u>	<u>\$ 4,066,967</u>	<u>\$ 4,083,501</u>	<u>\$ 4,909,243</u>	<u>\$ 5,967,393</u>	<u>\$ 6,730,357</u>	<u>\$ 7,390,562</u>	<u>\$ 8,266,171</u>	<u>\$ 9,277,551</u>	<u>\$ 7,355,424</u>
All Other Governmental Funds										
Reserved	\$ 10,928,217	\$ 8,649,533	\$ 11,048,251	\$ 4,398,131	\$ 8,766,419	\$ 8,556,200	\$ 4,835,844	\$ 6,104,214	\$ 6,868,556	\$ 5,339,010
Unreserved, reported in										
Special revenue funds	3,176,861	1,827,325	2,738,673	1,340,937	3,147,625	4,514,516	8,118,406	8,487,980	3,137,842	4,329,775
Capital projects funds	4,187,954	3,436,262	4,008,754	7,018,212	3,574,657	8,275,997	11,029,365	30,228,095	24,023,946	14,937,692
Debt service funds	-	3,638,933	-	3,551,441	3,187,568	2,561,169	2,433,530	2,036,894	1,718,922	1,369,823
Total all other governmental funds	<u>\$ 18,293,032</u>	<u>\$ 17,552,053</u>	<u>\$ 17,795,678</u>	<u>\$ 16,308,721</u>	<u>\$ 18,676,269</u>	<u>\$ 23,907,882</u>	<u>\$ 26,417,145</u>	<u>\$ 46,857,183</u>	<u>\$ 35,749,266</u>	<u>\$ 25,976,300</u>

City of Springfield
Changes in Fund Balances, Governmental Funds
Last ten fiscal years
(modified accrual basis of accounting)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenue:										
Taxes	\$ 12,169,438	\$ 13,220,134	\$ 12,258,721	\$ 13,785,136	\$ 18,091,192	\$ 18,762,676	\$ 19,907,659	\$ 21,201,934	\$ 22,756,676	\$ 26,796,400
Intergovernmental	7,291,063	7,706,304	7,645,630	7,399,782	11,785,002	9,480,359	9,136,228	10,481,742	8,053,038	8,051,131
Licenses and permits	2,088,124	2,851,558	2,054,215	2,941,609	3,440,031	2,685,926	2,799,900	3,357,236	3,975,361	3,147,467
Fines & forfeitures	806,960	901,205	813,991	959,806	804,953	975,892	1,058,271	1,216,083	1,162,425	1,285,427
Use of money & property	2,436,594	1,386,814	2,237,325	1,138,208	1,158,436	1,317,205	1,800,266	2,489,523	2,821,836	1,159,664
Miscellaneous receipts	218,957	487,893	698,554	830,924	416,801	149,089	167,044	525,944	312,154	464,200
Charges for services	4,403,503	5,429,470	3,571,736	4,329,354	5,195,554	14,260,750	10,477,114	9,745,427	16,598,189	7,660,854
Special assessments	488,618	157,374	363,647	171,544	59,444	88,103	138,754	53,236	38,011	11,684
Total Revenues	29,903,257	32,140,752	29,643,819	31,556,363	40,951,413	47,720,000	45,485,236	49,071,125	55,717,690	48,576,827
Expenditures:										
Current Operating:										
General government	4,385,357	4,956,910	4,368,236	4,339,989	4,635,351	4,517,243	5,118,518	5,338,050	5,815,636	6,460,455
Public safety	13,112,166	14,757,586	13,638,410	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fire	n/a	n/a	n/a	6,146,043	7,721,591	8,532,848	8,733,057	9,881,752	10,486,561	10,988,771
Police	n/a	n/a	n/a	9,078,155	10,279,002	11,319,761	12,136,134	13,038,101	13,267,724	14,138,500
Library	939,008	1,097,079	1,016,003	1,254,486	1,198,034	1,222,631	1,279,663	1,260,454	1,263,439	1,354,548
Community development	6,824,270	8,224,302	7,201,846	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Public works	n/a	n/a	n/a	4,073,602	4,852,380	5,525,541	6,572,644	7,973,446	6,991,568	8,096,133
Development services	n/a	n/a	n/a	4,051,355	3,950,812	4,061,002	4,291,759	4,539,636	4,814,244	4,584,530
Capital Projects	4,816,292	2,267,997	2,803,188	3,270,813	4,321,051	5,697,868	7,409,155	9,570,207	20,164,161	13,773,261
Debt service										
Principal	1,203,830	698,528	815,475	681,894	641,285	673,046	668,462	984,177	1,732,030	2,030,047
Interest	693,706	603,403	638,424	571,377	538,562	507,382	372,870	413,956	1,572,382	1,390,816
Bond issue costs	-	-	-	-	-	-	63,112	355,501	-	-
Total expenditures	31,974,629	32,605,805	30,481,582	33,467,714	38,138,068	42,057,322	46,645,374	53,355,280	66,107,745	62,817,061
Excess of revenues over (under) expenditures	(2,071,372)	(465,053)	(837,763)	(1,911,351)	2,813,345	5,662,678	(1,160,138)	(4,284,155)	(10,390,055)	(14,240,234)
Other financing sources (Uses)										
Proceeds of sale of capital assets	-	-	-	5,401,455	-	-	-	-	-	-
Capital contributions	-	-	-	-	105,237	-	-	-	-	-
Transfers in	590,970	1,032,246	820,469	4,397,447	1,733,278	2,660,992	1,651,223	1,772,318	2,523,359	6,070,182
Transfers out	(389,946)	(820,286)	(581,445)	(8,308,247)	(1,231,260)	(2,205,993)	(1,300,957)	(1,129,150)	(2,248,737)	(5,287,262)
Bond proceeds	-	-	-	-	-	(100,454)	12,290,353	24,962,242	-	-
Proceeds of debt issuance	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	(8,301,763)	-	-	1,800,000
Total other financing sources (uses)	201,024	211,960	239,024	1,490,655	607,255	354,545	4,338,856	25,605,410	274,622	2,582,920
Net changes in fund balances	\$ (1,870,348)	\$ (253,093)	\$ (598,739)	\$ (420,696)	\$ 3,420,600	\$ 6,017,223	\$ 3,178,718	\$ 21,321,255	\$ (10,115,433)	\$ (11,657,314)
Debt services as a percentage of non-capital expenditures	6.25%	4.06%	4.93%	3.98%	3.23%	2.95%	2.45%	3.00%	6.96%	7.74%

