



City of Springfield, Oregon
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2015
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OREGON

CITY OF SPRINGFIELD, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2015

Prepared by:

Finance Department
Accounting Division

SPRINGFIELD



OREGON

City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2015

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	11-26
Organization Chart	27
Principal City Officials	28
Certificate of Achievement for Excellence in Financial Reporting	29
FINANCIAL SECTION	
Independent Auditor's Report	35-37
Management's Discussion and Analysis	41-57
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	61
Statement of Activities	62
Fund Financial Statements:	
Balance Sheet – Governmental Funds	63
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	64
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	65
Statement of Fund Net Position – Proprietary Funds	66
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	67
Statement of Cash Flows – Proprietary Funds	68
Statement of Fiduciary Net Position – Agency Fund	69
Notes to Basic Financial Statements	70-111
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund	115
Street Fund	116
Community Development Fund	117
Required Supplementary Information Schedules for OPEB, CRP, and OPERS	118-120

City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2015

Other Supplementary Information:

Non-major Governmental Funds Combining Statements:	
Combining Balance Sheet – Nonmajor Governmental Funds	125
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds	126
Special Revenue Funds:	
Combining Balance Sheet – Nonmajor Special Revenue Funds	129
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	130
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Special Revenue Fund	131
Transient Room Tax Fund	132
Building Code Fund	133
SEDA Glenwood General Fund	134
SEDA Downtown General Fund	135
Fire Local Option Levy Fund	136
Police Local Option Levy Fund	137
Jail Operations Fund	138
Debt Service Funds:	
Combining Balance Sheet – Nonmajor Debt Service Funds	141
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	142
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Obligation Debt Service Fund	143
Bancroft Redemption Fund	144
Capital Projects Funds:	
Combining Balance Sheet – Nonmajor Capital Project Funds	147
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds	148
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Development Assessments Capital Projects Fund	149
Development Capital Projects Fund	150
Police Building Bond Capital Project Fund	151
SEDA Glenwood Capital Projects Fund	152
Street Capital Projects Fund	153
SDC Transportation Reimbursement Fund	154
SDC Transportation Improvement Fund	155

City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2015

Enterprise Funds:

Combining Statement of Fund Net Position – Nonmajor Enterprise Funds	159
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position – Nonmajor Enterprise Funds	160
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	161
Schedules of Revenues, Expenses and Changes in Fund Net Position – Budget and Actual:	
Sewer Operations Fund	162
Storm Drainage Operations Fund	163
Sewer Capital Projects Fund	164
Storm Drainage Capital Projects Fund	165
Ambulance Fund	166
Booth Kelly Fund	167
Storm Drainage Reimbursement SDC Fund	168
Storm Drainage Improvement SDC Fund	169
Sewer Reimbursement SDC Fund	170
Sewer Improvement SDC Fund	171

Internal Service Funds:

Combining Statement of Fund Net Position – Internal Service Funds	175
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds	176
Combining Statement of Cash Flows – Internal Service Funds	177
Schedule of Revenues, Expenses and Changes in Fund Net Position – Budget and Actual:	
Vehicle and Equipment Fund	178
Insurance Fund	179
SDC Administration Fund	180

Fiduciary Fund:

Statement of Changes in Assets and Liabilities – Agency Fund	183
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Discretely Presented Component Unit:

Combining Schedule of Revenues, Expenditures and Changes in Fund Net Position – Regional Wastewater	187
Schedule of Revenues, Expenses and Changes in Fund Net Position – Budget and Actual:	
Regional Wastewater Fund	188
Regional Wastewater Capital Fund	189
Regional Wastewater Bond Capital Fund	190
Regional Wastewater Improvement SDC Fund	191
Regional Wastewater Reimbursement SDC Fund	192
Regional Wastewater Debt Service Fund	193

City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2015

Supplemental Schedules:

Schedule of Property Tax Transactions	197
---------------------------------------	-----

STATISTICAL SECTION

Financial Trend Information

Net position by component	203
Changes in net position, last ten fiscal years	204-205
Fund balances, governmental funds, last ten fiscal years	206
Changes in fund balances, governmental funds, last ten fiscal years	207

Revenue Capacity Information

Assessed value and actual value of taxable property, last ten fiscal years	211
Direct and overlapping property tax rates, last ten fiscal years	212
Principal property tax payers, current year and nine years ago	213
Property tax levies and collections, last ten fiscal years	214

Debt Capacity Information

Ratios of outstanding debt by type, last ten fiscal years	217
Ratios of general bonded debt outstanding, last ten fiscal years	218
Direct and overlapping governmental activities debt	219
Legal debt margin information, last ten fiscal years	220
Pledged revenue coverage, last ten fiscal years	221

Demographic and Economic Information

Demographic and economic statistics, last ten calendar years	225
Principal employers, current year and nine years ago	226

Operating Information

Full-time equivalent city government employees by function/program, last ten fiscal years	229
Operating indicators by function/program, last ten fiscal years	230
Capital asset statistics by function/program, last ten fiscal years	231

COMPLIANCE SECTION

Audit Comments:

Independent Auditor's Report Required by Oregon State Regulators	237-238
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Introductory Section

SPRINGFIELD



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December 22, 2015

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, 2015.

