



City of Springfield, Oregon

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014

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CITY OF SPRINGFIELD, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2014

Prepared by:

Finance Department
Accounting Division

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City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2014

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Introductory Section

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

December 19, 2014

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, 2014.

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, 2014, 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 unmodified opinion that the City of Springfield's financial statements for the fiscal year ended June 30, 2014, 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, 2014, 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 60,001 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, 2014, the amount of the tax levy for general obligation bonded debt was \$0.84 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 7.6% in July of 2013 to 6.7% in June 2014. This is below Oregon's statewide figure of 6.8% and above the United States rate of 6.1%. Lane County's non-farm not-seasonally-adjusted employment in June 2014 was 161,692 compared to 158,183 the previous year, an annualized gain of 1.0%. Oregon's seasonally adjusted unemployment rate fell from 7.8% in July 2013 to 6.8% in June 2014.

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 in April 2013 for modifying an existing 30,000-square-foot building and recasting it as a **Wal-Mart Neighborhood Market** store next to the Gateway Mall on the site left vacant when Circuit City closed in 2009. This stand-alone store is a small-format store at 39,000 square feet, about one-fifth the size of a Walmart Supercenter like the one in mid-Springfield. These Neighborhood Market stores primarily focus on groceries, Oregon produce and foods from local sources, as well as wine, a self-service deli and a self-serve bakery. The store employs about 95 people and opened 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 State. Wal-Mart competitor **Target** recently expanded its offerings in 2012 at its nearby Gateway Mall store with a 10,000-square-foot, \$2 million grocery section renovation.
- The **Rouse Corporation** recently purchased Springfield's **Gateway Mall**, one of nearly 30 malls purchased around the US with plans to remake them to meet expanding commercial markets. The **Gateway Mall** is a site for major changes with indications of an investment of nearly \$30 million over the next 18 months. The new owners have submitted a series of plans to re-invigorate the mall activities through restructuring the facilities and substantially changing the merchant mix. The plans indicate major redevelopment of the existing Gateway Mall, including reducing overall tenant space. The proposed modifications will include selective demolition and redevelopment of the existing mall building, construction of new satellite retail and restaurant building pads (perhaps as many as five new satellite pads for restaurants like **Panera**) around the east perimeter of the interior road facing Gateway Street, expansion of the **Cabela's** store and its offerings, new truck loading docks on the west side, and many associated site improvements.
- **Panda Express** submitted plans and received approval 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.
- **Onelife Management**, based in the Portland Oregon area, has plans for a memory care facility on Game Farm Road in the Gateway area on 1.74 acres. The property annexation was approved in May 2014 and plan approval and construction may begin in early 2015.
- **FPS, LLC** and **Lane County Housing Authority (HACSA)** submitted an annexation of 1.36 acres of property in Glenwood for the development of 134 units of work-force housing above ground-floor commercial space along Franklin Boulevard and within the area of the newly approved **Glenwood Refinement Plan Phase I Update**. Construction is likely to begin in 2015 with completion in 2016.
- Also part of the updated **Glenwood Refinement Plan** area, the **Roth Family** has been working to annex 8.14 acres to Springfield that would allow for the redevelopment of the family property into the Residential Mixed-Uses permitted in the plan. The family has

owned the **Roaring Rapids Pizza Restaurant** and the **Camp Putt Miniature Golf** for many years and has considered phased redevelopment of the site to include expanded restaurant offerings and market-rate residential over ground-floor retail.

- **Cafeto Roasting Company**, located on 22nd Avenue in Springfield's Glenwood area, added approximately 7,000 square feet of warehouse space and coffee roasting facilities to its existing roasting/warehouse facilities. The expansion provides additional support for Cafeto's fair-trade coffee distribution facilities in Oregon and adds on-site parking for the expanded offices and vehicle fleet.
- The **City of Springfield** has moved two major projects along their development timelines to assist in the long-term redevelopment of Glenwood. The City has completed agreements with the State of Oregon that will allow for a final decision by the **Oregon Transportation Commission** for the jurisdictional transfer of Franklin Boulevard, including long-term maintenance funds, from the **Oregon Department of Transportation (ODOT)** to the City of Springfield. The agreement should be signed in the fall of 2014. In addition, the City has been working with **ODOT** to redesign **Franklin Boulevard** to meet Springfield's urban standards, including three of the five roundabouts in Phase I from the bridges at the west end of Downtown to what is now Mississippi Street in Glenwood. The Phase I design will be underway in late 2014, with construction planned to start in late 2015 or early 2016. The nearly \$10 million project has received approval for State funding matched with urban renewal funds from the City's **Springfield Economic Development Agency (SEDA)** through the Glenwood urban renewal plan.
- **Alko Investments, LLC** annexed 1.33 acres of property and purchased an additional 0.6 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 that was just completed by **Hamilton Construction**. The \$10 million, six-story hotel started construction in June 2013 and will be completed in September 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 just-completed bike viaduct connecting into the regional bike path system along the Willamette River and the Interstate 5 Bridge.
- In May, the **Springfield Utility Board (SUB)** submitted plans to do phased renovations of the Willamette Heights water reservoir site. Phase I includes demolition and back filling of two abandoned concrete-lined open-water reservoirs, constructing a new pump station, and installation of new water supply and distribution piping infrastructure. Phase II improvements are proposed to the existing two-million-gallon tank reservoir and constructing a new three-million-gallon reservoir serving the southwest portions of Springfield. The project will include annexing additional properties to be within the Springfield City limits.
- **Giustina Resources** finished construction of its 12,900-square-foot office headquarters building at 200 International Way. The facility consolidates their existing multi-site

Eugene operations to the Springfield site. The firm develops, owns, operates, and manages office, commercial, and industrial buildings in Oregon and Washington. The Springfield site is in an area most suited for staff overseeing facilities along the Interstate 5 corridor.

- **Relief Nursery** has finished construction on its new 14,900-square-foot building on South 42nd Street in mid-Springfield. The facilities, opened in late summer 2013, provide day care, education, and support services for children of low-income and working parents. The site includes parking lots and associated infrastructure for its operations and 44 employees.
- **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 II 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 10-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 completion of phase II in the early fall of 2013 connected mid-Springfield to Downtown Springfield and the larger regional multi-use path system of the greater Eugene/Springfield area. In addition, Willamalane submitted plans for Phase III of the Willamalane Center Sports Park that includes the installation of two new multi-use synthetic turf fields to accommodate soccer, softball, and little league baseball, as well as turf replacement of an existing field. Phase III should be completed in the fall of 2014.
- **Planktown Brewing Company**, a restaurant and brew pub, opened in October 2013 in the historic Springfield Lodge I.O.O.F. building 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. 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. The owner operates two other brew pub/music venues in Eugene's Whitaker Neighborhood and in Cottage Grove.
- **Prime Time Sports Bar** on Mohawk Boulevard submitted plans and received approval to remodel the existing restaurant/sports bar to include a covered entrance, additional storage on the north side of the building, and a covered smoking area.
- **Koke New Century**, the parent company of **QSL Print Communications**, two **InstaPrint** copy centers, and the recently acquired **Accessible Data Services**, has completed the relocation of **QSL** from its Eugene site to 3000 Pierce Parkway in mid-Springfield. The move places the QSL administration and production in a 28,000-square-foot facility to expand printing, data services, and warehousing as well as a providing a

larger building footprint for a new large-format 6-color press featuring in-line aqueous coating capability.

- **Bruce Weichart Homes** submitted preliminary plans for a 20-unit three-story apartment building at 1100 Q Street in West Springfield. The proposed structures would include approximately 44,500 square feet of housing with 10 garage units and 30 parking spaces on a partially developed site.
- **Leavitt Freight Service** completed modifications to its existing freight service and administrative offices, adding an attached two-story office structure to a five-bay truck service building in mid-Springfield at the firm's Marcola Road and 42nd Street truck service center.
- **Rosboro Lumber** completed construction of a 26,960-square-foot pre-engineered metal building to enlarge and cover an existing 8,000-square-foot structure used to protect sawmill machinery from the elements.
- **Alpine Metal/Diamond State** purchased a former re-sawn lumber manufacturing facility and consolidated four tax lots in the 3600 block of Commercial Street in mid-Springfield and is now operating a metal recycling facility on the site.
- Following an earlier annexation application, **Springfield School District** has now submitted plans for building a future elementary and middle school and a request for a zone change from Low-Density Residential to Public Land and Open Space for the facilities on approximately 12 acres near Quartz Avenue in the Jasper-Natron area of East Springfield. Springfield Schools has constructed park improvements to serve the future schools that include a recreational facility, natural turf fields, basketball court, playground, paths, parking areas, and associated infrastructure.
- **Tarantola Properties** completed the remodel of a vacant building shell and fire-damaged office structure for use as administrative offices for its investments in the Springfield area. Off North 28th Street, the firm constructed another warehouse with industrial spaces suitable for leasing to smaller start-up businesses. These smaller industrial/incubator spaces have proven successful in this market niche.
- **Visconsi Company** completed construction of a new **Key Bank** facility at Mohawk Boulevard and 18th Street, replacing two stores (Goodyear Tire and American Mattress Outlet) and consolidating four tax lots. The 4,023- square-foot Key bank with drive-up service was completed in September 2013.
- The **Stambaugh Family Dental Clinic** replaced a small, aging commercial building at 1863 Laura Street with a modern, 4,500-square-foot facility that provides expanded dental and medical offices for the family practice. The facility was completed in the fall of 2013.

- **Hyland Business Park, LLC** began construction on an industrial business park just north of High Banks Road and 52nd Street. The industrial business park will 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 light-medium industrial buildings, with several high-loading dock platforms.
- **Rod Dunlop Insurance** completed construction of 1,020-square-foot addition to its existing building, almost doubling it in size, and added additional parking along East Main Street.

Long-term Financial Planning

The City's long range financial planning efforts mirror many other cities by producing trend line projections for both revenue and expenditures based upon individual analysis of both primary revenue and expenditures. As the economy continues to show some signs of recovery in the private sector, it has a positive influence on certain aspects of the City's projections. However, there are also other areas where, as a public agency, it has been important to recognize the difference between where there is merely a short time-lag between the benefits of the recovery in the private and public sectors and where there is more likely a more significant long-term shift in the availability of certain resources for services.

The City recently initiated a project to analyze the fiscal health of its organization by utilizing consultants to help in charting revenue and expenditure data, both globally and by accounting fund, for past and future years, to better understand how budget decisions impact the long-term stability of its financial position. A critical component of this is the matching of one-time revenues with one-time expenditure needs and ongoing revenue with ongoing expenditure needs and the impacts this has on the financial stability of the organization. A part of this exercise is the review and updating of the City's financial policies to ensure that they are providing adequate guidance for the Council, Budget Committee, and staff in these matters.

In conjunction with the fiscal health exercise, the City is also entering its second year of a program called 'priority based budgeting' that attempts to help make stronger correlations between Community and Council desired results and the prioritization and use of available resources. With the combining of the fiscal health and priority based budgeting efforts, the City is attempting to expand its window of planned financial stability from the 1-3-5 year window to a 5-10-15 year window.

In the meantime, as the City continues looking at a shorter three-year window, the three main areas of focus 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. At 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 increase revenues 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 the single biggest factor in the City needing to revisit its approach to the annual budgeting process. The City has embarked on a 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.

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 making these two funds the top priority in its fiscal health exercise.

Public Safety Services:

In a significant move for two public agencies, the Cities of Springfield and Eugene have completed an operational merger of their two fire and life safety departments through an intergovernmental agreement. Although employees are still employed by their respective city, the operations of the two departments are under the direction of a single command structure. Employees of either city can be and are assigned to any station within the metro area and all equipment can be called upon to respond to any situation where needed. Hiring and training are conducted as a single organization. Many administrative positions are shared and only require a single individual in the role. These shared positions include the fire chief, deputy chief of operations, fire marshal, and deputy chief of training. Both cities are expecting financial benefits as well as service benefits for the communities for years to come.

The Police Department has completed four 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 seven 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 I of the planned improvement for Franklin Boulevard. For this District, the Council has recently prioritized the establishment of the boundaries for the Willamette Greenway setbacks and the installation of a river front path.

For the Downtown District, the City is beginning the first phase of the Improved Pedestrian Lighting Project as well as transportation project improvements for the core downtown area. This project is a subset of the large Main Street Visioning Project.

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 2015-2019 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 has developed and presented potential 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 has utilized 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.

- ◆ Gateway Street Overlay – The City has received approximately \$1.5 million in Surface Transportation Program funding for pavement preservation work on Gateway Street. Gateway Street is classified as an extremely busy minor arterial providing critical commercial access and serving over 22,000 vehicles a day. The current Surface Condition Index (SCI) is 38.6, which equates to a rating of poor. The receipt of this federal funding is timely and critical to preserving Gateway Street, as further deterioration of the pavement structure would most likely result in a full-depth reconstruction that would be extremely costly and have a major impact on the commercial and retail community. The anticipated project includes 0.97 miles of pavement preservation as well as ADA and signal upgrades.

Wastewater:

- ◆ 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. During the past year, investigative and hydraulic study work has been completed. Given that a majority of the system in question is located in residential backyards with limited access for operation and maintenance, staff is working with a consultant to formulate viable design alternatives that will be presented to the public and City Council. It is anticipated that project design will begin in late FY 2014.
- ◆ Mill Race Stormwater Facility – The City is planning on constructing a stormwater treatment facility on land immediately north of the present Mill Pond on land recently acquired from McKenzie Forest Products. The project will intercept and treat stormwater from the industrial/commercial sub-basin south of Main Street. The project will include open vegetative treatment for problematic pollutants to improve water quality in the Springfield Mill Race. It will also provide detention for stormwater and enhance planned public amenities in this area. The project is currently in final design with construction anticipated to begin in 2015.
- ◆ In addition to the above major projects, several other projects are also already budgeted and scheduled, including: 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, 2013. This was the thirty-third 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

A handwritten signature in blue ink, appearing to read 'Gino Grimaldi', written over a horizontal line.

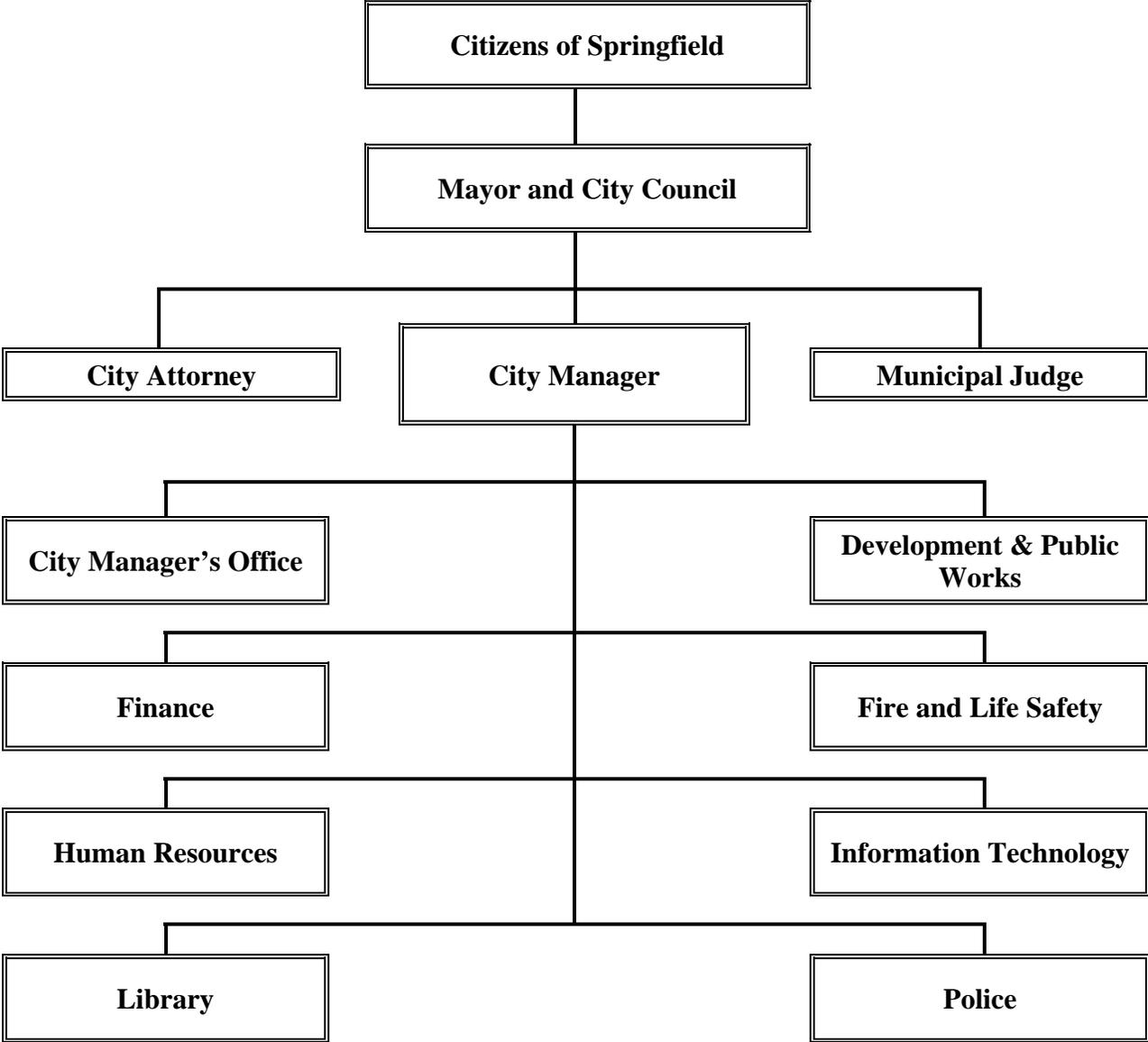
Gino Grimaldi,
City Manager

A handwritten signature in blue ink, appearing to read 'Robert J. Duey', written over a horizontal line.

Robert J. Duey,
Finance Director

CITY OF SPRINGFIELD

Organization Chart



City of Springfield, Oregon

Principal City Officials

June 30, 2014

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, 2013

Executive Director/CEO

SPRINGFIELD



OREGON

Financial Section

SPRINGFIELD



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Independent Auditor's 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

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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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, 2014, 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 23 through 39, the schedules of revenues, expenditures and changes in fund balance – budget and actual for the General Fund and major special revenue funds (pages 84-86), and the schedule of OPEB and CRP funding progress (page 87) 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

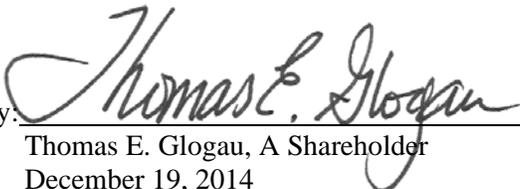
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2014, 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 19, 2014, 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 19, 2014

SPRINGFIELD



OREGON

Management's Discussion and Analysis

SPRINGFIELD



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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, 2014. 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, 2014 decreased \$1.9 million from \$295 million to \$293.1 million, or 0.6% from the prior year. This decrease in total assets was primarily due to a decrease of \$4.3 million in capital assets (depreciation in excess of additions) offset by an increase of \$2.5 million in cash and investments.
- The City's total liabilities decreased by \$4.5 million from \$75.3 million to \$70.8 million. This decrease was primarily due to pay down in debt consisting of a \$3.8 million decrease in bonded debt, a \$1 million decrease in notes payable, and a \$.5 million decrease in capital lease payable offset by a \$0.9 million increase in the City's OPEB obligation.
- The net position of the City (assets less liabilities) at June 30, 2014 increased \$2.6 million from \$219.7 million to \$222.3 million, or 1.2 % from the prior year.
- At June 30, 2014, 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, \$7.6 million (37%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$12.6 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 2014, the unassigned fund balance in the General Fund was \$7.7 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
- Development & Public Works

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 40-41 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: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on 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 42 and 44 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 three funds: General Fund, Street 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 84-86. Budgetary comparisons for all other governmental funds have been provided elsewhere in this report.

The governmental funds financial statements can be found at pages 42-44 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 fund 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 fund financial statements can be found on pages 45-47 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 48 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 49-83 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 84-87 of this report.

Other supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds and the schedule of property tax transactions are included in this report and can be found on pages 88-139.

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 \$222.3 million at the close of the most recent fiscal year.

The largest portion of the City's net position, \$161.7 million, or 72.7%, 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 <u>Activities</u>		Business-type <u>Activities</u>		<u>Total</u>	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 45,634,949	\$ 43,334,221	\$ 41,802,120	\$ 41,649,142	\$ 87,437,069	\$ 84,983,363
Capital assets, net, where applicable, of accumulated depreciation	131,237,448	135,801,419	74,418,691	74,174,754	205,656,139	209,976,173
Total assets	176,872,397	179,135,640	116,220,811	115,823,896	293,093,208	294,959,536
Noncurrent liabilities	30,576,828	32,901,641	33,367,700	35,457,045	63,944,528	68,358,686
Other liabilities	4,691,528	4,495,765	2,152,603	2,452,596	6,844,131	6,948,361
Total liabilities	35,268,356	37,397,406	35,520,303	37,909,641	70,788,659	75,307,047
Net position:						
Net investment in capital assets	107,219,252	108,731,315	54,491,005	51,972,745	161,710,257	160,704,060
Restricted	14,144,006	13,171,125	3,072,205	3,273,179	17,216,211	16,444,304
Unrestricted	20,240,783	19,835,794	23,137,298	22,668,331	43,378,081	42,504,125
Total net position	\$ 141,604,041	\$ 141,738,234	\$ 80,700,508	\$ 77,914,255	\$ 222,304,549	\$ 219,652,489

A portion of the City's net position, \$17.2 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$43.4 million or 19.5%, 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>	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 8,227,564	\$ 8,506,336	\$ 20,852,110	\$ 19,960,079	\$ 29,079,674	\$ 28,466,415
Operating grants and contributions	5,039,850	4,428,156	-	-	5,039,850	4,428,156
Capital grants and contributions	481,598	2,192,135	16,848	16,729	498,446	2,208,864
General revenues:						
Taxes	32,964,536	31,620,464	-	-	32,964,536	31,620,464
In lieu of tax payments	2,390,734	2,375,949	-	-	2,390,734	2,375,949
Shared revenue	1,533,466	1,460,463	-	-	1,533,466	1,460,463
Investment earnings	361,323	333,178	282,238	211,730	643,561	544,908
Miscellaneous receipts	908,413	985,770	92,912	78,204	1,001,325	1,063,974
Total revenues	51,907,484	51,902,451	21,244,108	20,266,742	73,151,592	72,169,193
Expenses:						
General government	4,928,452	5,932,778	-	-	4,928,452	5,932,778
Fire	11,736,970	11,340,166	-	-	11,736,970	11,340,166
Police	20,708,780	19,561,178	-	-	20,708,780	19,561,178
Library	1,508,178	1,515,697	-	-	1,508,178	1,515,697
Development & public works	11,925,811	11,658,254	-	-	11,925,811	11,658,254
Unallocated depreciation & amortization	270,618	270,618	-	-	270,618	270,618
Interest on debt	1,027,212	1,143,393	-	-	1,027,212	1,143,393
Sewer	-	-	6,848,708	6,112,735	6,848,708	6,112,735
Drainage	-	-	4,407,437	3,979,345	4,407,437	3,979,345
Booth Kelly	-	-	1,611,902	1,463,621	1,611,902	1,463,621
Ambulance	-	-	5,525,464	4,948,503	5,525,464	4,948,503
Total expenses	52,106,021	51,422,084	18,393,511	16,504,204	70,499,532	67,926,288
Increase in net assets before transfers	(198,537)	480,367	2,850,597	3,762,538	2,652,060	4,242,905
Transfers	64,344	71,894	(64,344)	(71,894)	-	-
Increase (decrease) in net position	(134,193)	552,261	2,786,253	3,690,644	2,652,060	4,242,905
Net position - beginning, as restated	141,738,234	141,185,973	77,914,255	74,223,611	219,652,489	215,409,584
Net position - ending	<u>\$ 141,604,041</u>	<u>\$ 141,738,234</u>	<u>\$ 80,700,508</u>	<u>\$ 77,914,255</u>	<u>\$ 222,304,549</u>	<u>\$ 219,652,489</u>

Entity-wide change in net position: Entity-wide net position increased by \$2.6 million in the current fiscal year compared to an increase of \$4.2 million in the prior year. This \$1.6 million (37%) year-to-year decrease in the change in entity-wide net position can be attributed to normal year-to-year fluctuations in annual operating revenues and expenditures, the details of which are provided below.

Governmental Activities. The change in governmental activities before transfers decreased from a surplus of \$0.5 million in the prior year to a deficit of \$0.2 million in the current year. This decrease of \$0.7 million can be explained by the following highlights:

- Capital grants and contributions decreased by \$1.7 million (78%) from the prior year. While this is a significant decrease, it can be primarily attributed to a single large donation of land in the prior year, valued at \$2.1 million, from the County to the City. Current year capital contributions were negligible and highlight the slow rebound in development activity in the City.
- Operating grants and contributions increased by \$0.6 million (13.8%) from the prior year. This can be primarily attributed to a \$0.2 increase in Oregon Highway Apportionment Funds as well as a number of smaller one-time grants funding public safety programs and public works projects.
- Charges for services decreased by \$0.3 million from the prior year. This can be primarily attributed to a \$0.4 million decrease resulting from reclassifying sanitary sewer and stormwater right-of-way fees paid to the general fund as a franchise and utility tax and a \$0.1 million increase in planning fees resulting from a modest increase in development activity in the City.
- Taxes increased by \$1.3 million (4.3%) from the prior year and can be primarily attributed to a \$0.8 million increase in property tax receipts resulting from a 19 cent increase in the City's levy for police, court, and jail services that took affect July 1st, 2013, a \$0.4 million increase in franchise and utility taxes resulting from reclassifying sanitary sewer and stormwater right-of-way fees paid to the general fund as a franchise and utility tax, and a \$0.1 million increase in transient room taxes resulting from continued growth in demand for overnight stays for regional special events and tourism.
- General government expenses decreased by \$1 million (17%) from the prior year and can be primarily attributed to a significant downward 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. The prior 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. Additionally, there were some one-time expenditures in the prior year related to the implementation of a new public safety information system as well as contributions to partnering agencies that did not occur in the current year.