Notes
a) Prior to fiscal year 2003, Fire and Police services were combined into a single reporting function titled Public Safety. Separate information was not available.
b) Prior to fiscal year 2003, Public Works and Development Services were combined into a single reporting function titled Community Development. Separate information was not available.

This page intentionally left blank.

Revenue Capacity Information

This page intentionally left blank.

City of Springfield, Oregon

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

<u>Fiscal year ended June 30,</u>	<u>Residential Property *</u>	<u>Commercial Property *</u>	<u>Industrial Property *</u>	<u>Less: Tax- Exempt Property *</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2000	-	-	-	-	2,124,958,597	5.51	2,658,974,942	79.92%
2001	-	-	-	-	2,254,884,249	5.18	2,950,815,480	76.42%
2002	-	-	-	-	2,496,155,203	5.17	3,156,227,240	79.09%
2003	-	-	-	-	2,559,245,219	5.15	3,170,223,788	80.73%
2004	-	-	-	-	2,736,470,045	6.17	3,410,483,722	80.24%
2005	-	-	-	-	2,805,856,167	6.15	3,682,479,200	76.19%
2006	-	-	-	-	2,983,283,348	6.10	4,247,810,785	70.23%
2007	-	-	-	-	3,149,357,159	6.12	5,566,220,630	56.58%
2008	-	-	-	-	3,436,084,339	6.13	6,655,887,099	51.62%
2009	-	-	-	-	3,502,295,304	7.19	7,205,559,254	48.61%

