



City of Springfield, Oregon

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2013

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CITY OF SPRINGFIELD, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2013

Prepared by:

Finance Department
Accounting Division

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City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2013

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Introductory Section

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

December 20, 2013

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, 2013.

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 is 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, 2013, 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, 2013, 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, 2013, 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 Compliance 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 59,990 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 at a rate of \$.040 per thousand. In the same election, voters approved a second five-year \$1.09 per thousand to fund police and municipal court services and operation costs for a city jail. Subsequently in November 2010, Springfield voters re-authorized the levy for fire services at a rate of \$0.36 per thousand for five years beginning July 1, 2011 and in November 2012 voters re-authorized the levy for police, court, and jail services at a rate of \$1.28 per thousand for five years beginning July 1, 2013. 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, 2013, the amount of the tax levy for general obligation bonded debt was \$0.82 per thousand.

Local Economy

Springfield is located in the southern Willamette Valley along Interstate 5. 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 decreased during the year from a seasonally adjusted 8.7% in July of 2012 to 7.9% in June 2013. In July 2013, Lane County's seasonally adjusted unemployment rate was 8.0%, the same as Oregon's statewide figure of 8.0% and above the United States rate of 7.4%. Lane County's non-farm not-seasonally-adjusted employment in June 2013 was 158,992 compared to 163,621 the previous year, an annualized loss of 2.8%. Oregon's seasonally adjusted unemployment rate fell from 8.7% in July 2012 to 7.8% in June 2013.

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

- **Pac-Land Engineering** submitted plans and received approval for modifying an existing 30,000-square-foot building (the site left vacant when Circuit City closed its doors in 2009) and recasting it as a **Wal-Mart Neighborhood Market** store. Located in the Gateway Mall area, this stand-alone store is one of Wal-Mart's smaller format stores at 39,000 square feet (about one-fifth the size of a Wal-Mart Supercenter). The Neighborhood Market store's primarily focus is on groceries, Oregon produce and foods from local sources, as well as wine, a self-service deli, and a self-serve bakery. The store will employ about 95 people and likely open in September 2013. This West Coast store will be added to the five similar stores in Oregon, two in California, and about a dozen in Washington. Wal-Mart competitor **Target** recently expanded its offerings in 2012 at its nearby Gateway Mall store with a 10,000-square-foot and \$2 million grocery section renovation.
- **Buffalo Wild Wings** replaced an existing building (Hollywood Video) with a similarly sized restaurant on a pad at the Gateway Mall in the Gateway area. Construction of the building was completed in early 2013. Headquartered in Minneapolis, Minnesota, Buffalo Wild Wings operates more than 800 locations in about 40 states. The restaurants specialize in Buffalo-style chicken wings with a variety of dipping sauces and dry rubs as well as ribs, chicken, burgers, salads and appetizers. They feature full bars with a wide selection of beers and numerous large-screen TVs showing sporting events.
- **Eugenius Market** opened in a vacant 12,000-square-foot commercial space near Sears and provides smaller commercial spaces for up to 65 smaller vendors of crafts and foods.
- **Panda Express** submitted plans and received approvals for demolition of an existing 1,840-square-foot restaurant in the Gateway area (formerly Taco Time) and construction of a new 2,096-square-foot restaurant with a drive-thru.
- **Hop Valley Brewery** expanded by adding a third beer fermenter to increase production of its craft beers, having originally started with a single fermenter at its Gateway location. This was also the site where regional craft brewer **Ninkasi Brewing** got its start several years ago and is now the nation's fastest growing craft brewery. Hop Valley has announced production expansion at a new facility in nearby Eugene proximate to Ninkasi's expanding facilities. The Gateway **Hop Valley Restaurant** will be the primary outlet for its development and initial brewing of new craft beers and the Eugene outlet will be used for full production and distribution of a select line of beers.
- **Richardson Cap** purchased the 130,000-square-foot industrial building on International Way in the north Gateway area for its expanding sports cap manufacturing and distribution facility as part of relocating its Eugene site. The former **International Paper** printing facility was extensively remodeled by adding office, design, and sales space more suitable for its extensive line of sports (baseball-style) caps marketed throughout the United States as well as international markets. With its relocation, the firm has

already grown to use the entire building that was expected to provide room for growth over the next 5-10 years. Richardson has several acres suitable for at least an additional 30,000-square-foot facility.

- **Giustina Resources** submitted plans for a 12,900-square-foot office headquarters building at 200 International Way. The facility will relocate and consolidate their existing multi-site Eugene operations to the Springfield site. The firm develops, owns, and operates office, commercial, and industrial buildings in Oregon and Washington and finds this area most suited for staff overseeing facilities along the I-5 corridor.
- In the North Gateway area, **Symantec**, a global security software and services firm, has completed approximately \$3 million of interior remodeling and building upgrades which include seismic upgrades to exterior footings, wing walls and pilings and installation of a new lab and electrical generator equipment. These improvements are in anticipation of expanded, but not yet announced, services and security to be provided on site.
- **Willamalane Parks and Recreation District** passed a \$20 million bond in the November 2012 general election. Among the many projects funded throughout the Park District, the bond's passage assists with funding Phase 2 of its \$4 million four-mile long loop path. This will complete an eight-mile multi-use bicycle/pedestrian path from Clearwater Park west to Dorris Ranch along the Middle Fork of the Willamette River. The initial \$3 million first phase of the ten-foot-wide asphalt path, completed in 2011, links Clearwater Park with Quarry Creek and opens access to a recreational area of more than 30 acres of undeveloped land jointly owned by the District, City of Springfield, and Springfield Utility Board. The full project includes trailheads with vehicle parking, rest areas, two bridges, viewing areas, and water access points. The project will be completed in the fall of 2013 and will connect mid-Springfield to Downtown Springfield and the larger regional multi-use path system of the greater Eugene/Springfield area.
- **Relief Nursery** has nearly finished construction on its new 14,900-square-foot building on South 42nd Street in mid-Springfield. The facilities, expected to be completed and operating in the late summer of 2013, will provide day care, education, and support services for children of low-income and working parents. The site will include parking lots and associated infrastructure for its operations and 44 employees.
- **Planned Parenthood** has completed construction and opened a new two-story 19,900-square-foot medical office building. The multimillion dollar facilities are located on the 3500 block on Franklin Boulevard in Glenwood on property already annexed to the City. Now a landmark, this is the first major building to be constructed along Franklin Boulevard, the Glenwood redevelopment area's primary east-west connection between the Springfield and Eugene downtowns.
- **Alko Investments, LLC** annexed 1.33 acres of property and purchased an additional .6 acres from the City of Springfield to construct an 85 room **Candlewood Suites Hotel** in Springfield's West Glenwood area by the new Interstate 5 Willamette River Bridge being constructed by **Hamilton Construction**. Construction for the \$10 million, six-story hotel

was started in June 2013 and will be completed in the summer of 2014 and operated by the Patel family that also operates the **Comfort Suites Hotel** at the nearby entrance to Interstate 5. The Candlewood facility will provide direct and easy access to Springfield, Eugene, the University of Oregon, and Matt Knight Arena via Franklin Boulevard, the EmX bus rapid transit system, and the soon-to-be-completed bike viaduct connecting into the regional bike path system.

- **Cafeto Roasting Company**, located on 22nd Avenue in Springfield's Glenwood area, is adding nearly 7,000 square feet of additional warehouse space and coffee roasting facilities to its existing roasting/warehouse facilities that will further support its fair-trade coffee distribution facilities in Oregon. Additional parking for added office space and fleet will be provided on-site.
- **Ridgeline Pipe**, located on Nugget Way in Glenwood, has added a third production line and increased the capacity and variety of production of its specialty PVC pipes, conduit, and other specialty pipes for the home and industrial construction industry as the firm saw increased demand in the Western United States construction markets. The firm invested over \$2 million as well as adding additional staff and shifts to meet the demand.
- **Planktown Brewing Company**, a restaurant and brew pub, is expected to be completed in the early Fall of 2013 and located in the historic I.O.O.F. Springfield Lodge at Fourth and Main Street. This is the first major restaurant opening aligned with the newly adopted Springfield Downtown Urban Design Plan for the long-term turnaround of Downtown Springfield. The owner operates two other brew pub/music venues in Eugene's Whitaker Neighborhood and in Cottage Grove. This is a substantial renovation of a historic structure (at various times previously a bank, Springfield city hall, and a tea room), yet in keeping with the area's early pub style with bar, brewing, and eating areas.
- **Koke New Century**, the parent company of **QSL Print Communications**, two **InstaPrint** copy centers, and the recently acquired **Accessible Data Services**, announced plans for the relocation of **QSL** from its Eugene site to 3000 Pierce Parkway in mid-Springfield. The move places **QSL** administration and production in a 28,000-square-foot facility to expand printing, data services, and warehousing as well as a larger footprint for a new large-format six-color press featuring in-line aqueous coating capability.
- **Leavitt Freight Service** submitted plans to modify its existing freight service and administrative offices, adding a two-story attached office to a five bay truck service building as it expands in mid-Springfield at the firm's Marcola Road and 42nd Street truck service center.
- **Rosboro Lumber** submitted plans to construct a 26,960-square-foot pre-engineered metal building to enlarge and cover an 8,000-square-foot existing structure used to protect sawmill machinery from the elements.
- **Alpine Metal/Diamond State** purchased a former re-sawn lumber manufacturing facility and will create a metal recycling facility on the site consolidating four tax lots.

- Following an earlier annexation application, **Springfield School District** has now submitted plans for building future elementary and middle schools and a request for a zone change from Low-Density Residential to Public Land and Open Space for the facilities on approximately 12 acres in the Jasper-Natron area of East Springfield. Springfield Schools has submitted plans for the construction of improvements to serve the future schools that will include a recreational facility, natural turf fields, basketball court, playground, paths, parking areas, and associated infrastructure.
- **EWEB** submitted plans for its Hayden Bridge water intake facility. These plans include modifications to the water intake facility and construction of new valve vaults, a 1,000-square-foot pre-engineered metal compressor building, and in-river intake screens. These enhancements will solidify EWEB's water processing facilities that supply nearly all of the City of Eugene's drinking water.
- **Tarantola Properties** has submitted plans to repair a vacant building shell and refurbish the existing fire-damaged office structures for use as administrative offices for its investments in the Springfield area. Off North 28th Street, the firm would construct another warehouse with industrial spaces suitable for leasing to smaller start-up businesses. These smaller industrial incubator spaces have proven successful in their lease-up as construction is completed at the firm's multiple locations in the Springfield metro area.
- **Visconsi Company** is developing a new **Key Bank** with plans to remove two stores (Goodyear Tire and American Mattress Outlet), consolidate four tax lots at Mohawk Boulevard and 18th Street, and construct a 4,023-square-foot Key bank with drive-up service to be completed in the fall of 2013.
- Plans for two unrelated new dental clinics have been submitted to the City for construction and openings in the fall of 2013. One clinic proposed in east Springfield is a 2,500-square-foot facility at 4777 Main Street on a vacant lot. The other, the **Stambaugh Family Dental Clinic**, is at 1863 Laura Street and will replace an aging small commercial building and provide dental and medical offices for the family practice.
- **Oregon's Only Organic** opened a manufacturing, warehousing, and distribution facility for organic plant supplements at an existing building in north Springfield on Olympic Street. The 24,900-square-foot steel building houses the firm's manufacturing, warehousing, and shipping of bottled liquid soil nutrients for markets throughout the Western United States.
- **Hyland Business Park, LLC** has submitted plans for an industrial business park just north of High Banks Road and 52nd Street. The plans include five warehouses and associated site improvements on a five-acre site zoned for light/medium industrial uses. The new structures would allow multiple tenants to have modest office space within the individual industrial buildings with several high loading dock platforms.

- **Chaos Kolaches Bakery and Coffee** opened on 388 Q Street in Springfield and features kolaches, a Czechoslovakian pastry.
- **Rod Dunlop Insurance** has submitted plans to almost double the firm's existing building space with the addition of 1,020 square feet of building space and additional parking along East Main Street.

Long-term Financial Planning

As the economy continues to show some signs of recovery in the private sector, the City is experiencing differing impacts on parts of its services. The three main areas for these experiences are subsidy-required services, utility enterprise operations, and capital projects.

Many of the City services requiring additional resources through taxes are still seeing lackluster performances in both taxes and additional revenues generated through fees and charges. Local governments in Oregon such as Springfield depend on the health of the housing and construction segment of the economy to support sustained growth. During this time, values of existing housing stock have not yet stabilized nor have any significant increases in construction of new housing and commercial facilities occurred. These factors have had an impact on the revenue forecasts for the City as several major resources continue to under-realize the City's budgeted estimates. For these services, the greatest number of reductions has been made in staffing and material costs to help match the necessary resources with those available.

Utility enterprise operations such as sanitary sewer and stormwater, where there is the ability for the Council to make choices about raising monthly fees, have been better able to move revenues upward to meet expenditure needs. Throughout this period, the combination of tempering expenditures with modest rate increases has allowed these enterprises to continue their vital maintenance needs.

The third area, capital projects, is feeling some of the greatest pressure to find or generate additional revenues to meet current demands. Much of the revenue needed for system expansion comes from the development industry in the form of system development fees or developer provided capital or infrastructure. In the past several years, the City has used a large portion of its capital development reserves to complete or continue the planning of future expansions but has not seen the private sector active in this arena. New development pressures are beginning to occur with a need for infrastructure expansion while the City finds itself now several years behind and without the necessary resources. Additional public/private partnerships are being explored as a way to narrow the gap between resources and project costs.

The continuation of underperforming revenues is probably the single biggest factor in the City needing to revisit its approach to the annual budgeting process. The City has embarked on a more regimented program of priority based budgeting that attempts to draw a stronger correlation between its Council goals, performance measures, and budgeting decisions. The City is currently in its first year of the program working with both City Councilors and staff members to identify desired results and score programs based upon determined attributes. It is anticipated

that this could be a two-to-three year budget cycle effort with marked progress being identified in each of the ensuing years.

In particular, revenues received through property taxes have been difficult to project on an annual basis. At the onset of the downturn in the housing market, the increase in the assessed valuation of property for taxing purposes was 6.4% over the previous year. In the subsequent years, the overall change in the assessed value for the City has been, +0.5%, +3.6%, +2.4% and +1.1%.

Indicators of economic recovery from the private sector are still seeing mixed results for franchise and right-of-way payments received from doing business in the community. None of the four major franchise companies have shown continuous growth during the five-year period and only one of the four has shown the ability to remain relatively stable during these years. Two have appeared to have reached a plateau at this time and may begin to show some signs of recovery while the continued economic pressures are evident in certain sectors. The City is utilizing a financial planning strategy for revenues that indicates that many of our charges for services and franchise fees have reached a level of stability, albeit lower. Our new model of projecting revenues is taking a more conservative approach and not projecting a return to the previous level of development activity. Many of the charges for services that the City is dependent upon to indicate a healthier economy rely on a strong and stable housing market while many indicators point to this being one of the last sectors of the economy to realize a recovery.

The General Fund still meets all Council adopted policies for maintaining adequate contingency and working capital. The City has two operating funds, the Street Fund and the Building Fund, that do not meet Council guidelines for maintaining adequate contingency and working capital at this time, however, City staff are in the process of developing long-range strategies to correct this situation.

Public Safety Services:

The Cities of Springfield and Eugene have continued to move towards the merging of the fire and ambulance services for the two communities. Currently, the primary shared positions are that of the Fire Chief, Deputy Chief of Operations, Fire Marshal, and Battalion Chief for Training. In addition, the City has assigned duties to individuals that involve program supervision duties for both agencies in administrative services, ambulance billing, and logistics. Other positions, such as Battalion Chief of Operations, from each city are being assigned to work in the other respective city to become more familiar with how a merged operation would function, as it is anticipated that more line positions will be assigned to work in each other's organization soon. Currently, new employee recruitments, trainings, and work assignments are being handled jointly. The next phase will include the assignment of line personnel to fire stations within the boundaries of either City.

The police department has completed three years of operating its own 100-bed jail separate from the Lane County facility. This new program was added to the City in 2010 and requires a minimum of 18 FTE to operate 24/7. The addition of this program has had a great impact, both financially and operationally, on both the Police Department and the Municipal Court.

The City continues to have two special purpose taxing levies approved by the voters. A five-year Fire and Life Safety levy will expire on June 30, 2017 and a five-year Police levy will expire on June 30, 2018.

Urban Renewal:

Within the past six years, the City has initiated the formation of two urban renewal districts within our community. One is for the core downtown area and the other is for the Glenwood area, located immediately adjacent to downtown and across the river. The formation of the two urban renewal districts is important to the City's strategy for attracting new or additional commercial and industrial businesses to our area. In the recent past, the City has adopted both a Glenwood Refinement Plan and a Downtown Revitalization Plan. For the Glenwood district, the City was recently awarded a \$6 million transportation grant from the State which will be matched by \$3.6 million from the urban renewal district to complete Phase 1 of the planned improvement for Franklin Boulevard. In the near future, the City will be issuing a request for bids to install a new sanitary sewer trunk line to serve the areas south of the McVay/Franklin intersection. For Downtown, the district recently purchased the first of three parcels necessary to develop the public plaza as identified in the Downtown Revitalization Plan and has identified funding for the first phase of improved pedestrian lighting.

Capital Improvements:

The City of Springfield's Capital Improvement Program (CIP) is a five-year Community Reinvestment Plan which describes the funding and construction of City public facilities. The Council annually approves a list of public projects, such as transportation and streets, wastewater, stormwater, and buildings and properties, which are programmed for planning, design, and construction in the next five years. Programming in the CIP is based upon the then most-current estimates of available funding. Actual funding decisions are made during the City's annual budgeting process. 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:

- ◆ For the 2014-2018 CIP, a five-year outlook, one of the most significant aspects is the projection of a continued uncertainty in funding for street preservation projects. The absence of regular street preservation activities in the CIP and capital and operating budgets has resulted in a sharp decline in the condition of the local street system. This has led the City to embark on a public outreach and education program to communicate the serious cost implications of deferring maintenance and preservation activities that had routinely been a part of both the operation and capital budget to maintain our \$400 million (2008 value) transportation asset. Staff is now engaged in an effort to develop and present revenue alternatives to the Council to recover from a period of deferred maintenance and preservation before end-of-life cycle of the asset. Once a street segment reaches the end of its useful life, it can no longer be preserved and must be reconstructed or allowed to completely deteriorate. The City is utilizing funds transferred to the Street

Fund to leverage Federal Surface Transportation Program – Urban (STP-U) funding for the Gateway Street Overlay and Glenwood Riverfront Path planning.

- ◆ Franklin Boulevard Reconstruction – The City has secured \$1.2 million in a combination of Metropolitan Planning Organization (MPO), Springfield Economic Development Agency (SEDA), Transportation System Development Charges (SDC), and Lane Transit District (LTD) funds to complete the required documentation under the National Environmental Policy Act (NEPA) prior to project development and delivery. The NEPA process is recently underway, with the first step to clarify design elements and potential environmental impacts in order to reach agreement with Federal Highway Administration (FHWA) and ODOT on the necessary level of environmental documentation. In the coming months, Council will be asked to support a ‘build alternative’ that will likely be evaluated as either an Environmental Assessment (EA) or a Categorical Exclusion (CE). The CE is much less expensive and time consuming than the EA, but may not be realistic based on the community’s values and goals for this project. The Franklin concept endorsed by Council in 2008 envisions sections of improved arterial and sections of a multi-way boulevard treatment that includes access lanes and parking adjacent to the arterial. Project elements include roundabout intersections, median control, relocated EmX station platforms, space preserved for future dedicated EmX guideways, and provision of high quality bicycle and pedestrian facilities. The City has recently submitted an application to the Statewide Transportation Improvement Program (2015-2018 STIP) for \$6 million and will match that with a \$3.5 to \$5 million Oregon Transportation Infrastructure Bank loan to complete a Phase 1 improvement from the Franklin/McVay intersection to a logical terminal to the west. Construction is anticipated to begin in 2016.

Wastewater:

- ◆ Jasper Trunk Sewer Extension – The Jasper Trunk Sewer Extension will provide sewer service to the Jasper/Natron urban growth area that is currently not serviced. The City Council has made this a priority project to promote development and community growth. In FY 2012, the project was divided into four separate construction contracts. Construction on the first phase is complete and construction on the second phase is underway, with completion anticipated in the first quarter of FY 2014. Construction of the first phase allowed for the decommissioning of the Lucerne Meadows Pump Station, which was due for major upgrades, and construction of the second phase will allow for the decommissioning of two more pump stations. Additionally, the design for the final phases of the project and acquisition of necessary easements will be complete by the end of FY 2013. Funding for the project was secured through the issuance of revenue bonds in 2009.
- ◆ Franklin Boulevard Sanitary Sewer System Expansion – The expansion of the Franklin Boulevard Trunk Sewer extends the Glenwood wastewater system from the end of the existing trunk line in Franklin Boulevard south to the Urban Growth Boundary. The City Council has made the redevelopment of Glenwood and the reconstruction of Franklin Boulevard a priority to promote development and community growth. The City has

recently applied for funding to begin construction of the roadway project, elevating the priority for the sewer extension project. Funding to begin the planning and design phase was programmed and budgeted in FY 2013. It is proposed that construction funding be programmed for FY 2014 to ensure the sewer extension project is progressing ahead of any street construction work. Funding for the project is secured through wastewater user fee collections.

- ◆ South 2nd Sewer Replacement – The City has begun work on a sewer replacement project on S. 2nd Street as a result of a Sanitary Sewer Overflow (SSO) experienced this past summer. Through a detailed evaluation of the existing sewer line, it was determined that replacement was the best course of action.
- ◆ Sewer Wet Weather Flow Abatement – The City continues to make the repair/rehabilitation/replacement of older wastewater pipes throughout the City, to reduce leakage of ground water into the system, a high priority in the Capital Improvement Program. In 2010, the City completed rehabilitation of the basins identified in the Wet Weather Flow Management Plan (WWFMP) adopted in 2001 by the City and the Metropolitan Wastewater Management Commission (MWMC). Additionally, the City will have completed all of the identified rehabilitation in the 2008 Wastewater Master Plan by the end of the current fiscal year.

Rather than update the WWFMP, the City, in conjunction with MWMC, is moving to a Capacity Management Operations and Maintenance (CMOM) program to remain in line with both State and Federal regulations. This program may, in the future, identify additional preservation needs, as may an update to the Local Wastewater Management Plan.

- ◆ In addition, Infiltration and Inflow (I/I) reduction efforts will continue in the local collection system to maintain compliance with the SSO prohibition. To assist this effort in the local collections system, an update to the 2008 Wastewater Master Plan is programmed in the CIP and is expected to generate a new list of projects for the City to complete over the next decade. Until the update to the Wastewater Master Plan is completed, Sewer Wet Weather Flow Abatement funding has been deferred so that other high priority projects can proceed.

Stormwater:

- ◆ Over-Under Channel Pipe Replacement – The Over-Under Channel is part of the City's stormwater system serving mid-Springfield from 5th to 28th Streets and from Main Street to Highway 126. The name of the Channel comes from the configuration of the system where stormwater is collected and conveyed in both an open channel and in a large pipe located under and adjacent to the channel. A portion of the piped system, from the east side of Silke Field to the outfall of the system into the Q Street Channel at Moffitt School, is a corrugated metal arch pipe (CMP) installed in the late 1950's and early 1960's. Staff has found that this CMP has reached the end of its useful life and is showing signs of corrosion and minor failures. In FY 2011, the City Council approved

funding to design a replacement pipe system and identify the amount of additional funds needed for construction. Staff has been gathering data and will hire a consultant to evaluate the drainage basin and make recommendations for rehabilitating or upgrading the Over-Under Channel Pipe in FY 2013. It is anticipated that project design will begin in FY 2014.

- ◆ In addition to the above major projects, several other projects are also already budgeted and scheduled, including: the Mill Race Stormwater Facility, Booth Kelly Drainage, and the restoration of the Lower Mill Race and Mill Race Outfalls.

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 Responsible and Innovative Government Services

- There is adequate land supply to meet the City's employment needs for the next 20 years
- Infrastructure enterprise funds meet operating and capital requirements
- Information technology infrastructure is available
- Enhancements and customizations to existing applications will meet customer expectations

Encourage Economic Development and Revitalization through Community Partnerships

- There is growth in the level of Glenwood Urban Renewal investment
- There is growth in the level of Downtown Urban Renewal investment
- Room tax receipts are meeting their set outcome measure
- The infrastructure needed for growth is identified and planned
- Target areas are planned and zoned for redevelopment to attract new business and attractions and/or eliminate blighted areas
- Opportunities for affordable and decent housing are increased through partnerships with non-profit housing developers and providing assistance to low and very low income citizens throughout the community

Foster an Environment that Values Diversity and Inclusion

- Percent of proposers on Public Works formal solicitations that self identify as minority, women, or emerging small businesses (MWESB)
- City supports and encourages inclusion in advertisements for open positions, procurement and budgetary objectives
- Effective and appropriate language services are provided while at the Springfield Municipal Court

- Percent of qualified applicants who meet City's workforce diversity goals

Strengthen Public Safety by Leveraging Partnerships and Resources

- High priority calls are dispatched within 60 seconds of receipt
- Medium priority calls are dispatched within 5 minutes of receipt
- Low priority calls are dispatched within 10 minutes of receipt
- Crime rate for property crimes is decreasing
- Emergency ambulance responses are within 8 minutes
- Fire responses are within 5 minutes

Maintain and Improve Infrastructure and Facilities

- Planned infrastructure maintenance is performed
- Preservation projects are completed on schedule
- Out-of-service signalized intersection repaired within 48 hours of reporting
- Capital projects are constructed to meet expanding needs

Promote and Enhance Our Hometown Feel While Focusing on Livability and Environmental Quality

- Student success and community literacy is supported
- The quality of information services is improved
- Access to Library services and collections is improved
- Trash is reduced and community recycling is increased
- Increase percent of current Stormwater Management Plan activities in compliance with the six minimum measures
- Wastewater infrastructure systems meet regulatory performance requirements
- Revitalization of low-income neighborhoods is supported
- Citizen requests and inquiries are given timely attention
- Technology is used to make it easier for citizens to do business in Springfield through e-permitting and on-line access to information
- Residents perception of Springfield is positive
- Neighborhoods are healthy and active

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, 2012. This was the thirty-second 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.

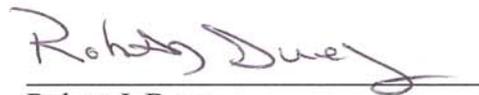
In closing, without the leadership and support of the Mayor and City Council, preparation of this report would not have been possible.

Respectfully submitted,

CITY OF SPRINGFIELD, OREGON

Handwritten signature of Gino Grimaldi in blue ink, consisting of a stylized 'G' and 'G' followed by a horizontal line.

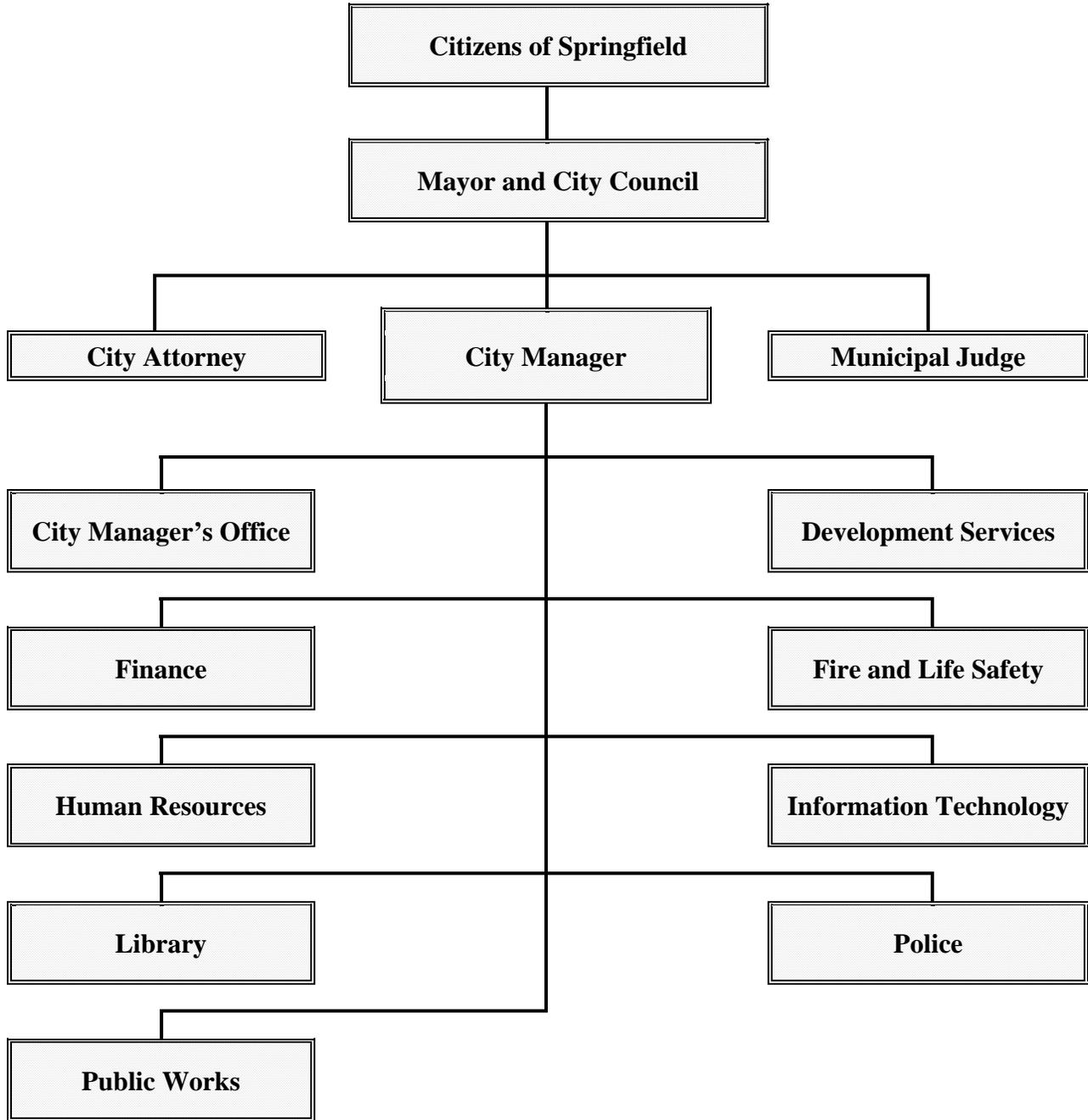
Gino Grimaldi,
City Manager

Handwritten signature of Robert J. Duey in blue ink, consisting of a stylized 'R' and 'D' followed by a horizontal line.