- Expenses for the Fire & Life Safety Department increased by \$0.4 million (3.5%) from the prior year. This increase can be primarily attributed to an increase in personnel costs resulting from the merger of the City of Springfield and City of Eugene fire departments. Phase II of this merger was the negotiation of a single fire contract for two unions that equalized pay and benefits and is being phased in over the first two years of the contract beginning July 1, 2012. The increase in personnel costs was partially offset by the elimination of a position in the Fire Marshall’s Office.
- Expenses for the Police Department increased by \$1.1 million (5.9%) from the prior year. This increase can be attributed to a combination of factors that include \$0.2 million increase in the City’s funding of the City Retirement Plan, a \$0.3 million upward adjustment of expenses resulting from the consolidation of Internal Service Funds as previously discussed, and the balance resulting from normal inflationary pressures.
- Expenses for the Development & Public Works Department increased by \$0.3 million (2.3%) from the prior year. This increase can be primarily attributed to normal inflationary pressures.

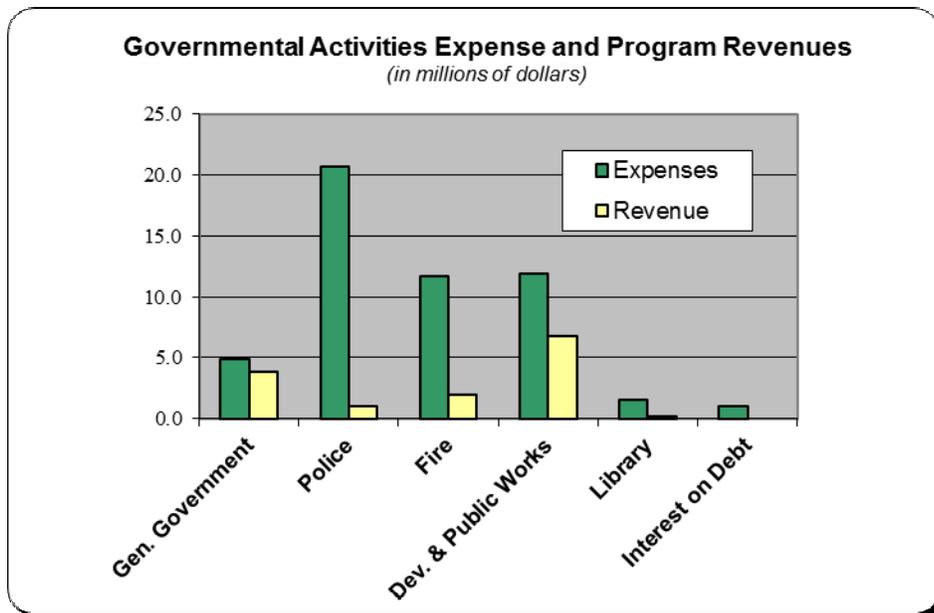


Chart 1

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.

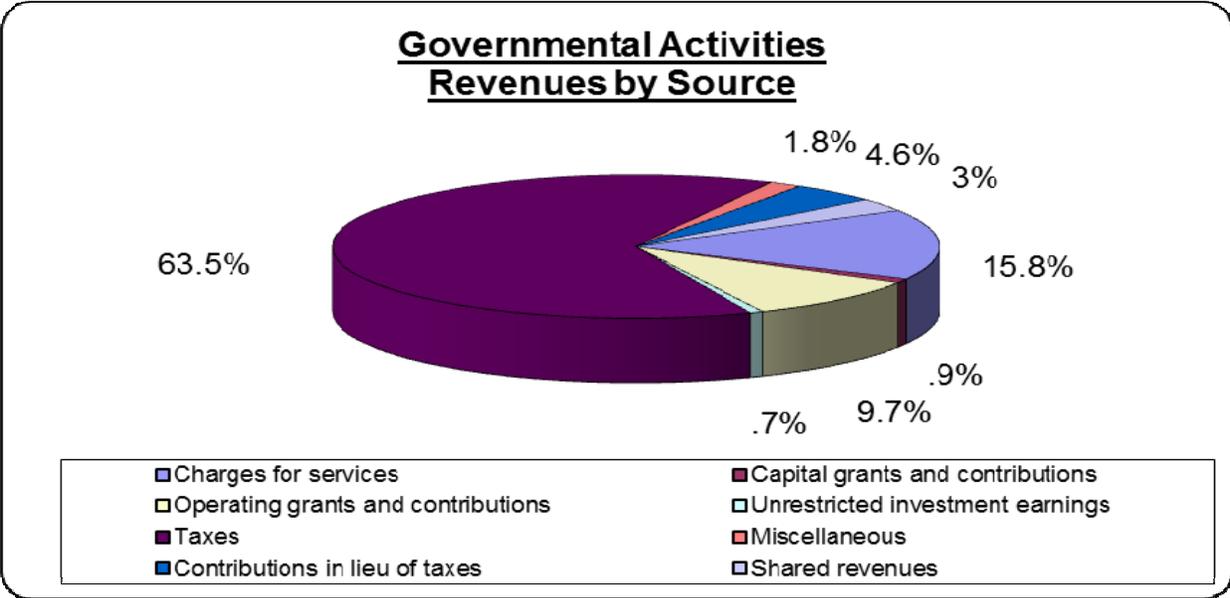


Chart 2

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 \$3.8 million in the prior year to \$2.9 million in the current year. This decrease of \$0.9 million can be explained by the following highlights:

- Charges for services increased by \$0.9 million (4.5%) from the prior year, primarily due to a 3% rate increase in sewer fees and a 4% increase in stormwater fees as well as the addition of new customer accounts.
- Sanitary Sewer expenses increased by \$0.7 million (12%) 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 \$0.4 million (11%) from the prior year can be primarily attributed to infrastructure projects.
- Ambulance expenses increased by \$0.6 million (12%) from the prior year and can be primarily attributed to an increase in EMS personnel costs resulting from the merger of the City of Springfield and City of Eugene fire departments. Phase II of this merger was the negotiation of a single fire contract for two unions that equalized pay and benefits and is being phased in over the first two years of the contract beginning July 1, 2012.

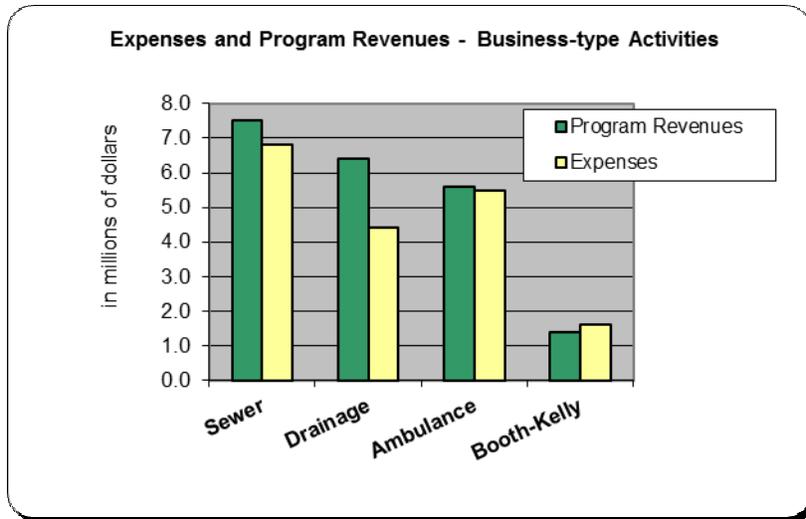


Chart 3

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.

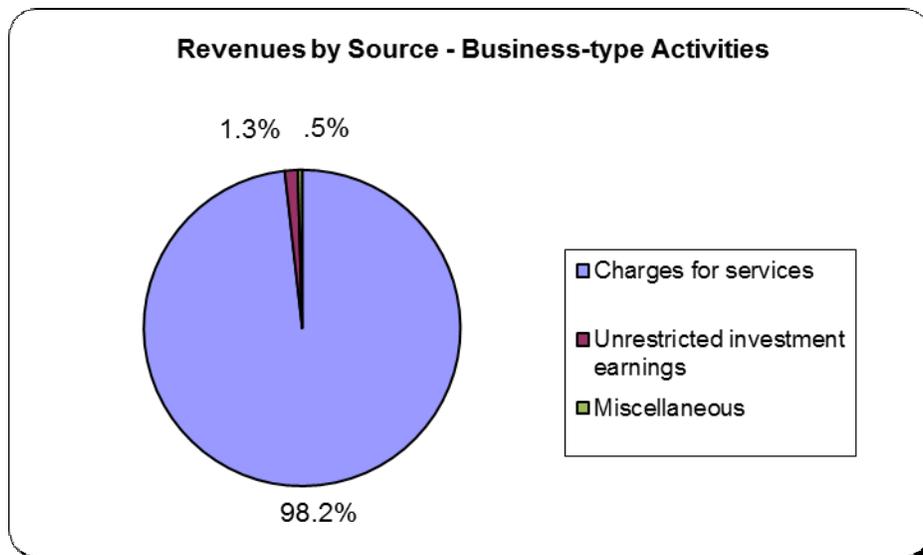


Chart 4

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, \$7.6 million (37%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$12.6 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 \$7.7 million, while the total fund balance was \$8.3 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 \$0.1 million during the current fiscal year compared to an increase of \$0.4 million in the prior year. This year-to-year decrease of \$0.3 million can be explained by the following highlights:

- Property taxes increased by \$0.2 million (1.2%) from the prior year. This was a smaller than expected increase and was the result of a clerical error by the County that undervalued a parcel of industrial property that resulted in a \$0.4 million reduction in tax collections. Due to the fact that this error was discovered after tax rolls were certified, the correction could not be made for FY14 tax collections and this one-time correction will be made during FY15.
- Licenses, permits, and fees increased by \$0.2 million (9.6%) from the prior year and can be primarily attributed to an increase in planning fees resulting from a modest increase in development activity in the City, though not enough to indicate a rebound or suggest a trend.
- Intergovernmental revenues decreased by \$0.3 million (7.6%) from the prior year and can primarily attributed to the timing of quarterly payments from the State of Oregon that resulted in five payments recorded in the prior year and only three payments recorded in the current year.

- Fines and forfeitures increased by \$0.2 million (11.8%) from the prior year and can be primarily attributed to an increase in Municipal Court revenues that resulted from completion of the implementation of a new court records management software that allowed staff resource to refocus on collections of accounts receivable.
- Miscellaneous receipts increased by \$0.2 million (90.2%) from the prior year and can be primarily attributed to a refund from Lane County that resulted from the discontinuation of the AIRS project, a regional public safety database.
- General government expenditures decreased by \$0.2 million (3.2%) from the prior year and can be primarily attributed to some one-time expenditures in the prior year related to the implementation of a new public safety information system as well as contributions to partnering agencies that did not occur in the current year.
- Fire expenditures increased by \$0.3 million (3.1%) from the prior year and can be primarily attributed to normal inflationary pressures.
- Police expenditures increased by \$0.4 million (3.4%) from the prior year and can be primarily attributed to a \$0.2 million increase in the City's funding of the City Retirement Plan and the balance resulting from normal inflationary pressures.
- Development & Public Works expenditures increased by \$0.1 million (4.5%) from the prior year and can be primarily attributed to normal inflationary pressures.
- Interfund transfers out were relatively unchanged while interfund transfers in decreased by \$0.2 million (20%) from the prior year. 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 Street Fund decreased by \$41,386 in the current fiscal year compared to an increase of \$0.2 million in the prior year. This year-to-year decrease of \$0.3 million can be primarily attributed to an increase in personnel costs resulting from two major storm events that occurred in the current fiscal year.

The fund balance of the Housing and Community Development Fund decreased by \$38,542 in the current fiscal year and was primarily due to the City not being able to request reimbursement of expenditures for a project because the correct environmental review procedures were not completed prior to commitment of the funds. The City and HACSA staff are working with the regional HUD representative to initiate a waiver process that would allow the project to move forward and the City to be reimbursed.

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 \$80.7 million. Of this amount, \$23.1 million (29%) constitutes unrestricted net position. Proprietary fund highlights are as follows:

The Sanitary Sewer Operations Fund reported a \$1.9 million decrease in net position. This decrease can be primarily attributed to a \$1.8 million transfer to the Sewer Capital Projects Fund offset by a 3% user fee rate increase.

The Sanitary Sewer Capital Projects Fund reported a \$2.6 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 \$2.2 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 \$0.3 million increase in net position, primarily due to an increased focus on collecting 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, but the outlook is more positive. The growth in business-type activities such as ambulance billing services and the FireMed program is beginning to compensate for the loss in Medicare reimbursements. The City has worked aggressively to grow both programs with the goal of replacing that 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 \$376,020. Details of this increase are as follows:

- \$ 53,445 decrease to General Government
- 210,203 increase to Fire
- 28,539 decrease to Library
- 170,486 decrease to Police
- 2,414 increase to Development & Public Works
- 336,167 decrease in the City reserves

For actual expenditures, the City under spent the amended budget by \$647,887.

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:

- \$ 176,826 decrease in property taxes
- 213,176 increase in licenses, permits and fees
- 88,660 decrease in intergovernmental revenues
- 95,361 decrease in interest and investment earnings
- 192,697 decrease in charges for service
- 166,486 decrease in fines and forfeitures
- 174,894 increase in miscellaneous revenues
- 39,659 decrease in internal transfers
- 124,233 increase in beginning cash (amended over adopted budget)

For the year ended June 30, 2014, the total variance between the final amended budgeted revenue and the actual budget-basis revenue amounts in the General Fund was -.008%, where actual revenues were less than budgeted revenues. The combined actual current and delinquent property tax revenues were below the budgeted amounts; however, this under collection was the result of a clerical error by the County. If adjusted for the correction, property taxes collected would have been in-line with the amount budgeted. With the exception of licenses, permits and fees and miscellaneous revenues, other revenue line items were generally below budget, with the aggregate difference representing less than a .04% variance. Beginning fund balance on July 1, 2013 was \$124,233 greater than budgeted (+1.5%) while ending fund balance on June 30, 2014 was \$213,599 (+2.6%) greater than was projected in the FY14 adopted budget.

Economic conditions that influence General Fund revenues, such as population growth, building permits, planning applications, and franchise fees, have seen modest improvement over the past year, but not enough of a long-term trend to be sure of a sustainable nature. For FY15 and future years, the City continues to only indicate modest growth in these key economic benchmark activities. Since the beginning of the recession, there has been staffing cutbacks that mirror the reduction in revenues in these key areas. As activity levels continue to increase, it will become a high priority to increase staffing levels to meet the new demand.

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, 2014, amounts to \$206 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 \$0.4 million.
- The 58th Street Flow Control Facility project was completed for \$2.2 million, with expenditures of \$0.2 million in fiscal year 2014.
- Property was acquired at 138 Main Street, including both land and a building, for \$0.7 million in fiscal year 2014.
- Jasper Road Trunk Sewer completed phase II for \$3.9 million, with expenditures of \$0.8 million in fiscal year 2014.
- An additional \$1.2 million was added to construction in progress for sewer projects such as Millrace Stormwater facility, Over/Under channel, and the Franklin Boulevard sewer extension.

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 55,947,842	\$ 55,763,660	\$ 4,758,858	\$ 4,758,860	\$ 60,706,700	\$ 60,522,520
Land improvements	-	-	-	322	-	322
Work in progress	692,762	602,644	2,173,144	6,418,778	2,865,906	7,021,422
Buildings	29,028,871	30,490,807	66,361,959	61,688,398	95,390,830	92,179,205
Infrastructure	39,602,661	42,049,336	-	-	39,602,661	42,049,336
Machinery & equipment	5,598,035	6,396,003	109,500	134,713	5,707,535	6,530,716
Library books	192,954	278,549	-	-	192,954	278,549
Studies	174,323	220,420	1,015,230	1,173,683	1,189,553	1,394,103
Total	\$131,237,448	\$135,801,419	\$ 74,418,691	\$ 74,174,754	\$205,656,139	\$209,976,173

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 \$49.2 million. Of this amount, \$21.4 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	
	2014	2013	2014	2013	2014	2013
General obligation bonds - 2005	\$ 3,585,000	\$ 4,715,000	\$ -	\$ -	\$ 3,585,000	\$ 4,715,000
General obligation bonds - 2007	17,825,000	18,950,000	-	-	17,825,000	18,950,000
Revenue bonds series 2005	-	-	235,000	460,000	235,000	460,000
Revenue bonds series 2009	-	-	18,700,000	19,605,000	18,700,000	19,605,000
Revenue bonds series 2010	-	-	8,875,000	9,260,000	8,875,000	9,260,000
Total	\$ 21,410,000	\$ 23,665,000	\$ 27,810,000	\$ 29,325,000	\$ 49,220,000	\$ 52,990,000

The City's total bonded debt decreased by \$3.8 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 FY15 budget:

- Assessed (taxable) value for the City is projected to increase by 2.5%. 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.
- AFSCME employees will receive a 3% cost of living adjustment. SEIU employees will each receive a \$1,500 lump sum payment for FY15 with no adjustment in the pay plan. Market adjustments for non-union employees are planned for in FY15 and to be based upon a market study to be completed towards the end of the 2014 calendar year.
- Springfield Police Association employees will be in the first year of a three-year agreement that was settled in July 2014. The new contract for SPA reflects a new performance pay plan that expands the available steps for members to advance through merit increases and increases certification pay for qualified officers. Also, certification pay is now computed as a percentage increase to base pay.
- International Association of Fire Fighters employees will be in the third year of a three-year agreement. A 2% cost-of-living raise will be granted on 7/1/14.

- 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. The City was able to hold all premiums flat as of January 2014, substantially below the trend nationally. The current projections are an 8% increase in rates in January 2015.
- Oregon PERS rates are bi-annual and were adjusted on July 1, 2013. No additional adjustments are necessary for July 2014. Preliminary adjustments have been made available for July 2015, but are not binding at this time.
- The City schedules an updated actuarial study of its City Retirement Plan every two years. The most recent update is as of June 30, 2012 and was completed in the fall of 2012 and implemented on July 1, 2013. The percentage of payroll contribution for members of this plan increased from 23.1% to 27.8%. The additional lump sum contribution for retired members increased by 11%. These rates will remain the same for July 1, 2014. The subsequent actuarial study as of June 30, 2014 is scheduled to be completed in December of 2014 and scheduled for implementation on July 1, 2015.
- 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 stormwater drainage programs increased on July 1, 2014 as a result of increased costs. The local stormwater increase was 4% and the local wastewater increase was 3%.

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, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Metropolitan Wastewater
ASSETS				
Cash and investments	\$ 37,453,477	\$ 39,284,323	\$ 76,737,800	\$ 74,125,262
Receivables, net of allowance for uncollectable receivables	7,834,739	1,479,396	9,314,135	2,835,568
Internal balances	(416,729)	416,729	-	-
Due from primary government	-	-	-	46,792
Inventory	160,596	-	160,596	-
Investment in foreclosed properties	1,970	-	1,970	-
Prepaid items	18,309	4,533	22,842	12,000
Deposits	309,627	372,274	681,901	700,000
Deferred charges	19,676	-	19,676	-
Restricted assets - cash and investments	-	-	-	29,412,116
Restricted assets - accounts receivables	-	-	-	585,329
Accrued interest	253,284	244,865	498,149	352,592
Capital assets:				
Land and work in progress	56,640,604	6,932,002	63,572,606	13,206,458
Other capital assets, net of accumulated depreciation	74,596,844	67,486,689	142,083,533	115,739,634
Total assets	<u>176,872,397</u>	<u>116,220,811</u>	<u>293,093,208</u>	<u>237,015,751</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,636,750	905,924	2,542,674	2,236,331
Accrued payroll and other liabilities	2,780,579	563,861	3,344,440	98,920
Unearned revenue	102,567	491,196	593,763	16,512
Accrued interest payable	119,360	164,521	283,881	708,423
Deposits	5,480	27,101	32,581	-
Due to component unit	46,792	-	46,792	-
Noncurrent liabilities:				
Due within one year:				
Notes payable	262,206	683,275	945,481	1,016,020
Revenue bonds payable	-	1,560,000	1,560,000	3,950,000
Capital lease	551,307	-	551,307	-
General obligation long-term debt	2,340,000	-	2,340,000	-
Due in more than one year:				
Accrued absence payable	2,728,895	444,563	3,173,458	79,378
Accrued interest payable	-	-	-	-
General obligation long-term debt (net of unamortized premium)	19,263,473	-	19,263,473	-
Revenue bonds payable (net of unamortized discount)	-	26,803,611	26,803,611	75,629,140
Notes and contracts payable	925,000	3,011,742	3,936,742	15,334,630
Capital lease	676,210	-	676,210	-
Net OPEB obligation	3,829,737	864,509	4,694,246	138,487
Total liabilities	<u>35,268,356</u>	<u>35,520,303</u>	<u>70,788,659</u>	<u>99,207,841</u>
NET POSITION				
Net investment in capital assets	107,219,252	54,491,005	161,710,257	51,268,482
Restricted for:				
Capital projects	1,651,030	3,072,205	4,723,235	-
Public safety	2,947,334	-	2,947,334	-
Transportation	3,172,617	-	3,172,617	-
Community development	4,340,421	-	4,340,421	-
Debt service	1,006,466	-	1,006,466	-
Regional sanitary sewer	-	-	-	3,947,500
Other purposes	1,026,138	-	1,026,138	-
Unrestricted	20,240,783	23,137,298	43,378,081	82,591,928
Total net position	<u>\$ 141,604,041</u>	<u>\$ 80,700,508</u>	<u>\$ 222,304,549</u>	<u>\$ 137,807,910</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
	Program Revenues			Primary Government			Component Unit			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Business-type Activities	Metropolitan Wastewater Mgmt	Commission			
Primary government:										
Governmental activities:										
General government	\$ 4,928,452	\$ 6,503	\$ -	\$ (1,155,158)	\$ -	\$ (1,155,158)	\$ -	\$ -		
Fire	11,736,970	107,928	-	(9,754,569)	-	(9,754,569)	-	-		
Police	20,708,780	596,017	-	(19,683,266)	-	(19,683,266)	-	-		
Library	1,508,178	64,324	-	(1,341,117)	-	(1,341,117)	-	-		
Development & public works	11,925,811	4,265,078	481,598	(5,125,069)	-	(5,125,069)	-	-		
Depreciation & amortization, unallocated	270,618	-	-	(270,618)	-	(270,618)	-	-		
Interest on long-term debt	1,027,212	-	-	(1,027,212)	-	(1,027,212)	-	-		
Total governmental activities	52,106,021	5,039,850	481,598	(38,357,009)	-	(38,357,009)	-	-		
Business-type activities:										
Sanitary sewer	6,848,708	-	-	-	687,778	687,778	-	-		
Storm drainage	4,407,437	-	16,848	-	1,957,312	1,957,312	-	-		
Booth Kelly	1,611,902	1,355,337	-	-	(256,565)	(256,565)	-	-		
Ambulance	5,525,464	5,612,386	-	-	86,922	86,922	-	-		
Total business-type activities	18,393,511	20,852,110	16,848	-	2,475,447	2,475,447	-	-		
Total primary government	\$ 70,499,532	\$ 29,079,674	\$ 498,446	(38,357,009)	2,475,447	(35,881,562)	-	-		
Component unit:										
Metropolitan Wastewater Management Commission	\$ 26,184,135	\$ 32,003,771	\$ -	-	-	-	5,819,636	-		
General revenues:										
Property taxes				28,735,713	-	28,735,713	-	-		
Contributions in lieu of taxes				2,390,734	-	2,390,734	-	-		
Franchise & utility taxes				2,115,607	-	2,115,607	-	-		
Local fuel tax				1,042,494	-	1,042,494	-	-		
Room tax				1,070,722	-	1,070,722	-	-		
Investment earnings				361,323	282,238	643,561	664,208	-		
Miscellaneous				908,413	92,912	1,001,325	48,688	-		
Shared revenue				1,533,466	-	1,533,466	-	-		
Transfers				64,344	(64,344)	-	-	-		
Total general revenues and transfers				38,222,816	310,806	38,533,622	712,896	-		
Change in net position				(134,193)	2,786,253	2,652,060	6,532,532	-		
Net position, beginning as restated (Note Q)				141,738,234	77,914,255	219,652,489	131,275,378	-		
Net position, ending				\$ 141,604,041	\$ 80,700,508	\$ 222,304,549	\$ 137,807,910	-		

City of Springfield, Oregon
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