Source: Lane County Department of Assessment and Taxation

* Breakdown of assessed value into categories is not available

City of Springfield, Oregon

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

Fiscal Year	City Direct Rates							Overlapping Rates						
	Basic Rate	General Obligation Debt Service	Police Operating Levy	Fire Operating Levy	Total Direct	School District No. 19	Lane County	Lane Community College	Lane County I.E.D. (E.S.D.)	Willamalane Park District	Rainbow Water District	Lane County Metropolitan Wastewater District	Springfield Economic Development Agency	
2000	4.74	0.77	-	-	5.51	5.81	1.45	0.89	0.22	2.48	3.19	0.18	-	
2001	4.74	0.44	-	-	5.18	5.67	1.44	0.87	0.22	2.44	3.16	0.05	-	
2002	4.74	0.43	-	-	5.17	5.69	1.44	0.86	0.22	2.38	3.12	0.05	-	
2003	4.74	0.41	-	-	5.15	5.52	1.44	0.88	0.22	2.42	3.10	-	-	
2004	4.74	0.41	0.66	0.36	6.17	5.57	1.43	0.88	0.22	2.35	3.25	-	-	
2005	4.74	0.39	0.66	0.36	6.15	5.61	1.41	0.88	0.22	2.33	3.21	-	-	
2006	4.73	0.35	0.66	0.36	6.10	5.50	1.40	0.88	0.22	2.32	3.18	-	0.02	
2007	4.72	0.38	0.66	0.36	6.12	5.52	1.40	0.85	0.22	2.17	3.15	-	0.04	
2008	4.71	1.02	-	0.40	6.13	5.55	1.39	0.83	0.22	2.13	3.73	-	0.06	
2009	4.70	1.00	1.09	0.40	7.19	5.60	1.39	0.86	0.22	2.13	3.67	-	0.11	

Source: Lane County Department of Assessment & Taxation

City of Springfield, Oregon

Principal Property Tax Payers

Current Year and Nine Years Ago

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
IP Eat Three LLC	\$ 180,825,022	1	5.16%	\$ -		
Symantec Corporation	76,191,959	2	2.18%	-		
Gateway Mall Partners	56,193,275	3	1.60%	39,510,436	2	1.86%
PeaceHealth	244,297,946	4	6.98%	-		
Rosboro Lumber Company	26,102,893	5	0.75%	23,042,304	4	1.08%
Kingsford Manufacturing	24,856,903	6	0.71%	11,543,569	6	0.54%
Shorewood Packaging Corp.	21,710,590	7	0.62%	-		
McKenzie Willamette Regional Medical Ctr.	20,827,176	8	0.59%	-		
Arclin USA Inc.	21,071,403	9	0.60%	-		
Qwest Corp.	21,007,000	10	0.60%	-		
Weyerhaeuser Company	-			250,861,564	1	11.81%
U.S. West Communications	-			32,877,295	3	1.55%
Neste Resins Corporation	-			12,809,012	5	0.60%
Farwest Steel Corporation	-			10,018,999	7	0.47%
Shepard Charles N TE	-			9,637,179	8	0.45%
McKenzie Forest Products LLC	-			8,954,223	9	0.42%
Total	<u>\$ 512,259,145</u>		<u>14.63%</u>	<u>\$ 399,254,581</u>		<u>18.78%</u>

Source: Lane County Department of Assessment and Taxation

City of Springfield, Oregon

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections & Adjustments in Subsequent Years	Total Collections and Adjustments to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	11,474,338	10,969,919	95.6%	495,050	11,464,969	99.9%
2001	11,560,318	11,026,764	95.4%	519,765	11,546,529	99.9%
2002	12,432,664	11,910,378	95.8%	509,660	12,420,038	99.9%
2003	12,892,396	12,409,499	96.3%	467,997	12,877,496	99.9%
2004	16,625,557	16,012,967	96.3%	591,987	16,604,954	99.9%
2005	17,372,713	16,362,478	94.2%	962,208	17,324,686	99.7%
2006	18,347,448	17,394,011	94.8%	852,041	18,246,052	99.4%
2007	19,665,050	18,611,955	94.6%	836,062	19,448,017	98.9%
2008	21,473,863	20,128,824	93.7%	720,379	20,849,203	97.1%
2009	25,639,015	24,092,260	94.0%	745,617	24,837,877	96.9%

Sources: Lane County Department of Assessments and
Taxation; Annual Financial Reports

Debt Capacity Information

This page intentionally left blank.