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, 2015, 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, 2015, 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. These reports are available in the City's separately issued Federal Grant Compliance Report.

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 60,065 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 and life safety 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 and life safety 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, municipal 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, 2015, the amount of the tax levy for general obligation bonded debt was \$0.74 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 7.1% in July 2014 to 5.5% in June 2015. This is below Oregon's statewide figure of 5.9% and above the United States rate of 5.3%. Lane County's non-farm not-seasonally-adjusted employment in June 2015 was 152,200 compared to 145,600 the previous year, an annualized gain of 4.5%. Oregon's seasonally adjusted unemployment rate fell from 7.0% in July 2014 to 5.5% in June 2015.

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

- In July 2014, **Swanson Lumber**, located on about 30 acres south of Downtown and the Union Pacific rail tracks, had a devastating mill fire that completely destroyed its plywood lumber mill. Damages were estimated at \$23 million. The firm had been upgrading the facility and employed about 250 employees before the fire and only four since. The firm spent the next several months evaluating the potential for rebuilding the plant at the Springfield site or elsewhere. In April 2015, the **Swanson Group** announced that it would not only rebuild the lost facility, but upgrade it to include investments of between \$45 to \$55 million for a new 330,000-square-foot veneer peeling and plywood layup operation to replace the facility and employ about 190 in a modernized automated facility, provided it was granted a five-year Enterprise Zone incentive by the Zone sponsors. The sponsors agreed to the Enterprise Zone application and the firm intends to rebuild and begin manufacturing in November 2016. They will pay its employees, on average, compensation that will exceed 150 percent of the Lane County average annual wage of \$58,530. In the spring of 2015, Swanson Group started final concrete demolition, installing the new SUB waterline to bolster fire protection, and, pending Final Site Plan Minor Modification approval expected by July 1, 2015, will begin the new mill construction in the summer of 2015.
- **McKenzie-Willamette Medical Center** has been developing plans for major additions and renovations to its hospital facilities in the Springfield Mohawk area. Estimated at a cost of \$80 million, the three-year project is planned to start in the summer of 2015 and be completed in 2018. The project will add 153,000 square-feet of space as well as 56,000 square-feet of renovations to the existing structure. This is the first expansion in nearly 30 years and would allow patients to have private rooms, add private exam and trauma rooms in the Emergency Room, and add a new patient tower with a new entrance and lobby and housing a new four-bed level II neonatal intensive care unit, expanded surgical and cardiovascular units, and beds for medical and surgical patients. The cardiovascular program and chest pain center will double in size from eight to sixteen beds. The expansion required the vacation of a city street to increase safety for pedestrians in the parking areas and was approved in May 2015. Building plans were submitted shortly thereafter. McKenzie-Willamette is undergoing some internal changes as well with its hospital being one of the larger of 38 hospitals **Community Health Systems** is spinning off into a new publicly traded hospital company called **Quorum Health Corporation**.
- **International Paper** has proposed \$102 million in equipment replacement upgrades to its paper mill manufacturing operations in Springfield. The upgrades are expected to be completed by the end of 2016. International Paper requested that both sponsors of the Springfield Enterprise Zone (Springfield and Lane County) approve five years of extended enterprise zone benefits even though the company is not increasing employment, but instead maintaining existing levels (279 employees) at its operations on two sites in Springfield. Its decision to replace two nearly nonfunctional and key components of its ongoing Springfield plant operations, a head box and boiler floor

(current value approximately \$3 to \$4 million), would allow the facility to continue operations, increase efficiency, and help maintain quality for critical world markets. The replacement equipment will take nearly a year to install and employ about 400 additional contractors at its peak. International Paper does not anticipate any reduction of its current staffing levels during the project. In early 2016, International Paper is scheduled to make a decision on where to make upgrades to multiple manufacturing facilities. These proposed upgrades could greatly enhance the long-term operations of this Springfield plant. The Enterprise Zone benefits could influence where International Paper chooses to make its major investments.