	General	Street	Housing and Community Development	Nonmajor Governmental	Total Governmental
ASSETS					
Cash and investments	\$ 9,324,052	\$ 455,195	\$ -	\$ 11,529,517	\$ 21,308,764
Receivables:					
Accounts	664,785	473,189	-	138,910	1,276,884
Taxes	1,395,827	-	-	833,710	2,229,537
Grants	-	100,352	102,047	62,272	264,671
Accrued interest	80,953	2,712	-	75,919	159,584
Assessments and liens	-	-	-	172,592	172,592
Notes	-	-	3,699,639	144,000	3,843,639
Inventory	1,830	103,466	-	-	105,296
Investment in foreclosed property	1,970	-	-	-	1,970
Due from other funds	144,622	-	-	-	144,622
Prepaid items	18,309	-	-	-	18,309
Deposits	-	-	-	44,127	44,127
Total assets	\$ 11,632,348	\$ 1,134,914	\$ 3,801,686	\$ 13,001,047	\$ 29,569,995
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 446,846	\$ 61,672	\$ 17,200	\$ 437,403	\$ 963,121
Accrued payroll and other liabilities	903,615	97,615	5,132	230,840	1,237,202
Unearned revenue	102,567	-	-	-	102,567
Deposits	-	-	-	5,480	5,480
Due to other funds	-	-	144,622	-	144,622
Total liabilities	1,453,028	159,287	166,954	673,723	2,452,992
Deferred inflows of resources:					
Unavailable revenue	1,832,927	23,503	3,699,639	1,166,463	6,722,532
Fund balances:					
Nonspendable	22,109	103,466	-	44,127	169,702
Restricted	-	848,658	-	8,212,259	9,060,917
Committed	25,902	-	-	2,460,530	2,486,432
Assigned	600,000	-	-	443,945	1,043,945
Unassigned	7,698,382	-	(64,907)	-	7,633,475
Total fund balances	8,346,393	952,124	(64,907)	11,160,861	20,394,471
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,632,348	\$ 1,134,914	\$ 3,801,686	\$ 13,001,047	
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.					6,722,532
Capital assets are not financial resources in governmental funds, but are reported in the statement of net position at their net depreciable value.					126,086,316
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.					(30,706,276)
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.					19,106,998
Net position of governmental activities					\$ 141,604,041

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, 2014

	General	Street	Housing and Community Development	Nonmajor Governmental	Total Governmental
Revenues:					
Taxes	\$ 18,355,981	\$ 1,042,494	\$ -	\$ 11,689,241	\$ 31,087,716
Licenses, permits and fees	2,395,910	204,187	-	100,753	2,700,850
Intergovernmental	3,844,641	3,687,173	653,459	391,227	8,576,500
Charges for services	5,330,345	161,320	-	1,650,383	7,142,048
Fines and forfeitures	1,585,514	-	-	88,419	1,673,933
Investment earnings	66,666	2,466	-	72,864	141,996
Special assessments	-	-	-	31,651	31,651
Miscellaneous revenues	383,717	25,648	34,078	126,733	570,176
Total revenues	31,962,774	5,123,288	687,537	14,151,271	51,924,870
Expenditures:					
Current operating:					
General government	5,089,147	-	23,123	929,885	6,042,155
Fire	9,962,426	-	-	1,553,018	11,515,444
Police	13,238,850	-	-	5,879,961	19,118,811
Library	1,357,587	-	-	82,851	1,440,438
Development & public works	2,149,403	5,441,894	702,956	1,133,052	9,427,305
Capital projects	-	-	-	1,232,663	1,232,663
Debt service:					
Principal	180,000	-	-	2,327,974	2,507,974
Interest	50,715	-	-	960,731	1,011,446
Total expenditures	32,028,128	5,441,894	726,079	14,100,135	52,296,236
Excess of revenues over (under) expenditures	(65,354)	(318,606)	(38,542)	51,136	(371,366)
Other financing sources (uses):					
Transfers in	961,803	377,220	-	3,415,353	4,754,376
Transfers out	(750,905)	(100,000)	-	(3,558,412)	(4,409,317)
Total other financing sources (uses)	210,898	277,220	-	(143,059)	345,059
Net change in fund balance	145,544	(41,386)	(38,542)	(91,923)	(26,307)
Fund balances, beginning	8,200,849	975,214	(26,365)	11,252,784	20,402,482
Change in reserve for inventories	-	18,296	-	-	18,296
Fund balances, ending	\$ 8,346,393	\$ 952,124	\$ (64,907)	\$ 11,160,861	\$ 20,394,471

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, 2014

Net change in fund balances - total governmental funds \$ (26,307)

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. 1,672,157

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. 296,356

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. (3,999,783)

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. (610,851)

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. 2,515,939

Increases in inventory in governmental funds decrease expenses. 18,296

Change in net position of governmental activities \$ (134,193)

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
 PROPRIETARY FUNDS
 STATEMENT OF FUND NET POSITION
 June 30, 2014

	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	\$ 3,903,732	\$ 3,389,357	\$ 12,012,495	\$ 14,679,370	\$ 1,276,026	\$ 1,001,495	\$ 3,021,848	\$ 16,144,712
Accounts receivable, net of allowance for estimated uncollectibles	541,737	488,838	4,954	-	404,863	3,667	35,337	1,479,396
Prepays	-	-	331,423	40,851	4,533	-	-	4,533
Deposits	-	-	73,808	86,541	5,705	6,118	19,903	265,500
Accrued interest	29,681	23,109	-	-	-	-	-	93,700
Inventory	-	-	-	-	-	-	-	55,300
Total current assets	4,475,150	3,901,304	12,422,680	14,806,762	1,691,127	1,011,280	3,077,088	16,606,628
Noncurrent assets:								
Capital assets - net	40,773,375	328,065	18,986,577	2,032,551	46,639	5,319,482	-	67,486,689
Construction in progress	303,891	793,089	582,201	493,963	-	-	-	2,173,144
Land and land rights	2,048,070	19,294	-	49,937	-	2,641,557	-	4,758,858
Total noncurrent assets	43,125,336	1,140,448	19,568,778	2,576,451	46,639	7,961,039	-	74,418,691
Total assets	47,600,486	5,041,752	31,991,458	17,383,213	1,737,766	8,972,319	3,077,088	115,804,082
LIABILITIES								
Current liabilities:								
Accounts payable	91,281	29,271	605,295	29,787	137,159	8,248	4,883	905,924
Accrued payroll and other liabilities	138,339	152,285	-	-	268,499	4,738	-	563,861
Accrued interest payable	65,721	78,650	-	-	-	-	-	144,371
Deposits	-	-	-	-	-	27,101	-	27,101
Notes payable - current maturity	-	-	-	-	-	683,275	-	683,275
Capital lease payable - current maturity	-	-	-	-	-	2,432	-	491,196
Unearned revenues	235,000	467	930,000	395,000	488,297	-	-	1,560,000
Revenue bonds payable - current maturity	-	-	-	-	-	-	-	-
Total current liabilities	530,341	260,673	1,535,295	424,787	893,955	725,794	4,883	4,375,728
Noncurrent liabilities:								
Accrued absence payable	225,227	88,472	-	-	130,864	-	-	444,563
Accrued interest	-	-	-	-	-	-	-	-
Revenue bonds payable (net of unamortized discount)	129,763	-	17,770,000	8,903,848	-	-	-	26,803,611
Notes payable	164,343	251,893	-	-	448,273	3,011,742	-	3,011,742
Net OPEB obligation payable	-	-	-	-	-	-	-	864,509
Capital lease obligation	-	-	-	-	-	-	-	676,210
Total noncurrent liabilities	519,333	340,365	17,770,000	8,903,848	579,137	3,011,742	-	31,124,425
Total liabilities	1,049,674	601,038	19,305,295	9,328,635	1,473,092	3,737,536	4,883	35,500,153
NET POSITION								
Net invested in capital assets	42,760,573	1,139,981	4,766,814	1,510,976	46,639	4,266,022	-	54,491,005
Restricted	3,790,239	3,300,733	-	6,543,602	218,035	948,611	3,072,205	3,072,205
Unrestricted	-	-	-	-	-	-	-	22,720,569
Total net position	\$ 46,550,812	\$ 4,440,714	\$ 12,686,163	\$ 8,054,578	\$ 264,674	\$ 5,214,633	\$ 3,072,205	\$ 80,283,779
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds.								416,729
Net position of business-type activities								\$ 80,700,508

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, 2014

	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
OPERATING REVENUES	\$ 7,203,492	\$ 6,201,427	\$ -	\$ -	\$ 14,608,690	\$ 1,355,337	\$ 479,468	\$ 29,848,414	\$ 11,463,521
Charges for services	-	-	-	-	(8,996,304)	-	-	(8,996,304)	-
Less: Contractual adjustments	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	4,954	-	23,671	-	-	28,625	44,156
Intergovernmental revenues	-	-	4,712	-	58,937	-	-	64,287	-
Miscellaneous receipts	203	435	-	-	-	-	-	-	189,320
Total operating revenues	7,203,695	6,201,862	9,666	-	5,694,994	1,355,337	479,468	20,945,022	11,696,997
Operating expenses:									
City manager's office	-	-	-	-	-	-	-	-	723
Human resources	-	-	-	-	-	-	-	-	7,408,905
Finance	11,881	11,882	-	-	-	-	-	23,763	18,939
Information technology	-	-	-	-	-	-	-	-	99,040
Library	-	-	-	-	-	-	-	-	193
Fire	-	-	-	-	5,419,159	-	-	5,419,159	345,584
Police	-	-	-	-	-	-	-	-	138,551
Development & public works	3,322,555	4,055,672	101,296	129,091	-	537,413	317,709	8,463,536	1,112,834
Depreciation	2,481,634	-	-	-	5,830	758,564	-	3,246,028	1,110,310
Total operating expenses	5,815,870	4,067,554	101,296	129,091	5,424,989	1,295,977	317,709	17,152,486	10,235,079
Operating income (loss)	1,387,825	2,134,308	(91,630)	(129,091)	270,005	59,360	161,759	3,792,536	1,461,918
Nonoperating revenues (expenses):									
Investment earnings	25,528	17,957	71,816	74,539	69,079	5,268	18,051	282,238	74,398
Amortization of bond discount	(3,181)	-	-	-	-	-	-	(3,181)	-
Interest expense	(645,053)	(58,487)	-	26,053	-	(278,626)	-	(956,113)	(43,195)
Gain (loss) on disposal of assets	-	-	-	-	-	-	-	-	152,257
Total nonoperating revenues (expenses)	(622,706)	(40,530)	71,816	100,592	69,079	(273,358)	18,051	(677,056)	183,460
Income (loss) before contributions and transfers	765,119	2,093,778	(19,814)	(28,499)	339,084	(213,998)	179,810	3,115,480	1,645,378
Transfers in	-	-	2,661,967	2,234,473	-	-	-	4,896,440	30,000
Transfers out	(2,655,000)	(1,925,000)	-	-	-	-	(380,784)	(4,960,784)	(310,715)
Capital contributions	-	-	-	16,848	-	-	-	16,848	10,832
Change in net position	(1,889,881)	168,778	2,642,153	2,222,822	339,084	(213,998)	(200,974)	3,067,984	1,375,495
Net position, beginning, as restated	48,440,693	4,271,936	10,044,010	5,831,756	(74,410)	5,428,631	3,273,179	18,195,024	18,195,024
Net position, end of year	\$ 46,550,812	\$ 4,440,714	\$ 12,686,163	\$ 8,054,578	\$ 264,674	\$ 5,214,633	\$ 3,072,205	\$ 19,570,519	\$ 19,570,519
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.								(281,731)	
Change in net position of business-type activities								\$ 2,786,253	

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 Year Ended June 30, 2014

	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	\$ 7,217,468	\$ 6,190,559	\$ -	\$ -	\$ 5,646,016	\$ 1,430,978	\$ 470,735	\$ 20,955,756	\$ -
Cash received from interfund services provided	-	-	-	-	-	-	-	-	11,455,000
Cash paid for employee services	(1,851,628)	(2,467,105)	-	-	(3,650,520)	(140,202)	-	(8,109,455)	(530,246)
Cash paid to suppliers for goods and services	(1,444,229)	(1,549,477)	(573,103)	(223,873)	(1,694,246)	(411,342)	(317,338)	(6,213,608)	(8,552,062)
Other operating receipts	203	435	25,361	-	82,609	-	-	108,608	233,476
Net cash provided by operating activities	3,921,814	2,174,412	(547,742)	(223,873)	383,859	879,434	153,397	6,741,301	2,606,168
Cash flows from noncapital financing activities:									
Transfers from other funds	-	-	2,661,967	2,234,473	-	-	-	4,896,440	30,000
Transfers to other funds	(2,655,000)	(1,925,000)	-	-	-	-	(380,784)	(4,960,784)	(310,715)
Net cash provided (used) by noncapital financing activities	(2,655,000)	(1,925,000)	2,661,967	2,234,473	-	-	(380,784)	(64,344)	(280,715)
Cash flows from capital and related financing activities:									
Acquisition and construction of capital assets	(179,605)	(259,000)	(2,178,812)	(860,751)	-	-	-	(3,478,168)	(679,565)
Disposition of capital assets	(321,332)	-	(905,000)	(411,053)	-	(637,405)	-	(2,274,790)	296,531
Principal paid on long-term debt	(620,943)	(61,375)	-	-	-	(281,936)	-	(964,254)	(528,830)
Interest paid on long-term debt	(1,121,880)	(320,375)	(3,083,812)	(1,271,804)	-	(919,341)	-	(6,717,212)	(60,376)
Net cash used in capital and related financing activities	(1,121,880)	(320,375)	(3,083,812)	(1,271,804)	-	(919,341)	-	(6,717,212)	(972,240)
Cash flows from investing activities:									
Interest received	17,598	9,290	64,127	51,593	64,878	4,244	13,093	224,823	41,289
Net change in cash and investments	162,532	(61,673)	(905,460)	790,389	448,737	(35,663)	(214,294)	184,568	1,394,502
Cash and investments, beginning 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
Cash and investments, end of year	\$ 3,903,732	\$ 3,389,357	\$ 12,012,495	\$ 14,679,370	\$ 1,276,026	\$ 1,001,495	\$ 3,021,848	\$ 39,284,323	\$ 16,144,712
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:									
Operating income (loss)	\$ 1,387,825	\$ 2,134,308	\$ (91,630)	\$ (129,091)	\$ 270,005	\$ 59,360	\$ 161,759	\$ 3,792,536	\$ 1,461,918
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation	2,481,634	-	-	-	5,830	758,564	-	3,246,028	1,110,310
Changes in assets and liabilities:									
Accounts receivable	13,976	(11,335)	15,695	-	94,406	70,209	(8,733)	174,218	(28,304)
Prepaid expenses	2,771	2,571	-	-	(13)	-	-	5,329	22,354
Accounts payable	(8,677)	(25,713)	(140,384)	(53,931)	(8,581)	(12,355)	371	(249,270)	14,746
Accrued interest payable	-	-	-	-	325	(1,776)	-	39,355	25,670
Net OPEB obligation payable	13,484	27,322	-	-	82,663	3,000	-	160,256	9,905
Deposits	30,801	46,792	(331,423)	(40,851)	(60,776)	2,432	-	(369,274)	-
Unearned revenue	-	467	-	-	-	-	-	(57,877)	-
Inventory	-	-	-	-	-	-	-	-	(10,431)
Net cash provided by (used in) operating activities	\$ 3,921,814	\$ 2,174,412	\$ (547,742)	\$ (223,873)	\$ 383,859	\$ 879,434	\$ 153,397	\$ 6,741,301	\$ 2,606,168
Noncash capital and related financing activities:									
Contributed capital assets	\$ -	\$ -	\$ -	\$ 16,848	\$ -	\$ -	\$ -	\$ 16,848	\$ -

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
June 30, 2014

ASSETS

Cash and investments	<u>\$ 4,367,225</u>
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LIABILITIES

Amounts held for other parties	<u>\$ 4,367,225</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, 2014

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, and because the services of the Agency are exclusively for the benefit of the City, the funds of the Agency are blended with those of the City by including them in the appropriate statements and schedules of this Comprehensive Annual Financial Report.

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

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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, 2014

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 financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

There are stated minimum criteria for the determination of major funds: percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category, or the governmental and enterprise funds combined. The City electively added funds as major funds, those funds which either had debt outstanding or specific community focus. Non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

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

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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

b. Receivables and Payables

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

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

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

For the year ended June 30, 2014, the City’s tax levy did not exceed the Oregon constitutional limitation. The total property tax levy was \$29,539,586. This includes general property taxes to support general obligation bond debt service of \$3,389,285.

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 with a corresponding nonspendable fund balance. The amount shown as inventory has been recorded as an expenditure, consistent with the “purchase method” of accounting for inventories.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

d. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2014 are recorded as prepaid items. These prepaid amounts are recorded in the balance sheet as an asset with a corresponding nonspendable fund balance and are shown as expenditures in the periods that the service is provided, consistent with the “consumption method” of accounting for prepaids.

e. Restricted Assets

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

f. Capital Assets

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

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

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

Depreciation and amortization of capital assets are computed on the straight-line method over the estimated useful lives of the related assets. Upon disposal of such assets, the accounts are relieved of the related historical costs and accumulated depreciation, and resulting gains or losses are reflected in income. The estimated useful lives of the various categories of assets are as follows:

<u>Category</u>	<u>Estimated Useful Life</u>
Buildings	10-50 years
Equipment	3-20 years
Infrastructure	20-50 years
Studies	20 years
Library Books	10 years

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized in the year incurred.

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

i. Deferred Outflows/Inflows of Resources

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

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

j. 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, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund balances by classification for the year ended June 30, 2014 were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Street</u>	<u>Housing and Community Development</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Inventories	\$ 1,830	\$ 103,466	\$ -	\$ -	\$ 105,296
Prepays and deposits	18,309	-	-	44,127	62,436
Investment in foreclosed property	1,970	-	-	-	1,970
Restricted:					
Debt service	-	-	-	684,929	684,929
Urban renewal	-	-	-	458,738	458,738
Capital projects	-	-	-	1,647,595	1,647,595
Transportation	-	848,658	-	2,282,194	3,130,852
Public Safety	-	-	-	2,498,021	2,498,021
Building code	-	-	-	85,469	85,469
Economic development	-	-	-	388,934	388,934
Library services	-	-	-	166,379	166,379
Committed:					
Development assessment	-	-	-	1,052,856	1,052,856
Capital projects	-	-	-	1,403,028	1,403,028
Technology fee reserve	25,902	-	-	-	25,902
Public Safety	-	-	-	4,646	4,646
Assigned:					
Capital projects	-	-	-	292,714	292,714
Contingency reserve	600,000	-	-	-	600,000
Public Safety	-	-	-	27,794	27,794
Other purposes	-	-	-	123,437	123,437
Unassigned	7,698,382	-	(64,907)	-	7,633,475
Total fund balances	<u>\$ 8,346,393</u>	<u>\$ 952,124</u>	<u>\$ (64,907)</u>	<u>\$ 11,160,861</u>	<u>\$ 20,394,471</u>

k. Indirect Expenses Allocation

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

l. 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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 position.

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 position. One element of that reconciliation explains that “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.” The details of this \$30,706,276 difference are as follows:

Bonds payable, net of original issue discount	\$ 21,583,797
Notes payable	977,206
Due to developer	210,000
Accrued interest payable	89,436
Compensated absences	4,062,395
Net OPEB obligation	<u>3,783,442</u>
Total	<u>\$ 30,706,276</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 position at their net depreciable value.” The details of this \$126,086,316 are as follows:

Capital assets (net of accumulated depreciation) reported in the Statement of Net Position – governmental activities column:	
Land and work in progress	\$ 56,640,604
Other capital assets (net of accumulated depreciation)	74,596,844
Total capital assets reported in internal service funds included in the Statement of Net Position – governmental activities column (net of accumulated depreciation):	<u>(5,151,132)</u>
Net adjustment	<u>\$ 126,086,316</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position 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 \$3,999,783 difference are as follows:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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

Capital outlay	\$ 768,181
Donated capital assets	354,368
Depreciation	<u>(5,122,332)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (3,999,783)</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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$2,515,939 difference are as follows:

Principal repayment of general obligation debt	\$ 2,255,000
Principal repayment of note payable	252,973
Amortization of deferred charge on refunding	(19,676)
Amortization of bond discounts	(507)
Amortization of bond premiums	15,612
Decrease in accrued interest payable	<u>12,537</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 2,515,939</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 \$610,851 difference are as follows:

Decrease in accrued compensated absences	\$ 99,534
Increase in net OPEB obligation	<u>(710,385)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (610,851)</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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, 2014, the City Council approved several transfer resolutions and supplemental budgets increasing appropriations by \$2,802,400.

The Housing and Community Development Fund reported a negative fund balance of \$64,907. Of this balance, \$30,450 was the result of an overpayment 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 full refund of this amount. The remaining balance of \$34,457 was the result of the City not being able to request reimbursement of expenditures for a project because the correct environmental review procedures were not completed prior to commitment of the funds. The City and HACSA staff are working with the regional HUD representative to initiate a waiver process that would allow the project to move forward and the City to be reimbursed.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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, 2014, cash and investments are comprised of the following:

Cash on Hand	\$	8,947
Cash with Fiscal Agent		5,500
Deposits		10,821,797
Local Government Investment Pool Accounts		84,402,263
Investments		<u>89,403,897</u>
		<u>\$ 184,642,404</u>

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

Governmental Funds	\$	37,453,477
Business-type Funds		39,284,324
Component Units		
MWMC		74,125,262
MWMC Restricted		29,412,116
Not Appearing on Statement of Net Position		
Fiduciary Fund		<u>4,367,225</u>
		<u>\$ 184,642,404</u>

Deposits

On June 30, 2014 the City of Springfield held \$10,821,797 in deposits. Of this total, \$766,381 is in commercial checking accounts with a bank balance of \$1,128,087. 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. \$1,000,000 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE D – CASH AND INVESTMENTS - Continued

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

Local Government Investment Pool

The Oregon State Treasurer maintains the Oregon Short Term Fund, of which the Local Government Investment Pool (LGIP) is a part. Participation by local governments is voluntary. The State of Oregon Investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. LGIP was created to offer a short-term investment alternative for Oregon local governments. The investments are regulated by the Oregon Short-term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Separate financial statements for the Oregon Short-term Fund are available from the Oregon State Treasurer or www.ost.state.or.us. On June 30, 2014, the City had \$43,858,498 in the LGIP and \$40,543,765 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, 2014, that amount was \$46,801,588.

Investments

On June 30, 2014, the City of Springfield held \$89,403,897 of investments: Corporate indebtedness of \$40,937,950 and Government Agency securities totaling \$48,465,947.

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, 2014, 100% of the total investments were considered short-term and had

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE D – CASH AND INVESTMENTS - Continued

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, 2014.

Short-Term Investments:

<u>Maturity</u>	<u>Amount</u>	<u>Actual %</u>	<u>Investment Policy %</u>
Under 30 days	\$ 93,002,531	50%	10 % minimum
Under 90 days	109,743,277	59%	25 % minimum
Under 270 days	148,906,843	81%	50 % minimum
Under one year	152,370,619	83%	80 % minimum
Under 18 months	184,642,404	100%	100 % minimum

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, 2014, 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, 2014 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, 2014.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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	\$ 84,402,263	46%	100%
Government Agencies	48,465,947	26%	N/A
US Bank	766,381	1%	15%
Sterling Bank	2,021,659	1%	15%
Siuslaw Bank NOW	2,012,909	1%	15%
Umpqua Bank	6,020,848	3%	15%
Corporate Indebtedness:			
JP Morgan Chase	7,334,326	4%	5%
Barclay's Bank	8,056,830	4%	5%
Bank of America	2,059,660	1%	5%
General Elec Cap Corp	4,050,880	2%	5%
Merrill Lynch	5,053,720	3%	5%
Credit Suisse	7,198,364	4%	5%
Wells Fargo Bank	7,184,170	4%	5%
Other	14,447	-	N/A
Totals	<u>\$ 184,642,404</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	\$ 84,402,263	46%	100 %
Interest Bearing Checking Account	766,381	1%	50 %
Money Market Account	7,819,440	4%	50 %
Time Certificates of Deposit	2,235,976	1%	25 %
Corporate Indebtedness	40,937,950	22%	25 %
Government Agencies	48,465,947	26%	50 %
Other	14,447	-	0 %
Totals	<u>\$ 184,642,404</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, 2014

NOTE E – RECEIVABLES AND UNAVAILABLE REVENUE

Receivables at June 30, 2014 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	\$ 1,395,827	\$ 664,785	\$ -	\$ -	\$ 80,953	\$ -	\$ 2,141,565	\$ -	\$ 2,141,565
CDBG	-	-	-	102,047	-	3,699,639	3,801,686	-	3,801,686
Sewer	-	541,737	-	-	29,681	-	571,418	-	571,418
Storm Drainage	-	488,838	-	-	23,109	-	511,947	-	511,947
Sanitary Sewer Capital	-	4,954	-	-	73,808	-	78,762	-	78,762
Storm Drainage Capital	-	-	-	-	86,541	-	86,541	-	86,541
Ambulance	-	1,143,384	-	-	5,705	-	1,149,089	(738,521)	410,568
Booth-Kelly	-	3,667	-	-	6,118	-	9,785	-	9,785
Nonmajor Governmental	833,710	138,910	172,592	62,272	75,919	144,000	1,427,403	-	1,427,403
Nonmajor Enterprise	-	35,337	-	-	19,903	-	55,240	-	55,240
Internal Service Funds	-	47,416	-	-	93,700	-	141,116	-	141,116
	<u>\$ 2,229,537</u>	<u>\$ 3,069,028</u>	<u>\$ 172,592</u>	<u>\$ 164,319</u>	<u>\$ 495,437</u>	<u>\$ 3,843,639</u>	<u>\$ 9,974,552</u>	<u>\$ (738,521)</u>	<u>\$ 9,236,031</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.