City of Springfield, Oregon

RATIO OF OUTSTANDING DEBT, BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Notes Payable	Revenue Bonds	Notes Payable	Revenue Bonds	Notes Payable			
2000	10,945,000	405,000	-	874,351	2,900,000	3,535,941	2,900,000	3,535,941	18,660,292	*	352
2001	10,425,000	160,000	-	823,877	2,770,000	3,297,225	2,770,000	3,297,225	17,476,102	*	327
2002	9,880,000	60,000	-	771,035	2,635,000	3,049,496	2,635,000	3,049,496	16,395,531	*	309
2003	9,315,000	-	-	713,249	2,495,000	2,686,629	2,495,000	2,686,629	15,209,878	0.17%	278
2004	8,725,000	-	-	661,964	2,345,000	2,525,606	2,345,000	2,525,606	14,257,570	0.15%	258
2005	8,105,000	-	-	608,918	1,985,000	2,248,720	1,985,000	2,248,720	12,947,638	0.13%	232
2006	11,805,000	-	157,584	560,456	1,815,000	1,842,482	1,815,000	1,842,482	16,180,522	0.15%	284
2007	35,520,000	-	126,629	511,278	1,645,000	8,690,632	1,645,000	8,690,632	46,493,539	0.42%	811
2008	33,840,000	-	87,507	459,249	1,470,000	8,861,225	1,470,000	8,861,225	44,717,981	0.38%	771
2009	31,940,000	-	46,305	2,129,202	24,095,000	7,513,982	24,095,000	7,513,982	65,724,489	**	1,132

Source: Annual Financial Reports

* not available

** not yet available

City of Springfield, Oregon

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>		
2000	10,945,000	0.52%	207
2001	10,425,000	0.46%	195
2002	9,880,000	0.40%	186
2003	9,315,000	0.36%	170
2004	8,725,000	0.32%	158
2005	8,105,000	0.29%	145
2006	11,805,000	0.40%	207
2007	35,520,000	1.13%	620
2008	33,840,000	0.98%	583
2009	31,940,000	0.91%	550

Source: Annual Financial Statements, Lane County Department of Assessment & Taxation

City of Springfield, Oregon

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT

June 30, 2009

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Willamalane Park and Recreation District	\$ -	93.3795%	\$ -
Lane County	15,155,000	14.6866%	2,225,754
Lane County School District No. 4J	131,255,000	4.8261%	6,334,498
Lane County School District No. 19	58,451,258	73.4570%	42,936,541
Lane Community College	45,000,000	14.5087%	6,528,915
Lane ESD	7,975,000	14.7311%	1,174,805
Other debt			
Lane Community College self supporting full faith and credit debt	46,988,522	14.5087%	6,817,424
Lane County self supporting full faith and credit debt	75,862,949	14.6866%	11,141,688
Lane County Housing Authority revenue bonds	810,000	-	-
Lane County School District No. 4J self supporting full faith and credit debt	52,895,000	4.8261%	2,552,766
Lane County School District No. 19 self supporting full faith and credit debt	61,385,000	73.4570%	45,091,579
Lane ESD appropriation credits	140,000	-	-
Metropolitan Wastewater Management Commission	94,950,000	-	-
Springfield Utility Board revenue bonds	1,448,327	-	-
Willamalane Park and Recreation District self supporting full faith and credit debt	1,560,000	93.3795%	1,456,720
Willamalane Park and Recreation District appropriation credits	15,000	-	-
Subtotal overlapping debt			126,260,690
City direct debt			
Debt repaid with property taxes			31,940,000
Other debt - sewer revenue bonds			<u>24,095,000</u>
Total direct and overlapping debt			<u><u>\$ 182,295,690</u></u>

* For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value. This approach was also used for other debt. Lane County Housing Authority has only revenue backed debt and no methodology for estimating the percent of overlap has been developed.