- 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 and changing commercial markets. The Gateway Mall is to be renamed **The Shoppes at Gateway** and is Rouse's largest planned makeover to date at an estimated \$45 million. These changes will shift the primarily indoor mall to a power center with access to merchants directly from the parking areas. The makeover will take about 18 months to complete, starting with selective demolition in the spring of 2015 and construction over the summer, allowing several stores to substantially change the merchant mix and open in the fall of 2015 with other unnamed stores in later phases. The proposed modifications include restaurants (**Panera** opening fall 2015) 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, including safer bike routing and a pedestrian covered connection to the Transit along Gateway. Other merchants to open in the redevelopment in the fall of 2015 include **Hobby Lobby**, **Ulta Beauty**, **Marshalls** (to employ 60 people), **Rack Room Shoes**, **Petco**, and **Firehouse Subs** (pad site) with **Noodles & Company** opening in the spring of 2016 (pad site).
- **Panda Express** has opened for business after demolishing an existing 1,840-square-foot restaurant in the Gateway area (formerly Taco Time) and constructing a new 2,096-square-foot restaurant with a drive thru.
- **Onelife Management**, based in the Portland Oregon area, has plans approved for a memory care facility on Game Farm Road in the Gateway area on 1.74 acres. Though property annexation was approved in May 2014, site plan approval occurred in early 2015 and construction is scheduled for late 2015 or early 2016.
- **FPS, LLC** and **Lane County Housing Authority (HACSA)** have annexed 1.36 acres of property in Glenwood for the development of 150 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 2016/2017 with possible completion in 2017.
- Also part of the updated **Glenwood Refinement Plan** area, the **Roth Family** has been working to annex the 8.14 acres to Springfield that would allow for the redevelopment of the family property into Residential Mixed-Uses permitted in the plan. The family has owned the **Roaring Rapids Pizza Restaurant** and the **Camp Putt Miniature Golf**

Course for many years and is considering phased redevelopment of the site to include expanded restaurant offerings and market-rate residential over ground-floor retail.

- The **City of Springfield** has moved two major projects along their development timelines to assist in the long-term redevelopment of Glenwood. The City implemented agreements with the State of Oregon that completed the jurisdictional transfer of Franklin Boulevard, including a cash payment of \$3.2 million to the City for long-term maintenance, from the **Oregon Department of Transportation (ODOT)**. In addition, the City continues to work with ODOT to redesign **Franklin Boulevard** to meet Springfield's urban standards, including three roundabouts in Phase I from the bridges at the west end of Downtown to what is Mississippi Street in Glenwood. The Phase I design is underway with construction planned to start in the summer of 2016. The \$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.
- Last year, **Alko Investments, LLC** annexed 1.33 acres of property, purchased an additional 0.6 acres west of the firm's property from the City of Springfield, and constructed an 85-room **Candlewood Suites Hotel** in Springfield's west Glenwood area by the new Interstate 5 Willamette River Bridge. The \$10 million, six-story hotel started construction in June 2013 and was completed in September 2014. The Patel family operates this hotel and the **Comfort Suites Hotel** at the nearby entrance to Interstate 5. The Candlewood facility provides 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. Alko Investments has begun negotiations with the City to purchase another City-owned property on the east side of its new hotel with the intention of building another hotel and commercial projects on sites east and west of the new hotel, potentially as soon as 2016.
- In the summer of 2014, the **Springfield Utility Board (SUB)** had plans approved to do phased renovations to the Willamette Heights water reservoir site south of Downtown Springfield. 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 include improvements to the existing two-million-gallon tank reservoir and constructing a new three-million-gallon reservoir serving the southwest portions of Springfield. The projects will include annexing additional properties to be within the Springfield City limits sometime in 2015 and 2016.
- **Willamalane Parks and Recreation District** passed a \$20 million bond in the November 2012 general election, and among the many projects funded throughout the Park District, the bond's passage assisted funding Phase II of its \$4 million four-mile-long loop path, completing 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, linked Clearwater Park with Quarry Creek and opened 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 completed construction of Phase III of the Willamalane Center Sports Park in the fall of 2014. This included 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. Other improvements funded by the bond measure and completed include upgrades to Pacific Park, the Community Gardens, Splash, and Quartz Park. In addition, the three-mile Mill Race Path for walking and cycling is underway with design, easements, property acquisition, and trailhead siting. The path is located at the Booth-Kelly Center along the former Booth-Kelly road and is in cooperation with the City of Springfield and SUB.