Robert J. Duey,
Finance Director

CITY OF SPRINGFIELD

Organization Chart



City of Springfield, Oregon

Principal City Officials

June 30, 2013

Elected Officials

Mayor

Christine Lundberg
2031 2nd Street
Springfield, OR 97477

Term Expiration

December 31, 2016

Council Members

Sean VanGordon
2327 Clear Vue Lane
Springfield, OR 97477

Ward 1

December 31, 2014

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

Ward 2

December 31, 2014

Sheri Moore
1955 16th Street
Springfield, OR 97477

Ward 3

December 31, 2016

David Ralston
2114 "L" Street
Springfield, OR 97477

Ward 4

December 31, 2016

Marilee Woodrow
1009 South 59th Street
Springfield, OR 97477

Ward 5

December 31, 2014

Bob Brew
6889 Simeon Drive
Springfield, OR 97478

Ward 6

December 31, 2016

Administrative Officials

Gino Grimaldi
Jeff Towery
Robert J. Duey

City Manager
Assistant City Manager
Finance Director



Government Finance Officers Association

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, 2012

Executive Director/CEO

Financial Section

SPRINGFIELD



OREGON

Independent Auditor's Report

SPRINGFIELD



OREGON



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
225 5th Street
Springfield, Oregon 97477

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate 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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springfield, Oregon as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) on pages 22 through 38, the schedules of revenues, expenditures and changes in fund balance – budget and actual for the General Fund and major special revenue fund (pages 84 and 85), and the schedule of OPEB and CRP funding progress (page 86) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A and the schedule of OPEB and CRP funding progress in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The schedules of revenues, expenditures and changes in fund balance – budget and actual for the General Fund and major special revenue fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the 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 Organization*, and is also not a required part of the financial statements. The other supplementary information, and the schedule of expenditure of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards

generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

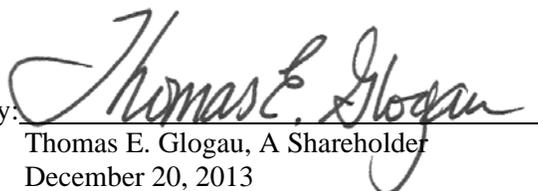
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 20, 2013, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

By: 
Thomas E. Glogau, A Shareholder
December 20, 2013

SPRINGFIELD



OREGON

Management's Discussion and Analysis

SPRINGFIELD



OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the 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, 2013. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's total assets at June 30, 2013 increased \$1.4 million from \$294.2 million to \$295.6 million, or 0.5% from the prior year. This increase in total assets was primarily due to the addition of \$4.1 million in capital assets offset by a decrease of \$0.6 million in accounts receivable and \$2.4 million in cash and investments.
- The City's total liabilities decreased by \$2.7 million from \$78 million to \$75.3 million. This decrease was primarily due to a \$3.7 million decrease in bonded debt and a \$0.9 million decrease in notes payable offset by a \$0.8 million increase in the City's OPEB obligation, a \$0.6 million increase in capital lease payable, and a \$0.6 million increase in accounts payable.
- The net position of the City (assets less liabilities) at June 30, 2013 increased \$4.2 million from \$216.1 million to \$220.3 million, or 1.9 % from the prior year.
- At June 30, 2013, the City's governmental funds reported a combined ending fund balance of \$20.4 million, essentially unchanged from the prior year. Of this total amount, \$7.5 million (37%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$12.7 million (62%) constitutes either restricted, committed, or assigned fund balance which is not available for new spending because it has already been committed to another purpose, and the remainder of the fund balance, \$0.2 million (1%) is in a nonspendable form.
- At the end of fiscal year 2013, the unassigned fund balance in the General Fund was \$7.5 million which was 24% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is 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 position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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 City itself.

The government-wide financial statements can be found on pages 39-40 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 pages 41 and 43 in the basic financial statements.

The City maintains 19 individual governmental funds. Information is presented separately in the governmental funds 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 two funds: General Fund and Housing and Community Development 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 84-85. Budgetary comparisons for all other governmental funds have been provided elsewhere in this report.

The governmental funds financial statements can be found at pages 41-42 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 operations. 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 funds statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the Sewer Operating Fund, the Storm Drainage Fund, the Sewer Capital Projects Fund, the Storm Drainage 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 funds financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The proprietary funds financial statements can be found on pages 44-46 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 position 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 position can be found on page 47 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 48-83 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 84-86 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 87-141.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$220.3 million at the close of the most recent fiscal year.

The largest portion of the City's net position, \$160.7 million, or 73%, 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 Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 43,691,192	\$ 42,297,776	\$ 41,961,566	\$ 46,036,708	\$ 85,652,758	\$ 88,334,484
Capital assets, net, where applicable, of accumulated depreciation	<u>135,801,419</u>	<u>137,493,724</u>	<u>74,174,754</u>	<u>68,369,941</u>	<u>209,976,173</u>	<u>205,863,665</u>
Total assets	<u>179,492,611</u>	<u>179,791,500</u>	<u>116,136,320</u>	<u>114,406,649</u>	<u>295,628,931</u>	<u>294,198,149</u>
Noncurrent liabilities	32,901,641	34,105,020	35,457,045	37,521,293	68,358,686	71,626,313
Other liabilities	<u>4,495,765</u>	<u>4,116,377</u>	<u>2,452,596</u>	<u>2,301,430</u>	<u>6,948,361</u>	<u>6,417,807</u>
Total liabilities	<u>37,397,406</u>	<u>38,221,397</u>	<u>37,909,641</u>	<u>39,822,723</u>	<u>75,307,047</u>	<u>78,044,120</u>
Net position:						
Net investment in capital assets	108,731,315	108,631,529	51,972,745	57,872,702	160,704,060	166,504,231
Restricted	13,528,096	11,424,559	3,273,179	3,236,454	16,801,275	14,661,013
Unrestricted	<u>19,835,794</u>	<u>21,514,015</u>	<u>22,980,755</u>	<u>13,474,770</u>	<u>42,816,549</u>	<u>34,988,785</u>
Total net position	<u>\$ 142,095,205</u>	<u>\$ 141,570,103</u>	<u>\$ 78,226,679</u>	<u>\$ 74,583,926</u>	<u>\$ 220,321,884</u>	<u>\$ 216,154,029</u>

A portion of the City's net position, \$16.8 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$42.8 million or 19%, may be used to meet the government's ongoing obligations to citizens and creditors.

City of Springfield's Statement of Activities

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program revenues:						
Charges for services	\$ 8,506,336	\$ 7,902,842	\$ 19,960,079	\$ 19,313,130	\$ 28,466,415	\$ 27,215,972
Operating grants and contributions	4,428,156	5,514,649	-	-	4,428,156	5,514,649
Capital grants and contributions	2,192,135	1,109,866	16,729	1,448,360	2,208,864	2,558,226
General revenues:						
Taxes	31,620,461	30,702,494	-	-	31,620,461	30,702,494
In lieu of tax payments	2,375,949	2,358,273	-	-	2,375,949	2,358,273
Shared revenue	1,460,463	1,400,459	-	-	1,460,463	1,400,459
Interest and investment earnings	333,178	337,514	211,730	237,091	544,908	574,605
Miscellaneous receipts	985,770	727,049	78,204	16,990	1,063,974	744,039
Total revenues	<u>51,902,448</u>	<u>50,053,146</u>	<u>20,266,742</u>	<u>21,015,571</u>	<u>72,169,190</u>	<u>71,068,717</u>
Expenses:						
General government	5,932,778	4,724,454	-	-	5,932,778	4,724,454
Fire	11,340,166	11,847,128	-	-	11,340,166	11,847,128
Police	19,561,178	19,694,617	-	-	19,561,178	19,694,617
Library	1,515,697	1,519,866	-	-	1,515,697	1,519,866
Public works	8,878,257	7,899,474	-	-	8,878,257	7,899,474
Development services	2,779,997	3,485,221	-	-	2,779,997	3,485,221
Unallocated depreciation & amortization	297,774	284,439	-	-	297,774	284,439
Interest on debt	1,143,393	1,220,457	-	-	1,143,393	1,220,457
Sewer	-	-	6,155,571	5,190,475	6,155,571	5,190,475
Drainage	-	-	3,984,400	3,843,225	3,984,400	3,843,225
Booth Kelly	-	-	1,463,621	1,430,803	1,463,621	1,430,803
Ambulance	-	-	4,948,503	5,184,271	4,948,503	5,184,271
Total expenses	<u>51,449,240</u>	<u>50,675,656</u>	<u>16,552,095</u>	<u>15,648,774</u>	<u>68,001,335</u>	<u>66,324,430</u>
Increase in net assets before transfers	453,208	(622,510)	3,714,647	5,366,797	4,167,855	4,744,287
Transfers	71,894	142,115	(71,894)	(142,115)	-	-
Increase (decrease) in net position	525,102	(480,395)	3,642,753	5,224,682	4,167,855	4,744,287
Net position - beginning	141,570,103	142,050,498	74,583,926	69,359,244	216,154,029	211,409,742
Net position - ending	<u>\$ 142,095,205</u>	<u>\$ 141,570,103</u>	<u>\$ 78,226,679</u>	<u>\$ 74,583,926</u>	<u>\$ 220,321,884</u>	<u>\$ 216,154,029</u>

Entity-wide change in net assets: Entity-wide net positions increased by \$4.2 million in the current fiscal year compared to an increase of \$4.7 million in the prior year. This \$0.5 million (11%) year-to-year decrease in the change in entity-wide net position can be attributed to normal fluctuations in annual operating revenues and expenditures, the details of which are provided below.

Governmental Activities. The change in governmental activities before transfers increased from a deficit of \$0.6 million in the prior year to a surplus of \$0.5 million in the current year. This increase of \$1.1 million can be explained by the following highlights:

- Capital grants and contributions increased by \$1.1 million (97.5%) from the prior year. While this is a significant increase from the prior year, it resulted from a single large donation of land, valued at \$2.1 million, from the County to the City. Excluding the land donation, capital contributions were negligible and highlight the continued depression in development activity in the City.
- Operating grants and contributions decreased by \$1.1 million (19.7%) from the prior year. This is primarily due to a decrease of \$0.4 million in federal funding from the U.S. Department of Housing and Urban Development and a \$0.4 million decrease in federal funding from the U.S. Department of Justice.
- Taxes increased by \$0.9 million (3%) from the prior year and can be primarily attributed to an increase in property tax receipts resulting from a 3% increase in assessed values for the City.
- Miscellaneous receipts increased by \$0.3 million (35.6%) from the prior year and can be attributed to a large health insurance premium refund that resulted from a lower than expected medical claims experience as well as a \$0.2 million worker's compensation insurance refund.
- General government expenses increased by \$1.2 million (25.6%) from the prior year and can be primarily attributed to a significant upward adjustment of expenses resulting from the consolidation of the Internal Service Funds and the related portion that is 'looked-back' to business-type activities and a component unit. This year's adjustment was unusually large as a result of a significant increase in the reserve balance of the Insurance Fund that resulted from the City self-funding medical and dental insurance beginning January 1st, 2013. The first six months of the medical and dental plan year were expected to generate a large reserve as a result of premiums charged to departments being evenly distributed over the 12-month plan year while reimbursed health expense would be greater at the end of the plan year as participants met deductibles. The first plan year, spanning six months each of two fiscal years, was expected to result in a financial distortion in the first fiscal year that would eventually smooth out in subsequent fiscal years.
- Expenses for the Fire & Life Safety Department decreased by \$0.5 million (4.3%) from the prior year and can be primarily attributed to a large number of vacant positions that

resulted in FL&S personnel operating at minimum staffing levels on a more regular basis as well as a reduction in expenses resulting from the consolidation of Internal Service Funds as previously discussed.

- Expenses for the Police Department decreased by \$0.1 million (0.7%), a negligible decrease on the surface; however, this masks a \$0.6 million increase from normal inflationary pressures as well as the implementation of a new public safety information system offset by a reduction in expenses resulting from the consolidation of Internal Service Funds as previously discussed.
- Expenses for the Public Works Department increased by \$1 million (12.4%) from the prior year and can be attributed to a combination of factors that include a \$0.2 million increase in depreciation expense, \$0.4 million increase in fuel purchases for partnering agencies as part of a regional fuel facility managed by the City, and the balance resulting from normal inflationary pressures.
- Expenses for the Development Services Department decreased by \$0.7 million (20.2%) from the prior year and can be attributed to a combination of factors that include a significant reduction in federal funding from the U.S. Department of Housing and Urban Development, one-time projects completed in the prior fiscal year, and a reduction of staffing in the General Fund and the Building Code Fund resulting from the continued depression in development activity.

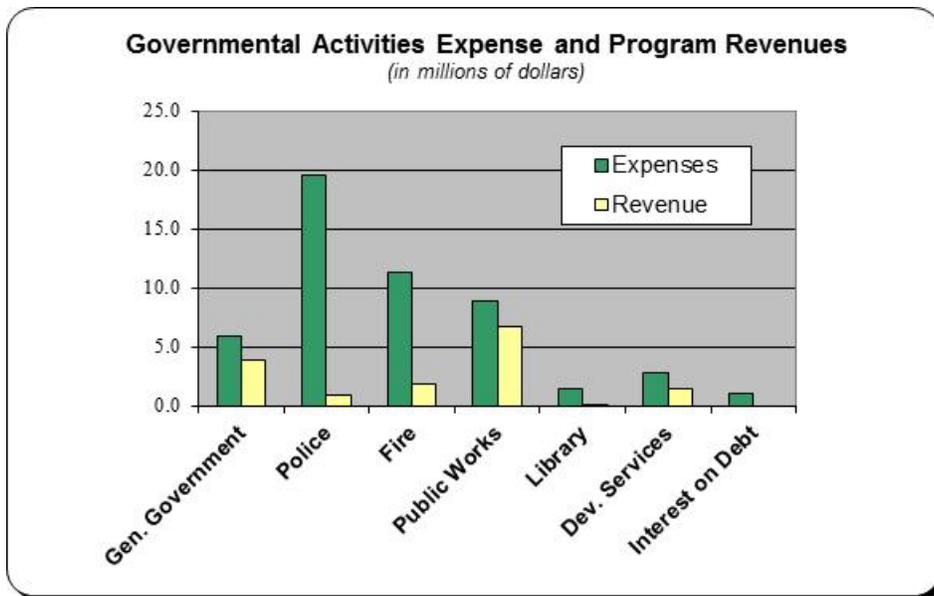


Chart 1

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.

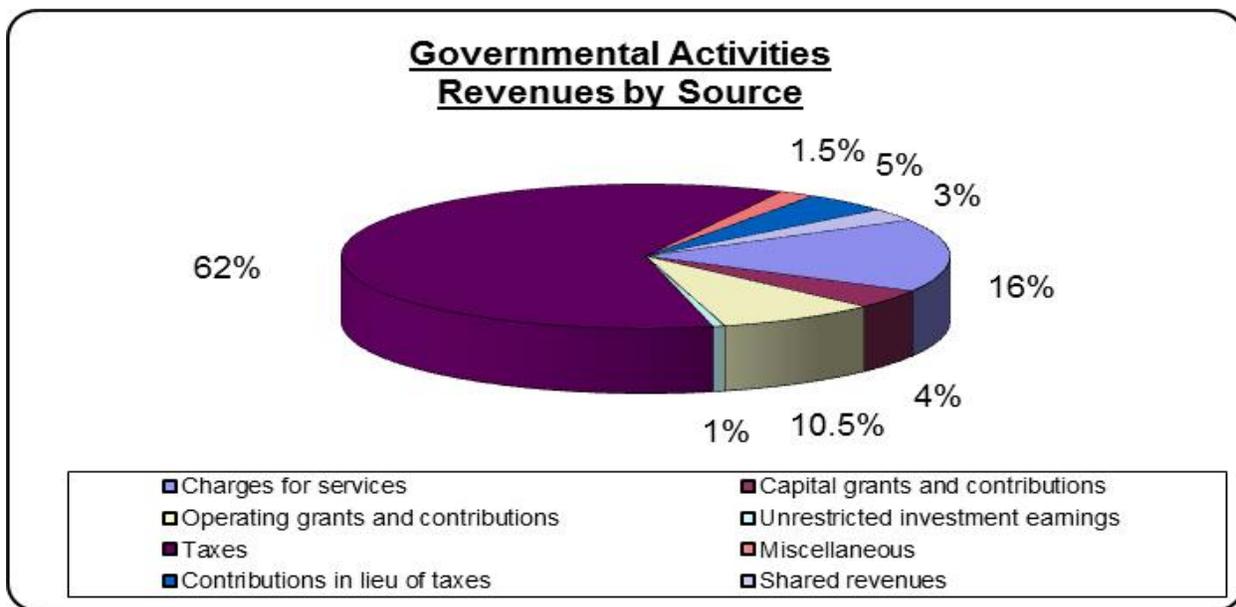


Chart 2

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 \$5.4 million in the prior year to \$3.7 million in the current year. This decrease of \$1.7 million can be explained by the following highlights.

- Capital grants and contributions decreased by \$1.4 million (99%) from the prior year due to a significant reduction in developer donated sewer lines in the current year.
- Charges for services increased by \$0.6 million (3.3%) from the prior year due to a 4% rate increase in sewer and storm water fees offset by small conservation savings.
- Sanitary Sewer expenses increased by \$1 million (18.6%) from the prior year and can be primarily attributed to an increase in depreciation and interest expense as more assets have been completed and put in service.
- Storm drainage expenses increased by \$0.1 million from the prior year can be primarily attributed to normal inflationary pressures.
- Ambulance expenses decreased by \$.2 million (4.5%) from the prior year and can be primarily attributed to a reduction in in expenses resulting from the consolidation of Internal Service Funds as previously discussed in the City’s governmental activities.

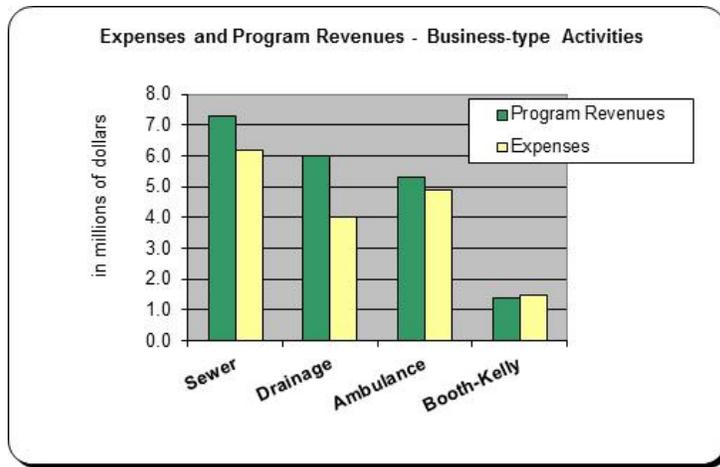


Chart 3

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

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

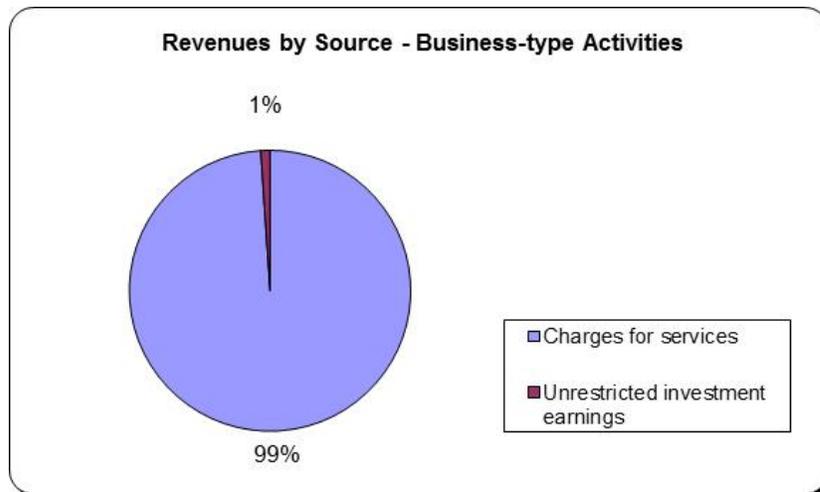


Chart 4

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, *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 \$20.4 million. Of this total amount, \$7.5 million (37%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$12.7 million (62%) constitutes either restricted, committed, or assigned fund balance which is not available for new spending because it has already been committed to another purpose, and the remainder of the fund balance, \$0.2 million (1%) is in a nonspendable form.

The General Fund is the chief operating fund of the City of Springfield. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7.5 million, while the total fund balance was \$8.2 million. As measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 24% of total General Fund expenditures, while total fund balance represents 26% of that same amount.

The fund balance of the City's General Fund increased by \$0.4 million during the current fiscal year compared to increase of \$0.2 million in the prior year. This increase of \$0.2 million can be explained by the following highlights:

- Property taxes increased by \$0.5 million (2.8%) from the prior year due to an increase in assessed values for the City.
- Licenses, permits, and fees increased by \$0.1 million (6.9%) from the prior year and can be primarily attributed the late payment of a prior year franchise fee received in the current year.
- Intergovernmental revenues increased by \$0.3 million (7.9%) from the prior year and can primarily attributed to an increase in state revenue sharing.
- Fines and forfeitures decreased by \$0.2 million (9.9%) from the prior year and can be primarily attributed to a reduction in Municipal Court revenues that resulted from staff resources being focused on the implementation of a new court records management software and the resulting decrease in staff resources available for collection of accounts receivable.

- Miscellaneous receipts decreased by \$0.2 million (53.2%) from the prior year due to a one-time refund in the prior year from Lane County that resulted from the discontinuation of the AIRS project, a regional public safety database.
- General government expenditures increased by \$.02 million (4.6%) from the prior year and can be primarily attributed to normal inflationary pressures.
- Police expenditures increased by \$0.5 million (4.4%) from the prior year and can be primarily attributed to normal inflationary pressures as well as the implementation of a new public safety information system.
- Expenditures for the Development Services Department decreased by \$0.2 million (13.1%) due to a reduction in staffing levels.
- Interfund transfers out decreased by \$0.1 million offset by a \$0.3 million decrease in interfund transfers in. This decline in General Fund interfund transfer activity represents a growing trend at the City of scarcer resources across all City funded services, resulting in the General Fund providing less support to other funds as well as receiving less support.

The fund balance of the Housing and Community Development Fund decreased by \$0.2 million from the prior year due to the repayment of HOME program income to the HOME Consortium's lead agency.

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 a combined ending net position of \$78.2 million. Of this amount, \$22.3 million (29%) constitutes unrestricted net position. Proprietary fund highlights are as follows:

The Sanitary Sewer Operations Fund reported a \$2.8 million decrease in net position. This decrease can be primarily attributed to a \$3 million transfer to the Sewer Capital Projects Fund offset by a 4% user fee rate increase.

The Sanitary Sewer Capital Projects Fund reported a \$4 million increase in net position primarily due to a transfer from the Sanitary Sewer Operations Fund for anticipated projects in the coming year.

The Storm Drainage Capital Projects Fund reported a \$1.4 million increase in net position primarily due to a transfer from the Storm Drainage Operations Fund for anticipated projects in the coming year.

The Ambulance Fund reported a \$0.2 million increase in net position, primarily due to an increased effort to collect accounts receivable. This focused effort produced a positive outcome in the current year after the Ambulance Fund experienced a string of years of revenues not

keeping pace with expenditures. There is still a fair amount of uncertainty on whether this can be sustained or is an outlying year and the Fund will return to its past trend. A major contributing factor to that trend had 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. The City has worked aggressively to grow both programs with the goal of replacing lost revenue.

Other factors concerning the finances of the enterprise 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 \$229,884. Details of this increase are as follows:

- \$ 123,549 increase to General Government
- 85,915 increase to Fire
- 4,200 increase to Library
- 1,030 increase to Police
- 2,182 decrease to Public Works
- 2,947 increase to Non-Departmental transfers
- 445,343 decrease in the City reserves

For actual expenditures, the City under spent the amended budget by \$976,898.

The continuation of the impacts of the economic recession is noticeable in the trending of two significant revenue sources for the City: charges for service and licenses, permits and fees. Both of these categories remain well below the pre-recession levels and are strong indicators that economic activity has not rebounded. Property tax revenues trending for this same period indicate that all segments of property classification, i.e. residential, commercial and industrial, are still experiencing depressed values and having an impact on those revenues. These differences in actual revenue received compared to the amended budget are as follows:

- \$ 4,358 increase in property taxes
- 12,708 increase in licenses, permits and fees
- 407,917 decrease in intergovernmental revenues
- 85,594 decrease in interest and investment earnings
- 52,603 decrease in charges for service
- 331,575 decrease in fines and forfeitures
- 1,998 increase in miscellaneous revenues
- 33,605 decrease in internal transfers
- 340,273 decrease in beginning cash (amended over adopted budget)

For the year ended June 30, 2013, the total variance between the final amended budgeted revenue and the actual budget-basis revenue amounts in the General Fund was -.015%, where

actual revenues were less than budgeted revenues. The combined actual current and delinquent property tax revenues were equal to the budgeted amounts. With the exception of intergovernmental revenues, other revenue line items were generally below budget, with the aggregate difference representing less than a .06% variance. Beginning fund balance on July 1, 2012 was \$340,273 less than budgeted (-4.2%) while ending fund balance on June 30, 2013 was \$473,160 (+6.0%) greater than was projected in the FY14 adopted budget.

In response to the economic conditions and the greater use of general fund reserves in the previous fiscal year than anticipated, the City monitored both revenue and expenditure estimates throughout the year and determined that more stringent expenditure targets for FY13 were warranted than the amended budget. In response, management imposed strict vacancy control requirements that were intended to generate a savings by year-end of \$750,000. Actual expenditures to amended budget actually resulted in an under expenditure of 2.8%. Personal services are the largest component of the General Fund's operating budget (81%), and as a result of managing the timing of re-filling vacant positions, this category was under expended by \$770,187 (2.9%). Material and services comprises 18% of the General Fund operating budget and was under expended by 2.4%. Capital outlay, comprising less than 1% of the General Fund operating budget, was under spent by 2.5% during the past year.

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, 2013, amounts to \$210 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 was recorded at an estimated cost of \$2.2 million.
- The Millrace Study and Design project was completed for \$4.7 million, with expenditures of \$0.6 million in 2013.
- Implementation of Asset Management System, a Public Work's infrastructure management system, is in process with expenditures of \$0.2 million in 2013.
- Jasper Road Trunk Sewer completed phase I for \$2.8 million in 2013 and \$3.2 million in expenditures on Phase II were incurred during fiscal year 2013.

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 55,763,660	\$ 53,363,065	\$ 4,758,860	\$ 4,758,860	\$ 60,522,520	\$ 58,121,925
Land improvements	-	-	322	1,392	322	1,392
Construction in progress	602,644	524,434	6,418,778	8,270,733	7,021,422	8,795,167
Buildings	30,490,807	32,626,573	61,688,398	53,888,791	92,179,205	86,515,364
Infrastructure	42,049,336	44,221,347	-	-	42,049,336	44,221,347
Machinery & equipment	6,396,003	6,127,644	134,713	118,156	6,530,716	6,245,800
Library books	278,549	364,145	-	-	278,549	364,145
Studies	220,420	266,517	1,173,683	1,332,008	1,394,103	1,598,525
Total	\$135,801,419	\$137,493,725	\$ 74,174,754	\$ 68,369,940	\$209,976,173	\$205,863,665

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 \$53 million. Of this amount, \$23.7 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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds - 2005	\$ 4,715,000	\$ 5,815,000	\$ -	\$ -	\$ 4,715,000	\$ 5,815,000
General obligation bonds - 2007	18,950,000	20,030,000	-	-	18,950,000	20,030,000
Revenue bonds series 2005	-	-	460,000	675,000	460,000	675,000
Revenue bonds series 2009	-	-	19,605,000	20,480,000	19,605,000	20,480,000
Revenue bonds series 2010	-	-	9,260,000	9,635,000	9,260,000	9,635,000
Total	\$ 23,665,000	\$ 25,845,000	\$ 29,325,000	\$ 30,790,000	\$ 52,990,000	\$ 56,635,000

The City's total bonded debt decreased by \$3.6 million during the current fiscal year. 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 FY14 budget:

- Assessed (taxable) value for the City is projected to increase by 2%. Residential should receive an increase of 3% under the guidelines established by Measures 49 and 50, industrial is likely to remain flat and expectations are for a downward trend to impact commercial property values.
- Interest rates will be slightly below 1% with short term rates staying below 0.5%.
- Inflation will be a factor during the next fiscal year; however, it appears that federal intent is to maintain some control over the overall inflation rate.
- Increased wages for AFSCME employees will be a flat \$600 per employee with no increase in the salary plan. There will be no increase in wages for SEIU employees for FY14. With the recently completed class and compensation study and the development of a new 11 step wage scale, more employees continue to find themselves with additional step increases available for annual merit adjustments. Market adjustments for non-union employees for FY14 are not anticipated.
- Springfield Police Association employees will be in the third year of a three year agreement with a CPI based increase scheduled for FY14. The estimated increase is 2%.
- International Association of Fire Fighters employees will be in the second year of a three year agreement. A 2% cost-of-living raise will be granted on 7/1/13 with a corresponding reduction in a 2% contribution to deferred compensation program. IAFF members will be moved to a new six-step wage schedule at this time also.
- The plan year for health insurance is the calendar year. Beginning January 2013, the City initiated a self-funded insurance program with the administration of the program contracted out to a private provider. Early projections show a rise in January of 2014 premiums, but still below the trend nationally. The current projections is a 4% increase in rates at that time
- Oregon PERS rates are bi-annual and were scheduled to change on July 1, 2013. As with all agencies, early estimates showed a significant rise in rates at that time, but possible changes by the 2013 legislature have indicated some relief. Springfield is currently carrying the higher rates into FY14 until such time the legislature takes final action.
- The City schedules an updated actuarial study of its City Retirement Plan every two years with the update as of June 30, 2012 completed in the fall of 2012 and scheduled for implementation on July 1, 2013. The percentage of payroll contribution for members of this plan will increase from 23.1% to 27.8% at that time. The additional lump sum contribution for retired members will increase by 11%.
- The City's voters approved an extension of the special operating levy for police services, increasing the rate from \$1.09 to \$1.28 per thousand. This new rate will go in effect on July 01, 2013 and expire on June 30, 2018. The current special operating levy for fire services remains in effect and expires on June 30, 2018.
- The economic response towards building and construction activity is expected to remain slow for the next year, resulting in continued low collection of fees related to planning and building.

- Monthly rates for both the City's local sanitary sewer and storm water drainage programs will increase on July 1, 2013 as a result of a debt issuance program that is intended to address both an ongoing system improvements program and an added capacity component for the two utilities. Local and Regional wastewater rates are expected to increase by 3% and stormwater rates are expected to increase by 4%.