Source: Municipal Bond Division of the State Treasury Department

City of Springfield, Oregon

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	June 30, 2009	Fiscal Year									
		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Real market value	\$ 7,205,559,254										
Debt limit 3% of real market value	\$ 216,166,778										
Amount of debt applicable to debt limit											
Total general issue debt	\$ 31,940,000										
Less											
Funds applicable to the payment of the principal thereof per ORS 287.004(2)	587,395										
Total amount of debt applicable to limit	31,352,605										
Total debt margin	\$ 184,814,173										
Debt Limit		\$ 79,769,248	\$ 88,524,464	\$ 94,686,817	\$ 95,106,714	\$ 102,314,512	\$ 110,474,376	\$ 127,434,324	\$ 166,986,619	\$ 199,676,613	\$ 216,166,778
Total net debt applicable to limit		10,524,131	10,055,448	9,506,042	8,994,773	8,373,242	7,753,964	11,432,921	35,257,315	33,421,463	31,352,605
Legal debt margin		\$ 69,245,117	\$ 78,469,016	\$ 85,180,775	\$ 86,111,941	\$ 93,941,270	\$ 102,720,412	\$ 116,001,403	\$ 131,729,304	\$ 166,255,150	\$ 184,814,173
Total net debt applicable to the limit as a percentage of debt limit		13.19%	11.36%	10.04%	9.46%	8.18%	7.02%	8.97%	21.11%	16.74%	14.50%

City of Springfield
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Local Sewer Revenue Bonds					
	System Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2000	\$ 5,180,477	\$ 3,520,509	\$ 1,659,968	\$ 120,000	\$ 155,445	6.03
2001	5,478,574	3,987,590	1,490,984	130,000	150,165	5.32
2002	6,811,090	3,905,832	2,905,258	135,000	144,315	10.40
2003	6,724,729	5,504,014	1,220,715	140,000	138,105	4.39
2004	7,647,413	5,742,853	1,904,560	150,000	131,525	6.77
2005	7,833,983	5,972,810	1,861,173	160,000	124,325	6.55
2006	9,504,855	6,853,225	2,651,630	170,000	66,898	11.19
2007	11,249,237	6,963,177	4,286,060	170,000	58,613	18.75
2008	10,426,775	6,567,949	3,858,826	175,000	53,513	16.89
2009	10,548,809	6,866,205	3,682,604	190,000	48,263	15.46

System revenues include user fees, system development charges and miscellaneous revenue.
Operating expenses do not include depreciation or interest expense.

This page intentionally left blank.

Demographic and Economic Information

This page intentionally left blank.

City of Springfield, Oregon
Demographic and Economic Statistics,
Last Ten Calendar Years

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2000	52,956	*	*	11,042	5.7%
2001	53,490	*	*	11,088	6.1%
2002	53,140	*	*	11,229	7.2%
2003	54,720	\$8,727,000	\$ 26,445	11,013	7.7%
2004	55,350	9,415,000	28,416	10,539	7.0%
2005	55,861	9,812,000	29,909	10,634	6.7%
2006	57,055	10,483,000	30,825	10,477	5.9%
2007	57,320	11,092,000	32,281	10,609	5.6%
2008	58,005	11,645,000	33,601	10,608	5.7%
2009	58,085	**	**	10,526	12.7%

Sources: Population information provided by the Population Research Center, Portland State University.
Personal income and Per Capita income provided by Bureau of Economic Analysis and represents the entire Eugene-Springfield Metropolitan area
School enrollment data provided by Springfield School District No. 19.
Unemployment data provided by the State of Oregon, Employment Division, Research & Statistics.

Note: 2009 Personal Income and Per Capita Personal Income not yet available.
Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the end of the school year.

* Not available
** Not yet available

City of Springfield, Oregon

Principal Employers,

Current Year and Nine Years Ago

<u>Employer</u>	<u>2009</u>			<u>2000</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Peace Health Oregon Region	3,400	1	13.40%	-		-
Springfield School District #19	1,600	2	6.31%	1,460	1	6.08%
Symantic	904	3	3.56%	-		-
McKenzie Willamette Hospital	780	4	3.08%	1,065	2	4.43%
Wal-Mart	450	5	1.77%	-		-
City of Springfield	445	6	1.75%	368	5	1.53%
Peace Health Medical Laboratories	374	7	1.47%	-		-
Lane Transit District	329	8	1.30%	-		-
Willamalane Park and Recreation District	312	9	1.23%	237	10	0.99%
U.S. Postal Service	310	10	1.22%	275	9	1.14%
Weyerhaeuser	-		-	590	3	2.46%
Rosboro Lumber Company	-		-	405	4	1.62%
Sony	-		-	350	6	1.46%
Service Star/Coast to Coast	-		-	300	7	1.25%
McKenzie Forest Products	-		-	287	8	1.19%
Total	<u>5,504</u>		<u>21.69%</u>	<u>5,337</u>		<u>22.15%</u>

Source: City Economic Development Division

Operating Information

This page intentionally left blank.