- The **Planktown Brewing Company**, a restaurant and brew pub completed in October 2013 and located at the Springfield Lodge I.O.O.F. building at Fourth and Main Street, is looking to expand into nearby buildings to accommodate its expansion of brewing facilities. This was the first major restaurant opening aligned with the newly adopted **Springfield Downtown Urban Design Plan** for the long-term turnaround of Downtown.
- **Urban Lumber**, a company that mills specialty lumber and creates handcrafted furniture from salvaged and reclaimed city trees of the Pacific Northwest, moved to a larger location in the City of Springfield's Booth-Kelly Center located just south of Springfield's Downtown. Filling nearly 39,000-square-feet of space, this move consolidated both its Eugene showroom and Main Street manufacturing facilities.
- **EWEB** has nearly finished construction on modifications to its Hayden Bridge water intake facility, which includes new valve vaults, a 1,000-square-foot pre-engineered metal compressor building, and in-river intake screens. These improvements were made to solidify water processing facilities that supply nearly all of the City of Eugene's drinking water. EWEB is also planning for a back-up water intake and pump station on property it is negotiating to buy from the Wildish Company on the firm's former headquarters site along McVay Highway and the Willamette River in Springfield's south Glenwood area. The agency's plans are to build in 2016/2017. No value has been attached to the project.
- In late June, **Midfirst Bank** of Oklahoma City, Oklahoma, which is actively searching for a buyer of the vacant 100-acre Marcola Meadows site it owns, submitted a request to extend the nearly seven-year-old site master plan for an additional three years. The **Marcola Meadows Master Plan** was approved for the development of a 100-acre site located at 28th Street & Marcola Road for mixed-use development that includes about 50 acres for residential uses, about 40 acres for mixed commercial uses, and the balance in parks and open space. Midfirst Bank's original Marcola Meadows Master Plan approval was valid for seven years until July 2015.

- **Hyland Business Park, LLC** has completed construction on two buildings in a new industrial business park just north of High Banks Road and 52nd Street and began construction on the third of three remaining buildings. The completed buildings already have tenants. 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 will allow multiple tenants to have modest office space within the individual light/medium industrial buildings, with several high-loading dock platforms.
- **Prime Time Sports Bar** on Mohawk Boulevard completed a remodel of its existing sports bar and restaurant to include a covered entrance, additional storage on the north side of the building, and a covered smoking area.
- Following an earlier annexation application, **Springfield School District** has 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. In coordination with Willamalane, Springfield School District 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.
- **Springfield School District** won approval from voters in November 2014 for a \$71.5 million bond to make improvements at every District school which include prolonging the useful life of schools, reducing operating costs, making safety improvements, replacing 57-year-old Hamlin Middle School, constructing additional classroom space at five elementary schools, and updating technology in order to prepare students to be successful in 21st-century colleges and careers. With students out of school for summer recess, construction projects around the District are just beginning. Among the biggest projects to be completed over the summer of 2015 are parking lots at the Page Elementary and Walterville schools, bleachers at Thurston High School, and classroom additions at Maple, Mt. Vernon, Ridgeview, Riverbend, and Yolanda Schools. The new classrooms are expected to open to students and staff in January 2016. The largest project paid through the bond will be replacing the Hamlin Middle School. The work to replace Hamlin Middle School has the School Board approving a contract for a general contractor/construction manager in June 2015 to work with the architect during the design process to help ensure a smooth process from design to construction. The Hamlin design committee, comprised of staff, parents and architects, has created a draft site plan.

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 review the fiscal health of our organization, beginning with a review of the current financial policies, to better understand how budget decisions impact the long-term stability of its financial position. A critical component of this is understanding the make-up of the different accounting funds and how each has its own unique external forces that can impact its financial stability. The recent recession did not treat all funds equally and lessons can be learned about the early identification of stress signs and what can be done to be able to respond in a timely manner. A part of this exercise is to ensure that staff is providing adequate guidance for the Council and Budget Committee in these matters.

The General Fund still meets all current Council adopted policies for maintaining adequate contingency and working capital. The City has three operating funds, the Street Fund, the Ambulance 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 three funds the top priority in its fiscal health exercise.

In conjunction with the fiscal health exercise, the City is also entering its third 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 third 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 three-to-five 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.

Public Safety Services:

In a significant move for two public agencies, the cities of Springfield and Eugene completed an operational merger of their two fire and life safety departments through an intergovernmental agreement in July of 2014. 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 five 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 twenty-four hours a day, seven days a week. 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. The citizens recently renewed a five-year Fire and Life Safety levy that will expire on June 30, 2021 and has a current five-year Police levy that will expire on June 30, 2018.

Urban Renewal:

Within the past eight 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 City 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 second phase of the Improved Pedestrian Lighting Project as well as transportation project improvements for the core Downtown area. Also, in response to requests by Downtown merchants, the City has redesigned its parking program to include free on-street timed parking and available paid parking permits for City-owned lots. Both of these projects are a subset of the larger 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:

- ◆ Capital preservation activities on the City's street system have been greatly curtailed over the past six years, as current revenue streams have been insufficient to support these activities. Significant cuts were made in fiscal years 2009 and 2010, with no preservation projects occurring on the local street system except for those funded through State or Federal grant programs. The State and Federal programs typically require awarded funds

be used for preserving or enhancing regionally significant collector and arterial class street segments. This requires the City to identify other revenue sources for a majority of the City's streets. During FY 2015, the City Council directed staff to identify funds for a slurry seal project on local streets. The project was completed for just over \$128,000, effectively slurry sealing approximately 3.4 lane miles of local class streets, or 1.5% of the system inventory. The outlook for street preservation projects in the 2016-2020 CIP is still inadequate, and the prolonged lack of dedicated preservation funding has led to a severe decline in overall street condition and directly correlating to the need for higher cost reconstruction.