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 Manager
City of Springfield
225 Fifth Street
Springfield, OR 97477

SPRINGFIELD



OREGON

City of Springfield, Oregon

Basic Financial Statements

SPRINGFIELD



OREGON

City of Springfield, Oregon
STATEMENT OF NET POSITION
June 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Metropolitan Wastewater
ASSETS				
Cash and investments	\$ 35,176,463	\$ 39,099,755	\$ 74,276,218	\$ 65,258,202
Receivables, net of allowance for uncollectable receivables	8,103,005	1,653,614	9,756,619	2,741,062
Internal balances	(698,460)	698,460	-	-
Due from primary government	-	-	-	61,723
Inventory	132,859	-	132,859	-
Investment in foreclosed properties	1,970	-	1,970	-
Prepaid items	90,141	9,862	100,003	15,795
Deposits	308,694	-	308,694	700,000
Deferred charges	396,326	312,424	708,750	-
Restricted assets - cash and investments	-	-	-	30,568,425
Restricted assets - accounts receivables	-	-	-	481,383
Accrued interest	180,194	187,451	367,645	260,771
Capital assets				
Land and construction in progress	56,366,304	11,177,637	67,543,941	12,535,947
Other capital assets, net of accumulated depreciation	79,435,115	62,997,117	142,432,232	122,125,216
Total assets	<u>179,492,611</u>	<u>116,136,320</u>	<u>295,628,931</u>	<u>234,748,524</u>
LIABILITIES				
Current liabilities				
Accounts payable	1,435,135	1,155,194	2,590,329	1,765,916
Accrued payroll and other liabilities	2,761,955	573,155	3,335,110	90,184
Unearned revenue	87,873	549,073	636,946	10,840
Accrued interest payable	149,078	151,073	300,151	752,652
Deposits	-	24,101	24,101	-
Due from component unit	61,723	-	61,723	-
Noncurrent liabilities				
Due within one year				
Notes payable	252,973	706,893	959,866	592,985
Revenue bonds payable	-	1,515,000	1,515,000	3,790,000
Capital lease	528,831	-	528,831	-
General obligation long-term debt	2,255,000	-	2,255,000	-
Due in more than one year				
Accrued absence payable	2,722,090	395,914	3,118,004	102,384
Accrued interest payable	-	23,460	23,460	-
General obligation long-term debt (net of unamortized premium)	21,618,578	-	21,618,578	-
Revenue bonds payable (net of unamortized discount)	-	28,414,407	28,414,407	79,749,752
Notes and contracts payable	1,187,206	3,697,118	4,884,324	16,037,506
Capital lease	1,227,516	-	1,227,516	-
Net OPEB obligation	3,109,448	704,253	3,813,701	114,494
Total liabilities	<u>37,397,406</u>	<u>37,909,641</u>	<u>75,307,047</u>	<u>103,006,713</u>
NET POSITION				
Net investment in capital assets	108,731,315	51,972,745	160,704,060	54,299,266
Restricted for:				
Capital projects	1,618,633	3,273,179	4,891,812	-
Public safety	3,046,054	-	3,046,054	-
Transportation	3,160,687	-	3,160,687	-
Community development	4,177,987	-	4,177,987	-
Debt service	908,807	-	908,807	-
Regional sanitary sewer	-	-	-	3,120,793
Other purposes	615,928	-	615,928	-
Unrestricted	19,835,794	22,980,755	42,816,549	74,321,752
Total net position	<u>\$ 142,095,205</u>	<u>\$ 78,226,679</u>	<u>\$ 220,321,884</u>	<u>\$ 131,741,811</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position			Component Unit Metropolitan Wastewater Mgmt Commission
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Business-type Activities	Total			
Primary government:									
Governmental activities:									
General government	\$ 5,932,778	\$ 5,360	\$ -	\$ (2,052,601)	\$ -	\$ (2,052,601)	\$ -	\$ -	
Fire	11,340,166	87,183	-	(9,483,919)	-	(9,483,919)	-	-	
Police	19,561,178	514,402	-	(18,553,522)	-	(18,553,522)	-	-	
Library	1,515,697	58,995	-	(1,351,373)	-	(1,351,373)	-	-	
Public works	8,878,257	1,202,850	2,192,135	(2,145,157)	-	(2,145,157)	-	-	
Development services	2,779,997	424,101	-	(1,294,874)	-	(1,294,874)	-	-	
Depreciation & amortization, unallocated	297,774	-	-	(297,774)	-	(297,774)	-	-	
Interest on long-term debt	1,143,393	-	-	(1,143,393)	-	(1,143,393)	-	-	
Total governmental activities	51,449,240	4,428,156	2,192,135	(36,322,613)	-	(36,322,613)	-	-	
Business-type activities:									
Sanitary sewer	6,155,571	-	16,729	-	1,185,331	1,185,331	-	-	
Storm drainage	3,984,400	-	-	-	2,048,130	2,048,130	-	-	
Booth Kelly	1,463,621	-	-	-	(115,313)	(115,313)	-	-	
Ambulance	4,948,503	-	-	-	306,565	306,565	-	-	
Total business-type activities	16,552,095	-	16,729	-	3,424,713	3,424,713	-	-	
Total primary government	\$ 68,001,335	\$ 4,428,156	\$ 2,208,864	\$ (36,322,613)	\$ 3,424,713	\$ (32,897,900)	\$ -	\$ -	
Component unit:									
Metropolitan Wastewater Management Commission	\$ 26,072,762	\$ 30,155,208	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,082,446	
General revenues:									
Property taxes				27,891,748		27,891,748			
Contributions in lieu of taxes				2,375,949		2,375,949			
Franchise tax				1,709,620		1,709,620			
Local fuel tax				1,045,263		1,045,263			
Room tax				973,830		973,830			
Interest and investment earnings				333,178	211,730	544,908	604,338		
Miscellaneous				985,770	78,204	1,063,974	610		
Shared revenue				1,460,463	-	1,460,463	-		
Transfers				71,894	(71,894)	-	-		
Total general revenues and transfers				36,847,715	218,040	37,065,755	604,948		
Change in net position				525,102	3,642,753	4,167,855	4,687,394		
Net position, beginning				141,570,103	74,583,926	216,154,029	127,054,417		
Net position, ending				\$ 142,095,205	\$ 78,226,679	\$ 220,321,884	\$ 131,741,811		

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013

	General	Housing and Community Development	Nonmajor Governmental	Total Governmental
ASSETS				
Cash and investments	\$ 8,506,929	\$ -	\$ 11,919,324	\$ 20,426,253
Receivables:				
Accounts	1,033,660	-	679,233	1,712,893
Taxes	1,378,297	-	798,182	2,176,479
Grants	-	244,896	75,939	320,835
Accrued interest	60,395	-	59,208	119,603
Assessments and liens	-	-	203,245	203,245
Mortgage notes	-	3,666,032	4,409	3,670,441
Inventory	2,820	-	85,170	87,990
Investment in foreclosed property	1,970	-	-	1,970
Due from other funds	227,335	-	-	227,335
Prepaid items	44,854	-	22,933	67,787
Deposits	-	-	43,194	43,194
	\$ 11,256,260	\$ 3,910,928	\$ 13,890,837	\$ 29,058,025
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 428,034	\$ 36,696	\$ 311,521	\$ 776,251
Accrued payroll and other liabilities	817,784	7,230	312,896	1,137,910
Unavailable revenue	1,721,720	3,666,032	1,038,424	6,426,176
Unearned revenue	87,873	-	-	87,873
Due to other funds	-	227,335	-	227,335
	3,055,411	3,937,293	1,662,841	8,655,545
Fund balances:				
Nonspendable	49,644	-	151,297	200,941
Restricted	-	-	8,535,571	8,535,571
Committed	12,764	-	3,130,187	3,142,951
Assigned	600,000	-	410,941	1,010,941
Unassigned	7,538,441	(26,365)	-	7,512,076
	8,200,849	(26,365)	12,227,996	20,402,480
Total liabilities and fund balances	\$ 11,256,260	\$ 3,910,928	\$ 13,890,837	

Reconciliation to the statement of net position

The statement of net position reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are deferred in governmental funds. 6,426,176

Capital assets are not financial resources in governmental funds, but are reported in the statement of net position at their net depreciable value. 130,086,099

All liabilities are reported in the statement of net position. However, if they are not due and payable in the current period, they are not recorded in the governmental funds. (32,254,391)

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 position are reported along with governmental activities in the statement of net position. 17,434,841

Net position of governmental activities **\$ 142,095,205**

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, 2013

	General	Housing and Community Development	Nonmajor Governmental	Total Governmental
Revenues:				
Taxes	\$ 18,141,402	\$ -	\$ 11,917,717	\$ 30,059,119
Licenses, permits and fees	2,185,385	-	277,953	2,463,338
Intergovernmental	4,161,177	606,133	3,708,175	8,475,485
Charges for services	5,167,594	-	1,854,795	7,022,389
Fines and forfeitures	1,418,422	-	79,036	1,497,458
Use of money and property	60,103	38,468	92,988	191,559
Special assessments	-	-	42,569	42,569
Miscellaneous revenues	201,699	-	104,386	306,085
Total revenues	31,335,782	644,601	18,077,619	50,058,002
Expenditures:				
Current operating:				
General government	5,255,513	22,832	1,028,234	6,306,579
Fire	9,659,872	-	1,582,828	11,242,700
Police	12,803,457	-	5,514,631	18,318,088
Library	1,342,895	-	114,819	1,457,714
Public works	942,018	-	5,206,312	6,148,330
Development services	1,114,643	790,720	987,579	2,892,942
Capital projects	-	-	789,407	789,407
Debt service:				
Principal	170,000	-	2,248,973	2,418,973
Interest	59,168	-	1,049,055	1,108,223
Total expenditures	31,347,566	813,552	18,521,838	50,682,956
Excess of revenues over (under) expenditures	(11,784)	(168,951)	(444,219)	(624,954)
Other financing sources (uses):				
Transfers in	1,206,217	-	3,866,894	5,073,111
Transfers out	(772,055)	-	(3,686,760)	(4,458,815)
Total other financing sources (uses)	434,162	-	180,134	614,296
Net change in fund balance	422,378	(168,951)	(264,085)	(10,658)
Fund balances, beginning	7,778,471	142,586	12,488,473	20,409,530
Change in reserve for inventories	-	-	3,608	3,608
Fund balances, ending	\$ 8,200,849	\$ (26,365)	\$ 12,227,996	\$ 20,402,480

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, 2013

Net change in fund balances - total governmental funds \$ (10,658)

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

Internal service funds are used by management to charge the costs of certain activities, such as insurance, vehicle and equipment replacement, and SDC administration to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 1,340,812

Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received. (233,564)

Capital outlay is reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlays over their estimated useful lives as depreciation expense. (2,301,048)

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. (673,243)

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as revenues. In the same way, repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. However, neither the receipt of debt proceeds nor the payment of debt principal affect the Statement of Activities, but are reported as increases and decreases in noncurrent liabilities in the Statement of Net Position. 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. 2,399,195

Increases in inventory in governmental funds decrease expenses. 3,608

Change in net position of governmental activities \$ 525,102

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
PROPRIETARY FUNDS
STATEMENT OF FUND NET POSITION
 June 30, 2013

	Business-Type Activities - Enterprise Funds							Governmental Activities
	Sanitary Sewer Operations	Storm Drainage Operations	Sewer Capital Projects Fund	Storm Capital Projects Fund	Ambulance	Booth Kelly	Other Nonmajor Enterprise	
ASSETS								
Current assets:								
Cash and investments	\$ 3,741,200	\$ 3,451,030	\$ 12,917,955	\$ 13,888,981	\$ 827,289	\$ 1,037,158	\$ 3,236,142	\$ 14,750,210
Accounts receivable, net of allowance for estimated uncollectibles	555,713	477,503	20,649	-	499,269	73,876	26,604	1,653,614
Prepays	2,771	2,571	-	-	4,520	-	-	9,862
Deposits	-	-	-	-	-	-	-	265,500
Accrued interest	21,751	14,442	66,119	63,595	1,505	5,094	14,945	187,451
Inventory	-	-	-	-	-	-	-	60,391
	-	-	-	-	-	-	-	44,869
Total current assets	4,321,435	3,945,546	13,004,723	13,952,576	1,332,583	1,116,128	3,277,691	40,950,682
Noncurrent assets:								
Bond costs - net	225,133	-	-	87,291	-	-	-	312,424
Capital assets - net	43,135,188	193,298	13,016,853	52,1264	52,468	6,078,046	-	62,997,117
Construction in progress	275,212	668,856	4,373,113	1,101,598	-	-	-	6,418,779
Land and land rights	2,048,070	19,294	49,937	-	-	2,641,557	-	4,758,858
Total noncurrent assets	45,683,603	881,448	17,389,966	1,760,090	52,468	8,719,603	-	74,487,178
Total assets	50,005,038	4,826,994	30,394,689	15,712,666	1,385,051	9,835,731	3,277,691	115,437,860
LIABILITIES								
Current liabilities:								
Accounts payable	99,958	54,984	745,679	83,718	145,740	20,603	4,512	1,155,194
Accrued payroll and other liabilities	146,408	133,668	-	-	286,565	6,514	-	573,155
Accrued interest payable	69,535	81,538	-	-	-	-	-	151,073
Deposits	-	-	-	-	-	24,101	-	24,101
Notes payable - current maturity	69,503	-	-	-	-	637,390	-	706,893
Capital lease payable - current maturity	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	549,073	-	-	549,073
Revenue bonds payable - current maturity	225,000	-	905,000	385,000	-	-	-	1,515,000
Total current liabilities	610,404	270,190	1,650,679	468,718	981,378	688,608	4,512	4,674,489
Noncurrent liabilities:								
Accrued absence payable	203,674	79,767	-	-	112,473	-	-	395,914
Accrued interest	-	-	-	-	-	23,460	-	23,460
Revenue bonds payable (net of unamortized discount)	389,506	-	18,700,000	9,324,901	-	-	-	28,414,407
Notes payable	2,086	-	-	-	-	3,695,032	-	3,697,118
Net OPEB obligation payable	133,542	205,101	-	-	365,610	-	-	704,253
Capital lease obligation	-	-	-	-	-	-	-	-
Total noncurrent liabilities	728,808	284,868	18,700,000	9,324,901	478,083	3,718,492	-	33,235,152
Total liabilities	1,339,212	555,058	20,350,679	9,793,619	1,459,461	4,407,100	4,512	37,909,641
NET POSITION								
Net invested in capital assets	44,772,375	881,448	1,683,002	196,271	52,468	4,387,181	-	51,972,745
Restricted for SDC projects	-	-	-	-	(126,878)	1,041,450	3,273,179	3,273,179
Unrestricted	3,893,451	3,390,488	8,361,008	5,722,776	-	-	-	22,282,295
Total net position	\$ 48,665,826	\$ 4,271,936	\$ 10,044,010	\$ 5,919,047	\$ (74,410)	\$ 5,428,631	\$ 3,273,179	\$ 77,528,219
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds.								698,460
Net position of business-type activities								\$ 78,226,679

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds										Governmental Activities
	Sanitary Sewer Operations	Storm Drainage Operations	Sewer Capital Projects Fund	Storm Capital Projects Fund	Ambulance	Booth Kelly	Other Nonmajor Enterprise	Total	Internal Service Funds		
OPERATING REVENUES											
Charges for services	\$ 7,021,537	\$ 5,946,174	\$ -	\$ -	\$ 13,461,532	\$ 1,348,308	\$ 388,992	\$ 28,166,543	\$ 8,559,797		
Less: Contractual adjustments	-	-	-	-	(8,206,464)	-	-	(8,206,464)	-		
Licenses and permits	-	-	-	-	-	-	-	-	55,791		
Intergovernmental revenues	-	-	20,649	-	31,084	-	-	51,733	76,218		
Miscellaneous receipts	-	-	19,531	500	2,387	4,053	-	26,471	778,757		
Total operating revenues	7,021,537	5,946,174	40,180	500	5,288,539	1,352,361	388,992	20,038,283	9,470,563		
Operating expenses:											
Court	-	-	-	-	-	-	-	-	1,158		
Human resources	-	-	-	-	-	-	-	-	4,402,540		
Finance	11,336	11,337	-	-	-	-	-	22,673	28,101		
Information technology	-	-	-	-	-	-	-	-	61,774		
Library	-	-	-	-	-	-	-	-	257		
Fire	-	-	-	-	5,099,443	-	-	5,099,443	73,422		
Police	-	-	-	-	-	-	-	-	47,505		
Public works	3,350,444	3,950,355	-	62,839	-	46,214	276,117	7,685,969	1,345,460		
Development services	13,991	33,330	5,663	-	-	478,057	-	531,041	65,088		
Depreciation	2,216,634	-	-	-	6,308	740,006	-	2,962,948	1,070,984		
Total operating expenses	5,592,405	3,995,022	5,663	62,839	5,105,751	1,264,277	276,117	16,302,074	7,096,289		
Operating income (loss)	1,429,132	1,951,152	34,517	(62,339)	182,788	88,084	112,875	3,736,209	2,374,274		
Nonoperating revenues (expenses):											
Interest on investments	23,779	14,484	81,027	68,445	2,335	5,201	16,459	211,730	65,203		
Amortization of issuance costs	(46,017)	-	-	-	-	-	-	(46,017)	-		
Interest expense	(411,312)	(35,073)	-	26,053	-	(321,692)	-	(742,024)	(62,731)		
Gain (loss) on disposal of assets	-	-	-	-	-	-	-	-	35,115		
Total nonoperating revenues (expenses)	(433,550)	(20,589)	81,027	94,498	2,335	(316,491)	16,459	(576,311)	37,587		
Income (loss) before contributions and transfers	995,582	1,930,563	115,544	32,159	185,123	(228,407)	129,334	3,159,898	2,411,861		
Transfers in	9,149	8,968	3,828,000	1,321,298	-	-	(92,609)	5,167,415	-		
Transfers out	(3,837,350)	(1,309,350)	-	-	-	-	-	(5,239,309)	(542,403)		
Capital contributions	1,081	-	15,648	-	-	-	-	16,729	62,680		
Change in net position	(2,831,538)	630,181	3,959,192	1,353,457	185,123	(228,407)	36,725	3,104,733	1,932,138		
Net position, beginning	51,497,364	3,641,755	6,084,818	4,565,590	(259,533)	5,657,038	3,236,454	16,262,886			
Net position, end of year	\$ 48,665,826	\$ 4,271,936	\$ 10,044,010	\$ 5,919,047	\$ (74,410)	\$ 5,428,631	\$ 3,273,179	\$ 18,195,024			
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.								538,020			
Change in net position of business-type activities								\$ 3,642,753			

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 Year Ended June 30, 2013

	Business type activities - Enterprise Funds							Governmental Activities	
	Sanitary Sewer Operations	Storm Drainage Operations	Sewer Capital Projects Fund	Storm Capital Projects Fund	Ambulance	Booth Kelly	Other Nonmajor Enterprise		Total
Cash flows from operating activities:									
Cash received from customers	\$ 6,981,189	\$ 5,924,324	\$ -	\$ -	\$ 5,331,280	\$ 1,280,070	\$ 375,489	\$ 19,892,352	\$ -
Cash received from interfund services provided	-	-	-	-	-	-	-	-	8,557,125
Cash paid for employee services	(1,848,873)	(2,505,260)	-	-	(3,425,788)	(130,867)	-	(7,910,788)	(521,014)
Cash paid to suppliers for goods and services	(1,412,160)	(1,501,072)	-	-	(1,655,186)	(377,087)	(286,657)	(5,232,162)	(5,240,696)
Other operating receipts	-	-	19,531	500	28,876	3,553	-	52,460	910,766
Net cash provided by operating activities	3,720,156	1,917,992	19,531	500	279,182	775,669	88,832	6,801,862	3,706,181
Cash flows from noncapital financing activities:									
Transfers from other funds	9,149	8,968	3,843,648	1,321,298	-	-	-	5,183,063	-
Transfers to other funds	(3,837,350)	(1,309,350)	-	-	-	-	(92,609)	(5,239,309)	(542,403)
Net cash provided (used) by noncapital financing activities	(3,828,201)	(1,300,382)	3,843,648	1,321,298	-	-	(92,609)	(56,246)	(542,403)
Cash flows from capital and related financing activities:									
Acquisition and construction of capital assets	(449,104)	(293,889)	(7,245,745)	(691,847)	-	-	-	(8,680,585)	(694,170)
Disposition of capital assets	(309,246)	-	(875,000)	(401,053)	-	(594,584)	-	(2,179,883)	90,020
Principal paid on long-term debt	(387,048)	(37,885)	-	-	-	(324,789)	-	(749,722)	(335,793)
Interest paid on long-term debt	-	-	-	-	-	-	-	-	(62,736)
Net cash used in capital and related financing activities	(1,145,398)	(331,774)	(8,120,745)	(1,092,900)	-	(919,373)	-	(11,610,190)	(1,002,679)
Cash flows from investing activities:									
Interest received	20,927	10,582	87,588	58,443	2,394	4,471	14,013	198,418	55,704
Net change in cash and investments	(1,232,516)	296,418	(4,169,978)	287,341	281,576	(139,233)	10,236	(4,666,156)	2,216,803
Cash and investments, beginning of year	4,973,716	3,154,612	17,087,933	13,601,640	545,714	1,176,391	3,225,906	43,765,912	12,533,407
Cash and investments, end of year	\$ 3,741,200	\$ 3,451,030	\$ 12,917,955	\$ 13,888,981	\$ 827,289	\$ 1,037,158	\$ 3,236,142	\$ 39,099,755	\$ 14,750,210
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:									
Operating income (loss)	\$ 1,429,132	\$ 1,951,152	\$ (40,522)	\$ (73,393)	\$ 182,788	\$ 88,084	\$ 112,875	\$ 3,650,116	\$ 2,374,274
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation	2,216,634	-	-	-	6,308	740,006	-	2,962,948	1,070,984
Changes in assets and liabilities:									
Accounts receivable	(37,577)	(19,279)	(20,649)	-	77,121	(68,238)	(13,503)	(82,125)	(2,672)
Prepaid expenses	(2,771)	(2,571)	(909)	-	(909)	-	-	(6,251)	(19,783)
Accounts payable	21,901	28,892	80,702	73,893	(13,795)	14,525	(10,540)	195,578	416,827
Accrued interest payable	-	-	-	-	-	-	-	22,919	22,919
Accrued payroll and other liabilities	66,986	(81,099)	-	-	(39,395)	1,792	-	(51,716)	145,221
Net OPEB obligation payable	25,651	40,297	-	-	71,660	(500)	-	137,608	8,780
Deposits	200	600	-	-	(4,596)	-	-	300	(265,500)
Unearned revenue	-	-	-	-	-	-	-	(4,596)	-
Inventory	-	-	-	-	-	-	-	-	(44,869)
Net cash provided by (used in) operating activities	\$ 3,720,156	\$ 1,917,992	\$ 19,531	\$ 500	\$ 279,182	\$ 775,669	\$ 88,832	\$ 6,801,862	\$ 3,706,181
Noncash capital and related financing activities:									
Contributed capital assets	\$ 1,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,081	\$ -
Vehicle acquired by capital lease	-	-	-	-	-	-	-	-	977,780
Retirement and disposition of capital assets, net of accumulated depreciation	-	-	-	-	-	-	-	-	35,115

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
June 30, 2013

ASSETS

Cash and investments	<u>\$ 4,000,683</u>
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LIABILITIES

Amounts held for other parties	<u>\$ 4,000,683</u>
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The accompanying notes are an integral part of this statement.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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 policies 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 twenty member governments: fifteen cities and five 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:

MWMC	Springfield Economic Development Agency
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, 2013

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 position and the statement of activities) report information on all of the nonfiduciary activities of the City 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, 2013

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 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 Sanitary 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.

The Storm Drainage Capital Projects Fund accounts for storm sewer capital improvement costs and is supported by drainage system connection fees and Storm Drainage 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.

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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 non-operating 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 Sanitary Sewer Operation Fund are sewer user fees. The principal operating revenues of the Storm Drainage Operation Fund are drainage 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 non-operating 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.

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."

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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, 2013, the City's tax levy did not exceed the Oregon constitutional limitation. The total property tax levy was \$28,646,245. This includes general property taxes to support general obligation bond debt service of \$3,261,987.

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, 2013 are recorded as prepaid items.

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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

i. Fund Balance

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

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids, and deposits, and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council passes a resolution that places specific constraints on how the resources may be used. The City Council can modify or rescind the commitment at any time through passage of an additional resolution.

Resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the City Council approves which resources should be "reserved" during adoption of the annual budget. The City's Finance Director uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the City's Annual Financial Report.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

When both restricted and unrestricted (committed, assigned, or unassigned) resources are available for use, it is the City's practice to use restricted resources first, then unrestricted resources as needed. When an expenditure is incurred where an unrestricted fund balance classification could be used, the City's practice is to use committed resources first, assigned resources second, and then unassigned amounts as they are needed.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund balances by classification for the year ended June 30, 2013 were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Housing and Community Development</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Inventories	\$ 2,820	\$ -	\$ 85,170	\$ 87,990
Prepays and deposits	44,854	-	66,127	110,981
Investment in foreclosed property	1,970	-	-	1,970
Restricted:				
Debt service	-	-	591,659	591,659
Urban renewal	-	-	17,384	17,384
Capital projects	-	-	1,618,633	1,618,633
Transportation	-	-	3,151,998	3,151,998
Public Safety	-	-	2,632,682	2,632,682
Building code	-	-	147,986	147,986
Economic development	-	-	251,864	251,864
Library services	-	-	123,365	123,365
Committed:				
Development assessment	-	-	1,112,371	1,112,371
Capital projects	-	-	1,772,927	1,772,927
Technology fee reserve	12,764	-	-	12,764
Public Safety	-	-	244,889	244,889
Assigned:				
Capital projects	-	-	235,554	235,554
Contingency reserve	600,000	-	-	600,000
Public Safety	-	-	26,562	26,562
Other purposes	-	-	148,825	148,825
Unassigned	7,538,441	(26,365)	-	7,512,076
Total fund balances	<u>\$ 8,200,849</u>	<u>\$ (26,365)</u>	<u>\$ 12,227,996</u>	<u>\$ 20,402,480</u>

j. Indirect Expenses Allocation

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

k. Contingency and Working Capital Policy

The City will maintain adequate cash reserves for both contingencies and working capital. Each fund will maintain adequate cash reserves, borrow internally from another City fund, or as a last resort, borrow externally to provide for cash flow and contingency requirements.

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 position – 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 \$32,254,391 difference are as follows:

Bonds payable, net of original issue discount	\$ 23,477,252
Notes payable	1,230,179
Due to developer	210,000
Accrued interest payable	101,973
Compensated absences	4,161,930
Net OPEB obligation	<u>3,073,057</u>
Total	<u>\$ 32,254,391</u>

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 \$130,086,099 are as follows:

Capital assets (net of accumulated depreciation) reported in the Statement of Net Assets – governmental activities column:	
Land and work in progress	\$ 56,366,304
Other capital assets (net of accumulated depreciation)	79,435,115
Total capital assets reported in internal service funds included in the Statement of Net Assets – governmental activities column (net of accumulated depreciation):	<u>(5,715,320)</u>
Net adjustment	<u>\$ 130,086,099</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

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 \$2,301,048 difference are as follows:

Capital outlay	\$ 673,550
Donated capital assets	2,172,183
Depreciation	<u>(5,146,781)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (2,301,048)</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 \$2,399,195 difference are as follows:

Principal repayment of general obligation debt	\$ 2,180,000
Principal repayment of note payable	238,973
Amortization of deferred charge on refunding	(19,676)
Amortization on issuance costs	(27,156)
Amortization of bond discounts	(507)
Amortization of bond premiums	15,612
Decrease in accrued interest payable	<u>11,949</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 2,399,195</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 \$673,243 difference are as follows:

Increase in accrued compensated absences	\$ (54,835)
Increase in net OPEB obligation	<u>(618,408)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (673,243)</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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, 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, 2013, the City Council approved several transfer resolutions and supplemental budgets increasing appropriations by \$11,355,537.

The Housing and Community Development Fund reported a negative fund balance of \$26,365. This was the result of a refund of HOME loan revenues received by the City and due to the HOME Consortium lead agency. There is an ongoing discussion between the City and the lead agency as to the amount received in error. The City is pursuing a portion of the refund back that is equal to the amount of the negative fund balance.

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, 2013, cash and investments are comprised of the following:

Cash on Hand	\$	8,947
Cash with Fiscal Agent		5,500
Deposits		13,731,488
Local Government Investment Pool Accounts		86,725,198
Investments		<u>73,632,395</u>
		<u>\$ 174,103,528</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE D – CASH AND INVESTMENTS - Continued

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

Governmental Funds	\$ 35,176,463
Business-type Funds	39,099,755
Component Units	
MWMC	65,258,202
MWMC Restricted	30,568,425
Not Appearing on Statement of Net Assets	
Fiduciary Fund	<u>4,000,683</u>
	<u>\$ 174,103,528</u>

Deposits

On June 30, 2013 the City of Springfield held \$13,731,488 in deposits. Of this total, \$1,145,739 is in commercial checking accounts with a bank balance of \$1,364,557. The difference is due to transactions in process. The remainder is invested in time certificates of deposit with local institutions. The Oregon legislature passed public funds collateralization statutes effective July 1, 2008. The 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 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. \$1,250,000 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.”

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE D – CASH AND INVESTMENTS - Continued

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, 2013, the City had \$43,993,187 in the LGIP and \$42,732,011 in the MWMC LGIP account. The maximum amount of pooled investments to be placed in the LGIP is limited by Oregon Statute. At June 30, 2013, that amount was \$45,405,443.

Investments

On June 30, 2013, the City of Springfield held \$73,632,395 of investments: Corporate indebtedness of \$44,556,872 and Government Agency securities totaling \$29,075,523.

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.

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, 2013, 100% of the total investments were considered short-term and had maturities less than 18 months and 0% were considered long-term and had maturities of more than 18 months but less than 3 years. 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, 2013.

Short-Term Investments:

<u>Maturity</u>	<u>Amount</u>	<u>Actual %</u>	<u>Investment Policy %</u>
Under 30 days	\$ 98,238,624	56%	10 % minimum
Under 90 days	121,303,884	70	25 % minimum
Under 270 days	142,645,738	82	50 % minimum
Under one year	161,652,643	93	80 % minimum
Under 18 months	174,103,528	100	100 % minimum

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE D – CASH AND INVESTMENTS - Continued

Long-Term Investments:

<u>Maturity</u>	<u>Amount</u>	<u>Actual %</u>	<u>Investment Policy %</u>
Over 18 months	\$ -	0%	Finance Director's discretion

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, 2013, all of the corporate debt in the City's portfolio is in compliance with the investment policy. The Local Government Investment Pool is not rated and is not registered with the U.S. Securities and Exchange Commission.