City of Springfield, Oregon

Full-time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

Full-time Equivalent Employees as of June 30*

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government										
City management	6.00	6.00	5.00	5.00	5.00	6.00	7.00	7.00	7.50	8.00
Finance	11.70	11.70	11.70	11.70	10.50	11.50	11.50	11.30	11.30	11.30
Human resources	10.00	10.00	10.00	8.20	7.50	7.00	7.00	7.00	7.00	7.00
Information technology	10.00	10.00	10.00	10.00	9.00	9.00	10.00	10.00	10.00	10.00
Legal/Judicial services	6.55	6.55	6.55	6.55	7.55	7.55	7.55	7.55	7.55	8.55
Development services	37.80	39.50	38.25	36.25	36.00	35.75	33.00	35.25	37.25	39.75
Police										
Officers	61.00	61.00	62.00	62.00	69.00	70.00	70.00	70.00	70.00	70.00
Civilians	30.45	32.45	32.50	31.00	40.00	38.50	40.00	40.00	40.00	41.00
Fire										
Firefighters and officers	78.00	79.00	79.00	80.00	89.00	89.00	87.00	89.00	89.00	90.25
Civilians	19.25	19.25	18.55	17.55	18.55	14.05	14.55	16.05	21.25	21.00
Other public works										
Engineers	9.00	10.00	9.00	9.00	9.00	15.00	14.00	17.00	16.00	19.00
Other	80.01	84.51	86.50	84.50	83.50	93.50	97.50	100.50	106.60	110.00
Library	14.90	15.00	14.20	14.20	14.20	13.40	13.60	13.60	13.60	13.60
Total	374.66	384.96	383.25	375.95	398.80	410.25	412.70	424.25	437.05	449.45

Source: City Budget Office

* Based on published Budgeted FTE as of July 1, preceding year

City of Springfield, Oregon

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Physical arrests	6,071	7,385	6,539	7,486	6,841	7,192	10,993	9,044	8,523	7,054
Parking violations	2,185	1,329	1,426	1,397	1,452	1,114	939	941	457	395
Traffic violations	8,666	9,866	9,777	8,913	7,938	8,693	9,182	10,879	10,091	9,964
Fire										
Number of fire stations	5	5	5	5	5	5	5	5	5	5
Emergency responses	10,948	11,171	11,450	11,497	12,177	14,097	16,129	16,345	18,190	18,413
Fires extinguished	276	271	276	276	302	240	283	257	216	238
Inspections	2,861	2,754	2,951	2,642	3,024	3,016	3,540	3,719	3,374	3,329
Public works										
Crack sealing	43	11	19	20	53	27	33	28	18	41
Potholes repaired	1,707	605	782	1,463	934	1,094	1,343	989	1,142	722
Storm lines high velocity cleaning	26,000	168,648	349,955	378,623	383,778	251,249	231,891	132,637	215,683	32,584
Sanitary lines high velocity cleaning	278,856	609,367	580,982	527,637	954,912	781,234	518,889	664,822	657,295	932,839
Library										
Number of public computer log-ins	**	74,689	94,191	89,514	89,300	111,773	118,894	149,153	109,019	100,867
Total volumes loaned	325,250	323,488	324,424	323,450	314,371	306,946	309,277	293,068	297,982	326,235
Development services *										
Number of building permits	856	851	637	626	672	759	770	724	618	512
Building valuation (in thousands)	56,582	79,656	68,038	83,921	68,897	407,724	462,560	192,868	143,064	65,192

Sources: Various city departments

* Development services indicators are presented for calendar years

** Public computer provided beginning 2001

City of Springfield, Oregon

Capital Asset Statistics by Function/Program,

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	17	17	20	20	20	20	20	20	20	20
Fire stations	5	5	5	5	5	5	5	5	5	5
Public works										
Streets (miles)	195	196	197	381	385	387	390	392	398	401
Street lights	3,091	3,071	3,236	3,336	3,505	3,544	3,555	3,875	4,033	4,117
Traffic signals	-	-	-	-	-	-	72	70	68	68
Water										
Fire hydrants	1,035	1,098	1,205	1,213	1,273	1,302	1,500	1,516	1,553	1,552

Sources: Various city departments

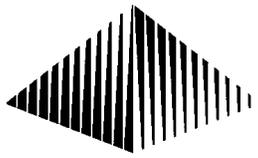
This page intentionally left blank.