- ◆ Franklin Boulevard Reconstruction – The required documentation under the National Environmental Policy Act (NEPA) is complete, with the project receiving a Categorical Exclusion (CE). The Franklin concept endorsed by the City 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 received \$6 million through the Statewide Transportation Improvement Program (2015-2018 STIP) and will match that with a \$3.5-\$5 million Oregon Transportation Infrastructure Bank loan to complete a Phase I improvement from the Franklin/McVay intersection to a logical terminus to the west. Consultant design and right of acquisition contracts have recently been approved, with construction anticipated 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 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. The project is expected to be completed in FY 2016.

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. Construction began in FY 2014 and will continue through early FY 2016, ensuring the sewer extension project is completed ahead

of any street construction work. Funding for the project is secured through wastewater user fees.

- ◆ CMOM Planning and Implementation – The City continues to make the repair, rehabilitation, or replacement of older wastewater pipes throughout the City a high priority in the Capital Improvement Program in an effort to reduce leakage of ground water into the system. 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). 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.

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. Investigative and hydraulic study work has been completed, with design and citizen outreach efforts currently underway and construction anticipated to begin in 2016.
- ◆ Mill Race Stormwater Facility – The Mill Race Stormwater Facility Project is a stormwater treatment facility on land immediately north of the present Mill Pond that was 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. This project will address water quality of stormwater flow entering the Mill Race. In addition, the City of Springfield is working with Willamalane to incorporate park and trail features as part of the design.
- ◆ 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, 2014. This was the thirty-fourth 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.