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 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, 2013 were delivered by book entry to the account of BNY Western Trust Company, who held 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, 2013.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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	\$ 86,725,198	50%	100
Government Agencies	29,075,523	17	N/A
US Bank	1,145,739	1	15
Sterling Bank	2,018,628	1	15
Siuslaw Bank NOW	2,007,856	1	15
Umpqua Bank	8,558,265	5	15
Bank of America	1,000	-	15
Corporate Indebtedness:			
JP Morgan Chase	3,357,312	2	5
Barclay's Bank	8,223,520	5	5
Bank of America	2,074,760	1	5
General Elec Cap Corp	3,033,480	1	5
HSBC Bank USA	8,125,945	5	5
UBS Stamford	5,008,550	3	5
Merrill Lynch	3,128,550	2	5
Credit Suisse	5,579,930	3	5
WestPac Bank	6,024,825	3	5
Other	14,447	-	N/A
Totals	<u>\$ 174,103,528</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	\$ 86,725,198	50%	100 %
Interest Bearing Checking Account	1,145,739	1	50 %
Money Market Account	8,345,384	5	50 %
Time Certificates of Deposit	4,240,365	2	25 %
Corporate Indebtedness	44,556,872	25	25 %
Government Agencies	29,075,523	17	50 %
Other	14,447	-	0 %
Totals	<u>\$ 174,103,528</u>	<u>100 %</u>	

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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE E – RECEIVABLES AND UNAVAILABLE REVENUE

Receivables at June 30, 2013 consist of the following:

Fund	Property Taxes and Other	Accounts	Assessments and Liens	Grants	Accrued Interest	Mortgage Notes	Total Gross Receivable	Less Allowance for Uncollectible	Total Net Receivable
General	\$ 1,378,297	\$ 1,033,660	\$ -	\$ -	\$ 60,395	\$ -	\$ 2,472,352	\$ -	\$ 2,472,352
CDBG	-	-	-	244,896	-	3,666,032	3,910,928	-	3,910,928
Sewer	-	555,713	-	-	21,751	-	577,464	-	577,464
Storm Drainage	-	477,503	-	-	14,442	-	491,945	-	491,945
Sanitary Sewer Capital	-	20,649	-	-	66,119	-	86,768	-	86,768
Storm Drainage Capital	-	-	-	-	63,595	-	63,595	-	63,595
Ambulance	-	1,552,350	-	-	1,505	-	1,553,855	(1,053,081)	500,774
Booth-Kelly	-	73,876	-	-	5,094	-	78,970	-	78,970
Nonmajor Governmental	798,182	679,233	203,245	75,939	59,208	4,409	1,820,216	-	1,820,216
Nonmajor Enterprise	-	26,604	-	-	14,945	-	41,549	-	41,549
Internal Service Funds	-	19,112	-	-	60,591	-	79,703	-	79,703
	<u>\$ 2,176,479</u>	<u>\$ 4,438,700</u>	<u>\$ 203,245</u>	<u>\$ 320,835</u>	<u>\$ 367,645</u>	<u>\$ 3,670,441</u>	<u>\$ 11,177,345</u>	<u>\$ (1,053,081)</u>	<u>\$ 10,124,264</u>

Assessments, 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, 2013

NOTE E – RECEIVABLES AND UNAVAILABLE REVENUE - Continued

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2013, the various components of unavailable revenue consist of the following:

FUND BY TYPE

Property taxes receivable:	
General Fund	\$ 1,340,514
Special revenue funds	460,501
Debt service funds	317,717
Fees and charges:	
General Fund	276,247
Special revenue funds	28,498
Capital projects funds	6,118
Mortgage notes receivable:	
Special revenue funds	409
CDBG Fund	3,666,032
Assessments:	
Debt service funds	7,857
Capital projects funds	195,388
Other:	
General Fund	122,895
Special revenue funds	<u>4,000</u>
Total unavailable revenue	<u>\$ 6,426,176</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE F – CAPITAL ASSETS

Governmental activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 53,363,065	\$ 2,400,595	\$ -	\$ 55,763,660
Work in progress	<u>524,434</u>	<u>492,364</u>	<u>(414,154)</u>	<u>602,644</u>
Total capital assets, not being depreciated	<u>53,887,499</u>	<u>2,892,959</u>	<u>(414,154)</u>	<u>56,366,304</u>
Capital assets, being depreciated:				
Buildings	46,779,952	79,374	-	46,859,326
Infrastructure	69,221,184	267,381	-	69,488,565
Machinery & equipment	19,272,414	1,754,803	(538,140)	20,489,077
Library books	1,998,269	-	-	1,998,269
Studies	<u>644,561</u>	<u>-</u>	<u>-</u>	<u>644,561</u>
Total capital assets, being depreciated	<u>137,916,380</u>	<u>2,101,558</u>	<u>(538,140)</u>	<u>139,479,798</u>
Less accumulated depreciation for:				
Buildings	(14,153,379)	(2,215,140)	-	(16,368,519)
Infrastructure	(24,999,837)	(2,439,392)	-	(27,439,229)
Machinery & equipment	(13,144,770)	(1,431,539)	483,235	(14,093,074)
Library books	(1,634,124)	(85,596)	-	(1,719,720)
Studies	<u>(378,044)</u>	<u>(46,097)</u>	<u>-</u>	<u>(424,141)</u>
Total depreciation	<u>(54,310,154)</u>	<u>(6,217,764)</u>	<u>483,235</u>	<u>(60,044,683)</u>
Total capital assets, being depreciated, net	<u>83,606,226</u>	<u>(4,116,206)</u>	<u>(54,905)</u>	<u>79,435,115</u>
Governmental activities capital assets, net	<u>\$ 137,493,725</u>	<u>\$ (1,223,247)</u>	<u>\$ (469,059)</u>	<u>\$ 135,801,419</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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	\$ 4,758,860	\$ -	\$ -	\$ 4,758,860
Construction in progress	<u>8,270,733</u>	<u>5,452,689</u>	<u>(7,304,644)</u>	<u>6,418,778</u>
Total capital assets, not being depreciated	<u>13,029,593</u>	<u>5,452,689</u>	<u>(7,304,644)</u>	<u>11,177,638</u>
Capital assets, being depreciated:				
Buildings & structure	76,057,319	10,574,818	-	86,632,137
Land improvements	507,931	-	-	507,931
Equipment	1,229,441	44,899	-	1,274,340
Studies	<u>1,659,804</u>	<u>-</u>	<u>-</u>	<u>1,659,804</u>
Total capital assets, being depreciated	<u>79,454,495</u>	<u>10,619,717</u>	<u>-</u>	<u>90,074,212</u>
Less accumulated depreciation for:				
Land improvements	(506,539)	(1,070)	-	(507,609)
Buildings	(22,168,528)	(2,775,211)	-	(24,943,739)
Equipment	(1,111,285)	(28,342)	-	(1,139,627)
Studies	<u>(327,796)</u>	<u>(158,325)</u>	<u>-</u>	<u>(486,121)</u>
Total depreciation	<u>(24,114,148)</u>	<u>(2,962,948)</u>	<u>-</u>	<u>(27,077,096)</u>
Total capital assets, being depreciated, net	<u>55,340,347</u>	<u>7,656,769</u>	<u>-</u>	<u>62,997,116</u>
Business-type activities capital assets, net	<u>\$ 68,369,940</u>	<u>\$ 13,109,458</u>	<u>\$ (7,304,644)</u>	<u>\$ 74,174,754</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE F – CAPITAL ASSETS - Continued

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

Governmental activities:

General Government	\$ 88,854
Police	2,165,149
Fire	743,416
Public Works	2,834,313
Library	96,961
Development Services	38,636
Unallocated	<u>250,435</u>

Total depreciation expense – governmental activities \$ 6,217,764

Business-type activities:

Sewer	\$ 2,216,634
Booth-Kelly	740,006
Ambulance	<u>6,308</u>

Total depreciation expense – business type activities \$ 2,962,948

NOTE G - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, errors and omissions, loss or damage to assets, employee injury or illness, and natural disasters.

The City maintains professional risk management and health and wellness programs. Various loss-control techniques are used to minimize or prevent losses. These techniques and programs include but are not limited to: contracting for risk and benefit broker services, contracting for legal services, maintenance of an emergency management program, operation of a wellness clinic, accident investigation and training, fleet management, verification of employee qualifications, and employee and supervisory training.

The City has established an internal service fund to account for and finance its risks of loss. Beginning January 1st, 2013, the City implemented a self-insured health benefit program that provides medical, dental, and vision coverage to all regular full and part-times employees and their dependents as well as non-Medicare eligible retirees and their dependents. The City has established a self-insurance reserve to pay medical, dental, and vision claims up to the self-insurance retention limit of \$150,000 per covered individual.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE G - RISK MANAGEMENT – Continued

The following changes occurred in the claims liability in the current fiscal year:

	<u>2013</u>
Accrued claim liability, July 1	\$ -
Incurred claims, including an estimate of claims incurred but not reported	2,256,826.00
Claims payments	<u>(1,791,735.00)</u>
Accrued claim liability, June 30	<u>\$ 465,091.00</u>

The City purchases third-party coverage for all other lines of coverage. These include but are not limited to personal injury, public officials’ errors and omissions, automobile, employer’s liability, worker’s compensation, property, medical, dental, and vision insurance. Settled claims have not exceeded insurance coverage in any of the past four fiscal years.

NOTE H - CAPITAL LEASES

The City purchased three pumper engines in the fiscal year ending June 30, 2010 for \$1,360,555 with no down payment and annual payments over 5 years with lease payments being made annually. The City purchased equipment in the fiscal year ending June 30, 2012 for \$330,582 with no down payment and annual payments over 5 years. The City purchased equipment in the fiscal year ending June 30, 2013 for \$977,780 with no down payment and annual 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	\$ 2,712,151
Less: Accumulated depreciation	<u>(547,412)</u>
Total	<u>\$ 2,164,739</u>

The future minimum lease obligations as of June 30, 2013, are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>
2014	\$ 528,831	\$ 60,376
2015	551,307	37,899
2016	266,599	19,476
2017	201,928	11,674
2018	<u>207,682</u>	<u>5,919</u>
Totals	<u>\$ 1,756,347</u>	<u>\$ 135,344</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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, 2013 are as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Effective Interest Rate</u>	<u>Outstanding July 1, 2012</u>	<u>Issued During year</u>	<u>Matured During Year</u>	<u>Outstanding June 30, 2013</u>	<u>Due Within One Year</u>
Series 2007	3/9/2007	2026	4.00%	\$20,030,000	\$ -	\$(1,080,000)	\$18,950,000	\$ 1,125,000
Series 2005	7/26/2005	2025	3.48%	5,815,000	-	(1,100,000)	4,715,000	1,130,000
							Unamortized Premium	214,667
							Unamortized Discount	(6,089)
							Due in current year	<u>(2,255,000)</u>
							Total noncurrent liabilities	<u>\$21,618,578</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 \$34,800,000.

Revenue obligation bonds payable transactions for the year ended June 30, 2013 are as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Effective Interest Rate</u>	<u>Outstanding July 1, 2012</u>	<u>Issued During Year</u>	<u>Matured During Year</u>	<u>Outstanding June 30, 2013</u>	<u>Due Within One Year</u>
Series 2005	5-13-05	2015	3.700%	\$ 675,000	\$ -	\$(215,000)	\$ 460,000	\$ 225,000
Series 2009	4-02-09	2029	4.070%	20,480,000	-	(875,000)	19,605,000	905,000
Series 2010	10-06-10	2030	3.149%	9,635,000	-	(375,000)	9,260,000	385,000

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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
2013-14	\$ 2,255,000	\$ 951,283	\$ 1,515,000	\$ 1,144,050	\$ 3,770,000	\$ 2,095,333
2014-15	2,340,000	865,618	1,560,000	1,097,325	3,900,000	1,962,943
2015-16	1,435,000	773,133	1,380,000	1,039,531	2,815,000	1,812,664
2016-17	1,495,000	710,608	1,425,000	988,281	2,920,000	1,698,889
2017-18	1,560,000	645,118	1,480,000	935,256	3,040,000	1,580,374
2018-2023	8,745,000	2,281,178	8,285,000	3,806,356	17,030,000	6,087,534
2023-2028	5,835,000	482,986	10,050,000	2,035,457	15,885,000	2,518,443
2028-2031	-	-	3,630,000	195,275	3,630,000	195,275
Total	<u>\$ 23,665,000</u>	<u>\$ 6,709,924</u>	<u>\$ 29,325,000</u>	<u>\$ 11,241,531</u>	<u>\$ 52,990,000</u>	<u>\$ 17,951,455</u>

Notes Payable

At June 30, 2013 notes payable are as follows:

Governmental activities:

Oregon Special Public Works (OSPW), McKenzie Gateway payable in annual installments of \$81,684 including interest at 5.8%, due 2015	\$ 150,179
Bank of America (FS 16), payable in semi-annual installments including interest at 4.9%, due 2018	<u>1,080,000</u>
Total governmental activities	<u>\$ 1,230,179</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE I - LONG-TERM DEBT - Continued

Business-type activities:

McKenzie Enterprises, Inc. note payable in monthly installments of \$7,024 including interest at 7%, due in 2017 Carter Building	\$ 293,360
Bank of the West (BLM), Note payable with monthly installments beginning June 2009 at 6.97%, due in May of 2019	4,039,062
Oregon Department of Environmental Quality (DEQ) state Revolving Fund loan, payable in semiannual installments of \$36,609 including interest at 3%, due 2014	<u>71,589</u>
Total business-type activities	<u>\$ 4,404,011</u>

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2013-14	\$ 252,973	\$ 708,961
2014-15	262,206	683,264
2015-16	195,000	732,460
2016-17	200,000	785,221
2017-18	210,000	754,687
Thereafter	<u>110,000</u>	<u>739,418</u>
	<u>\$ 1,230,179</u>	<u>\$ 4,404,011</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 2009 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 to the Oregon Department of Military.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE I - LONG-TERM DEBT - continued

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.

Compensated Absences

City employees accumulated earned but unused leave with pay which combines into a time management bank. Upon termination of employment, unused vacation, but not sick time is paid out at the employees current pay rate. Calculations based on the percentage of prior year hours used during the current year indicate approximately 36% of the compensated absence liability is considered current. Compensated absences included in governmental activities are anticipated to be liquidated as follows:

<u>Governmental Activities</u>	<u>June 30, 2013</u>
General	\$ 3,240,522
Streets	414,991
Special revenue/services	506,417
Internal service funds	<u>3,444</u>
	<u>\$ 4,165,374</u>

Net OPEB Obligation

The City's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance within the parameters of GASB 45. Using current year payroll activity, the Net OPEB Obligation in governmental activities is anticipated to be liquidated as follows:

<u>Governmental Activities</u>	<u>June 30, 2013</u>
General	\$ 2,193,831
Streets	279,299
Special revenue/services	584,891
Other governmental funds	4,661
Internal service funds	<u>46,765</u>
	<u>\$ 3,109,447</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE I - LONG-TERM DEBT - Continued

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2013 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	\$ 25,845,000	\$ -	\$ (2,180,000)	\$ 23,665,000	\$ 2,255,000
Less deferred amounts					
For issuance premiums	230,279	-	(15,612)	214,667	-
For issuance discounts	(6,596)	-	507	(6,089)	-
Total bonds payable	26,068,683	-	(2,195,105)	23,873,578	2,255,000
Notes payable	1,469,152	-	(238,973)	1,230,179	252,973
Contracts payable	210,000	-	-	210,000	-
Capital leases	1,114,360	977,780	(335,793)	1,756,347	528,831
Accrued absences	4,109,364	1,462,323	(1,406,313)	4,165,374	1,443,286
OPEB obligation	2,482,258	627,189	-	3,109,447	-
Governmental activity long-term liabilities	<u>\$ 35,453,817</u>	<u>\$ 3,067,292</u>	<u>\$ (4,176,184)</u>	<u>\$ 34,344,925</u>	<u>\$ 4,480,090</u>
<u>Business-type activities:</u>					
Bonds payable:					
Revenue bonds	\$ 30,790,000	\$ -	\$ (1,465,000)	\$ 29,325,000	\$ 1,515,000
Less deferred amounts					
For issuance discounts	(9,410)	-	3,181	(6,229)	-
For issuance premiums	664,614	-	(53,978)	610,636	-
Total bonds payable	31,445,204	-	(1,515,797)	29,929,407	1,515,000
Notes payable	5,068,098	-	(664,087)	4,404,011	708,961
Accrued absences	668,948	303,982	(291,377)	681,553	285,974
OPEB obligation	566,644	137,609	-	704,253	-
Business-type activities long-term liabilities	<u>\$ 37,748,894</u>	<u>\$ 441,591</u>	<u>\$ (2,471,261)</u>	<u>\$ 35,719,224</u>	<u>\$ 2,509,935</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE J – RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

Interfund Payables & Receivables

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sanitary Sewer	Internal service funds	\$ 174,410
Storm Drainage	Internal service funds	178,996
Booth Kelly	Internal service funds	133,441
Ambulance	Internal service funds	<u>211,613</u>
Total due to/from other funds (different fund types)		<u>\$ 698,460</u>

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

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

Amounts due to/from component units at June 30, 2013 are presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Metropolitan Wastewater	Internal service funds	<u>\$ 61,723</u>

Interfund Transfers

Fund	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Sanitary Sewer</u>	<u>Storm Drainage</u>	<u>Sewer Capital</u>	<u>Drainage Capital</u>	<u>Total Transfers Out</u>
General	\$ -	\$ 772,055	\$ -	\$ -	\$ -	\$ -	\$ 772,055
Nonmajor Governmental	694,242	2,992,517	-	-	-	-	3,686,759
Sanitary Sewer	-	9,350	-	-	3,828,000	-	3,837,350
Storm Drainage	-	9,350	-	-	-	1,300,000	1,309,350
Nonmajor Enterprise	-	71,311	-	-	-	21,298	92,609
Internal Service Funds	<u>511,975</u>	<u>12,311</u>	<u>9,149</u>	<u>8,968</u>	<u>-</u>	<u>-</u>	<u>542,403</u>
Total Transfer In	<u>\$ 1,206,217</u>	<u>\$ 3,866,894</u>	<u>\$ 9,149</u>	<u>\$ 8,968</u>	<u>\$ 3,828,000</u>	<u>\$ 1,321,298</u>	<u>\$ 10,240,526</u>

Transfers are routinely made for the following purposes:

- To move unrestricted revenues collected in the General Fund to finance various programs and activities accounted for in other funds in accordance with budgetary authorizations.
- 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.
- To move revenues from the fund that statute or budget requires to collect them to the fund the statute or budget requires to expend them.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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 has been paid on the 2005 issue, and the liability on the 2007 issue was reduced to zero in previous years. There is no remaining arbitrage liability.

The City issued revenue bonds in the amount of \$22,815,000 in March, 2009 and \$10,000,000 in September, 2010. There is no arbitrage liability for these issues as of June 30, 2013.

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. Due to unfavorable investment returns, the arbitrage liability is estimated at zero for both issues as of June 30, 2013.

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 will contribute as an employer’s contribution to an individual’s retirement account a percentage of pay for all annual covered salary. The current percentage is 12.8% for sworn public safety employees, 10% for police dispatchers and 7% for other union employees. In addition, the City contributes 6% of salaries as employee contributions. 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 completes an actuarial study of the CRP as of June 30 every 2 years. In part because of the closed membership nature of the plan, the City has implemented a new funding strategy for the CRP. The City now contributes annually to the plan a consistent percentage for all covered salary across all employee groups and an annual single lump sum in each year of the bi-annual cycle. The percentage contribution for all covered salary is now 23.1%. The annual lump sum contribution for the current bi-annual period is \$1,215,000.

The City’s contribution to the CRP was calculated using the covered base salary amount of \$2,463,464. The City’s total payroll was \$28,615,225.

Annual Pension Cost – For the fiscal year 2012-13, the City’s contribution of \$1,784,060 for the CRP was equal to the City’s required and actual contributions. The required contribution was reported in the July 2012 actuarial valuation and uses 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 was closed for the July 2012 valuation and was equal to 24 years.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE L – CITY PENSION PLAN - Continued

The significant actuarial assumptions used in the 2012 valuation include: (a) a rate of return on the investment of present and future assets of 6.5% per year; (b) projected annual salary increases for inflation of 3.5% 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. None assumed.

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 assumed.

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, 2006 actuarial valuation was used to determine the 2005-06, 2006-07 and the 2007-08 ARC. The July 1, 2008 actuarial evaluation was used to determine the 2008-09, 2009-10, and the 2010-11 ARC. The July 1, 2010 actuarial valuation was used to determine the 2011-12 and the 2012-13 ARC. Below is a summary of the ARC by fiscal year:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE L – CITY PENSION PLAN - Continued

<u>Fiscal Year Ending June 30,</u>	<u>Annual Recommended Contribution (percent of base salary)</u>
2006	41.72%
2007	41.72%
2008	41.72%
2009	45.08%
2010	45.08%
2011	45.08%
2012	23.1% plus \$1,215,000
2013	23.1% plus \$1,215,000

For the July 1, 2012 actuarial valuation, the amortization period was decreased from a closed period of 30 years to a closed period of 24 years. The amortization of the unfunded liability was changed to be expressed as a level dollar amount as opposed to a percentage of salary. These changes affect contribution rates for years beginning after June 30, 2011.

<u>Fiscal Year Ending</u>	<u>Annual Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
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%	-
6/30/2010	1,303,162	100%	-
6/30/2011	1,209,098	100%	-
6/30/2012	1,810,424	100%	-
6/30/2013	1,784,060	100%	-

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%
7/1/2010	18,354,656	32,329,421	13,974,765	56.8%	2,904,027	481%
7/1/2012	18,587,213	34,827,342	16,240,129	53.4%	2,621,746	619%

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE L – CITY PENSION PLAN – Continued

This schedule of funding progress presents multiyear trend information showing whether the actuarial value of assets is increasing or decreasing over time relative to the actuarial liability for benefits.

Beginning July 1, 2006, the actuarial liability was determined using the Individual Entry Age Actuarial Cost Method. Beginning July 1, 2008, the actuarial value of assets is determined using five-year smoothing of investment gains and losses, limited to within 10% of the market value of assets. No changes to assumptions or methods were made in the July 1, 2010 actuarial valuation which affected the results in the schedule of funding progress. Beginning July 1, 2012, the assumed rate of net investment return was lowered from 7.5% per year to 6.5% per year and the salary increase assumption was lowered from 5% per year to 3.5% per year.

A separate, audited GAAP-basis pension plan report for this plan is not available.

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.

	<u>Full Benefit</u>		<u>Reduced Benefit</u>	
	<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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE M – PERS PENSION PLAN – Continued

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 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, 2013 was 11.56% 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 8.35% of covered payroll. For members of OPSRP General Service, the rate was 5.64% of covered payroll.

The required employee contribution of 6% of covered compensation is paid by the City for non-union, SPA, OPEU and AFSCME members. For IAFF, 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, 2013 was \$26,151,761. The City’s total payroll was \$28,615,225.

Annual Pension Cost – For the fiscal year 2012-13, the City’s annual pension cost of \$4,167,613 for OPERS was equal to the City’s required and actual contributions. Of this amount, \$2,600,305 was funded by the City and \$1,567,308 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 <u>Ending</u>	Annual Pension Cost <u>(APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/11	\$ 3,370,522	100	\$ -
6/30/12	4,185,615	100	-
6/30/13	4,167,613	100	-

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE N – OTHER POSTEMPLOYMENT BENEFITS

The City administers a single-employer defined benefit healthcare plan as established through negotiations between the City and collective bargaining units. The healthcare plan provides post-retirement medical, dental, and vision coverage for eligible retirees, spouses, domestic partners, and 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, 2013, 20 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, 2013 was \$26,565.

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%, 10%, or 12.8% of the employee's last monthly salary, depending on what the employee's contribution rate was before retirement. At June 30, 2013, there were no employees receiving this benefit.

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 exceed 30 years. The following table shows the components of the City's annual OPEB cost for the fiscal year ending June 30, 2013, the amount actually contributed to the plans, and changes in the City's net OPEB obligation:

Annual required contribution	\$ 1,227,928
Interest on net OPEB obligation	125,712
Adjustment to ARC	<u>(213,582)</u>
Annual OPEB cost (expense)	1,140,058
Contributions	<u>(354,669)</u>
Increase in net OPEB obligation	785,389
Net OPEB obligation, beginning of year	<u>3,142,806</u>
Net OPEB obligation, end of year	<u>\$ 3,928,195</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 2013 and the preceding three years were as follows:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE N – OTHER POSTEMPLOYMENT BENEFITS – Continued

<u>Fiscal year ending June 30</u>	<u>Annual OPEB Cost</u>	<u>Contribution</u>	<u>Percentage of annual OPEB cost contributed</u>	<u>Net OPEB obligation</u>
2009	\$ 963,449	\$ 358,817	37.24%	\$ 604,632
2010	1,295,266	374,695	28.93%	1,525,203
2011	1,360,497	475,593	34.96%	2,410,107
2012	1,085,258	352,599	32.49%	3,142,806
2013	1,140,058	354,669	31.11%	3,928,195

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

Funded Status and Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2008	-	8,929,996	8,929,996	0%	28,602,068	31%
7/1/2010	-	7,851,047	7,851,047	0%	28,390,341	28%
7/1/2012	-	7,846,872	7,846,872	0%	29,189,395	27%

As of July 1, 2012, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$7,846,872, and the actuarial value of assets was zero, resulting in an unfunded accrued liability of \$7,846,872.

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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE N – OTHER POSTEMPLOYMENT BENEFITS – Continued

The July 1, 2012 actuarial valuations for the OPEB plan is based on the projected unit credit actuarial cost method. The actuarial assumptions include an investment return of 3.5%, a general inflation rate of 2.75%, and a healthcare cost inflation trend rate of 7.50% for the 1st year, July 1, 2012 to July 1, 2013. In future years, the health care cost trend varies from 5.5% to 6.75% due to the timing of the excise tax scheduled to affect health care benefits beginning in 2018. The trend then settles to an ultimate rate of 5.5%. Annual payroll increases are compounded at 3.75% annually. The unfunded actuarially accrued liability and the gain or loss is amortized as a level dollar amount over 10 years on an open basis.

NOTE O - COMMITMENTS AND CONTINGENCIES

At June 30, 2013, the City was obligated under incomplete construction contracts in the amount of \$1,013,278.

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, 2013, the Sick Leave Reserve Program bank contained 6,175 hours. The value of these hours is 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 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 required as a result of the passage of statewide measure 56, passed on November 4, 2008.

NOTE Q – NEW PRONOUNCEMENTS

GASB Statement No. 61 "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34." This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. This Statement also amends the criteria for reporting component units as if they were part of the primary government. The statement was implemented in the current year.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE Q – NEW PRONOUNCEMENTS – Continued

GASB Statement No. 62 “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.” The objective of this Statement is to incorporate into GASB's authoritative literature certain accounting and financial reporting guidance that were issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. The statement was implemented in the current year.

GASB Statement No. 63 “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.” The statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The statement was implemented in the current year.

The City will implement new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements from implementing any of the following pronouncements.

GASB Statement No. 65 “Items Previously Reported as Assets and Liabilities.” The statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The statement is effective for fiscal years beginning after December 15, 2012.

GASB Statement No. 68 “Accounting and Reporting for Pension Plans—an amendment of GASB Statement No. 27.” The statement establishes accounting and financial reporting requirements related to pensions provided by governments. The statement is effective for fiscal years beginning after June 15, 2014.

GASB Statement No. 69 “Government Combinations and Disposals of Operations.” The statement provides guidance on accounting for and reporting government mergers, acquisitions, transfers of operations and disposal. The statement is effective for fiscal years beginning after December 15, 2013.

GASB Statement No. 70 “Accounting and Financial Reporting for Nonexchange Financial Guarantees.” The statement provides guidance on accounting for and reporting nonexchange financial guarantees. The statement is effective for fiscal years beginning after December 15, 2013.

NOTE R – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 20, 2013, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

SPRINGFIELD



OREGON

Required Supplementary Information

SPRINGFIELD



OREGON

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, 2013

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 18,137,044	\$ 18,137,044	\$ 18,141,402	\$ 4,358	\$ -	\$ 18,141,402
Licenses and permits	2,280,868	2,258,868	2,271,575	12,707	(86,190)	2,185,385
Intergovernmental revenue	3,753,260	3,753,260	4,161,177	407,917	-	4,161,177
Charges for services	5,202,197	5,202,197	5,167,594	(34,603)	-	5,167,594
Fines and forfeitures	1,749,998	1,749,998	1,418,422	(331,576)	-	1,418,422
Use of money and property	140,000	140,000	54,406	(85,594)	5,697	60,103
Miscellaneous revenue	151,159	199,701	201,699	1,998	-	201,699
Total revenues	<u>31,414,526</u>	<u>31,441,068</u>	<u>31,416,275</u>	<u>(24,793)</u>	<u>(80,493)</u>	<u>31,335,782</u>
Expenditures:						
Current operating:						
City manager's office	1,233,042	1,262,889	1,238,724	24,165	-	1,238,724
Court	1,403,959	1,486,661	1,374,233	112,428	-	1,374,233
Human resources	391,064	402,064	398,744	3,320	-	398,744
Finance	853,351	853,351	852,975	376	-	852,975
Information technology	1,400,217	1,400,217	1,390,837	9,380	-	1,390,837
Fire	10,012,741	10,098,656	9,651,508	447,148	8,364	9,659,872
Police	12,946,918	12,947,948	12,803,457	144,491	-	12,803,457
Library	1,382,053	1,386,253	1,342,895	43,358	-	1,342,895
Public works	1,034,867	1,032,685	941,604	91,081	414	942,018
Development services	1,156,913	1,156,913	1,112,960	43,953	1,683	1,114,643
Contingency	600,000	600,000	-	600,000	-	-
Debt Service:						
Principal	170,000	170,000	170,000	-	-	170,000
Interest	59,168	59,168	59,168	-	-	59,168
Total expenditures	<u>32,644,293</u>	<u>32,856,805</u>	<u>31,337,105</u>	<u>1,519,700</u>	<u>10,461</u>	<u>31,347,566</u>
Excess of revenues over (under) expenditures	<u>(1,229,767)</u>	<u>(1,415,737)</u>	<u>79,170</u>	<u>1,494,907</u>	<u>(90,954)</u>	<u>(11,784)</u>
Other financing sources (uses):						
Transfers in	1,155,975	1,239,822	1,206,217	(33,605)	-	1,206,217
Transfers out	(826,309)	(829,256)	(772,055)	57,201	-	(772,055)
Total other financing sources (uses)	<u>329,666</u>	<u>410,566</u>	<u>434,162</u>	<u>23,596</u>	<u>-</u>	<u>434,162</u>
Net change in fund balances	(900,101)	(1,005,171)	513,332	1,518,503	(90,954)	422,378
Fund balance, beginning of year	8,095,025	7,754,752	7,754,752	-	23,719	7,778,471
Fund balance, end of year	<u>\$ 7,194,924</u>	<u>\$ 6,749,581</u>	<u>\$ 8,268,084</u>	<u>\$ 1,518,503</u>	<u>\$ (67,235)</u>	<u>\$ 8,200,849</u>

City of Springfield, Oregon

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

Year Ended June 30, 2013

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ 670,033	\$ 1,912,090	\$ 606,133	\$ (1,305,957)	\$ -	\$ 606,133
Use of money and property	-	34,443	38,468	4,025	-	38,468
Total revenues	670,033	1,946,533	644,601	(1,301,932)	-	644,601
Expenditures:						
Current operating						
Finance	22,832	22,832	22,832	-	-	22,832
Development services	647,201	1,923,400	790,720	1,132,680	-	790,720
Total expenditures	670,033	1,946,232	813,552	1,132,680	-	813,552
Net change in fund balances	-	301	(168,951)	(169,252)	-	(168,951)
Fund balance, beginning of year	142,552	142,586	142,586	-	-	142,586
Fund balance, end of year	\$ 142,552	\$ 142,887	\$ (26,365)	\$ (169,252)	\$ -	\$ (26,365)

City of Springfield, Oregon

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2013

SCHEDULE OF FUNDING PROGRESS

Schedule of OPEB Funding Progress

Other Post Employment Benefits schedule of funding progress:

Acturial Valuation Date	Acturial Value of Assets	Acturial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2008	\$ -	\$ 8,929,996	\$ 8,929,996	0%	\$ 28,602,068	31%
7/1/2010	-	7,851,047	7,851,047	0%	28,390,341	28%
7/1/2012	-	7,846,872	7,846,872	0%	29,189,395	27%

Schedule of CRP Funding Progress

City Retirement Plan schedule of funding progress:

Acturial Valuation Date	Acturial Value of Assets	Acturial 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%
7/1/2010	18,354,656	32,329,421	13,974,765	56.8%	2,904,027	481%
7/1/2012	18,587,213	34,827,342	16,240,129	53.4%	2,621,746	619%

City Retirement Plan employer contributions:

Fiscal Year Ending	Annual Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
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%	-
6/30/2010	1,303,162	100%	-
6/30/2011	1,209,098	100%	-
6/30/2012	1,810,424	100%	-
6/30/2013	1,784,060	100%	-

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Other Supplementary Information

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**Nonmajor Governmental Funds
Combining Statements**

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City of Springfield, Oregon
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

June 30, 2013

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 4,183,539	\$ 7,016,185	\$ 719,600	\$ 11,919,324
Receivables:				
Accounts	673,115	6,118	-	679,233
Taxes	473,629	-	324,553	798,182
Grants	55,939	20,000	-	75,939
Accrued interest	19,611	30,876	8,721	59,208
Assessments and liens	-	195,388	7,857	203,245
Mortgage notes	4,409	-	-	4,409
Inventory	85,170	-	-	85,170
Prepaid items	22,933	-	-	22,933
Deposits	43,194	-	-	43,194
	<u>\$ 5,561,539</u>	<u>\$ 7,268,567</u>	<u>\$ 1,060,731</u>	<u>\$ 13,890,837</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 250,145	\$ 61,376	\$ -	\$ 311,521
Accrued payroll and other liabilities	310,886	1,675	335	312,896
Deferred revenue	511,343	201,506	325,575	1,038,424
	<u>1,072,374</u>	<u>264,557</u>	<u>325,910</u>	<u>1,662,841</u>
Fund Balances:				
Nonspendable	151,297	-	-	151,297
Restricted	4,060,754	3,883,158	591,659	8,535,571
Committed	244,889	2,885,298	-	3,130,187
Assigned	32,225	235,554	143,162	410,941
	<u>4,489,165</u>	<u>7,004,010</u>	<u>734,821</u>	<u>12,227,996</u>
Total liabilities and fund balances	<u>\$ 5,561,539</u>	<u>\$ 7,268,567</u>	<u>\$ 1,060,731</u>	<u>\$ 13,890,837</u>

City of Springfield, Oregon
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year ended June 30, 2013

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 8,754,018	\$ -	\$ 3,163,699	\$ 11,917,717
Licenses, permits and fees	277,953	-	-	277,953
Intergovernmental revenue	3,678,900	29,275	-	3,708,175
Charges for services	1,272,402	582,393	-	1,854,795
Fines amd forfeitures	79,036	-	-	79,036
Use of money and property	34,370	48,195	10,423	92,988
Special assessments	-	42,569	-	42,569
Miscellaneous revenue	103,458	928	-	104,386
Total revenues	<u>14,200,137</u>	<u>703,360</u>	<u>3,174,122</u>	<u>18,077,619</u>
Expenditures:				
Current operating:				
General government	914,209	98,140	15,885	1,028,234
Fire	1,582,828	-	-	1,582,828
Police	5,514,631	-	-	5,514,631
Library	114,819	-	-	114,819
Public works	5,023,856	182,456	-	5,206,312
Development services	987,579	-	-	987,579
Capital projects	200,000	589,407	-	789,407
Debt service:				
Principal	-	-	2,248,973	2,248,973
Interest	2,871	-	1,046,184	1,049,055
Total expenditures	<u>14,340,793</u>	<u>870,003</u>	<u>3,311,042</u>	<u>18,521,838</u>
Excess of revenues over (under) expenditures	<u>(140,656)</u>	<u>(166,643)</u>	<u>(136,920)</u>	<u>(444,219)</u>
Other financing sources (uses):				
Transfers in	2,950,372	818,952	97,570	3,866,894
Transfers out	<u>(3,246,097)</u>	<u>(437,259)</u>	<u>(3,404)</u>	<u>(3,686,760)</u>
Total other financing sources (uses)	<u>(295,725)</u>	<u>381,693</u>	<u>94,166</u>	<u>180,134</u>
Net change in fund balances	(436,381)	215,050	(42,754)	(264,085)
Fund balance, beginning of year	4,921,938	6,788,960	777,575	12,488,473
Change in reserve for inventory	<u>3,608</u>	<u>-</u>	<u>-</u>	<u>3,608</u>
Fund balance, end of year	<u>\$ 4,489,165</u>	<u>\$ 7,004,010</u>	<u>\$ 734,821</u>	<u>\$ 12,227,996</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 five-year Fire Local Option Levy to restore staffing to Fire Station #3.