Compliance Section

This page intentionally left blank.

Audit Comments

This page intentionally left blank.



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

COMMENTS AND DISCLOSURE REQUIRED BY STATE REGULATORS

To the Honorable Mayor, Members of the
City Council and the City Manager
City of Springfield, Oregon

Oregon Administrative Rules 162-10-000 through 162-16-000 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments, and disclosures required in annual financial reports. Required comments and disclosures related to our audit of such financial statements and schedules follow.

We have audited the financial statements of the governmental activities, business-type activities, each major fund, the discretely presented component units and the aggregate remaining fund information of City of Springfield, Oregon (the City) as of and for the year ended June 30, 2009, which collectively comprised City of Springfield, Oregon's basic financial statements and have issued our report thereon dated December 21, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

ACCOUNTING AND INTERNAL CONTROL

Our reports relating to accounting and internal control systems are contained in the Government Auditing Standards Section of this comprehensive annual financial report.

ACCOUNTING RECORDS

We found the City's accounting records to be adequate for audit purposes.

ADEQUACY OF COLLATERAL SECURING DEPOSITORY BALANCES

The City has complied with Oregon Revised Statutes Chapter 295 in relation to deposit accounts.

INVESTMENTS

Our review of deposit and investment balances indicated that, during the year ended June 30, 2009, the City was in compliance with ORS 294, as it pertains to investment of public funds, except that the City exceeded the allowance deposits balance in the Local Government Investment Pool at times during the year ended June 30, 2009.

LEGAL REQUIREMENTS RELATING TO DEBT

The general obligation bonded debt of the City is in compliance with the limitation imposed by ORS 328. We noted no defaults in principal, interest, sinking fund, or redemption provisions with respect to any of this bonded debt or other liabilities

BUDGET COMPLIANCE

The City appears to have complied with Local Budget Law (ORS 294.305 to 294.520) in the preparation and adoption of its budget and tax levy for the years ended June 30, 2009 and 2010, and execution for the year ended June 30, 2009. A description of the budgeting process is in the notes to the basic financial statements.

INSURANCE POLICIES AND FIDELITY BONDS

We have reviewed the City's insurance coverage at June 30, 2009. We ascertained that such policies appeared to be in force.

PUBLIC CONTRACTS

The City's procedures for awarding public contracts were reviewed and found to be in accordance with ORS Chapter 279.

PROGRAMS FUNDED FROM OUTSIDE SOURCES

Our reports on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* and compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 are contained in the OMB Circular A-133 (Single Audit) Section of this Annual Financial Report.

We have reviewed the City's compliance with appropriate laws, rules, and regulations pertaining to material programs funded wholly or partially by other governmental agencies. The City is in compliance with the guidelines in all material aspects.

FINANCIAL REPORTING REQUIREMENTS

We have reviewed financial reports and other data relating to programs funded wholly or partially by other governmental agencies. This data, filed with other governmental agencies, is in agreement with and supported by the accounting records.

HIGHWAY FUNDS

The City complied with the legal requirements, Article IX, Section 3a of the Oregon Constitution pertaining to the use of revenue from taxes on motor vehicle fuel, and the statutory requirements of ORS 368 and 373 as they pertain to the use of road funds.

This report is intended for the information of the Honorable Mayor, members of the City Council, the City Manager and management for the City of Springfield, Oregon and the Secretary of State, Audits Division, of the State of Oregon and is not intended to be and should not be used by anyone other than those specified parties.

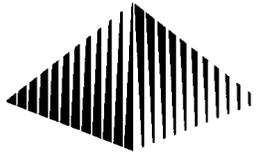
GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Charles A. Swank, A Shareholder
December 21, 2009

This page intentionally left blank.