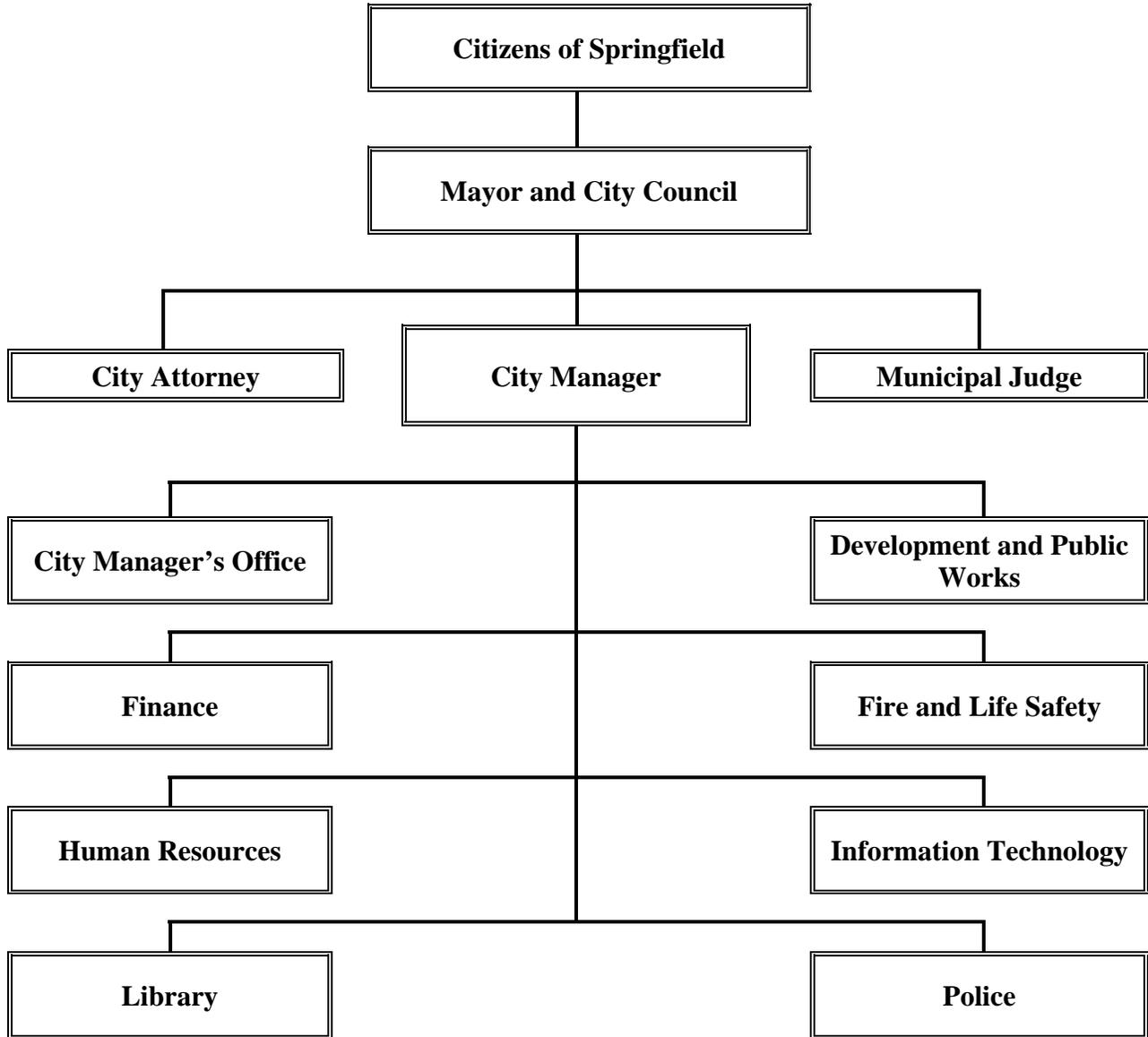
Gino Grimaldi,
City Manager

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, 2015

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, 2018

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

Ward 2

December 31, 2018

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, 2018

Joe Pishioneri
961 South 70th Street
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, 2014

Executive Director/CEO

SPRINGFIELD



OREGON

Financial Section

SPRINGFIELD



OREGON

Independent Auditor's Report

SPRINGFIELD





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, 2015, 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, 2015, 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.

Emphasis of Matter

As discussed in notes to the financial statements, the City adopted the accounting requirements of Governmental Accounting Standards Board Statements No. 68, Accounting and Financial Reporting for Pensions, and No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, which resulted in the restatement of the beginning balances for the year ended June 30, 2015. Our opinion is not modified with respect to this matter.

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) (pages 41 through 57), the schedules of revenues, expenditures and changes in fund balance – budget and actual for the General Fund and major special revenue funds (pages 115 through 117), and the required supplementary information schedules for OPEB, CRP, and OPERS (pages 118 through 120) 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 required supplementary information schedules for OPEB, CRP, and OPERS 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 funds 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 other supplementary information is the responsibility of management and was 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 22, 2015, 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 22, 2015, 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:  _____
Ryan T. Pasquarella, A Shareholder
December 22, 2015

SPRINGFIELD



Management's Discussion and Analysis

SPRINGFIELD



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, 2015. 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, 2015 increased \$17.9 million from \$293.1 million to \$311.0 million, or 6.1% from the prior year. This increase in total assets was primarily due to an increase of \$7.1 million in cash and investments, the addition of a \$6.4 million net pension asset, an increase of \$1.1 million in receivables, and an increase of \$3.3 million in capital assets.
- The City's total liabilities increased by \$10.9 million from \$70.8 million to \$81.7 million. This increase was primarily due to the addition of a \$13.6 million net pension liability, a \$0.9 million increase in compensated absences, a \$1.0 million increase in the City's OPEB obligation, and a \$0.6 million increase in accounts payable offset by a pay down in debt consisting of a \$4.0 million decrease in bonded debt, a \$0.9 million decrease in notes payable, and a \$0.6 million decrease in capital lease payable.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$219.8 million at the close of fiscal year 2015. Unrestricted net position totaled \$32.0 million with the remainder of the City's net position invested in capital assets (\$165.5 million) and restricted for capital projects, public safety, transportation, community development, debt service, and other purposes (\$22.3 million).
- At June 30, 2015, the City's governmental funds reported a combined ending fund balance of \$26.4 million, an increase of \$6.0 million (29%) from the prior year. Of this total amount, \$8.5 million (32%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$17.6 million (67%) 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, \$0.3 million (1%) is in a nonspendable form.
- At the end of fiscal year 2015, the unassigned fund balance in the General Fund was \$8.5 million which was 26% 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, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference 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 and Life Safety
- Police
- Library
- Development and 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 and City management is responsible for the Agency's operations. For these reasons, 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 61-62 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 63 and 65 in the basic financial statements.

The City maintains 20 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 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 115-117. Budgetary comparisons for all other governmental funds have been provided elsewhere in this report.

The governmental funds financial statements can be found at pages 63-65 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 service 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 Sanitary Sewer Operations Fund, the Storm Drainage Operations 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 66-68 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 69 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 70-111 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 115-120 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 125-197.

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 and deferred outflows exceeded liabilities and deferred inflows by \$219.8 million at the close of the most recent fiscal year.