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, 2014, the various components of unavailable revenue (deferred inflows) consist of the following:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE E – RECEIVABLES AND UNAVAILABLE REVENUE – Continued

FUND BY TYPE	Property taxes receivable	Fees and charges	Mortgage notes receivable	Assessments	Accrued Other	Total deferred inflow
General Fund	\$ 1,360,658	\$ 255,449	\$ -	\$ -	\$ 216,820	\$ 1,832,927
CDBG Fund	-	-	3,699,639	-	-	3,699,639
Special revenue funds	492,660	21,682	-	-	15,695	530,037
Debt service funds	321,640	-	-	6,293	-	327,933
Capital projects fund	-	8,878	-	169,734	9,384	187,996
Total deferred inflow	<u>\$ 2,174,958</u>	<u>\$ 286,009</u>	<u>\$ 3,699,639</u>	<u>\$ 176,027</u>	<u>\$ 241,899</u>	<u>\$ 6,578,532</u>

NOTE F – CAPITAL ASSETS

Governmental activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 55,763,660	\$ 435,291	\$ (251,109)	\$ 55,947,842
Work in progress	602,644	90,118	-	692,762
Total capital assets, not being depreciated	<u>56,366,304</u>	<u>525,409</u>	<u>(251,109)</u>	<u>56,640,604</u>
Capital assets, being depreciated:				
Buildings	46,859,326	741,537	-	47,600,863
Infrastructure	69,488,565	4,033	-	69,492,598
Machinery & equipment	20,489,076	793,077	(1,266,629)	20,015,524
Library books	1,998,269	-	-	1,998,269
Studies	644,561	-	-	644,561
Total capital assets, being depreciated	<u>139,479,797</u>	<u>1,538,647</u>	<u>(1,266,629)</u>	<u>139,751,815</u>
Less accumulated depreciation for:				
Buildings	(16,368,521)	(2,203,471)	-	(18,571,992)
Infrastructure	(27,439,230)	(2,450,707)	-	(29,889,937)
Machinery & equipment	(14,093,073)	(1,446,771)	1,122,355	(14,417,489)
Library books	(1,719,719)	(85,596)	-	(1,805,315)
Studies	(424,141)	(46,097)	-	(470,238)
Total depreciation	<u>(60,044,684)</u>	<u>(6,232,642)</u>	<u>1,122,355</u>	<u>(65,154,971)</u>
Total capital assets, being depreciated, net	<u>79,435,113</u>	<u>(4,693,995)</u>	<u>(144,274)</u>	<u>74,596,844</u>
Governmental activities capital assets, net	<u>\$ 135,801,417</u>	<u>\$ (4,168,586)</u>	<u>\$ (395,383)</u>	<u>\$ 131,237,448</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE F – CAPITAL ASSETS – Continued

Business-type activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,758,858	\$ -	\$ -	\$ 4,758,858
Work in progress	6,418,781	1,159,882	(5,405,519)	2,173,144
Total capital assets, not being depreciated	<u>11,177,639</u>	<u>1,159,882</u>	<u>(5,405,519)</u>	<u>6,932,002</u>
Capital assets, being depreciated:				
Buildings & structure	86,632,134	7,735,600	-	94,367,734
Land improvements	507,931	-	-	507,931
Equipment	1,274,341	-	(60,117)	1,214,224
Studies	1,659,804	-	-	1,659,804
Total capital assets, being depreciated	<u>90,074,210</u>	<u>7,735,600</u>	<u>(60,117)</u>	<u>97,749,693</u>
Less accumulated depreciation for:				
Land improvements	(507,607)	(324)	-	(507,931)
Buildings	(24,943,737)	(3,062,038)	-	(28,005,775)
Equipment	(1,139,628)	(25,213)	60,117	(1,104,724)
Studies	(486,121)	(158,453)	-	(644,574)
Total depreciation	<u>(27,077,093)</u>	<u>(3,246,028)</u>	<u>60,117</u>	<u>(30,263,004)</u>
Total capital assets, being depreciated, net	<u>62,997,117</u>	<u>4,489,572</u>	<u>-</u>	<u>67,486,689</u>
Business-type activities capital assets, net	<u>\$ 74,174,756</u>	<u>\$ 5,649,454</u>	<u>\$ (5,405,519)</u>	<u>\$ 74,418,691</u>

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

Governmental activities:

General government	\$ 85,075
Police	2,136,131
Fire	777,861
Development & public works	2,887,533
Library	95,608
Unallocated	<u>250,434</u>
Total depreciation expense – governmental activities	<u>\$ 6,232,642</u>

Business-type activities:

Sewer	\$ 2,481,634
Booth-Kelly	758,564
Ambulance	<u>5,830</u>
Total depreciation expense – business type activities	<u>\$ 3,246,028</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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.

The following changes occurred in the health and dental claims liability in the current and previous fiscal year:

Fiscal year ended June 30	Liability balance at beginning of year	Current year claims and changes in estimates	Claim Payments	Liability balance at end of year
2013	\$ -	\$ 2,256,826	\$ (1,791,735)	\$ 465,091
2014	465,091	4,894,984	(4,960,500)	399,575

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 three 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE H – CAPITAL LEASES – Continued

The assets acquired through capital leases are as follows:

Machinery and equipment	\$ 2,685,227
Less: Accumulated depreciation	<u>(756,418)</u>
Total	<u><u>\$ 1,928,809</u></u>

The future minimum lease obligations as of June 30, 2014, are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>
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><u>\$ 1,227,516</u></u>	<u><u>\$ 74,968</u></u>

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, 2014 are as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Effective Interest Rate</u>	<u>Outstanding July 1, 2013</u>	<u>Issued During year</u>	<u>Matured During Year</u>	<u>Outstanding June 30, 2014</u>	<u>Due Within One Year</u>
Series 2007	3/9/2007	2026	4.00%	\$18,950,000	\$ -	\$(1,125,000)	\$17,825,000	\$ 1,175,000
Series 2005	7/26/2005	2025	3.48%	4,715,000	-	(1,130,000)	3,585,000	1,165,000
					Unamortized Premium		199,054	
					Unamortized Discount		(5,581)	
					Due in current year		<u>(2,340,000)</u>	
					Total noncurrent liabilities		<u><u>\$19,263,473</u></u>	

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE I - LONG-TERM DEBT - Continued

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, 2014 are as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Effective Interest Rate</u>	<u>Outstanding July 1, 2013</u>	<u>Issued During Year</u>	<u>Matured During Year</u>	<u>Outstanding June 30, 2014</u>	<u>Due Within One Year</u>
Series 2005	5-13-05	2015	3.700%	\$ 460,000	\$ -	\$ (225,000)	\$ 235,000	\$ 235,000
Series 2009	4-02-09	2029	4.070%	19,605,000	-	(905,000)	18,700,000	930,000
Series 2010	10-06-10	2030	3.149%	9,260,000	-	(385,000)	8,875,000	395,000

Maturities of bond principal and interest are as follows:

<u>Year</u>	<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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
2018-19	1,615,000	586,618	1,540,000	880,181	3,155,000	1,466,799
2019-2024	9,095,000	1,936,605	8,595,000	3,495,006	17,690,000	5,431,611
2024-2029	3,870,000	240,941	10,475,000	1,607,201	14,345,000	1,848,142
2029-2031	-	-	1,355,000	54,700	1,355,000	54,700
Total	<u>\$ 21,410,000</u>	<u>\$ 5,758,641</u>	<u>\$ 27,810,000</u>	<u>\$ 10,097,481</u>	<u>\$ 49,220,000</u>	<u>\$ 15,856,122</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE I - LONG-TERM DEBT - Continued

Notes Payable

At June 30, 2014 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	\$ 77,206
Bank of America (FS 16), payable in semi-annual installments including interest at 4.9%, due 2018	<u>900,000</u>
Total governmental activities	<u>\$ 977,206</u>

Business-type activities:

McKenzie Enterprises, Inc. note payable in monthly installments of \$7,024 including interest at 7%, due in 2017 Carter Building	\$ 227,482
Bank of the West (BLM), Note payable with monthly installments beginning June 2009 at 6.97%, due in May of 2019	<u>3,467,535</u>
Total business-type activities	<u>\$ 3,695,017</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>
2014-15	\$ 262,206	\$ 683,275
2015-16	195,000	732,442
2016-17	200,000	785,196
2017-18	210,000	754,687
2018-19	<u>110,000</u>	<u>739,417</u>
	<u>\$ 977,206</u>	<u>\$ 3,695,017</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE I - LONG-TERM DEBT - continued

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.

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 34% 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, 2014</u>
General	\$ 3,111,499
Streets	413,794
Special revenue/services	537,103
Internal service funds	<u>3,017</u>
	<u>\$ 4,065,413</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, 2014</u>
General	\$ 1,369,294
Streets	799,663
Special revenue/services	1,593,210
Other governmental funds	21,275
Internal service funds	<u>46,295</u>
	<u>\$ 3,829,737</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE I - LONG-TERM DEBT - Continued

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 23,665,000	\$ -	\$ (2,255,000)	\$ 21,410,000	\$ 2,340,000
Less deferred amounts					
For issuance premiums	214,667	-	(15,613)	199,054	-
For issuance discounts	(6,089)	-	508	(5,581)	-
Total bonds payable	23,873,578	-	(2,270,105)	21,603,473	2,340,000
Notes payable	1,230,179	-	(252,973)	977,206	262,206
Contracts payable	210,000	-	-	210,000	-
Capital leases	1,756,347	-	(528,831)	1,227,516	551,307
Accrued absences	4,165,374	1,264,519	(1,364,480)	4,065,413	1,336,518
OPEB obligation	3,109,447	720,290	-	3,829,737	-
Governmental activity long-term liabilities	<u>\$ 34,344,925</u>	<u>\$ 1,984,809</u>	<u>\$ (4,416,389)</u>	<u>\$ 31,913,345</u>	<u>\$ 4,490,031</u>
<u>Business-type activities:</u>					
Bonds payable:					
Revenue bonds	\$ 29,325,000	\$ -	\$ (1,515,000)	\$ 27,810,000	\$ 1,560,000
Less deferred amounts					
For issuance discounts	(6,229)	-	3,181	(3,048)	-
For issuance premiums	610,636	-	(53,977)	556,659	-
Total bonds payable	29,929,407	-	(1,565,796)	28,363,611	1,560,000
Notes payable	4,404,011	-	(708,994)	3,695,017	683,275
Accrued absences	681,553	259,746	(246,183)	695,116	302,253
OPEB obligation	704,253	160,256	-	864,509	-
Business-type activities long-term liabilities	<u>\$ 35,719,224</u>	<u>\$ 420,002</u>	<u>\$ (2,520,973)</u>	<u>\$ 33,618,253</u>	<u>\$ 2,545,528</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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	\$ 119,535
Storm Drainage	Internal service funds	89,914
Booth Kelly	Internal service funds	96,142
Ambulance	Internal service funds	<u>111,138</u>
Total due to/from other funds (different fund types)		<u>\$ 416,729</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, 2014 are presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Metropolitan Wastewater	Internal service funds	<u>\$ 46,792</u>

Interfund Transfers

Fund	<u>General</u>	<u>Street</u>	<u>Nonmajor Governmental Funds</u>	<u>Sewer Capital</u>	<u>Drainage Capital</u>	<u>Internal Service Funds</u>	<u>Total Transfers Out</u>
General	\$ -	\$ 377,220	\$ 373,685	\$ -	\$ -	\$ -	\$ 750,905
Street	-	-	100,000	-	-	-	100,000
Nonmajor Governmental	651,088	-	2,870,357	6,967	-	30,000	3,558,412
Sanitary Sewer	-	-	-	2,655,000	-	-	2,655,000
Storm Drainage	-	-	-	-	1,925,000	-	1,925,000
Nonmajor Enterprise	-	-	71,311	-	309,473	-	380,784
Internal Service Funds	<u>310,715</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>310,715</u>
Total Transfer In	<u>\$ 961,803</u>	<u>\$ 377,220</u>	<u>\$ 3,415,353</u>	<u>\$ 2,661,967</u>	<u>\$ 2,234,473</u>	<u>\$ 30,000</u>	<u>\$ 9,680,816</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, 2014

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, 2014.

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, 2014.

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 27.8%. The annual lump sum contribution for the current bi-annual period is \$1,352,000.

The City’s contribution to the CRP was calculated using the covered base salary amount of \$2,425,639. The City’s total payroll was \$28,695,685.

Annual Pension Cost – For the fiscal year 2013-14, the City’s contribution of \$2,026,328 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, 2014

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:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE L – CITY PENSION PLAN – Continued

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. The July 1, 2012 actuarial valuation was used to determine the 2013-14. Below is a summary of the ARC by fiscal year:

<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
2014	27.8% plus \$1,352,000

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%	-
6/30/2014	2,026,328	100%	-

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE L – CITY PENSION PLAN – Continued

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) – (a)	Funded Ratio (a) / (b)	Estimated Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) – (a)] / (c)
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%

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE M – PERS PENSION PLAN – Continued

Contributions made by, or on the behalf of, the employee are payable in a lump sum or monthly amounts using several payment options. OPERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes, Chapter 238, Oregon Revised Statutes.

In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for PERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive PERS members who return to employment following a six month or greater break in service. The new plan consists of a defined benefit program (the Pension Program) and a defined contribution portion (the

Individual Account Program or IAP). The Pension Program portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service and a factor that varies based on type of service (general vs. police or fire).

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

Both existing PERS and OPSRP accounts are administered by the Oregon Public Employees Retirement Board (OPERB). The comprehensive annual financial report of the funds administered by the OPERB may be obtained 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, 2014 was 11.28% 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 7.94% of covered payroll. For members of OPSRP General Service, the rate was 5.21% 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, 2014 was \$26,270,045. The City's total payroll was \$28,695,685.

Annual Pension Cost – For the fiscal year 2013-14, the City's annual pension cost of \$4,138,067 for OPERS was equal to the City's required and actual contributions. Of this amount, \$2,535,696 was funded by the City and \$1,602,371 was paid by employee contributions from fire public safety and general service members.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE M – PERS PENSION PLAN – Continued

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	-
6/30/14	4,138,067	100	-

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, 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, 2014, 24 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, 2014 was \$29,210.

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, 2014, 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, 2014, the amount actually contributed to the plans, and changes in the City’s net OPEB obligation:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE N – OTHER POSTEMPLOYMENT BENEFITS – Continued

Annual required contribution	\$ 1,556,343
Interest on net OPEB obligation	137,487
Adjustment to ARC	<u>(472,331)</u>
Annual OPEB cost (expense)	1,221,499
Contributions	<u>(316,962)</u>
Increase in net OPEB obligation	904,537
Net OPEB obligation, beginning of year	<u>3,928,195</u>
Net OPEB obligation, end of year	<u><u>\$ 4,832,732</u></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 2014 and the preceding three years were as follows:

<u>Fiscal year</u> <u>ending June 30</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Contribution</u>	<u>Percentage of annual</u> <u>OPEB cost</u> <u>contributed</u>	<u>Net OPEB</u> <u>obligation</u>
2009	\$ 963,449	\$ 358,817	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
2014	1,221,499	316,962	25.95%	4,832,732

* 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</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>UAAL as a</u> <u>Percentage of</u> <u>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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE N – OTHER POSTEMPLOYMENT BENEFITS – Continued

past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

The July 1, 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, 2014, the City was obligated under incomplete construction contracts in the amount of \$1,530,801.

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, 2014, the Sick Leave Reserve Program bank contained 6,603 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE Q – RESTATEMENT

For the fiscal year ended June 30, 2014, the City implemented GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities.” This implementation resulted in the write-off of bond issuance costs and a reduction of beginning Net Position by \$356,974 in the government funds, and a reduction of \$312,424 in the proprietary funds.

NOTE R – NEW PRONOUNCEMENTS

The City implemented the following pronouncement during the fiscal year:

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 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. 68, “Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27,” replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The statement is effective for fiscal years beginning after June 15, 2014.

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

NOTE R – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 19, 2014, 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.

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, 2014

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 18,522,168	\$ 18,522,168	\$ 18,355,981	\$ (166,187)	\$ -	\$ 18,355,981
Licenses and permits	2,130,800	2,168,989	2,398,017	229,028	(2,107)	2,395,910
Intergovernmental revenue	3,926,900	3,933,301	3,844,641	(88,660)	-	3,844,641
Charges for services	5,523,045	5,523,045	5,330,345	(192,700)	-	5,330,345
Fines and forfeitures	1,752,000	1,752,000	1,585,514	(166,486)	-	1,585,514
Investment earnings	152,500	152,500	57,139	(95,361)	9,527	66,666
Miscellaneous revenue	201,040	208,823	383,717	174,894	-	383,717
Total revenues	32,208,453	32,260,826	31,955,354	(305,472)	7,420	31,962,774
Expenditures:						
Current operating:						
City manager's office	1,271,412	1,278,092	1,200,841	77,251	-	1,200,841
Court	1,427,087	1,410,561	1,303,310	107,251	-	1,303,310
Human resources	392,242	383,533	363,443	20,090	-	363,443
Finance	903,874	899,438	877,933	21,505	-	877,933
Information technology	1,391,062	1,357,608	1,343,620	13,988	-	1,343,620
Fire	9,931,547	10,141,750	9,970,790	170,960	(8,364)	9,962,426
Police	13,442,736	13,272,250	13,211,827	60,423	27,023	13,238,850
Library	1,483,283	1,454,774	1,357,587	97,187	-	1,357,587
Development & public works	2,222,042	2,224,456	2,145,954	78,502	3,449	2,149,403
Contingency	600,000	600,000	-	600,000	-	-
Debt Service:						
Principal	180,000	180,000	180,000	-	-	180,000
Interest	50,715	50,715	50,715	-	-	50,715
Total expenditures	33,296,000	33,253,177	32,006,020	1,247,157	22,108	32,028,128
Excess of revenues over (under) expenditures	(1,087,547)	(992,351)	(50,666)	941,685	(14,688)	(65,354)
Other financing sources (uses):						
Transfers in	884,724	1,001,462	961,803	(39,659)	-	961,803
Transfers out	(751,635)	(751,635)	(750,905)	730	-	(750,905)
Total other financing sources (uses)	133,089	249,827	210,898	(38,929)	-	210,898
Net change in fund balances	(954,458)	(742,524)	160,232	902,756	(14,688)	145,544
Fund balance, beginning of year	8,143,851	8,268,084	8,268,083	(1)	(67,234)	8,200,849
Fund balance, end of year	\$ 7,189,393	\$ 7,525,560	\$ 8,428,315	\$ 902,755	\$ (81,922)	\$ 8,346,393

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, 2014

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,150,640	\$ 1,150,640	\$ 1,042,494	\$ (108,146)	\$ -	\$ 1,042,494
Licenses and permits	130,000	130,000	204,187	74,187	-	204,187
Intergovernmental revenue	3,507,700	3,507,700	3,687,173	179,473	-	3,687,173
Charges for services	133,000	158,000	161,320	3,320	-	161,320
Investment earnings	600	600	2,214	1,614	252	2,466
Miscellaneous revenue	5,000	5,000	25,648	20,648	-	25,648
Total revenues	4,926,940	4,951,940	5,123,036	171,096	252	5,123,288
Expenditures:						
Current operating:						
Development & public works	5,397,917	5,700,475	5,446,587	253,888	(4,693)	5,441,894
Excess of revenues over (under) expenditures	(470,977)	(748,535)	(323,551)	424,984	4,945	(318,606)
Other financing sources (uses):						
Transfers in	377,220	377,220	377,220	-	-	377,220
Transfers out	(100,000)	(100,000)	(100,000)	-	-	(100,000)
Total other financing sources (uses)	277,220	277,220	277,220	-	-	277,220
Net change in fund balances	(193,757)	(471,315)	(46,331)	424,984	4,945	(41,386)
Fund balance, beginning of year	835,254	893,680	893,681	1	81,533	975,214
Change in reserve for inventory	-	-	-	-	18,296	18,296
Fund balance, end of year	\$ 641,497	\$ 422,365	\$ 847,350	\$ 424,985	\$ 104,774	\$ 952,124

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, 2014

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ 746,303	\$ 1,470,498	\$ 653,459	\$ (817,039)	\$ -	\$ 653,459
Investment earnings	34,443	60,809	-	(60,809)	-	-
Miscellaneous receipts	-	-	34,078	34,078	-	34,078
Total revenues	780,746	1,531,307	687,537	(843,770)	-	687,537
Expenditures:						
Current operating:						
Finance	23,753	23,123	23,123	-	-	23,123
Development & public works	756,993	1,478,751	702,956	775,795	-	702,956
Total expenditures	780,746	1,501,874	726,079	775,795	-	726,079
Net change in fund balances	-	29,433	(38,542)	(67,975)	-	(38,542)
Fund balance, beginning of year	142,600	(26,366)	(26,365)	1	-	(26,365)
Fund balance, end of year	\$ 142,600	\$ 3,067	\$ (64,907)	\$ (67,974)	\$ -	\$ (64,907)

City of Springfield, Oregon

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2014

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%	-
6/30/2014	2,026,328	100%	-

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, 2014

	<u>Special</u>	<u>Capital</u>	<u>Debt</u>	<u>Total</u>
	<u>Revenue Funds</u>	<u>Projects Funds</u>	<u>Service Funds</u>	<u>Nonmajor</u>
				<u>Governmental</u>
				<u>Funds</u>
ASSETS				
Cash and investments	\$ 4,025,338	\$ 6,723,327	\$ 780,852	\$ 11,529,517
Receivables:				
Accounts	108,955	29,955	-	138,910
Taxes	505,689	-	328,021	833,710
Grants	62,272	-	-	62,272
Accrued interest	21,070	42,897	11,952	75,919
Assessments and liens	-	166,299	6,293	172,592
Notes	-	144,000	-	144,000
Deposits	44,127	-	-	44,127
	<u>44,127</u>	<u>-</u>	<u>-</u>	<u>44,127</u>
Total assets	<u>\$ 4,767,451</u>	<u>\$ 7,106,478</u>	<u>\$ 1,127,118</u>	<u>\$ 13,001,047</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 343,219	\$ 94,184	\$ -	\$ 437,403
Accrued payroll and other liabilities	228,546	1,911	383	230,840
Deposits	5,480	-	-	5,480
Total liabilities	<u>577,245</u>	<u>96,095</u>	<u>383</u>	<u>673,723</u>
Deferred inflows of resources:				
Unavailable revenue	506,535	331,996	327,932	1,166,463
	<u>506,535</u>	<u>331,996</u>	<u>327,932</u>	<u>1,166,463</u>
Fund Balances:				
Nonspendable	44,127	-	-	44,127
Restricted	3,597,541	3,929,789	684,929	8,212,259
Committed	4,646	2,455,884	-	2,460,530
Assigned	37,357	292,714	113,874	443,945
	<u>37,357</u>	<u>292,714</u>	<u>113,874</u>	<u>443,945</u>
Total fund balances	<u>3,683,671</u>	<u>6,678,387</u>	<u>798,803</u>	<u>11,160,861</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,767,451</u>	<u>\$ 7,106,478</u>	<u>\$ 1,127,118</u>	<u>\$ 13,001,047</u>

City of Springfield, Oregon
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year ended June 30, 2014

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 8,399,137	\$ -	\$ 3,290,104	\$ 11,689,241
Licenses, permits and fees	100,753	-	-	100,753
Intergovernmental revenue	293,509	97,718	-	391,227
Charges for services	1,001,476	648,907	-	1,650,383
Fines and forfeitures	88,419	-	-	88,419
Investment earnings	22,789	39,825	10,250	72,864
Special assessments	-	31,651	-	31,651
Miscellaneous revenue	107,421	19,312	-	126,733
Total revenues	10,013,504	837,413	3,300,354	14,151,271
Expenditures:				
Current operating:				
General government	837,531	75,359	16,995	929,885
Fire	1,553,018	-	-	1,553,018
Police	5,879,961	-	-	5,879,961
Library	82,851	-	-	82,851
Development & public works	949,792	183,260	-	1,133,052
Capital projects	708,457	524,206	-	1,232,663
Debt service:				
Principal	-	-	2,327,974	2,327,974
Interest	737	-	959,994	960,731
Total expenditures	10,012,347	782,825	3,304,963	14,100,135
Excess of revenues over (under) expenditures	1,157	54,588	(4,609)	51,136
Other financing sources (uses):				
Transfers in	2,900,729	416,034	98,590	3,415,353
Transfers out	(2,732,166)	(796,246)	(30,000)	(3,558,412)
Total other financing sources (uses)	168,563	(380,212)	68,590	(143,059)
Net change in fund balances	169,720	(325,624)	63,981	(91,923)
Fund balance, beginning of year	3,513,951	7,004,011	734,822	11,252,784
Fund balance, end of year	<u>\$ 3,683,671</u>	<u>\$ 6,678,387</u>	<u>\$ 798,803</u>	<u>\$ 11,160,861</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:

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.

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:

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 as well as funding jail operations.