Police Local Option Levy – This fund accounts for revenue received from a five-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.

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City of Springfield, Oregon

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

June 30, 2013

ASSETS	Street	Special Revenue	Transient Room Tax	Building	SEDA Glenwood	SEDA Downtown	Fire Levy	Police Levy	Jail Operations	Total
Cash and investments	\$ 572,639	\$ 682,769	\$ 178,127	\$ 167,236	\$ 2,731	\$ 16,648	\$ 673,127	\$ 1,572,913	\$ 317,349	\$ 4,183,539
Receivables:										
Accounts	524,520	-	85,500	-	-	-	-	-	63,095	673,115
Taxes	-	-	-	-	35,688	12,739	109,923	315,279	-	473,629
Grants	23,929	32,010	-	-	-	-	-	-	-	55,939
Accrued interest	2,161	-	637	1,001	270	184	3,936	11,422	-	19,611
Mortgage notes	-	4,409	-	-	-	-	-	-	-	4,409
Inventory	85,170	-	-	-	-	-	-	-	-	85,170
Prepaid items	2,571	3,920	-	2,571	-	-	-	-	13,871	22,933
Deposits	-	43,194	-	-	-	-	-	-	-	43,194
Total assets	\$ 1,210,990	\$ 766,302	\$ 264,264	\$ 170,808	\$ 38,689	\$ 29,571	\$ 786,986	\$ 1,899,614	\$ 394,315	\$ 5,561,539

LIABILITIES AND FUND BALANCES

Liabilities:										
Accounts payable	\$ 117,330	\$ 11,860	\$ 9,876	\$ 643	\$ 3,442	\$ 425	\$ 38,926	\$ 16,501	\$ 51,142	\$ 250,145
Accrued payroll and other liabilities	93,688	111	5,978	19,608	-	-	52,143	76,620	62,738	310,886
Deferred revenue	24,758	4,409	-	-	34,632	12,377	106,934	306,558	21,675	511,343
Total liabilities	235,776	16,380	15,854	20,251	38,074	12,802	198,003	399,679	135,555	1,072,374
Fund balances:										
Nonspendable	87,741	47,114	-	2,571	-	-	-	-	13,871	151,297
Restricted	887,473	670,583	248,410	147,986	615	16,769	588,983	1,499,935	-	4,060,754
Committed	-	-	-	-	-	-	-	-	244,889	244,889
Assigned	-	32,225	-	-	-	-	-	-	-	32,225
Total fund balances	975,214	749,922	248,410	150,557	615	16,769	588,983	1,499,935	258,760	4,489,165
Total liabilities and fund balances	\$ 1,210,990	\$ 766,302	\$ 264,264	\$ 170,808	\$ 38,689	\$ 29,571	\$ 786,986	\$ 1,899,614	\$ 394,315	\$ 5,561,539

City of Springfield, Oregon
 NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

Year ended June 30, 2013

	Street	Special Revenue	Transient Room Tax	Building	SEDA Glenwood	SEDA Downtown	Fire Levy	Police Levy	Jail Operations	Total
Revenues:										
Taxes	\$ 1,045,263	\$ 288,420	\$ 973,830	\$ -	\$ 692,429	\$ 150,871	\$ 1,393,176	\$ 4,210,029	\$ -	\$ 8,754,018
Licenses and fees	170,955	-	-	-	-	-	-	-	106,998	277,953
Intergovernmental revenue	3,452,725	223,368	-	-	2,629	178	-	-	-	3,678,900
Charges for services	205,581	-	-	755,442	-	-	-	-	311,379	1,272,402
Fines and forfeitures	-	79,036	-	-	-	-	-	-	-	79,036
Use of money and property	1,876	2,585	3,710	1,664	6,641	167	4,648	12,945	134	34,370
Miscellaneous revenue	9,514	83,276	5,179	-	-	1,000	-	-	4,489	103,458
Total revenues	4,885,914	676,685	982,719	757,106	701,699	152,216	1,397,824	4,222,974	423,000	14,200,137
Expenditures:										
Current operating:										
City manager's office	-	35,873	240,199	-	104,737	120,380	-	-	-	501,189
Court	-	-	-	-	-	-	-	395,094	-	395,094
Finance	-	-	-	-	11,776	6,150	-	-	-	17,926
Fire	-	44,000	-	-	-	-	1,538,828	-	-	1,582,828
Police	-	517,192	-	-	-	-	-	2,329,466	2,667,973	5,514,631
Library	-	58,754	56,065	-	-	-	-	-	-	114,819
Public works	4,910,716	60,120	48,020	-	5,000	-	-	-	-	5,023,856
Development services	49,671	11,376	61,885	864,647	-	-	-	-	-	987,579
Capital projects	-	-	-	-	200,000	-	-	-	-	200,000
Debt Service:										
Interest	-	-	-	-	2,818	53	-	-	-	2,871
Total expenditures	4,960,387	727,315	406,169	864,647	324,331	126,583	1,538,828	2,724,560	2,667,973	14,340,793
Excess of revenues over (under) expenditures	(74,473)	(50,630)	576,550	(107,541)	377,368	25,633	(141,004)	1,498,414	(2,244,973)	(140,656)
Other financing sources (uses):										
Transfers in	398,726	2,947	-	-	307,000	17,000	-	-	2,224,699	2,950,372
Transfers out	(100,000)	(90,242)	(517,000)	-	(688,549)	(27,000)	-	(1,823,306)	-	(3,246,097)
Total other financing sources (uses)	298,726	(87,295)	(517,000)	-	(381,549)	(10,000)	-	(1,823,306)	2,224,699	(295,725)
Net change in fund balances	224,253	(137,925)	59,550	(107,541)	(4,181)	15,633	(141,004)	(324,892)	(20,274)	(436,381)
Fund balances, beginning of year	747,353	887,847	188,860	258,098	4,796	1,136	729,987	1,824,827	279,034	4,921,938
Change in reserve for inventory	3,608	-	-	-	-	-	-	-	-	3,608
Fund balances, end of year	\$ 975,214	\$ 749,922	\$ 248,410	\$ 150,557	\$ 615	\$ 16,769	\$ 588,983	\$ 1,499,935	\$ 258,760	\$ 4,489,165

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, 2013

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,069,000	\$ 1,069,000	\$ 1,045,263	\$ (23,737)	\$ -	\$ 1,045,263
Licenses and permits	169,000	169,000	170,955	1,955	-	170,955
Intergovernmental revenue	3,448,760	3,448,760	3,452,725	3,965	-	3,452,725
Charges for services	134,000	203,490	205,581	2,091	-	205,581
Use of money and property	-	-	1,382	1,382	494	1,876
Miscellaneous revenue	10,000	16,166	9,514	(6,652)	-	9,514
Total revenues	4,830,760	4,906,416	4,885,420	(20,996)	494	4,885,914
Expenditures:						
Current operating:						
Public works	5,045,981	5,196,857	4,907,075	289,782	3,641	4,910,716
Development services	64,824	58,921	49,671	9,250	-	49,671
Total expenditures	5,110,805	5,255,778	4,956,746	299,032	3,641	4,960,387
Excess of revenues over (under) expenditures	(280,045)	(349,362)	(71,326)	278,036	(3,147)	(74,473)
Other financing sources (uses):						
Transfers in	388,501	415,312	398,726	(16,586)	-	398,726
Transfers out	(100,000)	(100,000)	(100,000)	-	-	(100,000)
Total other financing sources (uses)	288,501	315,312	298,726	(16,586)	-	298,726
Net change in fund balances	8,456	(34,050)	227,400	261,450	(3,147)	224,253
Fund balance, beginning of year	249,241	666,281	666,281	-	81,072	747,353
Change in reserve for inventory	-	-	-	-	3,608	3,608
Fund balance, end of year	\$ 257,697	\$ 632,231	\$ 893,681	\$ 261,450	\$ 81,533	\$ 975,214

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, 2013

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 350,000	\$ 350,000	\$ 288,420	\$ (61,580)	\$ -	\$ 288,420
Intergovernmental revenue	211,898	356,387	223,368	(133,019)	-	223,368
Fines and forfeitures	-	-	79,036	79,036	-	79,036
Use of money and property	-	-	2,585	2,585	-	2,585
Miscellaneous revenue	44,540	107,280	83,276	(24,004)	-	83,276
Total revenues	606,438	813,667	676,685	(136,982)	-	676,685
Expenditures:						
Current operating:						
City manager's office	39,000	41,169	35,873	5,296	-	35,873
Fire	44,000	44,000	44,000	-	-	44,000
Police	606,345	807,250	517,192	290,058	-	517,192
Library	39,643	93,343	58,754	34,589	-	58,754
Public works	-	73,605	60,120	13,485	-	60,120
Development services	-	18,809	11,376	7,433	-	11,376
Total expenditures	728,988	1,078,176	727,315	350,861	-	727,315
Excess of revenues over (under) expenditures	(122,550)	(264,509)	(50,630)	213,879	-	(50,630)
Other financing sources (uses):						
Transfers in	-	2,947	2,947	-	-	2,947
Transfers out	(40,000)	(120,242)	(90,242)	30,000	-	(90,242)
Total other financing sources (uses)	(40,000)	(117,295)	(87,295)	30,000	-	(87,295)
Net change in fund balances	(162,550)	(381,804)	(137,925)	243,879	-	(137,925)
Fund balance, beginning of year	593,827	887,847	887,847	-	-	887,847
Fund balance, end of year	<u>\$ 431,277</u>	<u>\$ 506,043</u>	<u>\$ 749,922</u>	<u>\$ 243,879</u>	<u>\$ -</u>	<u>\$ 749,922</u>

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, 2013

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 940,000	\$ 940,000	\$ 973,830	\$ 33,830	\$ -	\$ 973,830
Use of money and property	580	580	3,684	3,104	26	3,710
Miscellaneous revenue	-	3,680	5,179	1,499	-	5,179
Total revenues	940,580	944,260	982,693	38,433	26	982,719
Expenditures:						
Current operating:						
City managers office	239,019	242,699	240,199	2,500	-	240,199
Library	64,912	64,912	56,065	8,847	-	56,065
Public works	48,820	48,820	48,020	800	-	48,020
Development services	63,715	63,510	61,885	1,625	-	61,885
Total expenditures	416,466	419,941	406,169	13,772	-	406,169
Excess of revenues over (under) expenditures	524,114	524,319	576,524	52,205	26	576,550
Other financing sources (uses):						
Transfers out	(517,000)	(523,000)	(517,000)	6,000	-	(517,000)
Net change in fund balances	7,114	1,319	59,524	58,205	26	59,550
Fund balance, beginning of year	153,563	188,575	188,575	-	285	188,860
Fund balance, end of year	\$ 160,677	\$ 189,894	\$ 248,099	\$ 58,205	\$ 311	\$ 248,410

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, 2013

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 700,000	\$ 700,000	\$ 755,442	\$ 55,442	\$ -	\$ 755,442
Use of money & property	-	-	2,039	2,039	(375)	1,664
Total revenues	700,000	700,000	757,481	57,481	(375)	757,106
Expenditures:						
Current operating:						
Public Works	21,840	21,840	-	21,840	-	-
Development services	904,767	893,218	864,647	28,571	-	864,647
Total expenditures	926,607	915,058	864,647	50,411	-	864,647
Net change in fund balances	(226,607)	(215,058)	(107,166)	107,892	(375)	(107,541)
Fund balance, beginning of year	226,607	257,234	257,234	-	864	258,098
Fund balance, end of year	\$ -	\$ 42,176	\$ 150,068	\$ 107,892	\$ 489	\$ 150,557

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, 2013

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 291,000	\$ 735,000	\$ 692,429	\$ (42,571)	\$ -	\$ 692,429
Intergovernmental revenue	100	100	2,629	2,529	-	2,629
Use of money and property	14,700	14,700	6,646	(8,054)	(5)	6,641
Total revenues	305,800	749,800	701,704	(48,096)	(5)	701,699
Expenditures:						
Current operating:						
City manager's office	277,412	277,412	104,737	172,675	-	104,737
Finance	11,850	11,850	11,776	74	-	11,776
Public works	-	50,000	5,000	45,000	-	5,000
Capital projects	50,000	250,000	200,000	50,000	-	200,000
Debt service:						
Interest	4,900	15,000	2,818	12,182	-	2,818
Total expenditures	344,162	604,262	324,331	279,931	-	324,331
Excess of revenues over (under) expenditures	(38,362)	145,538	377,373	231,835	(5)	377,368
Other financing sources (uses):						
Interfund loan proceeds	350,000	600,000	307,000	(293,000)	(307,000)	-
Interfund loan repaid	(286,000)	(705,100)	(688,549)	16,551	688,549	-
Transfers in	-	-	-	-	307,000	307,000
Transfers out	-	-	-	-	(688,549)	(688,549)
Total other financing sources (uses)	64,000	(105,100)	(381,549)	(276,449)	-	(381,549)
Net change in fund balances	25,638	40,438	(4,176)	(44,614)	(5)	(4,181)
Fund balance, beginning of year	-	4,660	4,660	-	136	4,796
Fund balance, end of year	\$ 25,638	\$ 45,098	\$ 484	\$ (44,614)	\$ 131	\$ 615

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, 2013

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 178,000	\$ 178,000	\$ 150,871	\$ (27,129)	\$ -	\$ 150,871
Intergovernmental revenue	100	100	178	78	-	178
Use of money and property	100	100	149	49	18	167
Miscellaneous revenue	-	1,000	1,000	-	-	1,000
Total revenues	<u>178,200</u>	<u>179,200</u>	<u>152,198</u>	<u>(27,002)</u>	<u>18</u>	<u>152,216</u>
Expenditures:						
Current operating:						
City manager's office	173,939	175,939	120,380	55,559	-	120,380
Finance	6,650	12,650	6,150	6,500	-	6,150
Capital projects	-	782,750	-	782,750	-	-
Debt service:						
Interest	1,400	1,400	53	1,347	-	53
Total expenditures	<u>181,989</u>	<u>972,739</u>	<u>126,583</u>	<u>846,156</u>	<u>-</u>	<u>126,583</u>
Excess of revenues over (under) expenditures	<u>(3,789)</u>	<u>(793,539)</u>	<u>25,615</u>	<u>819,154</u>	<u>18</u>	<u>25,633</u>
Other financing sources (uses):						
Interfund loan proceeds	200,000	1,000,000	17,000	(983,000)	(17,000)	-
Interfund loan repaid	(174,000)	(185,250)	(27,000)	158,250	27,000	-
Transfers in	-	-	-	-	17,000	17,000
Transfers out	-	-	-	-	(27,000)	(27,000)
Total other financing sources (uses)	<u>26,000</u>	<u>814,750</u>	<u>(10,000)</u>	<u>(824,750)</u>	<u>-</u>	<u>(10,000)</u>
Net change in fund balances	<u>22,211</u>	<u>21,211</u>	<u>15,615</u>	<u>(5,596)</u>	<u>18</u>	<u>15,633</u>
Fund balance, beginning of year	-	1,064	1,064	-	72	1,136
Fund balance, end of year	<u>\$ 22,211</u>	<u>\$ 22,275</u>	<u>\$ 16,679</u>	<u>\$ (5,596)</u>	<u>\$ 90</u>	<u>\$ 16,769</u>

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, 2013

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,366,700	\$ 1,366,700	\$ 1,393,176	\$ 26,476	\$ -	\$ 1,393,176
Use of money and property	<u>2,200</u>	<u>2,200</u>	<u>4,681</u>	<u>2,481</u>	<u>(33)</u>	<u>4,648</u>
Total revenues	<u>1,368,900</u>	<u>1,368,900</u>	<u>1,397,857</u>	<u>28,957</u>	<u>(33)</u>	<u>1,397,824</u>
Expenditures:						
Current operating:						
Fire	<u>1,556,762</u>	<u>1,556,762</u>	<u>1,538,828</u>	<u>17,934</u>	<u>-</u>	<u>1,538,828</u>
Net change in fund balances	(187,862)	(187,862)	(140,971)	46,891	(33)	(141,004)
Fund balance, beginning of year	<u>701,982</u>	<u>728,032</u>	<u>728,031</u>	<u>(1)</u>	<u>1,956</u>	<u>729,987</u>
Fund balance, end of year	<u>\$ 514,120</u>	<u>\$ 540,170</u>	<u>\$ 587,060</u>	<u>\$ 46,890</u>	<u>\$ 1,923</u>	<u>\$ 588,983</u>

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, 2013

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 4,115,300	\$ 4,115,300	\$ 4,210,029	\$ 94,729	\$ -	\$ 4,210,029
Use of money and property	6,000	6,000	12,630	6,630	315	12,945
Total revenues	<u>4,121,300</u>	<u>4,121,300</u>	<u>4,222,659</u>	<u>101,359</u>	<u>315</u>	<u>4,222,974</u>
Expenditures:						
Current operating:						
Court	417,629	417,629	395,094	22,535	-	395,094
Police	<u>2,347,284</u>	<u>2,347,284</u>	<u>2,329,466</u>	<u>17,818</u>	<u>-</u>	<u>2,329,466</u>
Total expenditures	<u>2,764,913</u>	<u>2,764,913</u>	<u>2,724,560</u>	<u>40,353</u>	<u>-</u>	<u>2,724,560</u>
Excess of revenues over (under) expenditures	1,356,387	1,356,387	1,498,099	141,712	315	1,498,414
Other financing sources (uses):						
Transfers out	<u>(1,823,306)</u>	<u>(1,823,306)</u>	<u>(1,823,306)</u>	<u>-</u>	<u>-</u>	<u>(1,823,306)</u>
Net change in fund balances	(466,919)	(466,919)	(325,207)	141,712	315	(324,892)
Fund balance, beginning of year	<u>1,920,691</u>	<u>1,819,564</u>	<u>1,819,564</u>	<u>-</u>	<u>5,263</u>	<u>1,824,827</u>
Fund balance, end of year	<u>\$ 1,453,772</u>	<u>\$ 1,352,645</u>	<u>\$ 1,494,357</u>	<u>\$ 141,712</u>	<u>\$ 5,578</u>	<u>\$ 1,499,935</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, 2013

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Licenses and fees	\$ 92,000	\$ 92,000	\$ 106,998	\$ 14,998	\$ -	\$ 106,998
Charges for services	225,000	225,000	311,379	86,379	-	311,379
Use of money and property	-	-	236	236	(102)	134
Miscellaneous revenue	-	-	4,489	4,489	-	4,489
Total revenues	317,000	317,000	423,102	106,102	(102)	423,000
Expenditures:						
Current operating:						
Police	2,743,976	2,743,976	2,667,973	76,003	-	2,667,973
Excess of revenues over (under) expenditures	(2,426,976)	(2,426,976)	(2,244,871)	182,105	(102)	(2,244,973)
Other financing sources (uses):						
Transfers in	2,271,615	2,271,615	2,224,699	(46,916)	-	2,224,699
Net change in fund balance	(155,361)	(155,361)	(20,172)	135,189	(102)	(20,274)
Fund balance, beginning of year	155,361	278,932	278,932	-	102	279,034
Fund balance, end of year	\$ -	\$ 123,571	\$ 258,760	\$ 135,189	\$ -	\$ 258,760

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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.

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City of Springfield, Oregon
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET

June 30, 2013

	<u>General Obligation Debt Service</u>	<u>Bancroft Redemption</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 576,754	\$ 142,846	\$ 719,600
Receivables:			
Property taxes	323,984	569	324,553
Accrued interest	8,069	652	8,721
Assessments and liens	<u>-</u>	<u>7,857</u>	<u>7,857</u>
Total assets	<u>\$ 908,807</u>	<u>\$ 151,924</u>	<u>\$ 1,060,731</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued payroll and related liabilities	\$ -	\$ 335	\$ 335
Deferred revenues	<u>317,148</u>	<u>8,427</u>	<u>325,575</u>
Total liabilities	<u>317,148</u>	<u>8,762</u>	<u>325,910</u>
Fund balances:			
Restricted	591,659	-	591,659
Assigned	<u>-</u>	<u>143,162</u>	<u>143,162</u>
Total fund balances	<u>591,659</u>	<u>143,162</u>	<u>734,821</u>
Total liabilities and fund balances	<u>\$ 908,807</u>	<u>\$ 151,924</u>	<u>\$ 1,060,731</u>

City of Springfield, Oregon
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2013

	General Obligation Debt Service	Bancroft Redemption	Total
Revenues:			
Taxes	\$ 3,163,697	\$ 2	\$ 3,163,699
Use of money and property	9,621	802	10,423
Total revenues	3,173,318	804	3,174,122
Expenditures:			
Current operating:			
Finance	-	15,885	15,885
Debt service:			
Principal	2,248,973	-	2,248,973
Interest	1,046,184	-	1,046,184
Total expenditures	3,295,157	15,885	3,311,042
Excess of revenues over (under) expenditures	(121,839)	(15,081)	(136,920)
Other financing sources (uses):			
Transfers in	81,685	15,885	97,570
Transfers out	-	(3,404)	(3,404)
Total other financing sources (uses)	81,685	12,481	94,166
Net change in fund balances	(40,154)	(2,600)	(42,754)
Fund balances, beginning of year	631,813	145,762	777,575
Fund balances, end of year	\$ 591,659	\$ 143,162	\$ 734,821

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, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 3,099,877	\$ 3,099,877	\$ 3,163,697	\$ 63,820	\$ -	\$ 3,163,697
Use of money and property	1,500	1,500	9,761	8,261	(140)	9,621
Total revenues	<u>3,101,377</u>	<u>3,101,377</u>	<u>3,173,458</u>	<u>72,081</u>	<u>(140)</u>	<u>3,173,318</u>
Expenditures:						
Debt service:						
Principal	2,248,973	2,248,973	2,248,973	-	-	2,248,973
Interest	1,046,184	1,046,184	1,046,184	-	-	1,046,184
Total expenditures	<u>3,295,157</u>	<u>3,295,157</u>	<u>3,295,157</u>	<u>-</u>	<u>-</u>	<u>3,295,157</u>
Excess of revenues over (under) expenditures	(193,780)	(193,780)	(121,699)	72,081	(140)	(121,839)
Other financing sources (uses):						
Transfers in	81,685	81,685	81,685	-	-	81,685
Net change in fund balances	(112,095)	(112,095)	(40,014)	72,081	(140)	(40,154)
Fund balance, beginning of year	587,737	627,732	627,733	1	4,080	631,813
Fund balance, end of year	<u>\$ 475,642</u>	<u>\$ 515,637</u>	<u>\$ 587,719</u>	<u>\$ 72,082</u>	<u>\$ 3,940</u>	<u>\$ 591,659</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, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ -	\$ -	\$ 2	\$ 2	\$ -	\$ 2
Use of money and property	400	400	832	432	(30)	802
Total revenues	<u>400</u>	<u>400</u>	<u>834</u>	<u>434</u>	<u>(30)</u>	<u>804</u>
Expenditures:						
Current operating:						
Finance	15,885	15,885	15,885	-	-	15,885
Excess of revenues over (under) expenditures	<u>(15,485)</u>	<u>(15,485)</u>	<u>(15,051)</u>	<u>434</u>	<u>(30)</u>	<u>(15,081)</u>
Other financing sources (uses):						
Transfers in	15,885	15,885	15,885	-	-	15,885
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(3,404)</u>	<u>46,596</u>	<u>-</u>	<u>(3,404)</u>
Total other financing sources (uses)	<u>(34,115)</u>	<u>(34,115)</u>	<u>12,481</u>	<u>46,596</u>	<u>-</u>	<u>12,481</u>
Net change in fund balances	(49,600)	(49,600)	(2,570)	47,030	(30)	(2,600)
Fund balance, beginning of year	<u>143,079</u>	<u>145,413</u>	<u>145,413</u>	<u>-</u>	<u>349</u>	<u>145,762</u>
Fund balance, end of year	<u>\$ 93,479</u>	<u>\$ 95,813</u>	<u>\$ 142,843</u>	<u>\$ 47,030</u>	<u>\$ 319</u>	<u>\$ 143,162</u>

Capital Projects Funds

The City has six 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.

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

Nonmajor Capital Projects Funds:

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.

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.

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.

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City of Springfield, Oregon

NONMAJOR CAPITAL PROJECTS FUNDS
BALANCE SHEET

June 30, 2013

	Development Assessments Capital Projects	Development Capital Projects	Police Building Bond Capital Projects	Street Capital	Transportation Reimbursement SDC	Transportation Improvement SDC	Total
ASSETS							
Cash and investments	\$ 1,108,684	\$ 3,513,215	\$ 131,367	\$ 653,599	\$ 293,369	\$ 1,315,951	\$ 7,016,185
Receivables:							
Accounts	-	-	-	-	1,236	4,882	6,118
Grants	-	20,000	-	-	-	-	20,000
Accrued interest	5,362	15,016	-	2,752	1,712	6,034	30,876
Assessments and liens	195,388	-	-	-	-	-	195,388
Total assets	\$ 1,309,434	\$ 3,548,231	\$ 131,367	\$ 656,351	\$ 296,317	\$ 1,326,867	\$ 7,268,567
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts and contracts payable	\$ -	\$ 52,039	\$ 445	\$ 6,403	\$ 2,489	\$ -	\$ 61,376
Accrued payroll and payroll taxes	1,675	-	-	-	-	-	1,675
Deferred revenue	195,388	-	-	-	1,236	4,882	201,506
Total liabilities	197,063	52,039	445	6,403	3,725	4,882	264,557
Fund balances:							
Restricted	-	1,487,711	130,922	649,948	292,592	1,321,985	3,883,158
Committed	1,112,371	1,772,927	-	-	-	-	2,885,298
Assigned	-	235,554	-	-	-	-	235,554
Total fund balances	1,112,371	3,496,192	130,922	649,948	292,592	1,321,985	7,004,010
Total liabilities and fund balances	\$ 1,309,434	\$ 3,548,231	\$ 131,367	\$ 656,351	\$ 296,317	\$ 1,326,867	\$ 7,268,567

City of Springfield, Oregon

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

Year Ended June 30, 2013

	Development Assessments Capital Projects	Development Capital Projects	Police Building Bond Capital Project	Street Capital	Transportation Reimbursement SDC	Transportation Improvement SDC	Total
Revenues:							
Intergovernmental revenues	\$ -	\$ 29,275	\$ -	\$ -	\$ -	\$ -	\$ 29,275
Charges for services	-	268,248	-	-	69,787	244,358	582,393
Use of money and property	17,007	19,359	919	2,075	1,940	6,895	48,195
Special assessments	42,569	-	-	-	-	-	42,569
Miscellaneous revenue	-	-	-	-	-	928	928
Total revenues	59,576	316,882	919	2,075	71,727	252,181	703,360
Expenditures:							
Current operating:							
General government	98,140	-	-	-	-	-	98,140
Public works	-	-	-	-	44,457	137,999	182,456
Capital projects	-	228,706	24,075	38,082	99,428	199,116	589,407
Total expenditures	98,140	228,706	24,075	38,082	143,885	337,115	870,003
Excess of revenues over (under) expenditures	(38,564)	88,176	(23,156)	(36,007)	(72,158)	(84,934)	(166,643)
Other financing sources (uses):							
Transfer in	-	718,952	-	100,000	-	-	818,952
Transfer out	(15,885)	(411,000)	-	-	(10,374)	-	(437,259)
Total other financing sources (uses)	(15,885)	307,952		100,000	(10,374)		381,693
Net change in fund balances	(54,449)	396,128	(23,156)	63,993	(82,532)	(84,934)	215,050
Fund balance, beginning of year	1,166,820	3,100,064	154,078	585,955	375,124	1,406,919	6,788,960
Fund balance, end of year	\$ 1,112,371	\$ 3,496,192	\$ 130,922	\$ 649,948	\$ 292,592	\$ 1,321,985	\$ 7,004,010

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, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 7,500	\$ 7,500	\$ 16,711	\$ 9,211	\$ 296	\$ 17,007
Special assessments	26,000	26,000	42,569	16,569	-	42,569
Total revenues	<u>33,500</u>	<u>33,500</u>	<u>59,280</u>	<u>25,780</u>	<u>296</u>	<u>59,576</u>
Expenditures:						
Current operating:						
Finance	<u>74,692</u>	<u>104,692</u>	<u>98,140</u>	<u>6,552</u>	<u>-</u>	<u>98,140</u>
Excess of revenues over (under) expenditures	(41,192)	(71,192)	(38,860)	32,332	296	(38,564)
Other financing sources (uses):						
Transfer out	<u>(15,885)</u>	<u>(15,885)</u>	<u>(15,885)</u>	<u>-</u>	<u>-</u>	<u>(15,885)</u>
Net change in fund balances	(57,077)	(87,077)	(54,745)	32,332	296	(54,449)
Fund balance, beginning of year	<u>1,133,362</u>	<u>1,164,498</u>	<u>1,164,498</u>	<u>-</u>	<u>2,322</u>	<u>1,166,820</u>
Fund balance, end of year	<u>\$ 1,076,285</u>	<u>\$ 1,077,421</u>	<u>\$ 1,109,753</u>	<u>\$ 32,332</u>	<u>\$ 2,618</u>	<u>\$ 1,112,371</u>