The largest portion of the City's net position, \$165.5 million (75.3%) reflects its investment in capital assets (e.g., land and right-of-way, buildings, improvements, equipment, and infrastructure, net of accumulated depreciation), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Springfield's Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 57,818,703	\$ 45,634,949	\$ 44,223,060	\$ 41,802,120	\$ 102,041,763	\$ 87,437,069
Capital assets, net, where applicable, of accumulated depreciation	133,482,409	131,237,448	75,487,411	74,418,691	208,969,820	205,656,139
Total assets	191,301,112	176,872,397	119,710,471	116,220,811	311,011,583	293,093,208
Deferred outflows of resources	2,364,891	-	529,372	-	2,894,263	-
Noncurrent liabilities	42,707,409	30,576,828	31,587,343	33,367,700	74,294,752	63,944,528
Other liabilities	5,273,733	4,691,528	2,128,349	2,152,603	7,402,082	6,844,131
Total liabilities	47,981,142	35,268,356	33,715,692	35,520,303	81,696,834	70,788,659
Deferred inflows of resources	9,680,196	-	2,748,370	-	12,428,566	-
Net position:						
Net investment in capital assets	112,632,832	107,219,252	52,836,347	54,491,005	165,469,179	161,710,257
Restricted	18,977,155	14,144,006	3,348,526	3,072,205	22,325,681	17,216,211
Unrestricted	4,394,678	20,240,783	27,590,908	23,137,298	31,985,586	43,378,081
Total net position	\$ 136,004,665	\$ 141,604,041	\$ 83,775,781	\$ 80,700,508	\$ 219,780,446	\$ 222,304,549

A portion of the City's net position, \$22.3 million (10.1%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$32.0 million (14.6%) may be used to meet the government's ongoing obligations to citizens and creditors.

City of Springfield's Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 8,922,799	\$ 8,227,564	\$ 21,884,381	\$ 20,852,110	\$ 30,807,180	\$ 29,079,674
Operating grants and contributions	4,444,185	5,039,850	-	-	4,444,185	5,039,850
Capital grants and contributions	9,934,788	481,598	199,269	16,848	10,134,057	498,446
General revenues:						
Taxes	35,005,526	32,964,536	-	-	35,005,526	32,964,536
In lieu of tax payments	2,404,859	2,390,734	-	-	2,404,859	2,390,734
Shared revenue	1,579,978	1,533,466	-	-	1,579,978	1,533,466
Investment earnings	305,267	361,323	162,671	282,238	467,938	643,561
Miscellaneous receipts	857,657	908,413	446,106	92,912	1,303,763	1,001,325
Total revenues	<u>63,455,059</u>	<u>51,907,484</u>	<u>22,692,427</u>	<u>21,244,108</u>	<u>86,147,486</u>	<u>73,151,592</u>
Expenses:						
General government	5,194,119	4,928,452	-	-	5,194,119	4,928,452
Fire and life safety	9,905,694	11,736,970	-	-	9,905,694	11,736,970
Police	18,007,975	20,708,780	-	-	18,007,975	20,708,780
Library	1,477,854	1,508,178	-	-	1,477,854	1,508,178
Development & public works	10,605,607	11,925,811	-	-	10,605,607	11,925,811
Unallocated depreciation and amortization	270,619	270,618	-	-	270,619	270,618
Interest on debt	909,122	1,027,212	-	-	909,122	1,027,212
Sewer	-	-	6,340,495	6,848,708	6,340,495	6,848,708
Drainage	-	-	4,259,913	4,407,437	4,259,913	4,407,437
Booth Kelly	-	-	1,649,088	1,611,902	1,649,088	1,611,902
Ambulance	-	-	5,082,272	5,525,464	5,082,272	5,525,464
Total expenses	<u>46,370,990</u>	<u>52,106,021</u>	<u>17,331,768</u>	<u>18,393,511</u>	<u>63,702,758</u>	<u>70,499,532</u>
Increase in net position before transfers	17,084,069	(198,537)	5,360,659	2,850,597	22,444,728	2,652,060
Transfers	71,311	64,344	(71,311)	(64,344)	-	-
Increase (decrease) in net position	<u>17,155,380</u>	<u>(134,193)</u>	<u>5,289,348</u>	<u>2,786,253</u>	<u>22,444,728</u>	<u>2,652,060</u>
Net position - beginning, previously reported	141,604,041	141,738,234	80,700,508	77,914,255	222,304,549	219,652,489
Restatement per GASB 68 implementation	(22,754,756)	-	(2,214,075)	-	(24,968,831)	-
Net position - beginning, as restated	<u>118,849,285</u>	<u>141,738,234</u>	<u>78,486,433</u>	<u>77,914,255</u>	<u>197,335,718</u>	<u>219,652,489</u>
Net position - ending	<u>\$136,004,665</u>	<u>\$141,604,041</u>	<u>\$ 83,775,781</u>	<u>\$ 80,700,508</u>	<u>\$219,780,446</u>	<u>\$222,304,549</u>

Entity-wide change in net position: Entity-wide net position increased by \$22.4 million in the current fiscal year compared to an increase of \$2.6 million in the prior year. This \$19.8 million year-to-year increase in the change in entity-wide net position can be attributed to some significant one-time events in the current year, the details of which are provided below.