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, 2014

	Special Revenue	Transient Room Tax	Building	SEDA Glenwood	SEDA Downtown	Fire Levy	Police Levy	Jail Operations	Total
Cash and investments	\$ 793,323	\$ 298,390	\$ 106,351	\$ 296,879	\$ 167,006	\$ 535,576	\$ 1,665,798	\$ 162,015	\$ 4,025,338
Receivables:									
Accounts	-	94,760	-	-	-	-	-	14,195	108,955
Taxes	-	-	-	42,805	15,975	108,528	338,381	-	505,689
Grants	62,272	-	-	-	-	-	-	-	62,272
Accrued interest	-	1,520	911	1,488	-	4,035	13,116	-	21,070
Deposits	44,127	-	-	-	-	-	-	-	44,127
Total assets	\$ 899,722	\$ 394,670	\$ 107,262	\$ 341,172	\$ 182,981	\$ 648,139	\$ 2,017,295	\$ 176,210	\$ 4,767,451

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

Liabilities:									
Accounts payable	\$ 59,705	\$ 1,973	\$ 1,262	\$ 6,417	\$ 1,776	\$ 35,953	\$ 155,239	\$ 80,894	\$ 343,219
Accrued payroll and other liabilities	-	7,273	20,531	-	-	47,140	82,287	71,315	228,546
Deposits	-	-	-	-	-	-	-	5,480	5,480
Total liabilities	59,705	9,246	21,793	6,417	1,776	83,093	237,526	157,689	577,245
Deferred inflows of resources:									
Unavailable revenue	-	-	-	41,672	15,550	105,813	329,625	13,875	506,535
Fund balances:									
Nonspendable	44,127	-	-	-	-	-	-	-	44,127
Restricted	758,533	385,424	85,469	293,083	165,655	459,233	1,450,144	-	3,597,541
Committed	-	-	-	-	-	-	-	4,646	4,646
Assigned	37,357	-	-	-	-	-	-	-	37,357
Total fund balances	840,017	385,424	85,469	293,083	165,655	459,233	1,450,144	4,646	3,683,671
Total liabilities, deferred inflows of resources, and fund balances	\$ 899,722	\$ 394,670	\$ 107,262	\$ 341,172	\$ 182,981	\$ 648,139	\$ 2,017,295	\$ 176,210	\$ 4,767,451

City of Springfield, Oregon

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

Year ended June 30, 2014

	Special Revenue	Transient Room Tax	Building	SEDA Glenwood	SEDA Downtown	Fire Levy	Police Levy	Jail Operations	Total
Revenues:									
Taxes	\$ 284,374	\$ 1,070,722	\$ -	\$ 710,408	\$ 265,275	\$ 1,338,167	\$ 4,730,191	\$ -	\$ 8,399,137
Licenses and fees	-	-	-	-	-	-	-	100,753	100,753
Intergovernmental revenue	290,399	-	-	2,918	192	-	-	-	293,509
Charges for services	-	-	726,337	14,300	28,163	-	-	232,676	1,001,476
Fines and forfeitures	88,419	-	-	-	-	-	-	-	88,419
Investment earnings	2,457	1,440	1,040	861	98	4,223	12,670	-	22,789
Miscellaneous revenue	97,390	4,092	-	3,536	-	-	-	2,403	107,421
Total revenues	763,039	1,076,254	727,377	732,023	293,728	1,342,390	4,742,861	335,832	10,013,504
Expenditures:									
Current operating:									
City manager's office	6,169	182,704	-	137,195	90,235	-	-	-	416,303
Court	-	-	-	-	-	-	403,728	-	403,728
Finance	-	-	-	11,350	6,150	-	-	-	17,500
Fire	80,878	-	-	-	-	1,472,140	-	-	1,553,018
Police	527,406	-	-	-	-	-	2,548,880	2,803,675	5,879,961
Library	25,654	57,197	-	-	-	-	-	-	82,851
Development & public works	20,540	105,548	792,465	31,239	-	-	-	-	949,792
Capital projects	-	-	-	-	708,457	-	-	-	708,457
Debt Service:									
Interest	-	-	-	737	-	-	-	-	737
Total expenditures	660,647	345,449	792,465	180,521	804,842	1,472,140	2,952,608	2,803,675	10,012,347
Excess of revenues over (under) expenditures	102,392	730,805	(65,088)	551,502	(511,114)	(129,750)	1,790,253	(2,467,843)	1,157
Other financing sources (uses):									
Transfers in	-	-	-	27,000	660,000	-	-	2,213,729	2,900,729
Transfers out	(12,297)	(593,791)	-	(286,034)	-	-	(1,840,044)	-	(2,732,166)
Total other financing sources (uses)	(12,297)	(593,791)	-	(259,034)	660,000	-	(1,840,044)	2,213,729	168,563
Net change in fund balances	90,095	137,014	(65,088)	292,468	148,886	(129,750)	(49,791)	(254,114)	169,720
Fund balances, beginning of year	749,922	248,410	150,557	615	16,769	588,983	1,499,935	258,760	3,513,951
Fund balances, end of year	\$ 840,017	\$ 385,424	\$ 85,469	\$ 293,083	\$ 165,655	\$ 459,233	\$ 1,450,144	\$ 4,646	\$ 3,683,671

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, 2014

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 425,000	\$ 425,000	\$ 284,374	\$ (140,626)	\$ -	\$ 284,374
Intergovernmental revenue	63,796	358,192	290,399	(67,793)	-	290,399
Fines and forfeitures	-	-	88,419	88,419	-	88,419
Investment earnings	-	-	2,457	2,457	-	2,457
Miscellaneous revenue	86,870	97,734	97,390	(344)	-	97,390
Total revenues	575,666	880,926	763,039	(117,887)	-	763,039
Expenditures:						
Current operating:						
City manager's office	15,730	19,117	6,169	12,948	-	6,169
Court	-	5,000	-	5,000	-	-
Fire	-	81,650	80,878	772	-	80,878
Police	623,796	830,284	527,406	302,878	-	527,406
Library	72,828	86,150	25,654	60,496	-	25,654
Development & public works	-	48,266	20,540	27,726	-	20,540
Total expenditures	712,354	1,070,467	660,647	409,820	-	660,647
Excess of revenues over (under) expenditures	(136,688)	(189,541)	102,392	291,933	-	102,392
Other financing sources (uses):						
Transfers in	730	730	-	(730)	-	-
Transfers out	(20,000)	(32,000)	(12,297)	19,703	-	(12,297)
Total other financing sources (uses)	(19,270)	(31,270)	(12,297)	18,973	-	(12,297)
Net change in fund balances	(155,958)	(220,811)	90,095	310,906	-	90,095
Fund balance, beginning of year	604,081	749,922	749,922	-	-	749,922
Fund balance, end of year	<u>\$ 448,123</u>	<u>\$ 529,111</u>	<u>\$ 840,017</u>	<u>\$ 310,906</u>	<u>\$ -</u>	<u>\$ 840,017</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, 2014

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 987,000	\$ 1,044,150	\$ 1,070,722	\$ 26,572	\$ -	\$ 1,070,722
Investment earnings	1,000	1,000	1,018	18	422	1,440
Miscellaneous revenue	-	-	4,092	4,092	-	4,092
Total revenues	988,000	1,045,150	1,075,832	30,682	422	1,076,254
Expenditures:						
Current operating:						
City managers office	186,967	184,579	182,704	1,875	-	182,704
Library	64,137	65,847	57,197	8,650	-	57,197
Development & public works	112,198	109,392	105,548	3,844	-	105,548
Total expenditures	363,302	359,818	345,449	14,369	-	345,449
Excess of revenues over (under) expenditures	624,698	685,332	730,383	45,051	422	730,805
Other financing sources (uses):						
Transfers out	(542,850)	(600,000)	(593,791)	6,209	-	(593,791)
Net change in fund balances	81,848	85,332	136,592	51,260	422	137,014
Fund balance, beginning of year	196,750	248,099	248,099	-	311	248,410
Fund balance, end of year	\$ 278,598	\$ 333,431	\$ 384,691	\$ 51,260	\$ 733	\$ 385,424

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, 2014

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 770,200	\$ 770,200	\$ 726,337	\$ (43,863)	\$ -	\$ 726,337
Investment earnings	100	100	1,090	990	(50)	1,040
Total revenues	<u>770,300</u>	<u>770,300</u>	<u>727,427</u>	<u>(42,873)</u>	<u>(50)</u>	<u>727,377</u>
Expenditures:						
Current operating:						
Development & public works	<u>829,647</u>	<u>813,156</u>	<u>792,465</u>	<u>20,691</u>	<u>-</u>	<u>792,465</u>
Net change in fund balances	(59,347)	(42,856)	(65,038)	(22,182)	(50)	(65,088)
Fund balance, beginning of year	<u>83,443</u>	<u>150,068</u>	<u>150,068</u>	<u>-</u>	<u>489</u>	<u>150,557</u>
Fund balance, end of year	<u>\$ 24,096</u>	<u>\$ 107,212</u>	<u>\$ 85,030</u>	<u>\$ (22,182)</u>	<u>\$ 439</u>	<u>\$ 85,469</u>

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, 2014

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 650,000	\$ 650,000	\$ 710,408	\$ 60,408	\$ -	\$ 710,408
Intergovernmental revenue	100	100	2,918	2,818	-	2,918
Charges for services	-	-	14,300	14,300	-	14,300
Investment earnings	15,375	15,375	275	(15,100)	586	861
Miscellaneous revenue	-	-	-	-	3,536	3,536
Total revenues	665,475	665,475	727,901	62,426	4,122	732,023
Expenditures:						
Current operating:						
City manager's office	284,672	284,672	133,659	151,013	3,536	137,195
Finance	11,850	11,850	11,350	500	-	11,350
Development & public works	60,000	60,000	31,239	28,761	-	31,239
Capital projects	50,000	50,000	-	50,000	-	-
Debt service:						
Interest	5,800	5,800	737	5,063	-	737
Total expenditures	412,322	412,322	176,985	235,337	3,536	180,521
Excess of revenues over (under) expenditures	253,153	253,153	550,916	297,763	586	551,502
Other financing sources (uses):						
Interfund loan proceeds	400,000	400,000	27,000	(373,000)	(27,000)	-
Interfund loan repaid	(639,200)	(639,200)	(286,034)	353,166	286,034	-
Transfers in	-	-	-	-	27,000	27,000
Transfers out	-	-	-	-	(286,034)	(286,034)
Total other financing sources (uses)	(239,200)	(239,200)	(259,034)	(19,834)	-	(259,034)
Net change in fund balances	13,953	13,953	291,882	277,929	586	292,468
Fund balance, beginning of year	3,463	3,463	483	2,980	132	615
Fund balance, end of year	\$ 17,416	\$ 17,416	\$ 292,365	\$ 274,949	\$ 718	\$ 293,083

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, 2014

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 144,000	\$ 144,000	\$ 265,275	\$ 121,275	\$ -	\$ 265,275
Intergovernmental revenue	100	100	192	92	-	192
Charges for services	-	-	28,163	28,163	-	28,163
Investment earnings	44,100	44,100	249	(43,851)	(151)	98
Miscellaneous revenue	51,000	51,000	-	(51,000)	-	-
Total revenues	<u>239,200</u>	<u>239,200</u>	<u>293,879</u>	<u>54,679</u>	<u>(151)</u>	<u>293,728</u>
Expenditures:						
Current operating:						
City manager's office	159,641	159,641	90,235	69,406	-	90,235
Finance	18,650	18,650	6,150	12,500	-	6,150
Capital projects	950,000	950,000	708,457	241,543	-	708,457
Debt service:						
Interest	1,250	1,250	-	1,250	-	-
Total expenditures	<u>1,129,541</u>	<u>1,129,541</u>	<u>804,842</u>	<u>324,699</u>	<u>-</u>	<u>804,842</u>
Excess of revenues over (under) expenditures	<u>(890,341)</u>	<u>(890,341)</u>	<u>(510,963)</u>	<u>379,378</u>	<u>(151)</u>	<u>(511,114)</u>
Other financing sources (uses):						
Interfund loan proceeds	1,030,000	1,030,000	410,000	(620,000)	(410,000)	-
Interfund loan repaid	(138,750)	(138,750)	-	138,750	-	-
Transfers in	-	-	250,000	250,000	410,000	660,000
Total other financing sources (uses)	<u>891,250</u>	<u>891,250</u>	<u>660,000</u>	<u>(231,250)</u>	<u>-</u>	<u>660,000</u>
Net change in fund balances	909	909	149,037	148,128	(151)	148,886
Fund balance, beginning of year	4,525	4,525	16,679	12,154	90	16,769
Fund balance, end of year	<u>\$ 5,434</u>	<u>\$ 5,434</u>	<u>\$ 165,716</u>	<u>\$ 160,282</u>	<u>\$ (61)</u>	<u>\$ 165,655</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, 2014

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,348,964	\$ 1,348,964	\$ 1,338,167	\$ (10,797)	\$ -	\$ 1,338,167
Investment earnings	2,340	2,340	4,201	1,861	22	4,223
Total revenues	<u>1,351,304</u>	<u>1,351,304</u>	<u>1,342,368</u>	<u>(8,936)</u>	<u>22</u>	<u>1,342,390</u>
Expenditures:						
Current operating:						
Fire	<u>1,558,593</u>	<u>1,548,939</u>	<u>1,472,140</u>	<u>76,799</u>	<u>-</u>	<u>1,472,140</u>
Net change in fund balances	(207,289)	(197,635)	(129,772)	67,863	22	(129,750)
Fund balance, beginning of year	<u>571,561</u>	<u>587,060</u>	<u>587,060</u>	<u>-</u>	<u>1,923</u>	<u>588,983</u>
Fund balance, end of year	<u>\$ 364,272</u>	<u>\$ 389,425</u>	<u>\$ 457,288</u>	<u>\$ 67,863</u>	<u>\$ 1,945</u>	<u>\$ 459,233</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, 2014

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 4,741,872	\$ 4,741,872	\$ 4,730,191	\$ (11,681)	\$ -	\$ 4,730,191
Investment earnings	6,000	6,000	11,926	5,926	744	12,670
Total revenues	<u>4,747,872</u>	<u>4,747,872</u>	<u>4,742,117</u>	<u>(5,755)</u>	<u>744</u>	<u>4,742,861</u>
Expenditures:						
Current operating:						
Court	407,388	403,728	403,728	-	-	403,728
Police	<u>2,548,950</u>	<u>2,492,793</u>	<u>2,416,737</u>	<u>76,056</u>	<u>132,143</u>	<u>2,548,880</u>
Total expenditures	<u>2,956,338</u>	<u>2,896,521</u>	<u>2,820,465</u>	<u>76,056</u>	<u>132,143</u>	<u>2,952,608</u>
Excess of revenues over (under) expenditures	1,791,534	1,851,351	1,921,652	70,301	(131,399)	1,790,253
Other financing sources (uses):						
Transfers out	<u>(1,935,164)</u>	<u>(1,935,164)</u>	<u>(1,840,044)</u>	<u>95,120</u>	<u>-</u>	<u>(1,840,044)</u>
Net change in fund balances	(143,630)	(83,813)	81,608	165,421	(131,399)	(49,791)
Fund balance, beginning of year	<u>1,558,122</u>	<u>1,494,357</u>	<u>1,494,357</u>	<u>-</u>	<u>5,578</u>	<u>1,499,935</u>
Fund balance, end of year	<u>\$ 1,414,492</u>	<u>\$ 1,410,544</u>	<u>\$ 1,575,965</u>	<u>\$ 165,421</u>	<u>\$ (125,821)</u>	<u>\$ 1,450,144</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, 2014

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Licenses and fees	\$ 92,000	\$ 92,000	\$ 100,753	\$ 8,753	\$ -	\$ 100,753
Charges for services	260,950	260,950	232,676	(28,274)	-	232,676
Miscellaneous revenue	-	-	2,403	2,403	-	2,403
Total revenues	352,950	352,950	335,832	(17,118)	-	335,832
Expenditures:						
Current operating:						
Police	2,855,191	2,804,285	2,803,675	610	-	2,803,675
Excess of revenues over (under) expenditures	(2,502,241)	(2,451,335)	(2,467,843)	(16,508)	-	(2,467,843)
Other financing sources (uses):						
Transfers in	2,308,849	2,308,849	2,213,729	(95,120)	-	2,213,729
Net change in fund balance	(193,392)	(142,486)	(254,114)	(111,628)	-	(254,114)
Fund balance, beginning of year	255,813	258,760	258,760	-	-	258,760
Fund balance, end of year	\$ 62,421	\$ 116,274	\$ 4,646	\$ (111,628)	\$ -	\$ 4,646

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, 2014

	General Obligation Debt Service	Bancroft Redemption	Total
ASSETS			
Cash and investments	\$ 667,441	\$ 113,411	\$ 780,852
Receivables:			
Property taxes	327,918	103	328,021
Accrued interest	11,107	845	11,952
Assessments and liens	-	6,293	6,293
Total assets	\$ 1,006,466	\$ 120,652	\$ 1,127,118
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accrued payroll and related liabilities	\$ -	\$ 383	\$ 383
Deferred inflows of resources:			
Unavailable revenue	321,537	6,395	327,932
Fund balances:			
Restricted	684,929	-	684,929
Assigned	-	113,874	113,874
Total fund balances	684,929	113,874	798,803
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,006,466	\$ 120,652	\$ 1,127,118

City of Springfield, Oregon
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2014

	<u>General Obligation Debt Service</u>	<u>Bancroft Redemption</u>	<u>Total</u>
Revenues:			
Taxes	\$ 3,290,054	\$ 50	\$ 3,290,104
Investment earnings	9,498	752	10,250
Total revenues	<u>3,299,552</u>	<u>802</u>	<u>3,300,354</u>
Expenditures:			
Current operating:			
Finance	-	16,995	16,995
Debt service:			
Principal	2,327,974	-	2,327,974
Interest	959,994	-	959,994
Total expenditures	<u>3,287,968</u>	<u>16,995</u>	<u>3,304,963</u>
Excess of revenues over (under) expenditures	<u>11,584</u>	<u>(16,193)</u>	<u>(4,609)</u>
Other financing sources (uses):			
Transfers in	81,685	16,905	98,590
Transfers out	-	(30,000)	(30,000)
Total other financing sources (uses)	<u>81,685</u>	<u>(13,095)</u>	<u>68,590</u>
Net change in fund balances	93,269	(29,288)	63,981
Fund balances, beginning of year	<u>591,660</u>	<u>143,162</u>	<u>734,822</u>
Fund balances, end of year	<u>\$ 684,929</u>	<u>\$ 113,874</u>	<u>\$ 798,803</u>

City of Springfield, Oregon
GENERAL OBLIGATION DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 3,160,422	\$ 3,160,422	\$ 3,290,054	\$ 129,632	\$ -	\$ 3,290,054
Investment earnings	650	650	8,085	7,435	1,413	9,498
Total revenues	<u>3,161,072</u>	<u>3,161,072</u>	<u>3,298,139</u>	<u>137,067</u>	<u>1,413</u>	<u>3,299,552</u>
Expenditures:						
Debt service:						
Principal	2,327,974	2,327,974	2,327,974	-	-	2,327,974
Interest	959,994	959,994	959,994	-	-	959,994
Total expenditures	<u>3,287,968</u>	<u>3,287,968</u>	<u>3,287,968</u>	<u>-</u>	<u>-</u>	<u>3,287,968</u>
Excess of revenues over (under) expenditures	(126,896)	(126,896)	10,171	137,067	1,413	11,584
Other financing sources (uses):						
Transfers in	81,685	81,685	81,685	-	-	81,685
Net change in fund balances	(45,211)	(45,211)	91,856	137,067	1,413	93,269
Fund balance, beginning of year	559,706	587,718	587,719	1	3,941	591,660
Fund balance, end of year	<u>\$ 514,495</u>	<u>\$ 542,507</u>	<u>\$ 679,575</u>	<u>\$ 137,068</u>	<u>\$ 5,354</u>	<u>\$ 684,929</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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ -	\$ -	\$ 50	\$ 50	\$ -	\$ 50
Investment earnings	360	360	663	303	89	752
Total revenues	<u>360</u>	<u>360</u>	<u>713</u>	<u>353</u>	<u>89</u>	<u>802</u>
Expenditures:						
Current operating:						
Finance	17,479	17,149	16,995	154	-	16,995
Excess of revenues over (under) expenditures	<u>(17,119)</u>	<u>(16,789)</u>	<u>(16,282)</u>	<u>507</u>	<u>89</u>	<u>(16,193)</u>
Other financing sources (uses):						
Transfers in	16,905	16,905	16,905	-	-	16,905
Transfers out	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>
Total other financing sources (uses)	<u>(13,095)</u>	<u>(13,095)</u>	<u>(13,095)</u>	<u>-</u>	<u>-</u>	<u>(13,095)</u>
Net change in fund balances	(30,214)	(29,884)	(29,377)	507	89	(29,288)
Fund balance, beginning of year	<u>96,013</u>	<u>142,844</u>	<u>142,844</u>	<u>-</u>	<u>318</u>	<u>143,162</u>
Fund balance, end of year	<u>\$ 65,799</u>	<u>\$ 112,960</u>	<u>\$ 113,467</u>	<u>\$ 507</u>	<u>\$ 407</u>	<u>\$ 113,874</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, 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, 2014

	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	\$ 1,047,967	\$ 3,336,633	\$ 36,990	\$ 654,352	\$ 295,292	\$ 1,352,093	\$ 6,723,327
Receivables:							
Accounts	-	11,693	-	9,384	1,846	7,032	29,955
Accrued interest	6,800	20,980	-	4,767	1,878	8,472	42,897
Assessments and liens	166,299	-	-	-	-	-	166,299
Notes	-	144,000	-	-	-	-	144,000
Total assets	\$ 1,221,066	\$ 3,513,306	\$ 36,990	\$ 668,503	\$ 299,016	\$ 1,367,597	\$ 7,106,478
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 59,524	\$ -	\$ 34,660	\$ -	\$ -	\$ 94,184
Accrued payroll and payroll taxes	1,911	-	-	-	-	-	1,911
Total liabilities	1,911	59,524	-	34,660	-	-	96,095
Deferred inflows of resources:							
Unavailable revenue	166,299	147,435	-	9,384	1,846	7,032	331,996
Fund balances:							
Restricted	-	1,610,605	36,990	624,459	297,170	1,360,565	3,929,789
Committed	1,052,856	1,403,028	-	-	-	-	2,455,884
Assigned	-	292,714	-	-	-	-	292,714
Total fund balances	1,052,856	3,306,347	36,990	624,459	297,170	1,360,565	6,678,387
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,221,066	\$ 3,513,306	\$ 36,990	\$ 668,503	\$ 299,016	\$ 1,367,597	\$ 7,106,478

City of Springfield, Oregon

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

Year Ended June 30, 2014

	Development Assessments Capital Projects	Development Capital Projects	Police Building Bond Capital Project	Street Capital	Transportation Reimbursement SDC	Transportation Improvement SDC	Total
Revenues:							
Intergovernmental revenues	\$ -	\$ 13,413	\$ -	\$ 63,839	\$ -	\$ 20,466	\$ 97,718
Charges for services	-	392,339	-	-	55,867	200,701	648,907
Investment earnings	8,064	18,503	446	3,531	1,923	7,358	39,825
Special assessments	31,651	-	-	-	-	-	31,651
Miscellaneous revenue	-	19,312	-	-	-	-	19,312
Total revenues	39,715	443,567	446	67,370	57,790	228,525	837,413
Expenditures:							
Current operating:							
General government	75,359	-	-	-	-	-	75,359
Development and public works	-	-	-	-	39,169	144,091	183,260
Capital projects	-	237,446	94,378	172,859	3,669	15,854	524,206
Total expenditures	75,359	237,446	94,378	172,859	42,838	159,945	782,825
Excess of revenues over (under) expenditures	(35,644)	206,121	(93,932)	(105,489)	14,952	68,580	54,588
Other financing sources (uses):							
Transfer in	-	316,034	-	100,000	-	-	416,034
Transfer out	(23,872)	(712,000)	-	(20,000)	(10,374)	(30,000)	(796,246)
Total other financing sources (uses)	(23,872)	(395,966)		80,000	(10,374)	(30,000)	(380,212)
Net change in fund balances	(59,516)	(189,845)	(93,932)	(25,489)	4,578	38,580	(325,624)
Fund balance, beginning of year	1,112,372	3,496,192	130,922	649,948	292,592	1,321,985	7,004,011
Fund balance, end of year	\$ 1,052,856	\$ 3,306,347	\$ 36,990	\$ 624,459	\$ 297,170	\$ 1,360,565	\$ 6,678,387