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

Year Ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ 35,000	\$ 35,000	\$ 29,275	\$ (5,725)	\$ -	\$ 29,275
Charges for services	266,958	268,248	268,248	-	-	268,248
Use of money and property	14,300	14,300	18,540	4,240	819	19,359
Total revenues	<u>316,258</u>	<u>317,548</u>	<u>316,063</u>	<u>(1,485)</u>	<u>819</u>	<u>316,882</u>
Expenditures:						
Capital projects	<u>332,000</u>	<u>494,937</u>	<u>228,706</u>	<u>266,231</u>	<u>-</u>	<u>228,706</u>
Excess of revenues over (under) expenditures	<u>(15,742)</u>	<u>(177,389)</u>	<u>87,357</u>	<u>264,746</u>	<u>819</u>	<u>88,176</u>
Other financing sources (uses):						
Interfund loan repayments	460,000	460,000	715,548	255,548	(715,548)	-
Interfund loans issued	(550,000)	(600,000)	(324,000)	276,000	324,000	-
Transfer in	50,000	50,000	3,404	(46,596)	715,548	718,952
Transfer out	<u>(87,000)</u>	<u>(87,000)</u>	<u>(87,000)</u>	<u>-</u>	<u>(324,000)</u>	<u>(411,000)</u>
Total other financing sources (uses)	<u>(127,000)</u>	<u>(177,000)</u>	<u>307,952</u>	<u>484,952</u>	<u>-</u>	<u>307,952</u>
Net change in fund balances	(142,742)	(354,389)	395,309	749,698	819	396,128
Fund balance, beginning of year	<u>2,360,887</u>	<u>3,093,550</u>	<u>3,093,550</u>	<u>-</u>	<u>6,514</u>	<u>3,100,064</u>
Fund balance, end of year	<u>\$ 2,218,145</u>	<u>\$ 2,739,161</u>	<u>\$ 3,488,859</u>	<u>\$ 749,698</u>	<u>\$ 7,333</u>	<u>\$ 3,496,192</u>

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, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ -	\$ 1,000	\$ 919	\$ (81)	\$ -	\$ 919
Expenditures:						
Capital projects	-	155,078	24,075	131,003	-	24,075
Net change in fund balances	-	(154,078)	(23,156)	130,922	-	(23,156)
Fund balance, beginning of year	-	154,078	154,078	-	-	154,078
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,922</u>	<u>\$ 130,922</u>	<u>\$ -</u>	<u>\$ 130,922</u>

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, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 400	\$ 400	\$ 1,203	\$ 803	\$ 872	\$ 2,075
Intergovernmental revenue	-	120,000	-	(120,000)	-	-
Total revenues	<u>400</u>	<u>120,400</u>	<u>1,203</u>	<u>(119,197)</u>	<u>872</u>	<u>2,075</u>
Expenditures:						
Capital projects	291,000	418,297	38,082	380,215	-	38,082
Excess of revenues over (under) expenditures	(290,600)	(297,897)	(36,879)	261,018	872	(36,007)
Other financing sources (uses):						
Transfer in	100,000	100,000	100,000	-	-	100,000
Net change in fund balances	(190,600)	(197,897)	63,121	261,018	872	63,993
Fund balance, beginning of year	427,551	585,483	585,483	-	472	585,955
Fund balance, end of year	<u>\$ 236,951</u>	<u>\$ 387,586</u>	<u>\$ 648,604</u>	<u>\$ 261,018</u>	<u>\$ 1,344</u>	<u>\$ 649,948</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, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 125,000	\$ 125,000	\$ 69,787	\$ (55,213)	\$ -	\$ 69,787
Use of money and property	500	500	1,852	1,352	88	1,940
Total revenues	<u>125,500</u>	<u>125,500</u>	<u>71,639</u>	<u>(53,861)</u>	<u>88</u>	<u>71,727</u>
Expenditures:						
Current operating:						
Public works	48,677	46,083	44,457	1,626	-	44,457
Capital projects	<u>236,000</u>	<u>426,963</u>	<u>99,428</u>	<u>327,535</u>	<u>-</u>	<u>99,428</u>
Total expenditures	<u>284,677</u>	<u>473,046</u>	<u>143,885</u>	<u>329,161</u>	<u>-</u>	<u>143,885</u>
Excess of revenues over (under) expenditures	(159,177)	(347,546)	(72,246)	275,300	88	(72,158)
Other financing sources (uses):						
Transfer out	<u>(10,374)</u>	<u>(10,374)</u>	<u>(10,374)</u>	<u>-</u>	<u>-</u>	<u>(10,374)</u>
Net change in fund balances	(169,551)	(357,920)	(82,620)	275,300	88	(82,532)
Fund balance, beginning of year	<u>183,413</u>	<u>374,376</u>	<u>374,376</u>	<u>-</u>	<u>748</u>	<u>375,124</u>
Fund balance, end of year	<u>\$ 13,862</u>	<u>\$ 16,456</u>	<u>\$ 291,756</u>	<u>\$ 275,300</u>	<u>\$ 836</u>	<u>\$ 292,592</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, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 350,000	\$ 350,000	\$ 244,358	\$ (105,642)	\$ -	\$ 244,358
Use of money and property	2,000	2,000	6,650	4,650	245	6,895
Miscellaneous revenue	-	-	928	928	-	928
Total revenues	352,000	352,000	251,936	(100,064)	245	252,181
Expenditures:						
Current operating:						
Public works	177,451	147,332	137,999	9,333	-	137,999
Capital projects	501,527	623,167	199,116	424,051	-	199,116
Total expenditures	678,978	770,499	337,115	433,384	-	337,115
Net change in fund balances	(326,978)	(418,499)	(85,179)	333,320	245	(84,934)
Fund balance, beginning of year	1,223,431	1,404,218	1,404,218	-	2,701	1,406,919
Fund balance, end of year	\$ 896,453	\$ 985,719	\$ 1,319,039	\$ 333,320	\$ 2,946	\$ 1,321,985

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.

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.

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

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.

SPRINGFIELD



OREGON

City of Springfield, Oregon
 COMBINING STATEMENT OF FUND NET POSITION
 NONMAJOR ENTERPRISE FUNDS

June 30, 2013

	Storm Drainage Reimbursement SDC Fund	Storm Drainage Improvement SDC Fund	Sewer Reimbursement SDC Fund	Sewer Improvement SDC Fund	Total
ASSETS					
Current assets:					
Cash and investments	\$ 53,991	\$ 1,681,945	\$ 1,171,021	\$ 329,185	\$ 3,236,142
Accounts receivable, net of allowance for estimated uncollectibles	667	971	16,575	8,391	26,604
Accrued interest	221	7,849	5,264	1,611	14,945
Total current assets	<u>54,879</u>	<u>1,690,765</u>	<u>1,192,860</u>	<u>339,187</u>	<u>3,277,691</u>
LIABILITIES					
Current liabilities:					
Accounts payable	-	4,512	-	-	4,512
NET POSITION					
Restricted	<u>54,879</u>	<u>1,686,253</u>	<u>1,192,860</u>	<u>339,187</u>	<u>3,273,179</u>
Total net position	<u>\$ 54,879</u>	<u>\$ 1,686,253</u>	<u>\$ 1,192,860</u>	<u>\$ 339,187</u>	<u>\$ 3,273,179</u>

City of Springfield, Oregon
NONMAJOR ENTERPRISE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2013

	Storm Drainage Reimbursement SDC Fund	Storm Drainage Improvement SDC Fund	Sewer Reimbursement SDC Fund	Sewer Improvement SDC Fund	Total Fund
Operating revenues:					
Charges for services	\$ 35,113	\$ 51,243	\$ 204,007	\$ 98,629	\$ 388,992
Expenses:					
Operating expenses:					
Public works	22,994	33,553	135,888	83,682	276,117
Operating income (loss)	12,119	17,690	68,119	14,947	112,875
Nonoperating revenues (expenses):					
Interest on investments	197	8,594	5,786	1,882	16,459
Income (loss) before contributions and transfers	12,316	26,284	73,905	16,829	129,334
Transfers out	-	(46,947)	-	(45,662)	(92,609)
Change in net position	12,316	(20,663)	73,905	(28,833)	36,725
Net position, beginning of year	42,563	1,706,916	1,118,955	368,020	3,236,454
Net position, end of year	\$ 54,879	\$ 1,686,253	\$ 1,192,860	\$ 339,187	\$ 3,273,179

City of Springfield, Oregon
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2013

	Storm Drainage Reimbursement SDC Fund	Storm Drainage Improvement SDC Fund	Sewer Reimbursement SDC Fund	Sewer Improvement SDC Fund	Total
Cash flows from operating activities:					
Cash received from customers	\$ 34,446	\$ 50,272	\$ 196,007	\$ 94,764	\$ 375,489
Cash paid to suppliers for goods and services	<u>(22,994)</u>	<u>(44,093)</u>	<u>(135,888)</u>	<u>(83,682)</u>	<u>(286,657)</u>
Net cash provided by (used in) operating activities	<u>11,452</u>	<u>6,179</u>	<u>60,119</u>	<u>11,082</u>	<u>88,832</u>
Cash flows from noncapital financing activities:					
Transfers to other funds	<u>-</u>	<u>(46,947)</u>	<u>-</u>	<u>(45,662)</u>	<u>(92,609)</u>
Cash flows from investing activities:					
Interest received	<u>86</u>	<u>7,563</u>	<u>4,727</u>	<u>1,637</u>	<u>14,013</u>
Net change in cash and investments	11,538	(33,205)	64,846	(32,943)	10,236
Cash and investments, beginning of year	<u>42,453</u>	<u>1,715,150</u>	<u>1,106,175</u>	<u>362,128</u>	<u>3,225,906</u>
Cash and investments, end of year	<u>\$ 53,991</u>	<u>\$ 1,681,945</u>	<u>\$ 1,171,021</u>	<u>\$ 329,185</u>	<u>\$ 3,236,142</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 12,119	\$ 17,690	\$ 68,119	\$ 14,947	\$ 112,875
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Changes in assets and liabilities:					
Accounts receivable	(667)	(971)	(8,000)	(3,865)	(13,503)
Accounts payable	<u>-</u>	<u>(10,540)</u>	<u>-</u>	<u>-</u>	<u>(10,540)</u>
Net cash provided by (used in) operating activities	<u>\$ 11,452</u>	<u>\$ 6,179</u>	<u>\$ 60,119</u>	<u>\$ 11,082</u>	<u>\$ 88,832</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 FUND NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 6,826,491	\$ 6,826,491	\$ 7,011,960	\$ 185,469	\$ 9,577	\$ 7,021,537
Use of money and property	53,500	53,500	22,515	(30,985)	1,264	23,779
Miscellaneous revenue	-	-	-	-	-	-
Total revenues	<u>6,879,991</u>	<u>6,879,991</u>	<u>7,034,475</u>	<u>154,484</u>	<u>10,841</u>	<u>7,045,316</u>
Expenses:						
Current operating:						
Public works	3,362,045	3,434,138	3,242,926	191,212	107,518	3,350,444
Development services	20,518	20,518	13,991	6,527	-	13,991
Finance	11,427	11,427	11,336	91	-	11,336
Debt service:						
Principal	1,159,503	1,159,503	1,159,503	-	(1,159,503)	-
Interest	860,897	860,897	860,896	1	(449,584)	411,312
Depreciation	-	-	-	-	2,216,634	2,216,634
Amortization	-	-	-	-	46,017	46,017
Total expenses	<u>5,414,390</u>	<u>5,486,483</u>	<u>5,288,652</u>	<u>197,831</u>	<u>761,082</u>	<u>6,049,734</u>
Excess of revenues over (under) expenses	<u>1,465,601</u>	<u>1,393,508</u>	<u>1,745,823</u>	<u>352,315</u>	<u>(750,241)</u>	<u>995,582</u>
Other financing sources (uses):						
Capital contributions	-	-	-	-	1,081	1,081
Transfers in	9,149	9,149	9,149	-	-	9,149
Transfers out	(2,953,000)	(2,962,350)	(2,962,350)	-	(875,000)	(3,837,350)
Total other financing sources (uses)	<u>(2,943,851)</u>	<u>(2,953,201)</u>	<u>(2,953,201)</u>	<u>-</u>	<u>(873,919)</u>	<u>(3,827,120)</u>
Change in net position	(1,478,250)	(1,559,693)	(1,207,378)	352,315	(1,624,160)	(2,831,538)
Net position, beginning of year	<u>4,884,291</u>	<u>5,329,752</u>	<u>5,329,752</u>	<u>-</u>	<u>46,167,612</u>	<u>51,497,364</u>
Net position, end of year	<u>\$ 3,406,041</u>	<u>\$ 3,770,059</u>	<u>\$ 4,122,374</u>	<u>\$ 352,315</u>	<u>\$ 44,543,452</u>	<u>\$ 48,665,826</u>

City of Springfield, Oregon
 STORM DRAINAGE OPERATIONS FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 5,641,000	\$ 5,641,000	\$ 5,949,317	\$ 308,317	\$ (3,143)	\$ 5,946,174
Use of money and property	25,000	25,000	12,650	(12,350)	1,834	14,484
Miscellaneous revenue	36,000	36,000	-	(36,000)	-	-
Total revenues	<u>5,702,000</u>	<u>5,702,000</u>	<u>5,961,967</u>	<u>259,967</u>	<u>(1,309)</u>	<u>5,960,658</u>
Expenses:						
Current operating:						
Public works	4,552,057	4,587,292	3,954,562	632,730	(4,207)	3,950,355
Development services	46,561	50,555	33,330	17,225	-	33,330
Finance	11,427	11,427	11,337	90	-	11,337
Debt service:						
Principal	375,000	375,000	375,000	-	(375,000)	-
Interest	331,775	331,775	331,775	-	(296,702)	35,073
Total expenses	<u>5,316,820</u>	<u>5,356,049</u>	<u>4,706,004</u>	<u>650,045</u>	<u>(675,909)</u>	<u>4,030,095</u>
Excess of revenues over (under) expenses	385,180	345,951	1,255,963	910,012	674,600	1,930,563
Other financing sources (uses):						
Transfers in	8,968	8,968	8,968	-	-	8,968
Transfers out	(925,000)	(934,350)	(934,350)	-	(375,000)	(1,309,350)
Total other financing sources/(uses)	<u>(916,032)</u>	<u>(925,382)</u>	<u>(925,382)</u>	<u>-</u>	<u>(375,000)</u>	<u>(1,300,382)</u>
Change in net position	(530,852)	(579,431)	330,581	910,012	299,600	630,181
Net position, beginning of year	<u>2,811,037</u>	<u>3,471,249</u>	<u>3,471,250</u>	<u>1</u>	<u>170,505</u>	<u>3,641,755</u>
Net position, end of year	<u>\$ 2,280,185</u>	<u>\$ 2,891,818</u>	<u>\$ 3,801,831</u>	<u>\$ 910,013</u>	<u>\$ 470,105</u>	<u>\$ 4,271,936</u>

City of Springfield, Oregon
SEWER CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Miscellaneous revenue	\$ -	\$ -	\$ 19,531	\$ 19,531	\$ -	\$ 19,531
Intergovernmental revenue	-	-	20,649	20,649	-	20,649
Use of money and property	90,000	90,000	85,182	(4,818)	(4,155)	81,027
Total revenues	<u>90,000</u>	<u>90,000</u>	<u>125,362</u>	<u>35,362</u>	<u>(4,155)</u>	<u>121,207</u>
Expenses:						
Current operating:						
Public works	-	-	-	-	5,663	5,663
Capital projects	14,072,302	15,493,606	7,226,264	8,267,342	(7,226,264)	-
Total expenses	<u>14,072,302</u>	<u>15,493,606</u>	<u>7,226,264</u>	<u>8,267,342</u>	<u>(7,220,601)</u>	<u>5,663</u>
Excess of revenues over (under) expenses	(13,982,302)	(15,403,606)	(7,100,902)	8,302,704	7,216,446	115,544
Other financing sources (uses):						
Capital Contributions	-	-	-	-	15,648	15,648
Transfers in	2,953,000	2,953,000	2,953,000	-	875,000	3,828,000
Total other financing sources (uses)	<u>2,953,000</u>	<u>2,953,000</u>	<u>2,953,000</u>	<u>-</u>	<u>890,648</u>	<u>3,843,648</u>
Change in net position	(11,029,302)	(12,450,606)	(4,147,902)	8,302,704	8,091,446	3,959,192
Net position, beginning of year	<u>14,092,821</u>	<u>16,459,653</u>	<u>16,459,654</u>	<u>1</u>	<u>(10,374,836)</u>	<u>6,084,818</u>
Net position, end of year	<u>\$ 3,063,519</u>	<u>\$ 4,009,047</u>	<u>\$ 12,311,752</u>	<u>\$ 8,302,705</u>	<u>\$ (2,283,390)</u>	<u>\$ 10,044,010</u>

City of Springfield, Oregon
STORM DRAINAGE CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 45,000	\$ 45,000	\$ 63,921	\$ 18,921	\$ 4,524	\$ 68,445
Miscellaneous revenue	-	-	500	500	-	500
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>64,421</u>	<u>19,421</u>	<u>4,524</u>	<u>68,945</u>
Expenses:						
Public works	-	-	-	-	62,839	62,839
Interest	-	-	-	-	(26,053)	(26,053)
Capital projects	4,723,151	5,081,268	765,716	4,315,552	(765,716)	-
Total expenses	<u>4,723,151</u>	<u>5,081,268</u>	<u>765,716</u>	<u>4,315,552</u>	<u>(728,930)</u>	<u>36,786</u>
Excess of revenues over (under) expenses	<u>(4,678,151)</u>	<u>(5,036,268)</u>	<u>(701,295)</u>	<u>4,334,973</u>	<u>733,454</u>	<u>32,159</u>
Other financing sources (uses):						
Transfers in	925,000	925,000	925,000	-	396,298	1,321,298
Change in net position	<u>(3,753,151)</u>	<u>(4,111,268)</u>	<u>223,705</u>	<u>4,334,973</u>	<u>1,129,752</u>	<u>1,353,457</u>
Net position, beginning of year	<u>13,269,427</u>	<u>13,618,875</u>	<u>13,618,875</u>	<u>-</u>	<u>(9,053,285)</u>	<u>4,565,590</u>
Net position, end of year	<u>\$ 9,516,276</u>	<u>\$ 9,507,607</u>	<u>\$ 13,842,580</u>	<u>\$ 4,334,973</u>	<u>\$ (7,923,533)</u>	<u>\$ 5,919,047</u>

City of Springfield, Oregon
 AMBULANCE FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 4,975,000	\$ 4,975,000	\$ 5,269,758	\$ 294,758	\$ 8,191,774	\$ 13,461,532
Less: Contractual adjustments	-	-	-	-	(8,206,464)	(8,206,464)
Intergovernmental revenue	-	-	31,084	31,084	-	31,084
Use of money and property	500	500	2,375	1,875	(40)	2,335
Miscellaneous revenue	2,000	2,000	2,387	387	-	2,387
Total revenues	<u>4,977,500</u>	<u>4,977,500</u>	<u>5,305,604</u>	<u>328,104</u>	<u>(14,730)</u>	<u>5,290,874</u>
Expenses:						
Current operating:						
Fire	5,051,045	5,045,597	5,045,597	-	53,846	5,099,443
Depreciation	-	-	-	-	6,308	6,308
Total expenses	<u>5,051,045</u>	<u>5,045,597</u>	<u>5,045,597</u>	<u>-</u>	<u>60,154</u>	<u>5,105,751</u>
Change in net position	(73,545)	(68,097)	260,007	328,104	(74,884)	185,123
Net position, beginning of year	<u>73,545</u>	<u>68,097</u>	<u>68,097</u>	<u>-</u>	<u>(327,630)</u>	<u>(259,533)</u>
Net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328,104</u>	<u>\$ 328,104</u>	<u>\$ (402,514)</u>	<u>\$ (74,410)</u>

City of Springfield, Oregon
 BOOTH-KELLY FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,401,232	\$ 1,401,357	\$ 1,347,981	\$ (53,376)	\$ 327	\$ 1,348,308
Use of money	9,000	9,000	5,201	(3,799)	-	5,201
Miscellaneous revenue	-	-	4,053	4,053	-	4,053
Total revenues	1,410,232	1,410,357	1,357,235	(53,122)	327	1,357,562
Expenses:						
Current operating:						
Public works	17,231	46,231	46,214	17	-	46,214
Development services	526,130	514,566	478,057	36,509	-	478,057
Capital projects	539,000	539,000	-	539,000	-	-
Debt service:						
Principal	594,561	594,586	594,584	2	(594,584)	-
Interest	324,754	324,854	324,788	66	(3,096)	321,692
Depreciation	-	-	-	-	740,006	740,006
Total expenses	2,001,676	2,019,237	1,443,643	575,594	142,326	1,585,969
Change in net position	(591,444)	(608,880)	(86,408)	522,472	(141,999)	(228,407)
Net position, beginning of year	1,033,538	1,148,830	1,148,830	-	4,508,208	5,657,038
Net position, end of year	<u>\$ 442,094</u>	<u>\$ 539,950</u>	<u>\$ 1,062,422</u>	<u>\$ 522,472</u>	<u>\$ 4,366,209</u>	<u>\$ 5,428,631</u>

City of Springfield, Oregon
 STORM REIMBURSEMENT SYSTEM DEVELOPMENT CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 60,000	\$ 62,500	\$ 35,113	\$ (27,387)	\$ -	\$ 35,113
Use of money and property	75	75	143	68	54	197
Total revenues	60,075	62,575	35,256	(27,319)	54	35,310
Expenses:						
Current operating:						
Public works	16,344	33,844	22,994	10,850	-	22,994
Capital projects	46,000	46,000	-	46,000	-	-
Total expenses	62,344	79,844	22,994	56,850	-	22,994
Change in net position	(2,269)	(17,269)	12,262	29,531	54	12,316
Net position, beginning of year	41,497	42,508	42,509	1	54	42,563
Net position, end of year	\$ 39,228	\$ 25,239	\$ 54,771	\$ 29,532	\$ 108	\$ 54,879

City of Springfield, Oregon
 STORM IMPROVEMENT SYSTEM DEVELOPMENT CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 70,000	\$ 73,000	\$ 51,243	\$ (21,757)	\$ -	\$ 51,243
Use of money and property	8,000	8,000	8,136	136	458	8,594
Total revenues	<u>78,000</u>	<u>81,000</u>	<u>59,379</u>	<u>(21,621)</u>	<u>458</u>	<u>59,837</u>
Expenses:						
Current operating:						
Public works	23,778	46,778	33,553	13,225	-	33,553
Capital projects	1,164,129	1,185,595	21,297	1,164,298	(21,297)	-
Total expenses	<u>1,187,907</u>	<u>1,232,373</u>	<u>54,850</u>	<u>1,177,523</u>	<u>(21,297)</u>	<u>33,553</u>
Excess of revenues over (under) expenses	(1,109,907)	(1,151,373)	4,529	1,155,902	21,755	26,284
Other financing sources (uses):						
Transfers out	<u>(25,649)</u>	<u>(25,649)</u>	<u>(25,649)</u>	<u>-</u>	<u>(21,298)</u>	<u>(46,947)</u>
Change in net position	(1,135,556)	(1,177,022)	(21,120)	1,155,902	457	(20,663)
Net position, beginning of year	<u>1,637,217</u>	<u>1,703,540</u>	<u>1,703,540</u>	<u>-</u>	<u>3,376</u>	<u>1,706,916</u>
Net position, end of year	<u>\$ 501,661</u>	<u>\$ 526,518</u>	<u>\$ 1,682,420</u>	<u>\$ 1,155,902</u>	<u>\$ 3,833</u>	<u>\$ 1,686,253</u>

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

Year Ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 250,000	\$ 250,000	\$ 212,582	\$ (37,418)	\$ (8,575)	\$ 204,007
Use of money and property	-	-	5,297	5,297	489	5,786
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>217,879</u>	<u>(32,121)</u>	<u>(8,086)</u>	<u>209,793</u>
Expenses:						
Current operating:						
Public works	105,440	158,615	126,363	32,252	9,525	135,888
Capital projects	254,000	254,000	9,525	244,475	(9,525)	-
Total expenses	<u>359,440</u>	<u>412,615</u>	<u>135,888</u>	<u>276,727</u>	<u>-</u>	<u>135,888</u>
Change in net position	(109,440)	(162,615)	81,991	244,606	(8,086)	73,905
Net position, beginning of year	<u>1,012,900</u>	<u>1,108,298</u>	<u>1,108,298</u>	<u>-</u>	<u>10,657</u>	<u>1,118,955</u>
Net position, end of year	<u>\$ 903,460</u>	<u>\$ 945,683</u>	<u>\$ 1,190,289</u>	<u>\$ 244,606</u>	<u>\$ 2,571</u>	<u>\$ 1,192,860</u>

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

Year Ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 150,000	\$ 150,000	\$ 103,156	\$ (46,844)	\$ (4,527)	\$ 98,629
Use of money and property	900	900	1,771	871	111	1,882
Total revenues	<u>150,900</u>	<u>150,900</u>	<u>104,927</u>	<u>(45,973)</u>	<u>(4,416)</u>	<u>100,511</u>
Expenses:						
Current operating:						
Public works	48,324	102,408	83,682	18,726	-	83,682
Capital projects	127,000	127,000	-	127,000	-	-
Total expenses	<u>175,324</u>	<u>229,408</u>	<u>83,682</u>	<u>145,726</u>	<u>-</u>	<u>83,682</u>
Excess of revenues over (under) expenses	(24,424)	(78,508)	21,245	99,753	(4,416)	16,829
Other financing sources (uses):						
Transfers out	(45,662)	(45,662)	(45,662)	-	-	(45,662)
Change in net position	(70,086)	(124,170)	(24,417)	99,753	(4,416)	(28,833)
Net position, beginning of year	<u>362,419</u>	<u>362,817</u>	<u>362,818</u>	<u>1</u>	<u>5,202</u>	<u>368,020</u>
Net position, end of year	<u>\$ 292,333</u>	<u>\$ 238,647</u>	<u>\$ 338,401</u>	<u>\$ 99,754</u>	<u>\$ 786</u>	<u>\$ 339,187</u>

SPRINGFIELD



OREGON

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.

SPRINGFIELD



OREGON

City of Springfield, Oregon
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF FUND NET POSITION
June 30, 2013

	Vehicle and Equipment	Insurance	SDC Administration	Total
ASSETS				
Current assets:				
Cash and investments	\$ 8,138,974	\$ 6,371,630	\$ 239,606	\$ 14,750,210
Prepays	-	19,783	2,571	22,354
Deposits	-	265,500	-	265,500
Accounts receivable	16,954	-	2,158	19,112
Accrued interest receivable	37,118	22,326	1,147	60,591
Inventory	44,869	-	-	44,869
Total current assets	<u>8,237,915</u>	<u>6,679,239</u>	<u>245,482</u>	<u>15,162,636</u>
Capital assets:				
Machinery and equipment	16,795,915	-	-	16,795,915
Less accumulated depreciation	<u>11,080,595</u>	<u>-</u>	<u>-</u>	<u>11,080,595</u>
Total capital assets	<u>5,715,320</u>	<u>-</u>	<u>-</u>	<u>5,715,320</u>
Total assets	<u>13,953,235</u>	<u>6,679,239</u>	<u>245,482</u>	<u>20,877,956</u>
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	64,373	589,200	5,311	658,884
Accrued interest payable	47,105	-	-	47,105
Capital lease obligation, current portion	528,831	-	-	528,831
Accrued payroll and other related liabilities	<u>-</u>	<u>168,818</u>	<u>15,111</u>	<u>183,929</u>
Total current liabilities	<u>640,309</u>	<u>758,018</u>	<u>20,422</u>	<u>1,418,749</u>
Noncurrent liabilities:				
Accrued absence payable	-	-	277	277
Capital lease obligation, less current portion	1,227,516	-	-	1,227,516
Net OPEB obligation payable	<u>-</u>	<u>14,605</u>	<u>21,785</u>	<u>36,390</u>
Total noncurrent liabilities	<u>1,227,516</u>	<u>14,605</u>	<u>22,062</u>	<u>1,264,183</u>
Total liabilities	<u>1,867,825</u>	<u>772,623</u>	<u>42,484</u>	<u>2,682,932</u>
NET POSITION				
Net investment in capital assets	3,958,973	-	-	3,958,973
Unrestricted	<u>8,126,437</u>	<u>5,906,616</u>	<u>202,998</u>	<u>14,236,051</u>
Total net position	<u>\$ 12,085,410</u>	<u>\$ 5,906,616</u>	<u>\$ 202,998</u>	<u>\$ 18,195,024</u>

City of Springfield, Oregon
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
Year ended June 30, 2013

	Vehicle and Equipment	Insurance	SDC Administration	Total
Operating revenues:				
Charges for services	\$ 2,488,562	\$ 5,662,886	\$ 408,349	\$ 8,559,797
Licenses and permits	-	-	55,791	55,791
Intergovernmental revenue	-	76,218	-	76,218
Miscellaneous revenue	24,226	754,531	-	778,757
	<u>2,512,788</u>	<u>6,493,635</u>	<u>464,140</u>	<u>9,470,563</u>
Total operating revenues				
Operating expenses:				
Current operating:				
Court	1,158	-	-	1,158
Human resources	4,434	4,398,106	-	4,402,540
Finance	10,820	-	17,281	28,101
Information technology	61,774	-	-	61,774
Library	257	-	-	257
Fire	73,422	-	-	73,422
Police	47,505	-	-	47,505
Public works	951,462	-	393,998	1,345,460
Development services	11,809	-	53,279	65,088
Depreciation	1,070,984	-	-	1,070,984
	<u>2,233,625</u>	<u>4,398,106</u>	<u>464,558</u>	<u>7,096,289</u>
Total operating expenses				
Operating income (loss)	<u>279,163</u>	<u>2,095,529</u>	<u>(418)</u>	<u>2,374,274</u>
Nonoperating revenues(expenses):				
Interest income	39,718	24,315	1,170	65,203
Interest expense	(62,731)	-	-	(62,731)
Gain (loss) on disposition of equipment	35,115	-	-	35,115
	<u>12,102</u>	<u>24,315</u>	<u>1,170</u>	<u>37,587</u>
Total nonoperating revenues (expenses)				
Income (loss) before capital contributions and transfers	291,265	2,119,844	752	2,411,861
Transfers out	(165,000)	(375,593)	(1,810)	(542,403)
Capital contributions	62,680	-	-	62,680
	<u>188,945</u>	<u>1,744,251</u>	<u>(1,058)</u>	<u>1,932,138</u>
Change in net position				
Net position, beginning of year	<u>11,896,465</u>	<u>4,162,365</u>	<u>204,056</u>	<u>16,262,886</u>
Net position, end of year	<u>\$ 12,085,410</u>	<u>\$ 5,906,616</u>	<u>\$ 202,998</u>	<u>\$ 18,195,024</u>

City of Springfield, Oregon
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2013

	Vehicle and Equipment	Insurance	SDC Administration	Total
Cash flows from operating activities:				
Cash received from interfund services provided	\$ 2,472,054	\$ 5,677,821	\$ 407,250	\$ 8,557,125
Cash paid for employee services	-	(128,544)	(392,470)	(521,014)
Cash paid to suppliers for goods and services	(1,269,902)	(3,896,930)	(73,864)	(5,240,696)
Other operating receipts	24,226	830,749	55,791	910,766
	<u>1,226,378</u>	<u>2,483,096</u>	<u>(3,293)</u>	<u>3,706,181</u>
Cash flows from noncapital financing activities:				
Transfers to other funds	(165,000)	(375,593)	(1,810)	(542,403)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(694,170)	-	-	(694,170)
Disposition of capital assets	90,020	-	-	90,020
Principal paid on long-term debt	(335,793)	-	-	(335,793)
Interest paid	(62,736)	-	-	(62,736)
	<u>(1,002,679)</u>	<u>-</u>	<u>-</u>	<u>(1,002,679)</u>
Cash flows from investing activities:				
Interest received	33,524	21,245	935	55,704
	<u>92,223</u>	<u>2,128,748</u>	<u>(4,168)</u>	<u>2,216,803</u>
Cash and investments, beginning of year	<u>8,046,751</u>	<u>4,242,882</u>	<u>243,774</u>	<u>12,533,407</u>
Cash and investments, end of year	<u>\$ 8,138,974</u>	<u>\$ 6,371,630</u>	<u>\$ 239,606</u>	<u>\$ 14,750,210</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 279,163	\$ 2,095,529	\$ (418)	\$ 2,374,274
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,070,984	-	-	1,070,984
Changes in assets and liabilities:				
Accounts receivable	(16,508)	14,935	(1,099)	(2,672)
Deposits	-	(265,500)	-	(265,500)
Inventory	(44,869)	-	-	(44,869)
Accounts payable	(85,311)	503,185	(1,047)	416,827
Accrued interest payable	22,919	-	-	22,919
Accrued payroll and other liabilities	-	150,633	(5,412)	145,221
Net OPEB obligation payable	-	4,097	4,683	8,780
	<u>\$ 1,226,378</u>	<u>\$ 2,483,096</u>	<u>\$ (3,293)</u>	<u>\$ 3,706,181</u>
Noncash capital and related financing activities:				
Retirement and disposition of capital assets, net of accumulated depreciation	\$ 35,115	\$ -	\$ -	\$ 35,115
Vehicle acquired by capital lease	977,780	-	-	977,780