Governmental Auditing Standards

This page intentionally left blank.



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

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

To the Honorable Mayor and Members of the City Council
City of Springfield, Oregon

We have audited the financial statements of City of Springfield, Oregon, as of and for the year ended June 30, 2009, and have issued our report thereon dated December 21, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered City of Springfield's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Springfield's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Springfield's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the City Council, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.


CERTIFIED PUBLIC ACCOUNTANTS
December 21, 2009

**OMB Circular A-133
(Single Audit) Report**

This page intentionally left blank.



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Mayor and Members of the City Council
City of Springfield, Oregon

Compliance

We have audited the compliance of City of Springfield, Oregon with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of City of Springfield is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered City of Springfield's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Springfield's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City Council, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.


CERTIFIED PUBLIC ACCOUNTANTS
December 21, 2009

CITY OF SPRINGFIELD, OREGON, FEDERAL GRANT COMPLIANCE REPORT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2007

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control reporting:	
· Material weakness(es) identified?	No
· Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
· Material weakness(es) identified?	No
· Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Identification of major program:

CFDA Numbers

Name of Federal Program or Cluster

14.218

Community Development Block Grants

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualifies as low-risk auditee?	Yes

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

CITY OF SPRINGFIELD, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Federal Expenditures in Fiscal Year 2008-2009	Amount Provided to Subrecipients
<u>U.S. Department of Justice</u>				
Direct Programs:				
Justice Assistance Grant	16.738	2006-DJ-BX-0485	\$ 49	
Justice Assistance Grant	16.738	2007-DJ-BX-0476	16,211	
Justice Assistance Grant	16.738	NA	15,297	
Total U.S. Department of Justice			<u><u>31,557</u></u>	
 <u>U.S. Department of Homeland Security</u>				
Direct Program:				
Assistance to Firefighters Grant	97.044	EMW-2007-FO-11054	50,964	
Grants passed through State of Oregon				
State Homeland Security Program	97.073	06-236	32,971	
State Homeland Security Program	97.073	07-232	28,415	
Total U.S. Department of Homeland Security			<u><u>112,350</u></u>	
 <u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
HOME Investment Partnership Programs	14.239	NA	550,795	
Community Development Block Grant	14.218	NA	621,378	\$ 89,856
Community Development Block Grant Program Income	14.218	NA	22,539	
Total U.S. Department of Housing and Urban Development			<u><u>1,194,712</u></u>	
 <u>U.S. Department of Transportation</u>				
<i>Highway Planning and Construction Cluster</i>				
Grants passed through State of Oregon:				
Highway Planning and Construction	20.205	NA	406	
Grants passed through Lane County Oregon:				
Highway Planning and Construction	20.205	NA	40,000	
<i>Total Highway Planning and Construction Cluster</i>			<u>40,406</u>	
<i>Federal Transit Cluster</i>				
Grants passed through Lane Transit District:				
Capital Improvement Grant	20.500	OR-03-0122	56,448	
<i>Total Federal Transit Cluster</i>			<u>56,448</u>	
Total U.S. Department of Transportation			<u><u>96,854</u></u>	
 <u>U.S. Department of the Interior</u>				
Grants passed through State of Oregon:				
Historic Preservation Fund	15.904	HPF OR-07-22	2,261	
Historic Preservation Fund	15.904	HPF OR-08-23	2,213	
Total U.S. Department of the Interior			<u><u>4,474</u></u>	
 Total Expenditures of Federal Awards			<u><u>\$ 1,439,947</u></u>	<u><u>\$ 89,856</u></u>

City of Springfield, Oregon

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS

June 30, 2009

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

NOTE B – LOANS RECEIVABLE OUTSTANDING

The City had the following loan balances outstanding at June 30, 2009

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
Community Development Block Grant	14.218	\$1,051,235
HUD HOME Grant	14.239	<u>2,361,663</u>
		<u>\$3,412,898</u>

NOTE C – LOANS PAYABLE OUTSTANDING

As of June 30, 2009, the City did not have any loan balances outstanding included in the Schedule of Expenditures of Federal Awards.

This page intentionally left blank.