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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 8,700	\$ 8,700	\$ 7,405	\$ (1,295)	\$ 659	\$ 8,064
Special assessments	26,000	26,000	31,651	5,651	-	31,651
Total revenues	<u>34,700</u>	<u>34,700</u>	<u>39,056</u>	<u>4,356</u>	<u>659</u>	<u>39,715</u>
Expenditures:						
Current operating:						
Finance	<u>105,758</u>	<u>104,087</u>	<u>75,359</u>	<u>28,728</u>	<u>-</u>	<u>75,359</u>
Excess of revenues over (under) expenditures	(71,058)	(69,387)	(36,303)	33,084	659	(35,644)
Other financing sources (uses):						
Transfer out	<u>(16,905)</u>	<u>(23,872)</u>	<u>(23,872)</u>	<u>-</u>	<u>-</u>	<u>(23,872)</u>
Net change in fund balances	(87,963)	(93,259)	(60,175)	33,084	659	(59,516)
Fund balance, beginning of year	<u>1,090,567</u>	<u>1,109,753</u>	<u>1,109,753</u>	<u>-</u>	<u>2,619</u>	<u>1,112,372</u>
Fund balance, end of year	<u>\$ 1,002,604</u>	<u>\$ 1,016,494</u>	<u>\$ 1,049,578</u>	<u>\$ 33,084</u>	<u>\$ 3,278</u>	<u>\$ 1,052,856</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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ -	\$ 344,687	\$ 13,413	\$ (331,274)	\$ -	\$ 13,413
Charges for services	267,215	267,215	392,339	125,124	-	392,339
Investment earnings	20,850	20,850	15,723	(5,127)	2,780	18,503
Miscellaneous revenue	250,000	250,000	19,312	(230,688)	-	19,312
Total revenues	<u>538,065</u>	<u>882,752</u>	<u>440,787</u>	<u>(441,965)</u>	<u>2,780</u>	<u>443,567</u>
Expenditures:						
Capital projects	<u>224,007</u>	<u>513,383</u>	<u>237,446</u>	<u>275,937</u>	<u>-</u>	<u>237,446</u>
Excess of revenues over (under) expenditures	<u>314,058</u>	<u>369,369</u>	<u>203,341</u>	<u>(166,028)</u>	<u>2,780</u>	<u>206,121</u>
Other financing sources (uses):						
Interfund loan repayments	777,950	777,950	286,034	(491,916)	(286,034)	-
Interfund loans issued	(575,000)	(575,000)	(437,000)	138,000	437,000	-
Transfer in	30,000	30,000	30,000	-	286,034	316,034
Transfer out	<u>(341,159)</u>	<u>(341,159)</u>	<u>(275,000)</u>	<u>66,159</u>	<u>(437,000)</u>	<u>(712,000)</u>
Total other financing sources (uses)	<u>(108,209)</u>	<u>(108,209)</u>	<u>(395,966)</u>	<u>(287,757)</u>	<u>-</u>	<u>(395,966)</u>
Net change in fund balances	205,849	261,160	(192,625)	(453,785)	2,780	(189,845)
Fund balance, beginning of year	<u>2,992,437</u>	<u>3,488,859</u>	<u>3,488,859</u>	<u>-</u>	<u>7,333</u>	<u>3,496,192</u>
Fund balance, end of year	<u>\$ 3,198,286</u>	<u>\$ 3,750,019</u>	<u>\$ 3,296,234</u>	<u>\$ (453,785)</u>	<u>\$ 10,113</u>	<u>\$ 3,306,347</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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 500	\$ 500	\$ 446	\$ (54)	\$ -	\$ 446
Expenditures:						
Capital projects	155,578	131,422	94,378	37,044	-	94,378
Net change in fund balances	(155,078)	(130,922)	(93,932)	36,990	-	(93,932)
Fund balance, beginning of year	155,078	130,922	130,922	-	-	130,922
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,990</u>	<u>\$ 36,990</u>	<u>\$ -</u>	<u>\$ 36,990</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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 1,000	\$ 1,000	\$ 2,577	\$ 1,577	\$ 954	\$ 3,531
Intergovernmental revenue	-	140,000	63,839	(76,161)	-	63,839
Total revenues	<u>1,000</u>	<u>141,000</u>	<u>66,416</u>	<u>(74,584)</u>	<u>954</u>	<u>67,370</u>
Expenditures:						
Capital projects	133,000	609,000	172,859	436,141	-	172,859
Excess of revenues over (under) expenditures	<u>(132,000)</u>	<u>(468,000)</u>	<u>(106,443)</u>	<u>361,557</u>	<u>954</u>	<u>(105,489)</u>
Other financing sources (uses):						
Transfer in	100,000	100,000	100,000	-	-	100,000
Transfer out	-	(20,000)	(20,000)	-	-	(20,000)
Total other financing sources	<u>100,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>80,000</u>
Net change in fund balances	(32,000)	(388,000)	(26,443)	361,557	954	(25,489)
Fund balance, beginning of year	<u>520,570</u>	<u>648,604</u>	<u>648,604</u>	<u>-</u>	<u>1,344</u>	<u>649,948</u>
Fund balance, end of year	<u>\$ 488,570</u>	<u>\$ 260,604</u>	<u>\$ 622,161</u>	<u>\$ 361,557</u>	<u>\$ 2,298</u>	<u>\$ 624,459</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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 45,000	\$ 45,000	\$ 55,867	\$ 10,867	\$ -	\$ 55,867
Investment earnings	500	500	1,854	1,354	69	1,923
Total revenues	<u>45,500</u>	<u>45,500</u>	<u>57,721</u>	<u>12,221</u>	<u>69</u>	<u>57,790</u>
Expenditures:						
Current operating:						
Development and public works	37,968	39,172	39,169	3	-	39,169
Capital projects	-	3,669	3,669	-	-	3,669
Total expenditures	<u>37,968</u>	<u>42,841</u>	<u>42,838</u>	<u>3</u>	<u>-</u>	<u>42,838</u>
Excess of revenues over (under) expenditures	7,532	2,659	14,883	12,224	69	14,952
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	(2,842)	(7,715)	4,509	12,224	69	4,578
Fund balance, beginning of year	<u>26,914</u>	<u>291,756</u>	<u>291,756</u>	<u>-</u>	<u>836</u>	<u>292,592</u>
Fund balance, end of year	<u>\$ 24,072</u>	<u>\$ 284,041</u>	<u>\$ 296,265</u>	<u>\$ 12,224</u>	<u>\$ 905</u>	<u>\$ 297,170</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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 155,000	\$ 155,000	\$ 200,701	\$ 45,701	\$ -	\$ 200,701
Investment earnings	2,000	2,000	6,221	4,221	1,137	7,358
Intergovernmental revenue	-	20,466	20,466	-	-	20,466
Total revenues	157,000	177,466	227,388	49,922	1,137	228,525
Expenditures:						
Current operating:						
Development and public works	130,775	144,094	144,091	3	-	144,091
Capital projects	442,477	497,943	15,854	482,089	-	15,854
Total expenditures	573,252	642,037	159,945	482,092	-	159,945
Excess of revenues over (under) expenditures	(416,252)	(464,571)	67,443	532,014	1,137	68,580
Other financing sources (uses):						
Transfer out	(30,000)	(30,000)	(30,000)	-	-	(30,000)
Net change in fund balances	(446,252)	(494,571)	37,443	532,014	1,137	38,580
Fund balance, beginning of year	1,113,267	1,319,037	1,319,038	-	2,947	1,321,985
Fund balance, end of year	\$ 667,015	\$ 824,466	\$ 1,356,481	\$ 532,014	\$ 4,084	\$ 1,360,565

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 position – 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, 2014

	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	\$ 79,880	\$ 1,382,177	\$ 1,243,019	\$ 316,772	\$ 3,021,848
Accounts receivable, net of allowance for estimated uncollectibles	1,792	2,606	20,607	10,332	35,337
Accrued interest	460	9,669	7,622	2,152	19,903
Total current assets	<u>82,132</u>	<u>1,394,452</u>	<u>1,271,248</u>	<u>329,256</u>	<u>3,077,088</u>
LIABILITIES					
Current liabilities:					
Accounts payable	<u>-</u>	<u>4,096</u>	<u>787</u>	<u>-</u>	<u>4,883</u>
NET POSITION					
Restricted	<u>82,132</u>	<u>1,390,356</u>	<u>1,270,461</u>	<u>329,256</u>	<u>3,072,205</u>
Total net position	<u>\$ 82,132</u>	<u>\$ 1,390,356</u>	<u>\$ 1,270,461</u>	<u>\$ 329,256</u>	<u>\$ 3,072,205</u>

City of Springfield, Oregon
NONMAJOR ENTERPRISE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2014

	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	\$ 59,659	\$ 86,815	\$ 223,870	\$ 109,124	\$ 479,468
Expenses:					
Operating expenses:					
Development and public works	32,741	56,535	152,966	75,467	317,709
Operating income (loss)	26,918	30,280	70,904	33,657	161,759
Nonoperating revenues (expenses):					
Investment earnings	335	8,945	6,697	2,074	18,051
Income (loss) before contributions and transfers	27,253	39,225	77,601	35,731	179,810
Transfers out	-	(335,122)	-	(45,662)	(380,784)
Change in net position	27,253	(295,897)	77,601	(9,931)	(200,974)
Net position, beginning of year	54,879	1,686,253	1,192,860	339,187	3,273,179
Net position, end of year	\$ 82,132	\$ 1,390,356	\$ 1,270,461	\$ 329,256	\$ 3,072,205

City of Springfield, Oregon
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2014

	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	\$ 58,534	\$ 85,180	\$ 219,838	\$ 107,183	\$ 470,735
Cash paid to suppliers for goods and services	<u>(32,741)</u>	<u>(56,951)</u>	<u>(152,179)</u>	<u>(75,467)</u>	<u>(317,338)</u>
Net cash provided by (used in) operating activities	<u>25,793</u>	<u>28,229</u>	<u>67,659</u>	<u>31,716</u>	<u>153,397</u>
Cash flows from noncapital financing activities:					
Transfers to other funds	<u>-</u>	<u>(335,122)</u>	<u>-</u>	<u>(45,662)</u>	<u>(380,784)</u>
Cash flows from investing activities:					
Interest received	<u>96</u>	<u>7,125</u>	<u>4,339</u>	<u>1,533</u>	<u>13,093</u>
Net change in cash and investments	25,889	(299,768)	71,998	(12,413)	(214,294)
Cash and investments, beginning 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>
Cash and investments, end of year	<u>\$ 79,880</u>	<u>\$ 1,382,177</u>	<u>\$ 1,243,019</u>	<u>\$ 316,772</u>	<u>\$ 3,021,848</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 26,918	\$ 30,280	\$ 70,904	\$ 33,657	\$ 161,759
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Changes in assets and liabilities:					
Accounts receivable	(1,125)	(1,635)	(4,032)	(1,941)	(8,733)
Accounts payable	<u>-</u>	<u>(416)</u>	<u>787</u>	<u>-</u>	<u>371</u>
Net cash provided by (used in) operating activities	<u>\$ 25,793</u>	<u>\$ 28,229</u>	<u>\$ 67,659</u>	<u>\$ 31,716</u>	<u>\$ 153,397</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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 7,014,900	\$ 7,014,900	\$ 7,210,055	\$ 195,155	\$ (6,563)	\$ 7,203,492
Investment earnings	14,000	14,000	21,844	7,844	3,684	25,528
Miscellaneous revenue	-	-	203	203	-	203
Total revenues	<u>7,028,900</u>	<u>7,028,900</u>	<u>7,232,102</u>	<u>203,202</u>	<u>(2,879)</u>	<u>7,229,223</u>
Expenses:						
Current operating:						
Development and public works	3,631,453	3,578,775	3,280,254	298,521	42,101	3,322,355
Finance	12,234	11,941	11,881	60	-	11,881
Debt service:						
Principal	1,201,589	1,201,589	1,201,589	-	(1,201,589)	-
Interest	825,291	825,291	825,290	1	(180,237)	645,053
Depreciation	-	-	-	-	2,481,634	2,481,634
Amortization	-	-	-	-	3,181	3,181
Total expenses	<u>5,670,567</u>	<u>5,617,596</u>	<u>5,319,014</u>	<u>298,582</u>	<u>1,145,090</u>	<u>6,464,104</u>
Excess of revenues over (under) expenses	1,358,333	1,411,304	1,913,088	501,784	(1,147,969)	765,119
Other financing sources (uses):						
Transfers out	<u>(1,750,000)</u>	<u>(1,750,000)</u>	<u>(1,750,000)</u>	<u>-</u>	<u>(905,000)</u>	<u>(2,655,000)</u>
Change in net position	(391,667)	(338,696)	163,088	501,784	(2,052,969)	(1,889,881)
Net position, beginning of year, as restated	<u>3,718,245</u>	<u>4,122,374</u>	<u>4,122,374</u>	<u>-</u>	<u>44,318,319</u>	<u>48,440,693</u>
Net position, end of year	<u>\$ 3,326,578</u>	<u>\$ 3,783,678</u>	<u>\$ 4,285,462</u>	<u>\$ 501,784</u>	<u>\$ 42,265,350</u>	<u>\$ 46,550,812</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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 5,888,000	\$ 5,888,000	\$ 6,204,672	\$ 316,672	\$ (3,245)	\$ 6,201,427
Investment earnings	4,000	4,000	13,871	9,871	4,086	17,957
Miscellaneous revenue	36,000	36,000	435	(35,565)	-	435
Total revenues	5,928,000	5,928,000	6,218,978	290,978	841	6,219,819
Expenses:						
Current operating:						
Development and public works	4,838,069	4,763,309	4,011,360	751,949	44,312	4,055,672
Finance	12,234	11,941	11,882	59	-	11,882
Debt service:						
Principal	385,000	385,000	385,000	-	(385,000)	-
Interest	320,375	320,375	320,375	-	(261,888)	58,487
Total expenses	5,555,678	5,480,625	4,728,617	752,008	(602,576)	4,126,041
Excess of revenues over (under) expenses	372,322	447,375	1,490,361	1,042,986	603,417	2,093,778
Other financing sources (uses):						
Transfers out	(1,540,000)	(1,540,000)	(1,540,000)	-	(385,000)	(1,925,000)
Change in net position	(1,167,678)	(1,092,625)	(49,639)	1,042,986	218,417	168,778
Net position, beginning of year	3,151,703	3,801,831	3,801,831	-	470,105	4,271,936
Net position, end of year	\$ 1,984,025	\$ 2,709,206	\$ 3,752,192	\$ 1,042,986	\$ 688,522	\$ 4,440,714

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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Miscellaneous revenue	\$ -	\$ -	\$ 4,712	\$ 4,712	\$ -	\$ 4,712
Intergovernmental revenue	-	-	4,954	4,954	-	4,954
Investment earnings	25,000	25,000	68,066	43,066	3,750	71,816
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>77,732</u>	<u>52,732</u>	<u>3,750</u>	<u>81,482</u>
Expenses:						
Current operating:						
Development and public works	-	-	-	-	101,296	101,296
Capital projects	7,419,000	7,686,619	2,696,066	4,990,553	(2,696,066)	-
Total expenses	<u>7,419,000</u>	<u>7,686,619</u>	<u>2,696,066</u>	<u>4,990,553</u>	<u>(2,594,770)</u>	<u>101,296</u>
Excess of revenues over (under) expenses	(7,394,000)	(7,661,619)	(2,618,334)	5,043,285	2,598,520	(19,814)
Other financing sources (uses):						
Transfers in	1,750,000	1,756,967	1,756,967	-	905,000	2,661,967
Change in net position	(5,644,000)	(5,904,652)	(861,367)	5,043,285	3,503,520	2,642,153
Net position, beginning of year	13,511,653	12,311,751	12,311,752	1	(2,267,742)	10,044,010
Net position, end of year	<u>\$ 7,867,653</u>	<u>\$ 6,407,099</u>	<u>\$ 11,450,385</u>	<u>\$ 5,043,286</u>	<u>\$ 1,235,778</u>	<u>\$ 12,686,163</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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 30,000	\$ 30,000	\$ 63,882	\$ 33,882	\$ 10,657	\$ 74,539
Expenses:						
Current operating:						
Development and public works	-	-	-	-	129,091	129,091
Debt service:						
Interest	-	-	-	-	(26,053)	(26,053)
Capital projects	5,196,000	5,163,741	742,683	4,421,058	(742,683)	-
Total expenses	5,196,000	5,163,741	742,683	4,421,058	(639,645)	103,038
Excess of revenues over (under) expenses	(5,166,000)	(5,133,741)	(678,801)	4,454,940	650,302	(28,499)
Other financing sources (uses):						
Transfers in	1,540,000	1,540,000	1,540,000	-	694,473	2,234,473
Capital contributions	-	-	-	-	16,848	16,848
Total other financing sources (uses)	1,540,000	1,540,000	1,540,000	-	711,321	2,251,321
Change in net position	(3,626,000)	(3,593,741)	861,199	4,454,940	1,361,623	2,222,822
Net position, beginning of year, as restated	13,681,128	13,842,581	13,842,582	1	(8,010,826)	5,831,756
Net position, end of year	<u>\$ 10,055,128</u>	<u>\$ 10,248,840</u>	<u>\$ 14,703,781</u>	<u>\$ 4,454,941</u>	<u>\$ (6,649,203)</u>	<u>\$ 8,054,578</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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 5,023,225	\$ 5,193,225	\$ 5,857,545	\$ 664,320	\$ 8,751,145	\$ 14,608,690
Less: Contractual adjustments	-	-	-	-	(8,996,304)	(8,996,304)
Intergovernmental revenue	-	-	23,671	23,671	-	23,671
Investment earnings	1,400	60,400	67,064	6,664	2,015	69,079
Miscellaneous revenue	2,000	2,000	58,937	56,937	-	58,937
Total revenues	<u>5,026,625</u>	<u>5,255,625</u>	<u>6,007,217</u>	<u>751,592</u>	<u>(243,144)</u>	<u>5,764,073</u>
Expenses:						
Current operating:						
Fire	5,189,381	5,363,581	5,340,476	23,105	78,683	5,419,159
Depreciation	-	-	-	-	5,830	5,830
Total expenses	<u>5,189,381</u>	<u>5,363,581</u>	<u>5,340,476</u>	<u>23,105</u>	<u>84,513</u>	<u>5,424,989</u>
Change in net position	(162,756)	(107,956)	666,741	774,697	(327,657)	339,084
Net position, beginning of year	<u>266,092</u>	<u>328,104</u>	<u>328,104</u>	<u>-</u>	<u>(402,514)</u>	<u>(74,410)</u>
Net position, end of year	<u>\$ 103,336</u>	<u>\$ 220,148</u>	<u>\$ 994,845</u>	<u>\$ 774,697</u>	<u>\$ (730,171)</u>	<u>\$ 264,674</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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,385,147	\$ 1,385,147	\$ 1,354,876	\$ (30,271)	\$ 461	\$ 1,355,337
Investment earnings	3,000	3,000	5,268	2,268	-	5,268
Total revenues	<u>1,388,147</u>	<u>1,388,147</u>	<u>1,360,144</u>	<u>(28,003)</u>	<u>461</u>	<u>1,360,605</u>
Expenses:						
Current operating:						
Development & public works	558,863	580,118	537,413	42,705	-	537,413
Capital projects	250,000	250,000	-	250,000	-	-
Debt service:						
Principal	864,875	864,875	637,390	227,485	(637,390)	-
Interest	265,247	281,937	281,951	(14)	(3,325)	278,626
Depreciation	-	-	-	-	758,564	758,564
Total expenses	<u>1,938,985</u>	<u>1,976,930</u>	<u>1,456,754</u>	<u>520,176</u>	<u>117,849</u>	<u>1,574,603</u>
Change in net position	(550,838)	(588,783)	(96,610)	492,173	(117,388)	(213,998)
Net position, beginning of year	<u>973,588</u>	<u>1,062,422</u>	<u>1,062,422</u>	<u>-</u>	<u>4,366,209</u>	<u>5,428,631</u>
Net position, end of year	<u>\$ 422,750</u>	<u>\$ 473,639</u>	<u>\$ 965,812</u>	<u>\$ 492,173</u>	<u>\$ 4,248,821</u>	<u>\$ 5,214,633</u>

City of Springfield, Oregon
 STORM DRAINAGE 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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 37,000	\$ 37,000	\$ 59,659	\$ 22,659	\$ -	\$ 59,659
Investment earnings	-	-	221	221	114	335
Total revenues	37,000	37,000	59,880	22,880	114	59,994
Expenses:						
Current operating:						
Development and public works	31,218	32,204	32,203	1	538	32,741
Capital projects	66,000	56,000	538	55,462	(538)	-
Total expenses	97,218	88,204	32,741	55,463	-	32,741
Change in net position	(60,218)	(51,204)	27,139	78,343	114	27,253
Net position, beginning of year	63,264	54,771	54,771	-	108	54,879
Net position, end of year	<u>\$ 3,046</u>	<u>\$ 3,567</u>	<u>\$ 81,910</u>	<u>\$ 78,343</u>	<u>\$ 222</u>	<u>\$ 82,132</u>

City of Springfield, Oregon
 STORM DRAINAGE 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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 45,000	\$ 45,000	\$ 86,815	\$ 41,815	\$ -	\$ 86,815
Investment earnings	1,000	1,000	8,118	7,118	827	8,945
Total revenues	<u>46,000</u>	<u>46,000</u>	<u>94,933</u>	<u>48,933</u>	<u>827</u>	<u>95,760</u>
Expenses:						
Current operating:						
Development and public works	37,968	56,358	56,356	2	179	56,535
Capital projects	1,134,650	1,160,261	308,314	851,947	(308,314)	-
Total expenses	<u>1,172,618</u>	<u>1,216,619</u>	<u>364,670</u>	<u>851,949</u>	<u>(308,135)</u>	<u>56,535</u>
Excess of revenues over (under) expenses	(1,126,618)	(1,170,619)	(269,737)	900,882	308,962	39,225
Other financing sources (uses):						
Transfers out	(25,649)	(25,649)	(25,649)	-	(309,473)	(335,122)
Change in net position	(1,152,267)	(1,196,268)	(295,386)	900,882	(511)	(295,897)
Net position, beginning of year	<u>1,653,613</u>	<u>1,682,419</u>	<u>1,682,420</u>	<u>1</u>	<u>3,833</u>	<u>1,686,253</u>
Net position, end of year	<u>\$ 501,346</u>	<u>\$ 486,151</u>	<u>\$ 1,387,034</u>	<u>\$ 900,883</u>	<u>\$ 3,322</u>	<u>\$ 1,390,356</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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 191,000	\$ 191,000	\$ 223,870	\$ 32,870	\$ -	\$ 223,870
Investment earnings	500	500	5,594	5,094	1,103	6,697
Total revenues	<u>191,500</u>	<u>191,500</u>	<u>229,464</u>	<u>37,964</u>	<u>1,103</u>	<u>230,567</u>
Expenses:						
Current operating:						
Development and public works	161,148	152,968	152,966	2	-	152,966
Capital projects	54,000	54,000	-	54,000	-	-
Total expenses	<u>215,148</u>	<u>206,968</u>	<u>152,966</u>	<u>54,002</u>	<u>-</u>	<u>152,966</u>
Change in net position	(23,648)	(15,468)	76,498	91,966	1,103	77,601
Net position, beginning of year	<u>1,095,515</u>	<u>1,190,288</u>	<u>1,190,289</u>	<u>1</u>	<u>2,571</u>	<u>1,192,860</u>
Net position, end of year	<u>\$ 1,071,867</u>	<u>\$ 1,174,820</u>	<u>\$ 1,266,787</u>	<u>\$ 91,967</u>	<u>\$ 3,674</u>	<u>\$ 1,270,461</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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 90,000	\$ 90,000	\$ 109,124	\$ 19,124	\$ -	\$ 109,124
Investment earnings	900	900	1,823	923	251	2,074
Total revenues	<u>90,900</u>	<u>90,900</u>	<u>110,947</u>	<u>20,047</u>	<u>251</u>	<u>111,198</u>
Expenses:						
Current operating:						
Development and public works	75,935	80,469	75,467	5,002	-	75,467
Capital projects	127,000	127,000	-	127,000	-	-
Total expenses	<u>202,935</u>	<u>207,469</u>	<u>75,467</u>	<u>132,002</u>	<u>-</u>	<u>75,467</u>
Excess of revenues over (under) expenses	(112,035)	(116,569)	35,480	152,049	251	35,731
Other financing sources (uses):						
Transfers out	(45,662)	(45,662)	(45,662)	-	-	(45,662)
Change in net position	(157,697)	(162,231)	(10,182)	152,049	251	(9,931)
Net position, beginning of year	<u>359,731</u>	<u>338,400</u>	<u>338,400</u>	<u>-</u>	<u>787</u>	<u>339,187</u>
Net position, end of year	<u>\$ 202,034</u>	<u>\$ 176,169</u>	<u>\$ 328,218</u>	<u>\$ 152,049</u>	<u>\$ 1,038</u>	<u>\$ 329,256</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 position – 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 programs. 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, 2014

	<u>Vehicle and Equipment</u>	<u>Insurance</u>	<u>SDC Administration</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and investments	\$ 8,177,746	\$ 7,662,390	\$ 304,576	\$ 16,144,712
Deposits	-	265,500	-	265,500
Accounts receivable	24,545	20,106	2,765	47,416
Accrued interest receivable	50,208	41,901	1,591	93,700
Inventory	55,300	-	-	55,300
Total current assets	<u>8,307,799</u>	<u>7,989,897</u>	<u>308,932</u>	<u>16,606,628</u>
Capital assets:				
Machinery and equipment	16,219,683	-	-	16,219,683
Less accumulated depreciation	<u>(11,068,551)</u>	<u>-</u>	<u>-</u>	<u>(11,068,551)</u>
Total capital assets	<u>5,151,132</u>	<u>-</u>	<u>-</u>	<u>5,151,132</u>
Total assets	<u>13,458,931</u>	<u>7,989,897</u>	<u>308,932</u>	<u>21,757,760</u>
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	139,293	529,682	4,654	673,629
Accrued interest payable	29,924	-	-	29,924
Capital lease obligation, current portion	551,307	-	-	551,307
Accrued payroll and other related liabilities	<u>-</u>	<u>193,583</u>	<u>16,293</u>	<u>209,876</u>
Total current liabilities	<u>720,524</u>	<u>723,265</u>	<u>20,947</u>	<u>1,464,736</u>
Noncurrent liabilities:				
Capital lease obligation, less current portion	676,210	-	-	676,210
Net OPEB obligation payable	<u>-</u>	<u>19,362</u>	<u>26,933</u>	<u>46,295</u>
Total noncurrent liabilities	<u>676,210</u>	<u>19,362</u>	<u>26,933</u>	<u>722,505</u>
Total liabilities	<u>1,396,734</u>	<u>742,627</u>	<u>47,880</u>	<u>2,187,241</u>
NET POSITION				
Net investment in capital assets	3,923,615	-	-	3,923,615
Unrestricted	<u>8,138,582</u>	<u>7,247,270</u>	<u>261,052</u>	<u>15,646,904</u>
Total net position	<u>\$ 12,062,197</u>	<u>\$ 7,247,270</u>	<u>\$ 261,052</u>	<u>\$ 19,570,519</u>

City of Springfield, Oregon
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
Year ended June 30, 2014