City of Springfield, Oregon
VEHICLE AND EQUIPMENT FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,599,075	\$ 2,674,075	\$ 2,488,562	\$ (185,513)	\$ -	\$ 2,488,562
Use of money and property	34,598	34,598	101,420	66,822	(61,702)	39,718
Miscellaneous revenue	-	-	24,226	24,226	-	24,226
Total revenues	1,633,673	2,708,673	2,614,208	(94,465)	(61,702)	2,552,506
Expenses:						
Current operating:						
Court	-	1,158	1,158	-	-	1,158
Human resources	10,000	15,412	9,845	5,567	(5,411)	4,434
Finance	5,600	25,600	10,820	14,780	-	10,820
Information technology	135,000	135,000	96,409	38,591	(34,635)	61,774
Library	1,500	1,500	257	1,243	-	257
Fire	1,155,900	1,177,400	196,025	981,375	(122,603)	73,422
Police	306,500	488,700	182,446	306,254	(134,941)	47,505
Public works	385,235	1,660,708	1,322,542	338,166	(371,080)	951,462
Development services	-	11,811	11,809	2	-	11,809
Debt service:						
Principal	335,798	335,798	335,793	5	(335,793)	-
Interest	39,818	39,818	39,812	6	22,919	62,731
Depreciation	-	-	-	-	1,070,984	1,070,984
Total expenses	2,375,351	3,892,905	2,206,916	1,685,989	89,440	2,296,356
Excess of revenues over (under) expenses	(741,678)	(1,184,232)	407,292	1,591,524	(151,142)	256,150
Other financing sources (uses):						
Gain (loss) on disposal of assets	-	-	-	-	35,115	35,115
Assets contributed by other funds	-	-	-	-	62,680	62,680
Transfers out	(165,000)	(165,000)	(165,000)	-	-	(165,000)
Total other financing sources (uses)	(165,000)	(165,000)	(165,000)	-	97,795	(67,205)
Change in net position	(906,678)	(1,349,232)	242,292	(1,591,524)	(53,347)	188,945
Net position, beginning of year	7,660,474	7,913,124	7,913,124	-	3,983,341	11,896,465
Net position, end of year	\$ 6,753,796	\$ 6,563,892	\$ 8,155,416	\$ (1,591,524)	\$ 3,929,994	\$ 12,085,410

City of Springfield, Oregon
INSURANCE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 16,489,785	\$ 16,989,785	\$ 16,786,999	\$ (202,786)	\$ (11,124,113)	\$ 5,662,886
Intergovernmental revenue	30,000	30,000	76,218	46,218	-	76,218
Use of money and property	14,000	14,000	22,945	8,945	1,370	24,315
Miscellaneous revenue	30,000	30,000	763,215	733,215	(8,684)	754,531
Total revenues	16,563,785	17,063,785	17,649,377	585,592	(11,131,427)	6,517,950
Expenses:						
Current operating:						
Human resources	813,851	4,340,792	3,356,000	984,792	1,042,106	4,398,106
Statutory payments	15,894,120	12,952,308	12,195,666	756,642	(12,195,666)	-
Total expenses	16,707,971	17,293,100	15,551,666	1,741,434	(11,153,560)	4,398,106
Excess of revenues over (under) expenses	(144,186)	(229,315)	2,097,711	2,327,026	22,133	2,119,844
Other financing sources (uses):						
Transfers out	(375,593)	(375,593)	(375,593)	-	-	(375,593)
Change in net position	(519,779)	(604,908)	1,722,118	2,327,026	22,133	1,744,251
Net position, beginning of year	4,117,994	4,149,156	4,149,156	-	13,209	4,162,365
Net position, end of year	\$ 3,598,215	\$ 3,544,248	\$ 5,871,274	\$ 2,327,026	\$ 35,342	\$ 5,906,616

City of Springfield, Oregon
SDC ADMINISTRATION FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 475,000	\$ 475,000	\$ 408,349	\$ (66,651)	\$ -	\$ 408,349
Licenses and permits	50,000	50,000	56,850	6,850	(1,059)	55,791
Use of money and property	500	500	1,062	562	108	1,170
Total revenues	<u>525,500</u>	<u>525,500</u>	<u>466,261</u>	<u>(59,239)</u>	<u>(951)</u>	<u>465,310</u>
Expenses:						
Current operating:						
Finance	17,281	17,281	17,281	-	-	17,281
Public works	494,382	495,708	385,100	110,608	8,898	393,998
Development services	58,965	58,965	53,279	5,686	-	53,279
Total expenses	<u>570,628</u>	<u>571,954</u>	<u>455,660</u>	<u>116,294</u>	<u>8,898</u>	<u>464,558</u>
Excess of revenues over (under) expenses	(45,128)	(46,454)	10,601	57,055	(9,849)	752
Other financing sources (uses):						
Transfers out	-	(1,810)	(1,810)	-	-	(1,810)
Change in net position	(45,128)	(48,264)	8,791	57,055	(9,849)	(1,058)
Net position, beginning of year	<u>126,930</u>	<u>222,035</u>	<u>222,036</u>	<u>1</u>	<u>(17,980)</u>	<u>204,056</u>
Net position, end of year	<u>\$ 81,802</u>	<u>\$ 173,771</u>	<u>\$ 230,827</u>	<u>\$ 57,056</u>	<u>\$ (27,829)</u>	<u>\$ 202,998</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.

SPRINGFIELD



OREGON

City of Springfield, Oregon
STATEMENT OF CHANGES IN POSITION AND LIABILITIES
AGENCY FUND
Year Ended June 30, 2013

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
ASSETS				
Cash and investments	<u>\$ 3,570,380</u>	<u>\$ 13,439,618</u>	<u>\$ (13,009,315)</u>	<u>\$ 4,000,683</u>
LIABILITIES				
Due to other agencies	<u>\$ 3,570,380</u>	<u>\$ 23,425,947</u>	<u>\$ (22,995,644)</u>	<u>\$ 4,000,683</u>

SPRINGFIELD



OREGON

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.

SPRINGFIELD



OREGON

Metropolitan Wastewater Management Commission
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 Year Ended June 30, 2013

	Regional Wastewater Fund	Regional Capital Fund	Regional Bond Capital Fund	Regional Wastewater Improve SDC Fund	Regional Wastewater Reimb SDC Fund	Regional Wastewater Debt Service Fund	Eliminations	Total
Revenues:								
Charges for services	\$ 29,243,601	\$ 47,930	\$ -	\$ 1,554,882	\$ 133,122	\$ -	\$ (836,727)	\$ 30,142,808
Use of money and property	134,721	166,844	287,760	12,061	2,952	-	-	604,338
Licenses and permits	10,800	-	-	-	-	-	-	10,800
Fines and forfeitures	1,600	-	-	-	-	-	-	1,600
Miscellaneous receipts	140	-	470	-	-	-	-	610
Total revenues	29,390,862	214,774	288,230	1,566,943	136,074	-	(836,727)	30,760,156
Expenses:								
Current operating:								
Finance	105,631	-	-	-	-	-	-	105,631
Public works	14,573,059	19,882	13,074	2,116	167	-	(836,727)	13,771,571
Debt service:								
Interest	287,284	(156,434)	(14,178)	-	-	3,523,649	-	3,640,321
Depreciation	8,356,661	-	-	-	-	-	-	8,356,661
Total expenses	23,322,635	(136,552)	(1,104)	2,116	167	3,523,649	(836,727)	25,874,184
Excess of revenues over (under) expenses	6,068,227	351,326	289,334	1,564,827	135,907	(3,523,649)	-	4,885,972
Other financing sources (uses):								
Transfers in	9,036,520	9,261,324	1,875,000	-	-	7,710,025	(27,882,869)	-
Transfers out	(14,006,348)	(3,255,308)	(5,242,580)	(1,200,000)	(16,524)	(4,162,109)	27,882,869	-
Loss on disposal of assets	(198,578)	-	-	-	-	-	-	(198,578)
Total other financing sources (uses)	(5,168,406)	6,006,016	(3,367,580)	(1,200,000)	(16,524)	3,547,916	-	(198,578)
Change in net position	899,821	6,357,342	(3,078,246)	364,827	119,383	24,267	-	4,687,394
Net position, beginning of year	147,785,621	(2,745,847)	(19,673,237)	2,215,836	162,515	(690,471)	-	127,054,417
Net position, end of year	\$ 148,685,442	\$ 3,611,495	\$ (22,751,483)	\$ 2,580,663	\$ 281,898	\$ (666,204)	\$ -	\$ 131,741,811

Metropolitan Wastewater Management Commission
REGIONAL WASTEWATER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 28,840,600	\$ 28,840,600	\$ 28,965,565	\$ 124,965	\$ 278,036	\$ 29,243,601
Use of money and property	55,000	55,000	113,428	58,428	21,293	134,721
Licenses and permits	7,000	7,000	8,663	1,663	2,137	10,800
Fines and forfeitures	1,200	1,200	1,600	400	-	1,600
Miscellaneous revenue	700,500	700,500	140	(700,360)	-	140
Total revenues	<u>29,604,300</u>	<u>29,604,300</u>	<u>29,089,396</u>	<u>(514,904)</u>	<u>301,466</u>	<u>29,390,862</u>
Expenses:						
Current operating:						
Finance	114,054	114,054	105,631	8,423	-	105,631
Public works	16,059,161	16,006,692	14,017,576	1,989,116	555,483	14,573,059
Debt service:						
Principal	641,809	641,809	592,985	48,824	(592,985)	-
Interest	494,781	494,781	299,128	195,653	(11,844)	287,284
Depreciation	-	-	-	-	8,356,661	8,356,661
Total expenses	<u>17,309,805</u>	<u>17,257,336</u>	<u>15,015,320</u>	<u>2,242,016</u>	<u>8,307,315</u>	<u>23,322,635</u>
Excess of revenues over (under) expenses	<u>12,294,495</u>	<u>12,346,964</u>	<u>14,074,076</u>	<u>1,727,112</u>	<u>(8,005,849)</u>	<u>6,068,227</u>
Other financing sources (uses):						
Transfers in	4,116,524	4,116,524	4,116,524	-	4,919,996	9,036,520
Transfers out	(13,353,364)	(13,413,364)	(13,413,363)	1	(592,985)	(14,006,348)
Gain (loss) on disposal of assets	-	-	-	-	(198,578)	(198,578)
Total other financing sources (uses)	<u>(9,236,840)</u>	<u>(9,296,840)</u>	<u>(9,296,839)</u>	<u>1</u>	<u>4,128,433</u>	<u>(5,168,406)</u>
Change in net position	3,057,655	3,050,124	4,777,237	1,727,113	(3,877,416)	899,821
Net position, beginning of year	<u>8,227,397</u>	<u>8,937,285</u>	<u>8,937,286</u>	<u>-</u>	<u>138,848,335</u>	<u>147,785,621</u>
Net position, end of year	<u>\$ 11,285,052</u>	<u>\$ 11,987,409</u>	<u>\$ 13,714,523</u>	<u>\$ 1,727,113</u>	<u>\$ 134,970,919</u>	<u>\$ 148,685,442</u>

Metropolitan Wastewater Management Commission
REGIONAL WASTEWATER CAPITAL FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ -	\$ -	\$ 47,930	\$ 47,930	\$ -	\$ 47,930
Use of money and property	85,000	85,000	214,237	129,237	(47,393)	166,844
Total revenues	<u>85,000</u>	<u>85,000</u>	<u>262,167</u>	<u>177,167</u>	<u>(47,393)</u>	<u>214,774</u>
Expenses:						
Current operating:						
Public works	2,436,307	2,860,902	1,282,560	1,578,342	(1,262,678)	19,882
Capital projects	6,682,950	6,837,869	1,972,747	4,865,122	(1,972,747)	-
Debt service:						
Interest	-	-	-	-	(156,434)	(156,434)
Total expenses	<u>9,119,257</u>	<u>9,698,771</u>	<u>3,255,307</u>	<u>6,443,464</u>	<u>(3,391,859)</u>	<u>(136,552)</u>
Excess of revenues over (under) expenses	<u>(9,034,257)</u>	<u>(9,613,771)</u>	<u>(2,993,140)</u>	<u>6,620,631</u>	<u>3,344,466</u>	<u>351,326</u>
Other financing sources (uses):						
Transfers in	6,843,339	6,843,339	6,843,339	-	2,417,985	9,261,324
Transfers out	-	-	-	-	(3,255,308)	(3,255,308)
Loan proceeds	1,243,824	1,243,824	2,589,424	1,345,600	(2,589,424)	-
Total other financing sources (uses)	<u>8,087,163</u>	<u>8,087,163</u>	<u>9,432,763</u>	<u>1,345,600</u>	<u>(3,426,747)</u>	<u>6,006,016</u>
Change in net position	(947,094)	(1,526,608)	6,439,623	7,966,231	(82,281)	6,357,342
Net position, beginning of year	<u>53,540,990</u>	<u>52,735,138</u>	<u>52,735,138</u>	<u>-</u>	<u>(55,480,985)</u>	<u>(2,745,847)</u>
Net position, end of year	<u>\$ 52,593,896</u>	<u>\$ 51,208,530</u>	<u>\$ 59,174,761</u>	<u>\$ 7,966,231</u>	<u>\$ (55,563,266)</u>	<u>\$ 3,611,495</u>

Metropolitan Wastewater Management Commission
REGIONAL WASTEWATER BOND CAPITAL FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 100,000	\$ 100,000	\$ 255,237	\$ 155,237	\$ 32,523	\$ 287,760
Miscellaneous revenue	-	-	470	470	-	470
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>255,707</u>	<u>155,707</u>	<u>32,523</u>	<u>288,230</u>
Expenses:						
Current operating:						
Public works	-	-	-	-	13,074	13,074
Capital projects	14,904,846	16,388,955	1,142,579	15,246,376	(1,142,579)	-
Debt service:						
Interest	-	-	-	-	(14,178)	(14,178)
Total expenses	<u>14,904,846</u>	<u>16,388,955</u>	<u>1,142,579</u>	<u>15,246,376</u>	<u>(1,143,683)</u>	<u>(1,104)</u>
Excess of revenues over (under) expenses	<u>(14,804,846)</u>	<u>(16,288,955)</u>	<u>(886,872)</u>	<u>15,402,083</u>	<u>1,176,206</u>	<u>289,334</u>
Other financing sources (uses):						
Transfers in	-	60,000	60,000	-	1,815,000	1,875,000
Transfers out	(4,100,000)	(4,100,000)	(4,100,000)	-	(1,142,580)	(5,242,580)
Total other financing sources (uses)	<u>(4,100,000)</u>	<u>(4,040,000)</u>	<u>(4,040,000)</u>	<u>-</u>	<u>672,420</u>	<u>(3,367,580)</u>
Change in net position	<u>(18,904,846)</u>	<u>(20,328,955)</u>	<u>(4,926,872)</u>	<u>15,402,083</u>	<u>1,848,626</u>	<u>(3,078,246)</u>
Net position, beginning of year	<u>24,571,257</u>	<u>26,013,996</u>	<u>26,013,996</u>	<u>-</u>	<u>(45,687,233)</u>	<u>(19,673,237)</u>
Net position, end of year	<u>\$ 5,666,411</u>	<u>\$ 5,685,041</u>	<u>\$ 21,087,124</u>	<u>\$ 15,402,083</u>	<u>\$ (43,838,607)</u>	<u>\$ (22,751,483)</u>

Metropolitan Wastewater Management Commission
REGIONAL WASTEWATER IMPROVEMENT SDC FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 600,900	\$ 600,900	\$ 1,559,027	\$ 958,127	\$ (4,145)	\$ 1,554,882
Use of money and property	5,000	5,000	12,290	7,290	(229)	12,061
Total revenues	<u>605,900</u>	<u>605,900</u>	<u>1,571,317</u>	<u>965,417</u>	<u>(4,374)</u>	<u>1,566,943</u>
Expenses:						
Current operating:						
Public works	3,500	3,500	2,116	1,384	-	2,116
Excess of revenues over (under) expenses	602,400	602,400	1,569,201	966,801	(4,374)	1,564,827
Other financing sources (uses):						
Transfers out	(1,200,000)	(1,200,000)	(1,200,000)	-	-	(1,200,000)
Change in net position	(597,600)	(597,600)	369,201	966,801	(4,374)	364,827
Net position, beginning of year	<u>1,596,074</u>	<u>2,206,652</u>	<u>2,206,652</u>	<u>-</u>	<u>9,184</u>	<u>2,215,836</u>
Net position, end of year	<u>\$ 998,474</u>	<u>\$ 1,609,052</u>	<u>\$ 2,575,853</u>	<u>\$ 966,801</u>	<u>\$ 4,810</u>	<u>\$ 2,580,663</u>

Metropolitan Wastewater Management Commission
REGIONAL WASTEWATER REIMBURSEMENT SDC FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 52,600	\$ 52,600	\$ 133,785	\$ 81,185	\$ (663)	\$ 133,122
Use of money and property	3,000	3,000	4,361	1,361	(1,409)	2,952
Total revenues	<u>55,600</u>	<u>55,600</u>	<u>138,146</u>	<u>82,546</u>	<u>(2,072)</u>	<u>136,074</u>
Expenses:						
Current operating:						
Public works	4,000	4,000	167	3,833	-	167
Excess of revenues over (under) expenses	51,600	51,600	137,979	86,379	(2,072)	135,907
Other financing sources (uses):						
Transfers out	(16,524)	(16,524)	(16,524)	-	-	(16,524)
Change in net assets	35,076	35,076	121,455	-	(2,072)	119,383
Net position, beginning of year	102,520	159,992	159,992	-	2,523	162,515
Net position, end of year	<u>\$ 137,596</u>	<u>\$ 195,068</u>	<u>\$ 281,447</u>	<u>\$ 86,379</u>	<u>\$ 451</u>	<u>\$ 281,898</u>

Metropolitan Wastewater Management Commission
REGIONAL WASTEWATER DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2013

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Expenses:						
Debt service:						
Principal	\$ 3,640,000	\$ 3,640,000	\$ 3,640,000	\$ -	\$ (3,640,000)	\$ -
Interest	4,070,025	4,070,025	4,070,025	-	(546,376)	3,523,649
Total expenses	<u>7,710,025</u>	<u>7,710,025</u>	<u>7,710,025</u>	<u>-</u>	<u>(4,186,376)</u>	<u>3,523,649</u>
Other financing sources (uses):						
Transfers in	7,710,025	7,710,025	7,710,025	-	-	7,710,025
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,162,109)</u>	<u>(4,162,109)</u>
Total other financing sources (uses)	<u>7,710,025</u>	<u>7,710,025</u>	<u>7,710,025</u>	<u>-</u>	<u>(4,162,109)</u>	<u>3,547,916</u>
Change in net position	-	-	-	-	24,267	24,267
Net position, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(690,471)</u>	<u>(690,471)</u>
Net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (666,204)</u>	<u>\$ (666,204)</u>

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Supplemental Schedules

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City of Springfield, Oregon
SCHEDULE OF PROPERTY TAX TRANSACTIONS - ALL FUNDS
Year Ended June 30, 2013

	Taxes Receivable 7/1/2012	Tax Levy	(Adjustments) Interest and (Discounts)	(Deduct) Collections	Taxes Receivable 6/30/2013
Prior Years	\$ 87,567	\$ -	\$ 446	\$ (1,212)	\$ 86,801
2003-04	11,258	-	55	(257)	11,056
2004-05	11,372	-	121	(511)	10,982
2005-06	12,189	-	258	(1,029)	11,418
2006-07	15,179	-	(1,167)	(2,306)	11,706
2007-08	26,421	-	(754)	(5,922)	19,745
2008-09	90,539	-	7,974	(57,055)	41,458
2009-10	346,500	-	21,913	(152,711)	215,702
2010-11	513,412	-	3,134	(187,111)	329,435
2011-12	914,359	-	(19,513)	(375,870)	518,976
2012-13	-	28,646,245	(759,424)	(26,967,621)	919,200
	<u>\$ 2,028,796</u>	<u>\$ 28,646,245</u>	<u>\$ (746,957)</u>	<u>\$ (27,751,605)</u>	<u>\$ 2,176,479</u>

Summary by fund:

General Fund	\$ (18,141,402)	\$ 1,378,297
Fire Levy Fund	(1,393,176)	109,923
Police Levy Fund	(4,210,029)	315,279
SEDA Glenwood General Fund	(692,429)	35,688
SEDA Downtown General Fund	(150,871)	12,739
Debt Service Funds:		
Bancroft Redemption	(2)	569
General Obligation	(3,163,696)	323,984
	<u>\$ (27,751,605)</u>	<u>\$ 2,176,479</u>

SCHEDULE OF OTHER TAX REVENUES RECEIVED

Special Revenue Funds:

Transient room taxes	\$ 973,830
Gas Tax	1,045,263
	<u>\$ 2,019,093</u>

City of Springfield, Oregon

SCHEDULE OF BONDED DEBT TRANSACTIONS

Year Ended June 30, 2013

	Principal Transactions							Interest Transactions				
	Issue Date	Effective Interest Rate	Original Issue	Outstanding July 1, 2012	Issued	Bonds Matures/ Called	Bonds Paid	Outstanding June 30, 2013	Outstanding July 1, 2012	Matured 2012-13	Paid in 2012-13	Outstanding June 30, 2013
General Obligation Bonds												
General issue bonds:												
Series 2007	3/9/2007	4.00%	\$ 24,650,000	\$ 20,050,000	\$ -	\$ 1,080,000	\$ 1,080,000	\$ 18,950,000	\$ -	\$ 826,080	\$ 826,080	\$ -
Series 2005	7/26/2005	3.48%	12,425,000	5,815,000	-	1,100,000	1,100,000	4,715,000	-	207,393	207,393	-
Total general obligation bonds			\$ 25,845,000	\$ 25,845,000	\$ -	\$ 2,180,000	\$ 2,180,000	\$ 23,665,000	\$ -	\$ 1,033,473	\$ 1,033,473	\$ -
Revenue Bonds												
Revenue Bonds:												
Series 2005	5/13/2005	3.70%	\$ 1,985,000	\$ 675,000	\$ -	\$ 215,000	\$ 215,000	\$ 460,000	\$ -	\$ 23,650	\$ 23,650	\$ -
Series 2009	4/2/2009	4.07%	22,815,000	20,480,000	-	875,000	875,000	19,605,000	-	833,531	833,531	-
Series 2010	9/22/2010	3.15%	10,000,000	9,635,000	-	375,000	375,000	9,260,000	-	331,775	331,775	-
Total City revenue bonds			\$ 30,790,000	\$ 30,790,000	\$ -	\$ 1,465,000	\$ 1,465,000	\$ 29,325,000	\$ -	\$ 1,188,956	\$ 1,188,956	\$ -
Component Unit												
MVMC Revenue Bonds:												
Series 2006	11/15/2006	3.97%	\$ 47,270,000	\$ 39,180,000	\$ -	\$ 1,825,000	\$ 1,825,000	\$ 37,355,000	\$ -	\$ 1,876,212	\$ 1,876,212	\$ -
Series 2008	11/20/2008	4.91%	50,730,000	45,690,000	-	1,815,000	1,815,000	43,875,000	-	2,193,813	2,193,813	-
Total MVMC revenue bonds			\$ 84,870,000	\$ 84,870,000	\$ -	\$ 3,640,000	\$ 3,640,000	\$ 81,230,000	\$ -	\$ 4,070,025	\$ 4,070,025	\$ -

City of Springfield, Oregon

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

June 30, 2013

	<u>Series 2005 Bonds</u>			<u>Series 2007 Bonds</u>				
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Debt Service</u>
2013-14	\$ 1,130,000	\$ 171,643	\$ 1,125,000	\$ 779,640	\$ 2,255,000	\$ 951,283	\$	\$ 3,206,283
2014-15	1,165,000	134,352	1,175,000	731,266	2,340,000	865,618		3,205,618
2015-16	205,000	94,743	1,230,000	678,390	1,435,000	773,133		2,208,133
2016-17	210,000	87,568	1,285,000	623,040	1,495,000	710,608		2,205,608
2017-18	220,000	79,902	1,340,000	565,215	1,560,000	645,117		2,205,117
2018-19	225,000	71,653	1,390,000	514,965	1,615,000	586,618		2,201,618
2019-20	235,000	62,990	1,445,000	462,840	1,680,000	525,830		2,205,830
2020-21	245,000	53,825	1,500,000	406,485	1,745,000	460,310		2,205,310
2021-22	255,000	44,025	1,560,000	346,485	1,815,000	390,510		2,205,510
2022-23	265,000	33,825	1,625,000	284,085	1,890,000	317,910		2,207,910
2023-24	275,000	22,960	1,690,000	219,085	1,965,000	242,045		2,207,045
2024-25	285,000	11,685	1,755,000	151,485	2,040,000	163,170		2,203,170
2025-26	-	-	1,830,000	77,772	1,830,000	77,772		1,907,772
	<u>\$ 4,715,000</u>	<u>\$ 869,171</u>	<u>\$ 18,950,000</u>	<u>\$ 5,840,753</u>	<u>\$ 23,665,000</u>	<u>\$ 6,709,924</u>	<u>\$</u>	<u>\$ 30,374,924</u>

SPRINGFIELD



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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.	142-146
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	147-150
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.	151-155
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.	156-157
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.	158-160

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.

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Financial Trend Information

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 67,293,340	\$ 69,745,316	\$ 73,775,040	\$ 82,593,165	\$ 97,072,830	\$ 99,380,714	\$ 107,712,593	\$ 109,751,002	\$ 108,631,529	\$ 108,731,315
Restricted	8,827,375	8,616,435	6,709,199	8,109,950	7,347,374	5,956,816	5,268,152	12,102,762	11,424,559	13,528,096
Unrestricted	23,520,828	29,931,254	32,344,595	31,810,532	35,138,340	33,973,864	29,581,397	20,196,736	21,514,015	19,835,794
Total governmental activities net position	\$ 99,641,543	\$ 108,293,005	\$ 112,828,834	\$ 122,513,647	\$ 139,558,544	\$ 139,311,394	\$ 142,562,142	\$ 142,050,500	\$ 141,570,103	\$ 142,095,205
Business-type activities										
Net investment in capital assets	\$ 24,282,731	\$ 33,409,080	\$ 35,353,061	\$ 37,856,666	\$ 46,982,723	\$ 47,004,701	\$ 48,338,342	\$ 51,248,289	\$ 57,872,702	\$ 51,972,745
Restricted	5,509,851	4,260,230	5,011,183	5,522,505	4,433,871	3,447,456	2,989,453	3,091,423	3,236,454	3,273,179
Unrestricted	15,130,205	8,971,858	8,554,956	9,583,199	8,759,032	9,478,068	12,562,982	15,019,532	13,474,770	22,980,755
Total business-type activities net position	\$ 44,922,787	\$ 46,641,168	\$ 48,919,200	\$ 52,962,370	\$ 60,175,626	\$ 59,930,225	\$ 63,890,777	\$ 69,359,244	\$ 74,583,926	\$ 78,226,679
Primary government										
Net investment in capital assets	\$ 91,576,071	\$ 103,154,396	\$ 109,128,101	\$ 120,449,831	\$ 144,055,553	\$ 146,385,415	\$ 156,050,935	\$ 165,468,108	\$ 166,504,231	\$ 160,704,060
Restricted	14,337,226	12,876,665	11,720,382	13,632,455	11,781,245	9,404,272	8,237,605	15,194,185	14,661,013	16,801,275
Unrestricted	38,651,033	38,903,112	40,899,551	41,393,731	43,897,372	43,451,932	42,144,379	35,216,268	34,988,785	42,816,549
Total primary government net position	\$ 144,564,330	\$ 154,934,173	\$ 161,748,034	\$ 175,476,017	\$ 199,734,170	\$ 199,241,619	\$ 206,452,919	\$ 215,878,561	\$ 216,154,029	\$ 220,321,884

City of Springfield, Oregon
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	\$ 4,840,651	\$ 5,088,042	\$ 5,452,865	\$ 5,512,588	\$ 3,929,091	\$ 4,791,069	\$ 3,560,757	\$ 5,386,231	\$ 4,724,454	\$ 5,932,778
Fire	7,833,341	8,394,509	8,714,544	9,713,840	10,354,699	10,858,907	10,691,161	11,760,498	11,847,128	11,340,166
Police	10,454,210	11,652,431	12,040,291	12,619,083	13,116,023	13,974,177	17,259,569	18,444,853	19,694,617	19,561,178
Library	1,330,856	1,278,006	1,298,373	1,269,704	1,309,218	1,400,056	1,382,782	1,513,148	1,519,866	1,515,697
Public works	6,239,200	9,125,560	10,869,437	10,006,943	9,711,960	10,295,174	7,641,190	8,446,669	7,899,474	8,878,257
Development services	6,515,102	5,410,298	4,791,592	6,326,538	5,566,714	4,601,270	5,919,093	4,358,054	3,485,221	2,779,997
Depreciation,unallocated	235,888	235,888	255,614	259,908	273,239	313,042	283,227	283,227	284,439	297,774
Interest on long-term debt	538,563	516,454	381,657	706,762	1,394,478	1,406,144	1,373,371	1,301,309	1,220,457	1,143,393
Total governmental activities expense	37,987,811	41,701,188	43,804,373	46,415,366	45,655,422	47,639,839	48,111,150	51,493,989	50,675,656	51,449,240
Business-type activities:										
Sewer	6,677,105	6,918,423	7,653,331	7,854,400	7,745,843	6,619,628	4,803,431	4,886,099	5,190,475	6,155,571
Storm drainage	-	-	-	-	-	3,894,947	3,956,135	4,031,641	3,843,225	3,984,400
Booth-Kelly	438,049	502,163	520,007	589,313	660,713	779,773	1,433,965	1,334,099	1,430,803	1,463,621
Ambulance	4,654,840	5,018,686	4,785,189	4,865,158	4,602,490	4,939,277	5,000,748	5,184,271	4,948,503	5,184,271
Business-type activities expenses	11,769,994	12,439,272	12,958,527	13,308,871	13,009,046	16,233,625	15,194,279	15,453,985	15,648,774	16,552,095
Total primary government expenses	\$ 49,757,805	\$ 54,140,460	\$ 56,762,900	\$ 59,724,237	\$ 58,664,468	\$ 63,873,464	\$ 63,305,429	\$ 66,947,974	\$ 66,324,430	\$ 68,001,335
Program Revenue										
Governmental activities:										
Charges for services:										
General government	\$ 2,900,208	\$ 3,865,736	\$ 3,442,133	\$ 3,749,720	\$ 2,078,657	\$ 2,403,988	\$ 1,940,273	\$ 3,360,519	\$ 3,759,347	\$ 3,874,817
Fire	919,655	1,679,977	1,423,906	1,587,419	1,659,654	1,677,216	1,716,417	1,725,642	1,764,798	1,769,064
Police	150,892	156,735	250,968	232,563	274,968	490,731	246,682	513,759	529,998	493,254
Library	100,226	94,313	79,534	88,338	91,273	89,853	103,475	97,718	99,186	105,329
Public works	2,664,605	8,071,249	4,627,601	4,487,753	1,424,937	1,494,678	883,252	518,971	806,305	1,202,850
Development services	2,807,175	3,565,487	4,483,247	3,804,598	4,370,602	2,118,612	1,284,749	1,025,667	943,208	1,061,022
Operating grants and contributions	4,320,643	5,632,824	4,679,550	6,106,694	4,527,430	4,161,206	6,436,204	5,616,572	5,514,649	4,428,156
Capital grants and contributions	8,862,192	2,894,691	2,019,869	6,003,405	16,101,592	155,634	3,994,233	3,661,254	1,109,866	2,192,135
Total governmental activities program revenues	22,725,596	25,961,012	21,006,808	26,060,490	30,529,113	12,591,918	16,605,285	16,520,102	14,527,357	15,126,627
Business-type activities:										
Charges for services:										
Sewer	7,476,531	6,933,656	7,687,885	8,967,919	9,116,078	5,590,002	6,325,689	6,927,642	7,261,314	7,324,173
Storm drainage	-	-	-	-	-	4,475,347	4,984,732	5,694,208	5,789,080	6,032,530
Booth-Kelly	537,199	593,937	600,968	634,721	664,398	788,095	1,381,649	1,443,802	1,412,841	1,348,308
Ambulance	3,753,519	4,266,972	4,194,871	4,436,801	4,260,912	4,662,981	4,834,330	5,173,527	4,849,894	5,255,068
Operating grants and contributions	-	675	6,068	2,294	-	-	-	-	-	-
Capital grants and contributions	926,308	2,249,946	2,578,981	2,376,975	5,620,276	385,165	1,001,635	1,129,770	1,448,360	16,729
Total business-type activities program revenues	12,693,557	14,045,186	15,068,773	16,418,710	19,661,664	15,901,590	18,528,035	20,368,949	20,761,489	19,976,808
Total primary government program revenues	\$ 35,419,153	\$ 40,006,198	\$ 36,075,581	\$ 42,479,200	\$ 50,190,777	\$ 28,493,508	\$ 35,133,320	\$ 36,889,051	\$ 35,288,846	\$ 35,103,435
Net (Expense) Revenue										
Governmental activities	\$ (15,262,215)	\$ (15,740,176)	\$ (22,797,565)	\$ (20,354,876)	\$ (15,126,309)	\$ (35,047,921)	\$ (31,505,865)	\$ (34,973,887)	\$ (36,148,299)	\$ (36,322,613)
Business-type activities	923,563	1,605,914	2,110,246	3,109,839	6,652,618	(332,035)	3,333,756	4,914,964	5,112,715	3,424,713
Total primary government net expense	\$ (14,338,652)	\$ (14,134,262)	\$ (20,687,319)	\$ (17,245,037)	\$ (8,473,691)	\$ (35,379,956)	\$ (28,172,109)	\$ (30,058,923)	\$ (31,035,584)	\$ (32,897,900)