	Vehicle and Equipment	Insurance	SDC Administration	Total
Operating revenues:				
Charges for services	\$ 2,204,006	\$ 8,760,482	\$ 499,033	\$ 11,463,521
Licenses and permits	-	-	44,156	44,156
Miscellaneous revenue	-	189,320	-	189,320
Total operating revenues	2,204,006	8,949,802	543,189	11,696,997
Operating expenses:				
Current operating:				
City manager's office	723	-	-	723
Human resources	878	7,408,027	-	7,408,905
Finance	-	-	18,939	18,939
Information technology	99,040	-	-	99,040
Library	193	-	-	193
Fire	345,584	-	-	345,584
Police	138,551	-	-	138,551
Development and public works	615,261	-	497,573	1,112,834
Depreciation	1,110,310	-	-	1,110,310
Total operating expenses	2,310,540	7,408,027	516,512	10,235,079
Operating income (loss)	(106,534)	1,541,775	26,677	1,461,918
Nonoperating revenues (expenses):				
Interest income	43,427	29,594	1,377	74,398
Interest expense	(43,195)	-	-	(43,195)
Gain (loss) on disposition of equipment	152,257	-	-	152,257
Total nonoperating revenues (expenses)	152,489	29,594	1,377	183,460
Income (loss) before capital contributions and transfers	45,955	1,571,369	28,054	1,645,378
Transfers in	-	-	30,000	30,000
Transfers out	(80,000)	(230,715)	-	(310,715)
Capital contributions	10,832	-	-	10,832
Change in net position	(23,213)	1,340,654	58,054	1,375,495
Net position, beginning of year	12,085,410	5,906,616	202,998	18,195,024
Net position, end of year	\$ 12,062,197	\$ 7,247,270	\$ 261,052	\$ 19,570,519

City of Springfield, Oregon
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2014

	Vehicle and Equipment	Insurance	SDC Administration	Total
Cash flows from operating activities:				
Cash received from interfund services provided	\$ 2,196,415	\$ 8,760,159	\$ 498,426	\$ 11,455,000
Cash paid for employee services	-	(183,423)	(346,823)	(530,246)
Cash paid to suppliers for goods and services	(1,135,740)	(7,254,600)	(161,722)	(8,552,062)
Other operating receipts	-	189,320	44,156	233,476
Net cash provided by (used in) operating activities	<u>1,060,675</u>	<u>1,511,456</u>	<u>34,037</u>	<u>2,606,168</u>
Cash flows from noncapital financing activities:				
Operating transfers in from other funds	-	-	30,000	30,000
Transfers to other funds	(80,000)	(230,715)	-	(310,715)
Net cash provided by noncapital financing activities	<u>(80,000)</u>	<u>(230,715)</u>	<u>30,000</u>	<u>(280,715)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(679,565)	-	-	(679,565)
Disposition of capital assets	296,531	-	-	296,531
Principal paid on long-term debt	(528,830)	-	-	(528,830)
Interest paid	(60,376)	-	-	(60,376)
Net cash used in capital and related financing activities	<u>(972,240)</u>	<u>-</u>	<u>-</u>	<u>(972,240)</u>
Cash flows from investing activities:				
Interest received	30,337	10,019	933	41,289
Net change in cash and investments	38,772	1,290,760	64,970	1,394,502
Cash and investments, beginning of year	8,138,974	6,371,630	239,606	14,750,210
Cash and investments, end of year	<u>\$ 8,177,746</u>	<u>\$ 7,662,390</u>	<u>\$ 304,576</u>	<u>\$ 16,144,712</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (106,534)	\$ 1,541,775	\$ 26,677	\$ 1,461,918
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,110,310	-	-	1,110,310
Changes in assets and liabilities:				
Prepays	-	19,783	2,571	22,354
Accounts receivable	(7,591)	(20,106)	(607)	(28,304)
Inventory	(10,431)	-	-	(10,431)
Accounts payable	74,921	(59,518)	(657)	14,746
Accrued payroll and other liabilities	-	24,765	905	25,670
Net OPEB obligation payable	-	4,757	5,148	9,905
Net cash provided by (used in) operating activities	<u>\$ 1,060,675</u>	<u>\$ 1,511,456</u>	<u>\$ 34,037</u>	<u>\$ 2,606,168</u>

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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 2,671,531	\$ 2,671,531	\$ 2,204,006	\$ (467,525)	\$ -	\$ 2,204,006
Investment earnings	24,736	24,736	37,352	12,616	6,075	43,427
Miscellaneous revenue	220,000	460,000	291,531	(168,469)	(291,531)	-
Total revenues	<u>2,916,267</u>	<u>3,156,267</u>	<u>2,532,889</u>	<u>(623,378)</u>	<u>(285,456)</u>	<u>2,247,433</u>
Expenses:						
Current operating:						
City manager's office	2,400	2,400	723	1,677	-	723
Court	-	5,500	-	5,500	-	-
Human resources	-	1,000	878	122	-	878
Finance	3,600	-	-	-	-	-
Information technology	267,565	267,565	177,166	90,399	(78,126)	99,040
Library	1,500	1,500	193	1,307	-	193
Fire	98,000	828,000	755,672	72,328	(410,088)	345,584
Police	233,000	540,511	271,355	269,156	(132,804)	138,551
Development & public works	1,450,075	1,505,075	639,939	865,136	(24,678)	615,261
Debt service:						
Principal	528,836	528,836	528,831	5	(528,831)	-
Interest	60,381	60,381	60,376	5	(17,181)	43,195
Depreciation	-	-	-	-	1,110,310	1,110,310
Total expenses	<u>2,645,357</u>	<u>3,740,768</u>	<u>2,435,133</u>	<u>1,305,635</u>	<u>(81,398)</u>	<u>2,353,735</u>
Excess of revenues over (under) expenses	<u>270,910</u>	<u>(584,501)</u>	<u>97,756</u>	<u>682,257</u>	<u>(204,058)</u>	<u>(106,302)</u>
Other financing sources (uses):						
Gain (loss) on disposal of assets	-	-	-	-	152,257	152,257
Assets contributed by other funds	-	-	-	-	10,832	10,832
Transfers out	-	(96,738)	(80,000)	16,738	-	(80,000)
Transfers in	-	17,055	-	(17,055)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(79,683)</u>	<u>(80,000)</u>	<u>(317)</u>	<u>163,089</u>	<u>83,089</u>
Change in net position	270,910	(664,184)	17,756	681,940	(40,969)	(23,213)
Net position, beginning of year	<u>7,340,755</u>	<u>8,155,416</u>	<u>8,155,416</u>	<u>-</u>	<u>3,929,994</u>	<u>12,085,410</u>
Net position, end of year	<u>\$ 7,611,665</u>	<u>\$ 7,491,232</u>	<u>\$ 8,173,172</u>	<u>\$ 681,940</u>	<u>\$ 3,889,025</u>	<u>\$ 12,062,197</u>

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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 18,971,165	\$ 18,971,165	\$ 16,944,784	\$ (2,026,381)	\$ (8,184,302)	\$ 8,760,482
Investment earnings	12,000	12,000	20,300	8,300	9,294	29,594
Miscellaneous revenue	30,000	47,055	189,320	142,265	-	189,320
Total revenues	<u>19,013,165</u>	<u>19,030,220</u>	<u>17,154,404</u>	<u>(1,875,816)</u>	<u>(8,175,008)</u>	<u>8,979,396</u>
Expenses:						
Current operating:						
Human resources	8,513,443	8,533,911	6,596,423	1,937,488	811,604	7,408,027
Statutory payments	10,778,067	10,778,067	9,191,292	1,586,775	(9,191,292)	-
Total expenses	<u>19,291,510</u>	<u>19,311,978</u>	<u>15,787,715</u>	<u>3,524,263</u>	<u>(8,379,688)</u>	<u>7,408,027</u>
Excess of revenues over (under) expenses	(278,345)	(281,758)	1,366,689	1,648,447	204,680	1,571,369
Other financing sources (uses):						
Transfers out	(230,715)	(247,770)	(230,715)	17,055	-	(230,715)
Change in net position	(509,060)	(529,528)	1,135,974	1,665,502	204,680	1,340,654
Net position, beginning of year	<u>3,767,586</u>	<u>5,871,274</u>	<u>5,871,274</u>	<u>-</u>	<u>35,342</u>	<u>5,906,616</u>
Net position, end of year	<u>\$ 3,258,526</u>	<u>\$ 5,341,746</u>	<u>\$ 7,007,248</u>	<u>\$ 1,665,502</u>	<u>\$ 240,022</u>	<u>\$ 7,247,270</u>

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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 475,000	\$ 475,000	\$ 499,033	\$ 24,033	\$ -	\$ 499,033
Licenses and permits	50,000	50,000	44,156	(5,844)	-	44,156
Investment earnings	-	-	1,170	1,170	207	1,377
Total revenues	<u>525,000</u>	<u>525,000</u>	<u>544,359</u>	<u>19,359</u>	<u>207</u>	<u>544,566</u>
Expenses:						
Current operating:						
Finance	19,536	19,074	18,939	135	-	18,939
Development and public works	580,888	588,423	496,011	92,412	1,562	497,573
Total expenses	<u>600,424</u>	<u>607,497</u>	<u>514,950</u>	<u>92,547</u>	<u>1,562</u>	<u>516,512</u>
Excess of revenues over (under) expenses	(75,424)	(82,497)	29,409	111,906	(1,355)	28,054
Other financing sources (uses):						
Transfers in	30,000	30,000	30,000	-	-	30,000
Change in net position	(45,424)	(52,497)	59,409	111,906	(1,355)	58,054
Net position, beginning of year	123,195	230,826	230,826	-	(27,828)	202,998
Net position, end of year	<u>\$ 77,771</u>	<u>\$ 178,329</u>	<u>\$ 290,235</u>	<u>\$ 111,906</u>	<u>\$ (29,183)</u>	<u>\$ 261,052</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



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City of Springfield, Oregon
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 Year Ended June 30, 2014

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
ASSETS				
Cash and investments	<u>\$ 4,000,683</u>	<u>\$ 13,612,461</u>	<u>\$ (13,245,919)</u>	<u>\$ 4,367,225</u>
LIABILITIES				
Amounts held for other parties	<u>\$ 4,000,683</u>	<u>\$ 24,800,145</u>	<u>\$ (24,433,603)</u>	<u>\$ 4,367,225</u>

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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, 2014

	Regional Wastewater Fund	Regional Capital Fund	Regional Capital Fund	Regional Bond Capital Fund	Regional Wastewater Improve SDC Fund	Regional Wastewater Reimb SDC Fund	Regional Wastewater Reimb SDC Fund	Regional Debt Service Fund	Eliminations	Total
Revenues:										
Charges for services	\$ 30,364,429	\$ 296	\$ -	\$ -	\$ 2,064,082	\$ 156,470	\$ -	\$ -	\$ (594,072)	\$ 31,991,205
Investment earnings	201,282	104,352	344,278	-	12,919	1,377	-	-	-	664,208
Licenses and permits	11,066	-	-	-	-	-	-	-	-	11,066
Fines and forfeitures	1,500	-	-	-	-	-	-	-	-	1,500
Miscellaneous revenues	48,688	-	-	-	-	-	-	-	-	48,688
Total revenues	<u>30,626,965</u>	<u>104,648</u>	<u>344,278</u>	<u>344,278</u>	<u>2,077,001</u>	<u>157,847</u>	<u>-</u>	<u>-</u>	<u>(594,072)</u>	<u>32,716,667</u>
Expenses:										
Current operating:										
Finance	105,286	-	-	-	-	-	-	-	-	105,286
Development and public works	14,480,214	-	-	-	1,961	156	-	(594,072)	-	13,888,259
Debt service:										
Interest	579,744	(156,434)	(14,178)	-	-	-	3,574,113	-	-	3,983,245
Depreciation	8,188,501	-	-	-	-	-	-	-	-	8,188,501
Total expenses	<u>23,353,745</u>	<u>(156,434)</u>	<u>(14,178)</u>	<u>(14,178)</u>	<u>1,961</u>	<u>156</u>	<u>3,574,113</u>	<u>(594,072)</u>	<u>-</u>	<u>26,165,291</u>
Excess of revenues over (under) expenses	<u>7,273,220</u>	<u>261,082</u>	<u>358,456</u>	<u>358,456</u>	<u>2,075,040</u>	<u>157,691</u>	<u>(3,574,113)</u>	<u>-</u>	<u>-</u>	<u>6,551,376</u>
Transfers in	3,392,767	9,435,538	1,890,000	-	-	-	7,711,426	(22,429,731)	-	-
Transfers out	(13,846,964)	(836,763)	(2,216,439)	(1,400,000)	(1,400,000)	(17,520)	(4,112,045)	22,429,731	-	-
Loss on disposal of assets	(18,844)	-	-	-	-	-	-	-	-	(18,844)
Total other financing sources (uses)	<u>(10,473,041)</u>	<u>8,598,775</u>	<u>(326,439)</u>	<u>(326,439)</u>	<u>(1,400,000)</u>	<u>(17,520)</u>	<u>3,599,381</u>	<u>-</u>	<u>-</u>	<u>(18,844)</u>
Change in net position	<u>(3,199,821)</u>	<u>8,859,857</u>	<u>32,017</u>	<u>32,017</u>	<u>675,040</u>	<u>140,171</u>	<u>25,268</u>	<u>-</u>	<u>-</u>	<u>6,532,532</u>
Net position, beginning of year	148,685,442	3,611,495	(22,751,483)	(22,751,483)	2,580,663	281,898	(666,204)	-	-	131,741,811
Prior period adjustment	-	(265,924)	(200,509)	(200,509)	-	-	-	-	-	(466,433)
Net position, as restated	<u>148,685,442</u>	<u>3,345,571</u>	<u>(22,951,992)</u>	<u>(22,951,992)</u>	<u>2,580,663</u>	<u>281,898</u>	<u>(666,204)</u>	<u>-</u>	<u>-</u>	<u>131,275,378</u>
Net position, end of year	<u>\$ 145,485,621</u>	<u>\$ 12,205,428</u>	<u>\$ (22,919,975)</u>	<u>\$ (22,919,975)</u>	<u>\$ 3,255,703</u>	<u>\$ 422,069</u>	<u>\$ (640,936)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,807,910</u>

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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 29,235,000	\$ 29,235,000	\$ 30,289,167	\$ 1,054,167	\$ 75,262	\$ 30,364,429
Investment earnings	60,000	60,000	155,945	95,945	45,337	201,282
Licenses and permits	9,700	9,700	14,272	4,572	(3,206)	11,066
Fines and forfeitures	200	200	1,500	1,300	-	1,500
Miscellaneous revenue	700,500	700,500	48,688	(651,812)	-	48,688
Total revenues	<u>30,005,400</u>	<u>30,005,400</u>	<u>30,509,572</u>	<u>504,172</u>	<u>117,393</u>	<u>30,626,965</u>
Expenses:						
Current operating:						
Finance	117,202	114,569	105,286	9,283	-	105,286
Development and public works	16,230,591	15,965,453	14,039,727	1,925,726	440,487	14,480,214
Debt service:						
Principal	1,037,555	1,037,555	715,538	322,017	(715,538)	-
Interest	320,988	628,135	598,706	29,429	(18,962)	579,744
Depreciation	-	-	-	-	8,188,501	8,188,501
Total expenses	<u>17,706,336</u>	<u>17,745,712</u>	<u>15,459,257</u>	<u>2,286,455</u>	<u>7,894,488</u>	<u>23,353,745</u>
Excess of revenues over (under) expenses	<u>12,299,064</u>	<u>12,259,688</u>	<u>15,050,315</u>	<u>2,790,627</u>	<u>(7,777,095)</u>	<u>7,273,220</u>
Other financing sources (uses):						
Transfers in	17,520	17,520	17,520	-	3,375,247	3,392,767
Transfers out	(12,811,426)	(13,131,426)	(13,131,426)	-	(715,538)	(13,846,964)
Gain (loss) on disposal of assets	-	-	-	-	(18,844)	(18,844)
Total other financing sources (uses)	<u>(12,793,906)</u>	<u>(13,113,906)</u>	<u>(13,113,906)</u>	<u>-</u>	<u>2,640,865</u>	<u>(10,473,041)</u>
Change in net position	(494,842)	(854,218)	1,936,409	2,790,627	(5,136,230)	(3,199,821)
Net position, beginning of year	<u>12,369,756</u>	<u>13,714,523</u>	<u>13,714,524</u>	<u>-</u>	<u>134,970,918</u>	<u>148,685,442</u>
Net position, end of year	<u>\$ 11,874,914</u>	<u>\$ 12,860,305</u>	<u>\$ 15,650,933</u>	<u>\$ 2,790,627</u>	<u>\$ 129,834,688</u>	<u>\$ 145,485,621</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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ -	\$ -	\$ 296	\$ 296	\$ -	\$ 296
Investment earnings	100,000	100,000	91,290	(8,710)	13,062	104,352
Miscellaneous receipts	-	168,665	168,665	-	(168,665)	-
Total revenues	<u>100,000</u>	<u>268,665</u>	<u>260,251</u>	<u>(8,414)</u>	<u>(155,603)</u>	<u>104,648</u>
Expenses:						
Current operating:						
Development and public works	1,039,532	2,309,264	492,652	1,816,612	(492,652)	-
Capital projects	2,987,226	3,797,427	512,777	3,284,650	(512,777)	-
Debt service:						
Interest	-	-	-	-	(156,434)	(156,434)
Total expenses	<u>4,026,758</u>	<u>6,106,691</u>	<u>1,005,429</u>	<u>5,101,262</u>	<u>(1,161,863)</u>	<u>(156,434)</u>
Excess of revenues over (under) expenses	<u>(3,926,758)</u>	<u>(5,838,026)</u>	<u>(745,178)</u>	<u>5,092,848</u>	<u>1,006,260</u>	<u>261,082</u>
Other financing sources (uses):						
Transfers in	6,500,000	6,820,000	6,820,000	-	2,615,538	9,435,538
Transfers out	-	-	-	-	(836,763)	(836,763)
Loan proceeds	317,500	317,500	540,234	222,734	(540,234)	-
Total other financing sources (uses)	<u>6,817,500</u>	<u>7,137,500</u>	<u>7,360,234</u>	<u>222,734</u>	<u>1,238,541</u>	<u>8,598,775</u>
Change in net position	<u>2,890,742</u>	<u>1,299,474</u>	<u>6,615,056</u>	<u>5,315,582</u>	<u>2,244,801</u>	<u>8,859,857</u>
Net position, beginning of year as orginially stated	58,270,290	59,174,759	59,174,761	2	(55,563,266)	3,611,495
Prior period adjustment	-	-	-	-	(265,924)	(265,924)
Net position, beginning of year, as restated	<u>58,270,290</u>	<u>59,174,759</u>	<u>59,174,761</u>	<u>2</u>	<u>(55,829,190)</u>	<u>3,345,571</u>
Net position, end of year	<u>\$ 61,161,032</u>	<u>\$ 60,474,233</u>	<u>\$ 65,789,817</u>	<u>\$ 5,315,584</u>	<u>\$ (53,584,389)</u>	<u>\$ 12,205,428</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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 115,000	\$ 115,000	\$ 336,181	\$ 221,181	\$ 8,097	\$ 344,278
Expenses:						
Capital projects	10,469,756	10,875,833	2,216,439	8,659,394	(2,216,439)	-
Debt service:						
Interest	-	-	-	-	(14,178)	(14,178)
Total expenses	10,469,756	10,875,833	2,216,439	8,659,394	(2,230,617)	(14,178)
Excess of revenues over (under) expenses	(10,354,756)	(10,760,833)	(1,880,258)	8,880,575	2,238,714	358,456
Other financing sources (uses):						
Transfers in	-	-	-	-	1,890,000	1,890,000
Transfers out	-	-	-	-	(2,216,439)	(2,216,439)
Total other financing sources (uses)	-	-	-	-	(326,439)	(326,439)
Change in net position	(10,354,756)	(10,760,833)	(1,880,258)	8,880,575	1,912,275	32,017
Net position, beginning of year as orginally stated	20,726,098	21,087,123	21,087,124	1	(43,838,607)	(22,751,483)
Prior period adjustment	-	-	-	-	(200,509)	(200,509)
Net position, beginning of year, as restated	20,726,098	21,087,123	21,087,124	1	(44,039,116)	(22,951,992)
Net position, end of year	\$ 10,371,342	\$ 10,326,290	\$ 19,206,866	\$ 8,880,576	\$ (42,126,841)	\$ (22,919,975)

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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 601,000	\$ 601,000	\$ 2,064,082	\$ 1,463,082	\$ -	\$ 2,064,082
Investment earnings	5,000	5,000	9,555	4,555	3,364	12,919
Total revenues	<u>606,000</u>	<u>606,000</u>	<u>2,073,637</u>	<u>1,467,637</u>	<u>3,364</u>	<u>2,077,001</u>
Expenses:						
Current operating:						
Development and public works	3,000	3,000	1,961	1,039	-	1,961
Excess of revenues over (under) expenses	603,000	603,000	2,071,676	1,468,676	3,364	2,075,040
Other financing sources (uses):						
Transfers out	(1,400,000)	(1,400,000)	(1,400,000)	-	-	(1,400,000)
Change in net position	(797,000)	(797,000)	671,676	1,468,676	3,364	675,040
Net position, beginning of year	<u>1,609,352</u>	<u>2,575,852</u>	<u>2,575,853</u>	<u>1</u>	<u>4,810</u>	<u>2,580,663</u>
Net position, end of year	<u>\$ 812,352</u>	<u>\$ 1,778,852</u>	<u>\$ 3,247,529</u>	<u>\$ 1,468,677</u>	<u>\$ 8,174</u>	<u>\$ 3,255,703</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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 53,000	\$ 53,000	\$ 156,470	\$ 103,470	\$ -	\$ 156,470
Investment earnings	3,000	3,000	797	(2,203)	580	1,377
Total revenues	<u>56,000</u>	<u>56,000</u>	<u>157,267</u>	<u>101,267</u>	<u>580</u>	<u>157,847</u>
Expenses:						
Current operating:						
Development and public works	2,000	2,000	156	1,844	-	156
Excess of revenues over (under) expenses	54,000	54,000	157,111	103,111	580	157,691
Other financing sources (uses):						
Transfers out	(17,520)	(17,520)	(17,520)	-	-	(17,520)
Change in net position	36,480	36,480	139,591	-	580	140,171
Net position, beginning of year	197,068	281,445	281,447	2	451	281,898
Net position, end of year	<u>\$ 233,548</u>	<u>\$ 317,925</u>	<u>\$ 421,038</u>	<u>\$ 103,113</u>	<u>\$ 1,031</u>	<u>\$ 422,069</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, 2014

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Expenses:						
Debt service:						
Principal	\$ 3,790,000	\$ 3,790,000	\$ 3,790,000	\$ -	\$ (3,790,000)	\$ -
Interest	3,921,426	3,921,426	3,921,425	1	(347,312)	3,574,113
Total expenses	<u>7,711,426</u>	<u>7,711,426</u>	<u>7,711,425</u>	<u>1</u>	<u>(4,137,312)</u>	<u>3,574,113</u>
Other financing sources (uses):						
Transfers in	7,711,426	7,711,426	7,711,426	-	-	7,711,426
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,112,045)</u>	<u>(4,112,045)</u>
Total other financing sources (uses)	<u>7,711,426</u>	<u>7,711,426</u>	<u>7,711,426</u>	<u>-</u>	<u>(4,112,045)</u>	<u>3,599,381</u>
Change in net position	-	-	1	-	25,267	25,268
Net position, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(666,204)</u>	<u>(666,204)</u>
Net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ (640,937)</u>	<u>\$ (640,936)</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, 2014

	Taxes Receivable 7/1/2013	Tax Levy	(Adjustments) Interest and (Discounts)	(Deduct) Collections	Taxes Receivable 6/30/2014
Prior Years	\$ 97,857	\$ -	\$ (6,981)	\$ (2,704)	\$ 88,172
2004-05	10,982	-	(1,551)	(460)	8,971
2005-06	11,418	-	(2,097)	(438)	8,883
2006-07	11,706	-	(887)	(1,279)	9,540
2007-08	19,745	-	(1,310)	(6,753)	11,682
2008-09	41,458	-	(3,261)	(13,500)	24,697
2009-10	215,702	-	12,552	(87,458)	140,796
2010-11	329,435	-	17,088	(134,969)	211,554
2011-12	518,976	-	540	(185,861)	333,655
2012-13	919,200	-	(29,446)	(379,927)	509,827
2013-14	-	29,539,586	(791,687)	(27,866,138)	881,761
	<u>\$ 2,176,479</u>	<u>\$ 29,539,586</u>	<u>\$ (807,040)</u>	<u>\$ (28,679,487)</u>	<u>\$ 2,229,538</u>

Summary by fund:

General Fund	\$ (18,345,341)	\$ 1,395,827
Fire Levy Fund	(1,338,167)	108,528
Police Levy Fund	(4,730,191)	338,381
SEDA Glenwood General Fund	(710,408)	42,805
SEDA Downtown General Fund	(265,275)	15,975
Debt Service Funds:		
Bancroft Redemption	(52)	103
General Obligation	(3,290,053)	327,919
	<u>\$ (28,679,487)</u>	<u>\$ 2,229,538</u>

SCHEDULE OF OTHER TAX REVENUES RECEIVED

Special Revenue Funds:

Transient room taxes	\$ 1,070,722
Gas tax	1,042,494
	<u>\$ 2,113,216</u>

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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.	140-144
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	145-148
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.	149-153
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.	154-155
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.	156-158