Continued

Continued

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 16,778,764	\$ 16,542,797	\$ 17,978,830	\$ 19,023,927	\$ 20,761,839	\$ 24,888,500	\$ 26,616,211	\$ 25,890,066	\$ 27,056,405	\$ 27,891,748
Room taxes	524,726	586,748	678,594	819,206	783,767	771,994	679,566	777,085	901,665	973,830
Other taxes	2,441,620	2,756,003	2,960,673	2,943,197	3,650,019	3,391,158	3,088,825	3,018,549	2,744,424	2,754,883
Payment in lieu of taxes	2,148,012	2,208,008	2,258,956	2,307,909	2,288,217	2,275,036	2,346,889	2,373,660	2,358,273	2,375,949
Investment earnings	295,382	814,959	1,702,251	2,758,907	2,945,365	1,727,120	664,423	421,956	337,514	333,178
Miscellaneous	253,878	151,033	206,256	385,310	323,133	379,635	201,184	486,358	727,049	985,770
Gain (loss) on disposition of capital assets	(108,614)	-	49,900	(35,598)	-	19,810	(57,355)	-	-	-
Shared revenue	927,259	1,000,195	1,090,631	1,193,858	1,146,172	1,377,642	1,247,546	1,387,527	1,400,459	1,460,463
Transfer to a separate entity	-	(100,454)	-	-	-	-	-	-	-	-
Transfers	455,019	454,999	416,552	643,168	272,692	593,130	(30,673)	107,047	142,115	71,894
Total governmental activities	23,716,046	24,414,288	27,342,643	30,039,884	32,171,204	35,424,025	34,756,616	34,462,248	35,667,904	36,847,715
Business-type activities:										
Investment earnings	141,853	328,840	441,688	868,946	821,733	559,713	409,360	292,416	237,091	211,730
Miscellaneous	165,850	238,626	142,650	707,548	11,597	120,051	186,763	368,134	16,990	78,204
Gain on disposition of capital assets	557,509	-	-	-	-	-	-	(107,047)	-	-
Transfers	(455,019)	(454,999)	(416,552)	(643,168)	(272,692)	(593,130)	30,673	-	(142,115)	(71,894)
Total business-type activities	410,193	112,467	167,786	933,326	560,638	86,634	626,796	553,503	111,966	218,040
Total primary government	\$ 24,126,239	\$ 24,526,755	\$ 27,510,429	\$ 30,973,210	\$ 32,731,842	\$ 35,510,659	\$ 35,383,412	\$ 35,015,751	\$ 35,779,870	\$ 37,065,755
Change In Net Position										
Governmental activities	\$ 8,453,831	\$ 8,674,112	\$ 4,545,078	\$ 9,685,008	\$ 17,044,895	\$ 376,104	\$ 3,250,751	\$ (511,639)	\$ (480,395)	\$ 525,102
Business-type activities	1,333,755	1,718,381	2,278,032	4,043,165	7,213,256	(245,401)	3,960,552	5,468,467	5,224,681	3,642,753
Total primary government	\$ 9,787,586	\$ 10,392,493	\$ 6,823,110	\$ 13,728,173	\$ 24,258,151	\$ 130,703	\$ 7,211,303	\$ 4,956,828	\$ 4,744,286	\$ 4,167,855

1 This schedule reports using the accrual basis of accounting.

2 Expenses include allocated indirect expenses.

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 288,075	\$ 293,103	\$ 494,395	\$ 391,918	\$ 926,688	\$ 388,528	\$ 10,546	\$ -	\$ -	\$ -
Unreserved	5,679,318	6,437,254	6,896,167	7,874,253	8,350,863	6,966,896	7,843,269	-	-	-
Nonspendable	-	-	-	-	-	-	-	5,420	5,589	49,644
Restricted	-	-	-	-	-	-	-	600,000	632	-
Committed	-	-	-	-	-	-	-	65,721	37,863	12,764
Assigned	-	-	-	-	-	-	-	39,224	600,000	600,000
Unassigned	-	-	-	-	-	-	-	6,872,613	7,134,387	7,538,441
Total general fund	\$ 5,967,393	\$ 6,730,357	\$ 7,390,562	\$ 8,266,171	\$ 9,277,551	\$ 7,355,424	\$ 7,853,815	\$ 7,582,978	\$ 7,778,471	\$ 8,200,849
All Other Governmental Funds										
Reserved	\$ 8,766,419	\$ 8,556,200	\$ 4,835,844	\$ 6,104,214	\$ 6,868,556	\$ 5,339,010	\$ 4,492,479	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	3,147,625	4,514,516	8,118,406	8,487,980	3,137,842	4,329,775	4,459,760	-	-	-
Capital projects funds	3,574,657	8,275,997	11,029,365	30,228,095	24,023,946	14,937,692	4,030,636	-	-	-
Debt service funds	3,187,568	2,561,169	2,433,530	2,036,894	1,718,922	1,369,823	1,257,621	-	-	-
Nonspendable	-	-	-	-	-	-	-	179,198	160,531	151,297
Restricted	-	-	-	-	-	-	-	7,022,919	8,020,323	8,535,571
Committed	-	-	-	-	-	-	-	4,546,915	4,024,188	3,130,187
Assigned	-	-	-	-	-	-	-	1,009,473	426,016	410,941
Unassigned	-	-	-	-	-	-	-	-	-	(26,365)
Total all other governmental funds	\$ 18,676,269	\$ 23,907,882	\$ 26,417,145	\$ 46,857,183	\$ 35,749,266	\$ 25,976,300	\$ 14,240,496	\$ 12,758,505	\$ 12,631,058	\$ 12,201,631

Notes
This schedule was modified with the implementation of GASB54, effective FY11

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenue:										
Taxes	\$ 18,091,192	\$ 18,762,676	\$ 19,907,659	\$ 21,201,934	\$ 22,756,676	\$ 26,796,400	\$ 28,121,897	\$ 28,169,922	\$ 28,838,941	\$ 30,059,119
Licenses and permits	3,440,031	2,685,926	2,799,900	3,357,236	3,975,361	3,147,467	2,583,181	2,538,309	2,300,827	2,463,338
Intergovernmental	11,785,002	9,480,359	9,136,228	10,481,742	8,053,038	8,051,131	9,857,571	9,405,123	8,974,691	8,475,485
Charges for services	5,195,554	14,260,750	10,477,114	9,745,427	16,598,189	7,660,854	7,041,256	7,417,478	6,958,019	7,022,389
Fines & forfeitures	804,953	975,892	1,058,271	1,216,083	1,162,425	1,285,427	1,437,612	1,807,580	1,736,722	1,497,458
Use of money & property	1,158,436	1,317,205	1,800,266	2,489,523	2,821,836	1,159,664	452,130	263,317	170,279	191,559
Special assessments	59,444	88,103	138,754	53,236	38,011	11,684	10,856	25,625	48,934	42,569
Miscellaneous revenue	416,801	149,089	167,044	525,944	312,154	464,200	267,380	664,045	648,988	306,085
Total Revenues	40,951,413	47,720,000	45,485,236	49,071,125	55,717,690	48,576,827	49,771,883	50,291,399	49,677,401	50,058,002
Expenditures:										
Current Operating:										
General government	4,635,351	4,517,243	5,118,518	5,338,050	5,815,636	6,460,455	5,536,753	5,825,159	6,083,214	6,306,579
Public safety	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fire	7,721,591	8,532,848	8,733,057	9,881,752	10,486,561	10,988,771	10,651,586	11,373,445	11,514,553	11,242,700
Police	10,279,002	11,319,761	12,136,134	13,038,101	13,267,724	14,138,500	16,185,060	16,757,981	17,744,329	18,318,088
Library	1,198,034	1,222,631	1,279,663	1,260,454	1,263,439	1,354,548	1,360,464	1,375,033	1,426,083	1,457,714
Community development	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Public works	4,852,380	5,525,541	6,572,644	7,973,446	6,991,568	8,096,133	6,118,140	6,646,990	5,768,370	6,148,330
Development services	3,950,812	4,061,002	4,291,759	4,539,636	4,814,244	4,584,530	5,966,952	4,278,380	3,515,451	2,892,942
Capital Projects	4,321,051	5,697,868	7,409,155	9,570,207	20,164,161	13,773,261	12,119,784	2,845,047	1,001,890	789,407
Debt service:										
Principal	641,285	673,046	668,462	984,177	1,732,030	2,030,047	2,173,240	2,251,618	2,330,192	2,418,973
Interest	538,562	507,382	372,870	413,956	1,572,382	1,390,816	1,364,942	1,283,376	1,197,635	1,108,223
Bond issue costs	-	-	63,112	355,501	-	-	-	-	-	-
Arbitrage	-	-	-	-	-	-	49,406	-	-	-
Total expenditures	38,138,068	42,057,322	46,645,374	53,355,280	66,107,745	62,817,061	61,526,327	52,637,029	50,581,717	50,682,956
Excess of revenues over (under) expenditures	2,813,345	5,662,678	(1,160,138)	(4,284,155)	(10,390,055)	(14,240,234)	(11,754,444)	(2,345,630)	(904,316)	(624,954)
Other financing sources (uses):										
Capital contributions	105,237	-	-	-	-	-	-	-	-	-
Transfers in	1,733,278	2,660,992	1,651,223	1,772,318	2,523,359	6,070,182	4,647,041	4,050,527	5,079,050	5,073,111
Transfers out	(1,231,260)	(2,205,993)	(1,300,957)	(1,129,150)	(2,248,737)	(5,287,262)	(4,146,202)	(3,458,750)	(4,120,498)	(4,458,815)
Bond proceeds	-	(100,454)	12,290,353	24,962,242	-	-	-	-	-	-
Proceeds of debt issuance	-	-	-	-	-	1,800,000	-	-	-	-
Payment to refunded bond escrow agent	-	-	(8,301,763)	-	-	-	-	-	-	-
Total other financing sources (uses)	607,255	354,545	4,338,856	25,605,410	274,622	2,582,920	500,839	591,777	958,552	614,296
Net changes in fund balances	\$ 3,420,600	\$ 6,017,223	\$ 3,178,718	\$ 21,321,255	\$ (10,115,433)	\$ (11,657,314)	\$ (11,253,605)	\$ (1,753,853)	\$ 54,236	\$ (10,658)
Debt services as a percentage of non-capital expenditures	3.23%	2.95%	2.45%	3.00%	6.96%	6.96%	7.14%	8.69%	9.14%	9.11%

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Revenue Capacity Information

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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>
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%
2010	-	-	-	-	3,726,631,985	7.13	7,309,497,628	50.98%
2011	-	-	-	-	3,747,745,557	7.06	6,750,427,991	55.52%
2012	-	-	-	-	3,883,712,564	6.99	6,716,253,056	57.83%
2013	-	-	-	-	3,998,513,269	6.94	6,399,350,681	62.48%

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		
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		
2010	4.70	0.94	1.09	0.40	7.13	5.59	1.38	0.85	0.22	1.99	-	-	0.11		
2011	4.71	0.86	1.09	0.40	7.06	5.60	1.38	0.85	0.22	1.99	-	-	0.09		
2012	4.71	0.84	1.09	0.36	6.99	5.63	1.38	0.87	0.22	1.99	-	-	0.09		
2013	4.68	0.82	1.09	0.36	6.94	5.63	1.37	0.85	0.22	1.98	-	-	0.15		

Source: Lane County Department of Assessment & Taxation

City of Springfield, Oregon

PRINCIPAL PROPERTY TAX PAYERS

Current Year and Nine Years Ago

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
PeaceHealth	\$ 381,056,880	1	9.42%	\$ -	-	-
IP Eat Three LLC (Weyerhaeuser)	148,905,413	2	3.68%	222,401,261	1	8.26%
Symantec Corporation	91,918,795	3	2.27%	-	-	-
Gateway Mall Partners	63,724,337	4	1.58%	44,208,075	3	1.64%
Comcast Corporation	38,527,400	5	0.95%	-	-	-
United States bakery	37,917,091	6	0.94%	-	-	-
Shapard investment group LLC	28,131,391	7	0.70%	-	-	-
Rosboro LLC	26,146,271	8	0.65%	18,436,130	7	0.68%
Symantec Corporation	25,109,463	9	0.62%	-	-	-
RC Springfield 2007 LLC	24,858,230	10	0.61%	-	-	-
Sony Music Entertainment Inc.	-	-	-	44,205,060	2	1.64%
Qwest Corp	-	-	-	31,344,668	4	1.16%
Shorewood Packaging Corp	-	-	-	26,507,160	5	0.98%
Sony Music Entertainment Inc.	-	-	-	13,444,070	6	0.50%
Kingsford Manufacturing	-	-	-	18,222,722	8	0.68%
Dynea USA Inc	-	-	-	17,315,798	9	0.64%
KRC Rolls	-	-	-	13,403,910	10	0.50%
Total	<u>\$ 336,332,978</u>		<u>12.00%</u>	<u>\$ 213,683,683</u>		<u>7.94%</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	Total Collections and Adjustments to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 16,625,557	\$ 16,012,967	96.3%	\$ 601,608	\$ 16,614,575	99.9%
2005	17,372,713	16,362,478	94.2%	998,817	17,361,295	99.9%
2006	18,347,448	17,394,011	94.8%	941,731	18,335,742	99.9%
2007	19,665,050	18,611,955	94.6%	1,033,350	19,645,305	99.9%
2008	21,473,863	20,128,824	93.7%	1,303,581	21,432,405	99.8%
2009	25,639,015	24,092,260	94.0%	1,331,053	25,423,313	99.2%
2010	27,170,891	25,473,655	93.8%	508,992	26,841,456	98.8%
2011	26,956,427	25,339,490	94.0%	834,043	26,437,451	98.1%
2012	27,667,002	26,127,844	94.4%	624,799	26,747,802	96.7%
2013	28,646,245	26,967,621	94.1%	759,424	26,469,766	92.4%

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

Debt Capacity Information

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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	Contracts Payable	Revenue Bonds	Notes Payable	Revenue Bonds	Notes Payable				
2004	\$ 8,725,000	\$ -	\$ -	\$ 661,964	\$ 210,000	\$ 2,325,562	\$ 2,525,606	\$ 14,448,132	\$ 2,525,606	0.15%	\$ 261		
2005	8,105,000	-	-	608,918	210,000	1,953,323	2,248,720	13,125,961	2,248,720	0.13%	235		
2006	11,490,161	-	157,584	560,456	210,000	1,786,504	1,842,482	16,047,187	1,842,482	0.15%	281		
2007	35,642,120	-	126,629	511,278	210,000	1,619,685	8,690,632	46,800,344	8,690,632	0.41%	816		
2008	33,851,028	-	87,507	459,249	210,000	1,447,866	8,861,225	44,916,875	8,861,225	0.38%	774		
2009	32,208,997	-	46,305	2,129,202	210,000	24,348,478	7,513,982	66,456,964	7,513,982	0.56%	1,144		
2010	30,228,892	-	1,382,311	1,920,962	210,000	23,463,735	6,697,965	63,903,865	6,697,965	0.53%	1,091		
2011	28,183,787	-	1,108,535	1,699,344	210,000	32,916,000	5,834,566	69,952,232	5,834,566	0.57%	1,177		
2012	26,068,683	-	1,114,360	1,469,152	210,000	31,445,204	5,068,098	65,375,497	5,068,098	*	1,095		
2013	23,873,578	-	1,756,347	1,230,179	210,000	29,929,407	4,404,011	61,403,522	4,404,011	*	1,024		

Source: Annual Financial Reports

* not yet available

City of Springfield, Oregon

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2004	\$ 8,725,000	0.32%	\$ 158
2005	8,105,000	0.29%	145
2006	11,490,161	0.39%	201
2007	35,642,120	1.13%	622
2008	33,851,028	0.99%	584
2009	32,208,997	0.92%	555
2010	30,228,892	0.81%	516
2011	28,183,787	0.75%	474
2012	26,068,683	0.67%	437
2013	23,873,578	0.60%	398

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

City of Springfield, Oregon

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

June 30, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
City of Springfield - general obligation bonds	\$ 23,873,578	100.00%	\$ 23,873,578
City of Springfield - notes payable			1,230,179
City of Springfield - contracts payable			210,000
City of Springfield - capital leases			1,756,347
Total Direct debt			27,070,104
Overlapping Debt			
Lane Community College	126,482,661	15.78%	19,962,379
Lane County	103,467,558	16.02%	16,574,365
Schoold District 19	106,034,409	75.55%	80,110,162
School District 4J	171,307,258	6.71%	11,499,856
Lane Education Service District	7,480,000	16.06%	1,201,146
Willamalane Park & Recreation District	23,540,000	94.21%	22,177,175
Total overlapping debt			151,525,083
Total direct and overlapping debt			\$ 178,595,187

Notes:

- a. Overlapping Debt is obtained from the Debt Management Division, Oregon State Treasury.
- b. Net direct debt and overlapping debt is net direct debt plus net overlapping debt.

City of Springfield, Oregon

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

June 30, 2013	
\$ 6,399,350,681	
\$ 191,980,520	
23,665,000	
\$ 168,315,520	

Real market value

Debt limit 3% of real market value

Amount of debt applicable to debt limit:

Total debt margin

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 102,314,512	\$ 110,474,376	\$ 127,434,324	\$ 166,986,619	\$ 199,676,613	\$ 216,166,778	\$ 219,284,929	\$ 202,512,840	\$ 201,487,592	\$ 191,980,520
Total net debt applicable to limit	8,373,242	7,753,964	11,432,921	35,257,315	33,421,463	31,352,605	29,210,296	27,242,807	25,845,000	23,665,000
Legal debt margin	\$ 93,941,270	\$ 102,720,412	\$ 116,001,403	\$ 131,729,304	\$ 166,255,150	\$ 184,814,173	\$ 190,074,633	\$ 175,270,033	\$ 175,642,592	\$ 168,315,520
Total net debt applicable to the limit as a percentage of debt limit	8.18%	7.02%	8.97%	21.11%	16.74%	14.50%	13.32%	13.45%	12.83%	12.33%

City of Springfield
Pledged-Revenue Coverage
Last Ten Fiscal Years

Local Sewer Revenue Bonds						
Fiscal Year	System Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2010	11,893,479	6,947,301	4,946,178	860,000	1,094,244	2.53
2011	13,149,688	7,299,130	5,850,558	1,025,000	1,088,793	2.77
2012	13,275,335	7,010,679	6,264,656	1,420,000	1,231,306	2.36
2013	13,602,039	7,715,412	5,886,627	1,465,000	1,188,956	2.22

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

SPRINGFIELD



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Demographic and Economic Information

SPRINGFIELD



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

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment	Unemployment Rate
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	11,353,000	32,924	10,609	5.6%
2008	58,005	11,882,000	34,126	10,608	5.7%
2009	58,085	11,784,000	33,587	10,526	12.7%
2010	58,575	12,021,000	34,151	10,221	11.0%
2011	59,425	12,214,306	34,561	10,204	9.9%
2012	59,695	*	*	10,600	8.9%
2013	59,990	*	*	11,033	8.2%

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: 2011 & 2012 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 yet available

City of Springfield, Oregon

Principal Employers,

Current Year and Nine Years Ago

<u>Employer</u>	2013			2004		
	<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	3,534	1	14.44%	-		-
Symantic	1,200	2	4.90%	787	3	3.19%
Springfield School District #19	1,267	3	5.18%	1,400	1	5.67%
McKenzie Willamette Hospital	875	4	3.57%	1,096	2	4.44%
Royal Caribbean Cruise Lines	665	5	2.72%	-		-
City of Springfield	409	6	1.67%	383	6	1.55%
Willamalane Park and Recreation District	405	7	1.65%	237	10	0.96%
Wal-Mart	390	8	1.59%	-		-
Peace Health Medical Laboratories	339	9	1.38%	-		-
Lane Transit District	303	10	1.24%	-		-
Rosboro Lumber Company	-		0.00%	385	5	1.56%
Weyerhaeuser	-		-	525	4	2.13%
McKenzie Forest Products	-		-	300	7	1.23%
U.S. Postal Service	-		-	275	8	1.11%
Sony	-		-	270	9	1.09%
Total	<u>4,653</u>		<u>19.01%</u>	<u>4,871</u>		<u>19.74%</u>

Source: City Economic Development Division

Operating Information

SPRINGFIELD



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City of Springfield, Oregon

Full-time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30*									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
City management	5.00	6.00	7.00	7.00	7.50	8.00	8.00	8.00	7.00	7.00
Finance	10.50	11.50	11.50	11.30	11.30	11.30	10.30	10.30	9.80	9.50
Human resources	7.50	7.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00
Information technology	9.00	9.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Legal/Judicial services	7.55	7.55	7.55	7.55	7.55	8.55	8.55	8.55	8.85	8.84
Development services	36.00	35.75	33.00	35.25	37.25	39.75	34.75	33.25	30.25	22.74
Police										
Officers	69.00	70.00	70.00	70.00	70.00	70.00	66.00	69.00	69.16	68.16
Civilians	40.00	38.50	40.00	40.00	40.00	41.00	57.00	57.00	55.00	54.83
Fire										
Firefighters and officers	89.00	89.00	87.00	89.00	89.00	90.25	91.00	88.00	88.00	87.00
Civilians	18.55	14.05	14.55	16.05	21.25	21.00	17.00	18.00	15.00	14.00
Other public works										
Engineers	9.00	15.00	14.00	17.00	16.00	19.00	20.00	15.00	15.00	15.00
Other	83.50	93.50	97.50	100.50	106.60	110.00	101.00	101.00	95.50	92.82
Library	14.20	13.40	13.60	13.60	13.60	13.60	13.20	13.40	12.40	12.60
Total	398.80	410.25	412.70	424.25	437.05	449.45	442.80	437.50	421.96	408.49

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Physical arrests	6,841	7,192	10,993	9,044	8,523	7,054	7,107	7,527	7,148	8,577
Parking violations	1,452	1,114	939	941	457	395	354	***	237	185
Traffic violations	7,938	8,693	9,182	10,879	10,091	9,964	9,423	10,299	10,122	10,648
Fire										
Number of fire stations	5	5	5	5	5	5	5	5	5	5
Emergency responses	12,177	14,097	16,129	16,345	18,190	18,413	17,382	19,096	19,398	20,836
Fires extinguished	302	240	283	257	216	238	165	180	206	248
Inspections	3,024	3,016	3,540	3,719	3,374	3,329	2,103	1,670	2,214	1,047
Public works										
Crack sealing	53	27	33	28	18	41	12	9	3	40
Potholes repaired	934	1,094	1,343	989	1,142	722	1,569	1,062	1,364	1,124
Storm lines high velocity cleaning	383,778	251,249	231,891	132,637	215,683	32,584	7,810	9,452	3,835	1,909
Sanitary lines high velocity cleaning	954,912	781,234	518,889	664,822	657,295	932,839	965,853	653,641	652,069	587,954
Library **										
Number of public computer log-ins	89,300	111,773	118,894	149,153	109,019	100,867	60,335	59,994	46,797	64,065
Total volumes loaned	314,371	306,946	309,277	293,068	297,982	326,235	344,809	344,586	354,120	354,538
Development services *										
Number of building permits	672	759	770	724	618	512	491	400	428	382
Building valuation (in thousands)	\$ 68,897	\$ 407,724	\$ 462,560	\$ 192,868	\$ 143,064	\$ 65,192	\$ 48,150	\$ 38,067	\$ 40,698	\$ 44,388

Sources: Various city departments

* New constructions permits
 ** Includes ONLINE cpu log-ins beginning 2013
 *** Data not available

City of Springfield, Oregon

Capital Asset Statistics by Function/Program,

Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	20	20	20	20	20	20	20	20	20	20
Fire stations	5	5	5	5	5	5	5	5	5	5
Public works										
Streets (miles)	385	387	390	392	398	401	412	420	423	423
Street lights	3,505	3,544	3,555	3,875	4,033	4,117	4,160	4,208	4,350	4,530
Traffic signals	-	-	72	70	68	68	69	68	73	83
Water										
Fire hydrants	1,273	1,302	1,500	1,516	1,553	1,552	1,552	1,552	1,559	1,581

Sources: Various city departments

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Compliance Section

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Audit Comments

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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 REQUIRED BY OREGON STATE REGULATIONS

To the Honorable Mayor, Members of the
City Council and the City Manager
City of Springfield
225 5th Street
Springfield, Oregon 97477

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Springfield, Oregon as of and for the year ended June 30, 2013, and have issued our report thereon dated December 20, 2013.

Compliance and Order Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements 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.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Accountability for collecting or receiving money by elected officials - no money was collected or received by elected officials.**

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except for in the budget document:

1. The excess of revenues over expenditures for the second preceding year did not equal the beginning balance for the first preceding year for some funds.
2. Each bonded debt issue did not have separately budgeted interest and principal payments (ORS 294.388).

OAR 162-10-0230 - Internal Control

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

Control deficiencies in internal control were reported to management in a letter dated December 20, 2013.

Restriction on Use

This report is intended solely for the information and use of the City Council and management of the City of Springfield, Oregon and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

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

By: 
Thomas E. Glogau, A Shareholder
December 20, 2013

Governmental Auditing Standards

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CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
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INDEPENDENT AUDITOR'S 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, Members of the
City Council and the City Manager
City of Springfield
225 5th Street
Springfield, Oregon 97477

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Springfield, Oregon as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 20, 2013.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

Purpose of this Report

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


CERTIFIED PUBLIC ACCOUNTANTS
December 20, 2013

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

SPRINGFIELD



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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 ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Honorable Mayor, Members of the
City Council and the City Manager
City of Springfield
225 5th Street
Springfield, Oregon 97477

Report on Compliance for Each Major Federal Program

We have audited the City of Springfield, Oregon's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City's major federal programs for the year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS

December 20, 2013

CITY OF SPRINGFIELD, OREGON, FEDERAL GRANT COMPLIANCE REPORT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013

SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control reporting:	
· Material weakness(es) identified?	No
· Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
· Material weakness(es) identified?	No
· Significant deficiencies identified?	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
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

CDBG – Entitlement Grants Cluster

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, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Federal Expenditures in Fiscal Year 2012-2013	Amount Provided to Subrecipients
<u>U.S. Department of Justice</u>				
Direct Programs:				
Justice Assistance Grant - Local	16.738	2010-DJ-BX-0112	\$ 4,905	
Justice Assistance Grant - Local	16.738	2011-DJ-BX-2757	1,699	
Justice Assistance Grant - Local	16.738	2012-DJ-BX-1073	2,086	
Justice Assistance Grant - Stimulus - ARRA	16.804	2009-SB-B9-2909	9,686	
COPS Hiring Recovery Program (CHRP) Grant - ARRA	16.710	2009-RK-WX-0707	51,719	
Secure Our Schools Grant	16.710	2010-CK-WX-0725	<u>11,326</u>	\$ 11,326
Total U.S. Department of Justice			<u>81,421</u>	
<u>U.S. Department of Homeland Security</u>				
Grants passed through State of Oregon:				
Assistance to Firefighters Grant	97.044	EMW-2011-FO-06563	<u>44,000</u>	
Total U.S. Department of Homeland Security			<u>44,000</u>	
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
HOME Investment Partnership Programs	14.239	NA	228,812	
Community Development Block Grant-Section 108	14.248	NA	34,393	
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grant	14.218	NA	468,863	67,878
Community Development Block Grant Program Income	14.218	NA	<u>4,075</u>	
<i>Total CDBG - Entitlement Grants Cluster</i>			<u>472,938</u>	
Lane Council of Governments:				
Sustainable Communities Regional Planning Grant (Lane Livability)	14.703	ORRIP0031-10	<u>58,663</u>	
Total U.S. Department of Housing and Urban Development			<u>794,806</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	9,275	
Grants passed through Lane County Oregon:				
Highway Planning and Construction	20.205	NA	<u>31,952</u>	
<i>Total Highway Planning and Construction Cluster</i>			<u>41,227</u>	
<i>Highway Safety Cluster</i>				
Grants passed through State of Oregon:				
Safety Belt Traffic Safety Grant	20.601	69-8020-0-7-401	3,240	
Safety Belt Traffic Safety Grant	20.601	NA	2,300	
Springfield PD Speed Equipment and Overtime Grant	20.602	SC-13-35-12eee	<u>3,840</u>	
<i>Total Highway Safety Cluster</i>			<u>9,380</u>	
Total U.S. Department of Transportation			<u>50,607</u>	
<u>U.S. Department of Environmental Protection Agency</u>				
Grants passed through City of Eugene:				
Brownsfield Assessment and Cleanup Cooperative Agreement Grant	66.818	00J66601	<u>2,360</u>	
Total U.S. Department of Environmental Protection Agency			<u>2,360</u>	
<u>U.S. Department of the Interior</u>				
Grants passed through State of Oregon:				
Historic Preservation Fund	15.904	HPF OR-12-19	<u>11,376</u>	
Total U.S. Department of the Interior			<u>11,376</u>	
Total Expenditures of Federal Awards			<u>\$ 984,570</u>	<u>\$ 79,204</u>

City of Springfield, Oregon

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS

June 30, 2013

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, 2013

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
Community Development Block Grant	14.218	\$ 806,213
HUD HOME Grant	14.239	<u>2,535,914</u>
		<u>\$ 3,342,127</u>

NOTE C – LOANS PAYABLE OUTSTANDING

As of June 30, 2013, the City did not have any loan balances outstanding included in the Schedule of Expenditures of Federal Awards.

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