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 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	\$ 107,219,252
Restricted	8,616,435	6,709,199	8,109,950	7,347,374	5,956,816	5,268,152	12,102,762	11,424,559	13,171,125	14,144,006
Unrestricted	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	20,240,783
Total governmental activities net position	\$ 108,293,005	\$ 112,828,834	\$ 122,513,647	\$ 139,558,544	\$ 139,311,394	\$ 142,562,142	\$ 142,050,500	\$ 141,570,103	\$ 141,738,234	\$ 141,604,041
Business-type activities										
Net investment in capital assets	\$ 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	\$ 54,491,005
Restricted	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	3,072,205
Unrestricted	8,971,858	8,554,956	9,583,199	8,759,032	9,478,068	12,562,982	15,019,532	13,474,770	22,668,331	23,137,298
Total business-type activities net position	\$ 46,641,168	\$ 48,919,200	\$ 52,962,370	\$ 60,175,026	\$ 59,930,225	\$ 63,890,777	\$ 69,359,244	\$ 74,883,926	\$ 77,914,255	\$ 80,700,508
Primary government										
Net investment in capital assets	\$ 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	\$ 161,710,257
Restricted	12,876,665	11,720,382	13,632,455	11,781,245	9,404,272	8,257,605	15,194,185	14,661,013	16,444,304	17,216,211
Unrestricted	38,903,112	40,899,551	41,393,731	43,897,372	43,451,932	42,144,379	35,216,268	34,988,785	42,504,125	43,378,081
Total primary government net position	\$ 154,954,173	\$ 161,748,034	\$ 175,476,017	\$ 199,734,170	\$ 199,241,619	\$ 206,452,919	\$ 215,878,561	\$ 216,154,029	\$ 219,652,489	\$ 222,304,549

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 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	\$ 4,928,452
Fire	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	11,736,970
Police	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	20,708,780
Library	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	1,508,178
Development and public works	14,535,858	15,661,029	16,333,481	15,278,674	14,896,444	13,560,283	12,804,723	11,384,695	11,658,254	11,925,811
Depreciation,unallocated	235,888	255,614	259,908	273,239	313,042	283,227	283,227	284,439	297,774	270,618
Interest on long-term debt	516,454	381,657	706,762	1,394,478	1,406,144	1,373,371	1,301,309	1,220,457	1,143,393	1,027,212
Total governmental activities expense	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	52,106,021
Business-type activities:										
Sewer	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	6,848,708
Storm drainage	-	-	-	-	3,894,947	3,956,135	4,031,641	3,843,225	3,984,400	4,407,437
Booth-Kelly	502,163	520,007	589,313	660,713	779,773	1,433,965	1,334,099	1,430,803	1,463,621	1,611,902
Ambulance	5,018,686	4,785,189	4,865,158	4,602,490	4,939,277	5,000,748	5,202,146	5,184,271	4,948,503	5,525,464
Business-type activities expenses	12,439,272	12,958,527	13,308,871	13,009,046	16,233,625	15,194,279	15,433,985	15,648,774	16,552,095	18,393,511
Total primary government expenses	\$ 54,140,460	\$ 56,762,900	\$ 59,724,237	\$ 58,664,468	\$ 63,873,464	\$ 63,303,429	\$ 66,947,974	\$ 66,324,430	\$ 68,001,335	\$ 70,499,532
Program Revenue										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 3,766,791
Fire	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	1,874,473
Police	156,735	250,968	232,563	274,968	490,731	246,682	513,759	529,998	493,254	429,497
Library	94,313	79,534	88,338	91,273	89,853	103,475	97,718	99,186	105,329	102,737
Development and public works	11,636,736	9,110,848	8,292,351	5,795,539	3,613,290	2,168,001	1,544,638	1,749,513	2,263,872	2,054,066
Operating grants and contributions	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	5,039,850
Capital grants and contributions	2,894,691	2,019,869	6,003,405	16,101,592	1,551,634	3,994,233	3,661,254	1,109,866	2,192,135	481,598
Total governmental activities program revenues	25,961,012	21,006,808	26,060,490	30,529,113	12,591,918	16,603,285	16,520,102	14,527,357	15,126,627	13,749,012
Business-type activities:										
Charges for services:										
Sewer	6,933,656	7,687,885	8,967,919	9,116,078	5,900,002	6,325,689	6,927,642	7,261,314	7,324,173	7,536,486
Storm drainage	-	-	-	-	4,475,347	4,984,732	5,694,208	5,789,080	6,032,530	6,347,901
Booth-Kelly	593,937	600,968	634,721	664,398	788,095	1,381,649	1,443,802	1,412,841	1,348,308	1,355,337
Ambulance	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	5,612,386
Operating grants and contributions	675	6,068	2,294	-	-	-	-	-	-	-
Capital grants and contributions	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	16,848
Total business-type activities program revenues	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	20,868,958
Total primary government program revenues	\$ 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	\$ 34,617,970
Net (Expense) Revenue										
Governmental activities	\$ (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)	\$ (38,357,009)
Business-type activities	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	2,475,447
Total primary government net expense	\$ (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)	\$ (35,881,562)

Continued

Continued

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 28,735,713
Room taxes	586,748	678,594	819,206	783,767	771,994	679,566	777,085	901,665	973,830	1,070,722
Other taxes	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	3,158,101
Payment in lieu of taxes	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	2,390,734
Investment earnings	814,959	1,702,251	2,758,907	2,945,365	1,727,120	664,423	421,956	337,514	333,178	361,323
Miscellaneous	151,033	206,256	385,310	323,133	379,635	201,184	486,358	727,049	985,770	908,413
Gain (loss) on disposition of capital assets	1,000,195	49,900	(35,598)	-	19,810	(57,355)	-	-	-	-
Shared revenue	(100,454)	1,090,631	1,193,858	1,146,172	1,377,642	1,247,546	1,387,527	1,400,459	1,460,463	1,533,466
Transfer to a separate entity	454,999	-	-	-	-	-	-	-	-	-
Transfers	24,414,288	416,552	643,168	272,692	593,130	(30,673)	107,047	142,115	71,894	64,344
Total governmental activities	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	38,222,816
Business-type activities:										
Investment earnings	328,840	441,688	868,946	821,733	559,713	409,360	292,416	237,091	211,730	282,238
Miscellaneous	238,626	142,650	707,548	11,597	120,051	186,763	368,134	16,990	78,204	92,912
Gain on disposition of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	(454,999)	(416,552)	(643,168)	(272,692)	(593,130)	30,673	(107,047)	(142,115)	(71,894)	(64,344)
Total business-type activities	112,467	167,786	933,326	560,638	86,634	626,796	553,503	111,966	218,040	310,806
Total primary government	\$ 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	\$ 38,533,622
Change In Net Position										
Governmental activities	\$ 8,674,112	\$ 4,545,078	\$ 9,685,008	\$ 17,044,895	\$ 376,104	\$ 3,250,751	\$ (511,639)	\$ (480,395)	\$ 525,102	\$ (134,193)
Business-type activities	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	2,786,253
Total primary government	\$ 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	\$ 2,652,060

- 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 293,103	\$ 494,395	\$ 391,918	\$ 926,688	\$ 388,528	\$ 10,546	\$ -	\$ -	\$ -	\$ -
Unreserved	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	22,109
Restricted	-	-	-	-	-	-	600,000	632	-	-
Committed	-	-	-	-	-	-	65,721	37,863	12,764	25,902
Assigned	-	-	-	-	-	-	39,224	600,000	600,000	600,000
Unassigned	-	-	-	-	-	-	6,872,613	7,134,387	7,538,441	7,698,382
Total general fund	\$ 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	\$ 8,346,393
All Other Governmental Funds										
Reserved	\$ 8,556,200	\$ 4,835,844	\$ 6,104,214	\$ 6,868,556	\$ 5,339,010	\$ 4,492,479	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	4,514,516	8,118,406	8,487,980	3,137,842	4,329,775	4,459,760	-	-	-	-
Capital projects funds	8,275,997	11,029,365	30,228,095	24,023,946	14,937,692	4,030,636	-	-	-	-
Debt service funds	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	147,593
Restricted	-	-	-	-	-	-	7,022,919	8,020,323	8,535,571	9,060,917
Committed	-	-	-	-	-	-	4,546,915	4,024,188	3,130,187	2,460,530
Assigned	-	-	-	-	-	-	1,009,473	426,016	410,941	443,945
Unassigned	-	-	-	-	-	-	-	-	(26,365)	(64,907)
Total all other governmental funds	\$ 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	\$ 12,048,078

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										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
Revenue:											
Taxes	\$ 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	\$ 31,087,716	
Licenses and permits	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	2,700,850	
Intergovernmental	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	8,576,500	
Charges for services	14,260,750	10,477,114	9,745,427	16,598,854	7,660,854	7,041,256	7,417,478	6,958,019	7,022,389	7,142,048	
Fines & forfeitures	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	1,673,933	
Use of money & property	1,317,205	1,800,266	2,489,523	2,821,836	1,159,664	452,130	263,317	170,279	191,559	141,996	
Special assessments	88,103	138,754	53,236	38,011	11,684	10,856	25,625	48,934	42,569	31,651	
Miscellaneous revenue	149,089	167,044	525,944	312,154	464,200	267,380	664,045	648,988	306,085	570,176	
Total Revenues	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	51,924,870	
Expenditures:											
Current Operating:											
General government	4,517,243	5,118,518	5,338,050	5,815,656	6,460,455	5,536,753	5,825,159	6,083,214	6,306,579	6,042,155	
Public safety	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Fire	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	11,515,444	
Police	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	19,118,811	
Library	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	1,440,438	
Development and public works	9,586,543	10,864,403	12,513,082	11,805,812	12,680,663	12,085,092	10,925,370	9,283,821	9,041,272	9,427,305	
Capital Projects	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	1,232,663	
Debt service:											
Principal	673,046	668,462	984,177	1,732,030	2,030,047	2,173,240	2,251,618	2,330,192	2,418,973	2,507,974	
Interest	507,382	372,870	413,956	1,572,382	1,390,816	1,364,942	1,283,376	1,197,635	1,108,223	1,011,446	
Bond issue costs	-	63,112	355,501	-	-	-	-	-	-	-	
Arbitrage	-	-	-	-	-	49,406	-	-	-	-	
Total expenditures	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	52,296,236	
Excess of revenues over (under) expenditures	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)	(371,366)	
Other financing sources (uses):											
Transfers in	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	4,754,376	
Transfers out	(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)	(4,409,317)	
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)	354,545	4,338,856	25,605,410	274,622	2,582,920	500,839	591,777	958,552	614,296	345,059	
Net changes in fund balances	\$ 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)	\$ (26,307)	
Debt services as a percentage of non-capital expenditures *	2.95%	2.45%	3.00%	6.96%	6.96%	7.14%	7.03%	7.09%	7.05%	6.83%	

Notes:
* Debt service represents principal and interest incurred during the year. Noncapital expenditures do not include capital outlay for land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure incurred during the year.

SPRINGFIELD



OREGON

Revenue Capacity Information

SPRINGFIELD



OREGON

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>
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%
2014	-	-	-	-	4,043,528,204	7.15	6,450,348,959	62.69%

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		
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		
2014	4.67	0.84	1.28	0.36	7.15	5.61	1.91	0.85	0.22	2.42	-	-	0.18		

Source: Lane County Department of Assessment & Taxation

City of Springfield, Oregon

PRINCIPAL PROPERTY TAX PAYERS

Current Year and Nine Years Ago

Taxpayer	2014			2005		
	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%	\$ 5,642,459	10	0.20%
IP Eat Three LLC (Weyerhaeuser)	148,905,413	2	3.68%	216,128,535	1	7.70%
Symantec Corporation	91,918,795	3	2.27%	37,172,945	4	1.32%
Gateway Mall Partners	63,724,337	4	1.58%	45,534,317	2	1.62%
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	6	0.66%
Symantec Corporation	25,109,463	9	0.62%	-	-	-
RC Springfield 2007 LLC	24,858,230	10	0.61%	-	-	-
Qwest Corp	-	-	-	38,214,100	3	1.36%
Shorewood Packaging Corp	-	-	-	26,507,160	5	0.94%
Kingsford Manufacturing	-	-	-	18,222,722	7	0.65%
McKenzie Willamette	-	-	-	17,861,946	8	0.64%
Dynea USA Inc	-	-	-	17,315,798	9	0.62%
KRC Rolls	-	-	-	-	-	-
Total	<u>\$ 866,295,271</u>		<u>21.42%</u>	<u>\$ 441,036,112</u>		<u>15.72%</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
2005	\$ 17,372,713	\$ 16,362,478	94.2%	\$ 1,001,264	\$ 17,363,742	99.95%
2006	18,347,448	17,394,011	94.8%	944,554	18,338,565	99.95%
2007	19,665,050	18,611,955	94.6%	1,043,555	19,655,510	99.95%
2008	21,473,863	20,128,824	93.7%	1,333,357	21,462,181	99.95%
2009	25,639,015	24,092,260	94.0%	1,522,058	25,614,318	99.90%
2010	27,170,891	25,473,655	93.8%	1,556,440	27,030,095	99.48%
2011	26,956,427	25,339,490	94.0%	1,405,383	26,744,873	99.22%
2012	27,667,002	26,127,844	94.4%	1,205,503	27,333,347	98.79%
2013	28,646,245	26,967,621	94.1%	1,168,796	28,136,417	98.22%
2014	29,539,586	27,866,138	94.3%	791,687	28,657,826	97.01%

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

Debt Capacity Information

SPRINGFIELD



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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				
2005	\$ 8,105,000	\$ -	\$ -	\$ 608,918	\$ 210,000	\$ 1,953,323	\$ 2,248,720	\$ 13,125,961	0.13%	\$ 235	
2006	11,490,161	-	157,584	560,456	210,000	1,786,504	1,842,482	16,047,187	0.14%	281	
2007	35,642,120	-	126,629	511,278	210,000	1,619,685	8,690,632	46,800,344	0.41%	816	
2008	33,851,028	-	87,507	459,249	210,000	1,447,866	8,861,225	44,916,875	0.38%	774	
2009	32,208,997	-	46,305	2,129,202	210,000	24,348,478	7,513,982	66,456,964	0.57%	1,144	
2010	30,228,892	-	1,382,311	1,920,962	210,000	23,463,735	6,697,965	63,903,865	0.55%	1,091	
2011	28,183,787	-	1,108,535	1,699,344	210,000	32,916,000	5,834,566	69,952,232	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	0.51%	1,095	
2013	23,873,578	-	1,756,347	1,230,179	210,000	29,929,407	4,404,011	61,403,522	0.47%	1,024	
2014	21,603,473	-	1,227,516	977,206	210,000	28,363,611	3,695,017	56,076,823	*	935	

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>
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
2014	21,603,473	0.53%	360

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

* not yet available

City of Springfield, Oregon

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

June 30, 2014

Governmental Unit	Debt Outstanding	Percentage applicable to the City	City's share of overlapping debt
City of Springfield - general obligation bonds	\$ 21,603,473	100.00%	\$ 21,603,473
City of Springfield - notes payable	977,206	100.00%	977,206
City of Springfield - contracts payable	210,000	100.00%	210,000
City of Springfield - capital leases	1,227,516	100.00%	1,227,516
Total Direct debt	\$ 24,018,195		24,018,195
Overlapping Debt			
Lane Community College	121,170,456	15.72%	19,048,238
Lane County	97,317,273	15.95%	15,525,414
School District 19	100,710,372	75.56%	76,099,376
School District 4J	197,610,402	6.63%	13,092,282
Lane Education Service District	7,285,000	15.99%	1,165,170
Willamalane Park & Recreation District	22,240,000	94.22%	20,953,972
Total overlapping debt			145,884,452
Total direct and overlapping debt			\$ 169,902,647

Notes:

- a. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. The State of Oregon, Debt Management Division, provides overlapping debt data based on real market valuation of properties for each jurisdiction.
- b. Total direct debt and overlapping debt is total direct debt plus gross overlapping debt.

City of Springfield, Oregon

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

June 30, 2014	
\$ 6,450,348,959	
\$ 193,510,469	
21,410,000	
\$ 172,100,469	

Real market value

Debt limit 3% of real market value

Amount of debt applicable to debt limit:

Total debt margin

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 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	\$ 193,510,469
Total net debt applicable to limit	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	21,410,000
Legal debt margin	\$ 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	\$ 172,100,469
Total net debt applicable to the limit as a percentage of debt limit	7.02%	8.97%	21.11%	16.74%	14.50%	13.32%	13.45%	12.83%	12.33%	11.06%

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	
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
2014	14,102,581	7,954,941	6,147,640	1,515,000	1,144,050	2.31

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

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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
2005	55,861	\$ 10,191,534	\$ 30,347	10,634	6.7%
2006	57,055	11,085,431	32,611	10,477	5.9%
2007	57,320	11,449,995	33,203	10,609	5.6%
2008	58,005	11,848,249	34,029	10,608	5.7%
2009	58,085	11,572,848	32,985	10,526	12.7%
2010	58,575	11,669,824	33,160	10,221	11.0%
2011	59,425	12,235,553	34,614	10,204	9.9%
2012	59,695	12,742,734	35,941	10,600	8.9%
2013	59,990	13,047,961	36,630	11,033	8.2%
2014	60,001	*	*	10,969	7.1%

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: 2014 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 Eight Years Ago

<u>Employer</u>	<u>2014</u>			<u>2006*</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Peace Health Oregon Region	3,451	1	14.08%	-		-
Symantic	1,600	2	6.53%	1,103	2	4.24%
Springfield School District #19	1,197	3	4.88%	1,383	1	5.31%
Royal Caribbean Cruise Lines	900	4	3.67%	-		-
McKenzie Willamette Hospital	892	5	3.64%	680	3	2.61%
City of Springfield	407	6	1.66%	412	6	1.58%
Willamalane Park and Recreation District	368	7	1.50%	332	9	1.28%
Wal-Mart	352	8	1.44%	400	7	1.54%
Peace Health Medical Laboratories	346	9	1.41%	-		-
Lane Transit District	303	10	1.24%	-		-
Rosboro Lumber Company	-		-	416	5	1.60%
Weyerhaeuser	-		-	533	4	2.05%
Pacific Source	-		-	315	10	1.21%
U.S. Postal Service	-		-	337	8	1.29%
Total	<u>9,816</u>		<u>40.04%</u>	<u>5,911</u>		<u>22.71%</u>

Source: City Economic Development Division

* 2005 figures not available.

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*									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
City management	6.00	7.00	7.00	7.50	8.00	8.00	8.00	7.00	7.00	7.00
Finance	11.50	11.50	11.30	11.30	11.30	10.30	10.30	9.80	9.50	9.50
Human resources	7.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00
Information technology	9.00	10.00	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	8.55	8.55	8.55	8.85	8.84	8.84
Police										
Officers	70.00	70.00	70.00	70.00	70.00	66.00	69.00	69.16	68.16	68.16
Civilians	38.50	40.00	40.00	40.00	41.00	57.00	57.00	55.00	54.83	54.83
Fire										
Firefighters and officers	89.00	87.00	89.00	89.00	90.25	91.00	88.00	88.00	87.00	86.00
Civilians	14.05	14.55	16.05	21.25	21.00	17.00	18.00	15.00	14.00	14.00
Development and public works										
Engineers	15.00	14.00	17.00	16.00	19.00	20.00	15.00	15.00	15.00	13.00
Other	129.25	130.50	135.75	143.85	149.75	135.75	134.25	125.75	115.56	116.75
Library	13.40	13.60	13.60	13.60	13.60	13.20	13.40	12.40	12.60	12.60
Total	410.25	412.70	424.25	437.05	449.45	442.80	437.50	421.96	408.49	406.68

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Physical arrests	7,192	10,993	9,044	8,523	7,054	7,107	7,527	7,148	8,577	9,221
Parking violations	1,114	939	941	457	395	354	***	237	185	360
Traffic violations	8,693	9,182	10,879	10,091	9,964	9,423	10,299	10,122	10,648	7,517
Fire										
Number of fire stations	5	5	5	5	5	5	5	5	5	5
Emergency responses	14,097	16,129	16,345	18,190	18,413	17,382	19,096	19,398	20,836	23,206
Fires extinguished	240	283	257	216	238	165	180	206	248	275
Inspections	3,016	3,540	3,719	3,374	3,329	2,103	1,670	2,214	1,047	1,641
Library*										
Number of public computer log-ins	111,773	118,894	149,153	109,019	100,867	60,335	59,994	46,797	64,065	70,756
Total volumes loaned	306,946	309,277	293,068	297,982	326,235	344,809	344,586	354,120	354,538	354,503
Development & public works										
Crack sealing	27	33	28	18	41	12	9	3	40	28
Potholes repaired	1,094	1,343	989	1,142	722	1,569	1,062	1,364	1,124	1,047
Storm lines high velocity cleaning	251,249	231,891	132,637	215,683	32,584	7,810	9,452	3,835	1,909	1,811
Sanitary lines high velocity cleaning	781,234	518,889	664,822	657,295	932,839	965,853	653,641	652,069	587,954	363,748
Number of building permits**	759	770	724	618	512	491	400	428	382	433
Building valuation (in thousands)	\$ 407,724	\$ 462,560	\$ 192,868	\$ 143,064	\$ 65,192	\$ 48,150	\$ 38,067	\$ 40,698	\$ 44,388	\$ 44,621

Sources: Various city departments

* Includes ONLINE cpu log-ins beginning 2014

** New constructions permits

*** 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>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>	<u>2014</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)*	387	390	392	398	401	412	420	423	423	423
Street lights	3,544	3,555	3,875	4,033	4,117	4,160	4,208	4,350	4,530	4,300
Traffic signals	-	72	70	68	68	69	68	73	83	68
Water										
Fire hydrants	1,302	1,500	1,516	1,553	1,552	1,552	1,552	1,559	1,581	1,585

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 19, 2014.

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

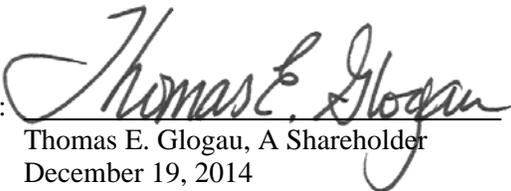
In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose 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 will be reported to management in a separate letter.

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 19, 2014

Governmental Auditing Standards

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 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, 2014, 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 19, 2014.

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.

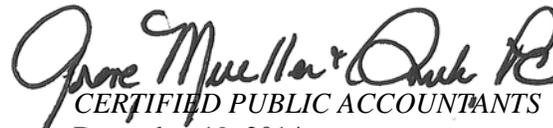
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 19, 2014

**OMB Circular A-133
(Single Audit) 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 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, 2014. 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 of Springfield, 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, 2014.

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 19, 2014

CITY OF SPRINGFIELD, OREGON, FEDERAL GRANT COMPLIANCE REPORT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

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:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.239	HOME Investment Partnerships Program
20.600, 20.602, 20.610, 20.616	Highway Safety 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, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Federal Expenditures in Fiscal Year 2013-2014	Amount Provided to Subrecipients
<u>U.S. Department of Justice</u>				
Direct Programs:				
2010 Justice Assistance Grant - Local	16.738	2010-DJ-BX-0112	\$ 9,169	
2011 Justice Assistance Grant - Local	16.738	2011-DJ-BX-2757	21,576	
2012 Justice Assistance Grant - Local	16.738	2012-DJ-BX-1073	16,428	
2013 Justice Assistance Grant - Local	16.738	2013-DJ-BX-0313	<u>6,678</u>	
Total U.S. Department of Justice			<u>53,851</u>	
<u>U.S. Department of Homeland Security</u>				
Grants passed through State of Oregon:				
Presidential Major Disaster Declaration FEMA	97.073	4169-DR-OR	4,313	
State Ops Center Project Participation	97.073	13-241	18,337	
Lane Fire Defense Board Regional Repeater/Radio Project, Phase 2	97.073	13-240	<u>80,878</u>	\$ 73,878
Total U.S. Department of Homeland Security			<u>103,528</u>	
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grant	14.218	NA	346,665	71,935
Community Development Block Grant Program Income	14.218	NA	<u>40,296</u>	
<i>Total CDBG - Entitlement Grants Cluster</i>			<u>386,961</u>	
City of Eugene:				
HOME Investment Partnership Programs	14.239	NA	300,965	
Lane Council of Governments:				
Sustainable Communities Regional Planning Grant (Lane Livability)	14.703	ORRIP0031-10	<u>10,153</u>	
Total U.S. Department of Housing and Urban Development			<u>698,079</u>	
<u>U.S. Department of Transportation</u>				
<i>Highway Planning and Construction Cluster</i>				
Grants passed through State of Oregon:				
Surface Transportation Program - Urban	20.205	NA	87,299	
Grants passed through Lane Council of Governments:				
Federal Surface Transportation Planning (STP-U)	20.205	NA	8,048	
Federal Surface Transportation Planning (STP-U)	20.205	NA	<u>36,322</u>	
<i>Total Highway Planning and Construction Cluster</i>			<u>131,669</u>	
<i>Highway Safety Cluster</i>				
Grants passed through State of Oregon:				
Springfield PD Safety Belt Overtime Enforcement Grant	20.600	OP-14-45-03NNN	2,013	
Springfield PD Speed Equipment and Overtime Grant	20.602	SC-13-35-12eee	4,975	
Springfield PD Speed Equipment and Overtime Grant	20.602	SC-14-35-12ggg	3,073	
Springfield Police eCitation and eCrash Project/Report Beam Grant	20.610	K9-13-54-03 SPD	108,409	
DUII Overtime Enforcement Grant	20.616	K8-13-12-36	<u>950</u>	
<i>Total Highway Safety Cluster</i>			<u>119,420</u>	
Total U.S. Department of Transportation			<u>251,089</u>	
<u>U.S. Department of the Interior</u>				
Grants passed through State of Oregon:				
State Historic Preservation Office	15.904	HPF OR-12-19	<u>2,010</u>	
Total U.S. Department of the Interior			<u>2,010</u>	
Total Expenditures of Federal Awards			<u>\$ 1,108,557</u>	<u>\$ 145,813</u>

City of Springfield, Oregon

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS

June 30, 2014

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, 2014

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
Community Development Block Grant	14.218	\$ 760,832
HUD HOME Grant	14.239	<u>2,614,902</u>
		<u>\$ 3,375,734</u>

NOTE C – LOANS PAYABLE OUTSTANDING

As of June 30, 2014, the City did not have any loan balances outstanding included in the Schedule of Expenditures of Federal Awards.

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