Governmental Activities. The change in governmental activities before transfers increased from a deficit of \$0.1 million in the prior year to a surplus of \$17.2 million in the current year. This increase of \$17.3 million can be explained by the following highlights:

- Capital grants and contributions increased by \$9.5 million from the prior year. This is a significant increase from the prior year and can be primarily attributed to the jurisdictional transfer of Franklin Boulevard in Springfield's Glenwood area from the State to the City. The total value of the transfer was \$6.7 million and included \$3.2 million in cash for future maintenance needs. In addition, the City received \$2.5 million in donated infrastructure resulting from a modest increase in development activity in the City.
- Operating grants and contributions decreased by \$0.6 million (11.8%) from the prior year. This can be primarily attributed to a \$0.4 million decrease in federal funding from the U.S. Department of Housing and Urban Development.
- Charges for services increased by \$0.7 million (8.5%) from the prior year. This can be primarily attributed to a \$0.3 million increase in building fee revenue and a \$0.2 million increase in SDC revenue, both resulting from a modest increase in development activity in the City.
- Taxes increased by \$2.0 million (6.2%) from the prior year and can be primarily attributed to a \$1.8 million increase in property tax receipts. One-third of this increase can be attributed to a clerical error at the County that resulted in a large industrial customer being undercharged in the previous year and the undercharge being added to the current year. The City also experienced appreciation in property values in the City, generating a return to normal tax growth. In addition, transient room taxes increased by \$0.2 million from the prior year as a result of the opening of a 85-room hotel in Springfield's West Glenwood area as well as continued growth in demand for overnight stays for regional special events and tourism.
- General government expenses increased by \$0.3 million (5.4%) from the prior year. While a modest increase, the number masks some more significant changes under the surface. The City implemented a new accounting and reporting standard for pensions that resulted in the recognition of a \$22.5 million prior period adjustment for the City's two pension plans. To further complicate matters, the State's Legislature passed pension reforms in a prior year that resulted in the City's PERS net pension liability becoming a net pension asset. The reduction of pension expenses that resulted from this legislation was allocated across all government functions and resulted in significant decreases in expenses as compared to the prior year. This is a temporary decrease as the PERS legislation was subsequently challenged in the courts and overturned and we will see a large adjustment reversing the decrease in the following year. The impact of this legislation was a \$0.7 million decrease in general government expenses offset by a \$340,000 expense relating to the Urban Renewal District agreeing to pay the system development charges for any new development in the District during the past year as well

as \$0.6 million increase in general government expenses resulting from normal inflationary pressures.

- Expenses for the Fire and Life Safety Department decreased by \$1.8 million (15.6%) from the prior year. \$1.5 million of this decrease can be attributed to the PERS legislation explained above. The remainder of the decrease resulted from a reduction in overtime costs.
- Expenses for the Police Department decreased by \$2.7 million (13%) from the prior year. \$2.5 million of this decrease can be attributed to the PERS legislation explained above. The remainder of the decrease resulted from a reduction in personnel costs resulting from some unfilled vacant positions.
- Expenses for the Development and Public Works Department decreased by \$1.3 million (11.1%) from the prior year and can be primarily attributed to the PERS legislation explained above.

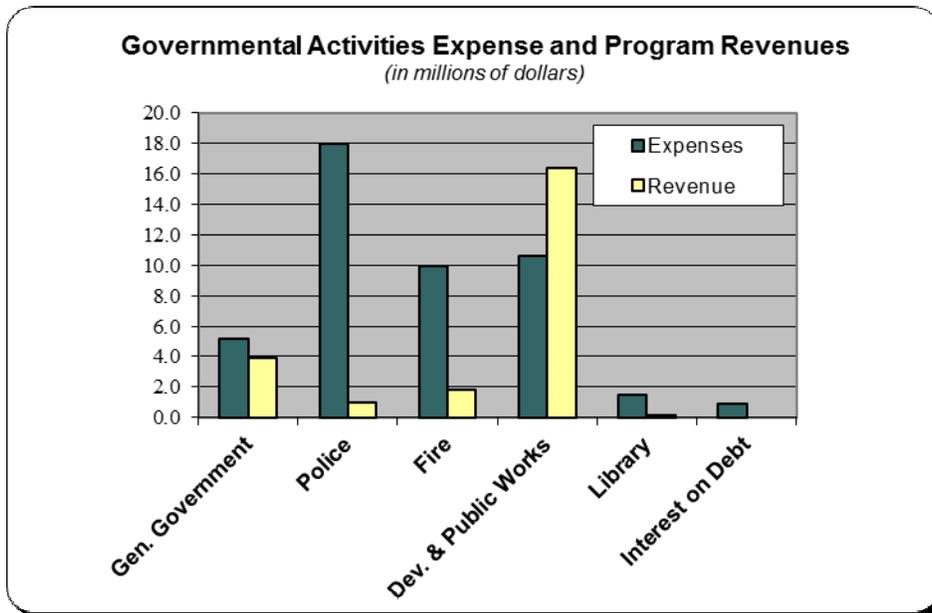


Chart 1

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.

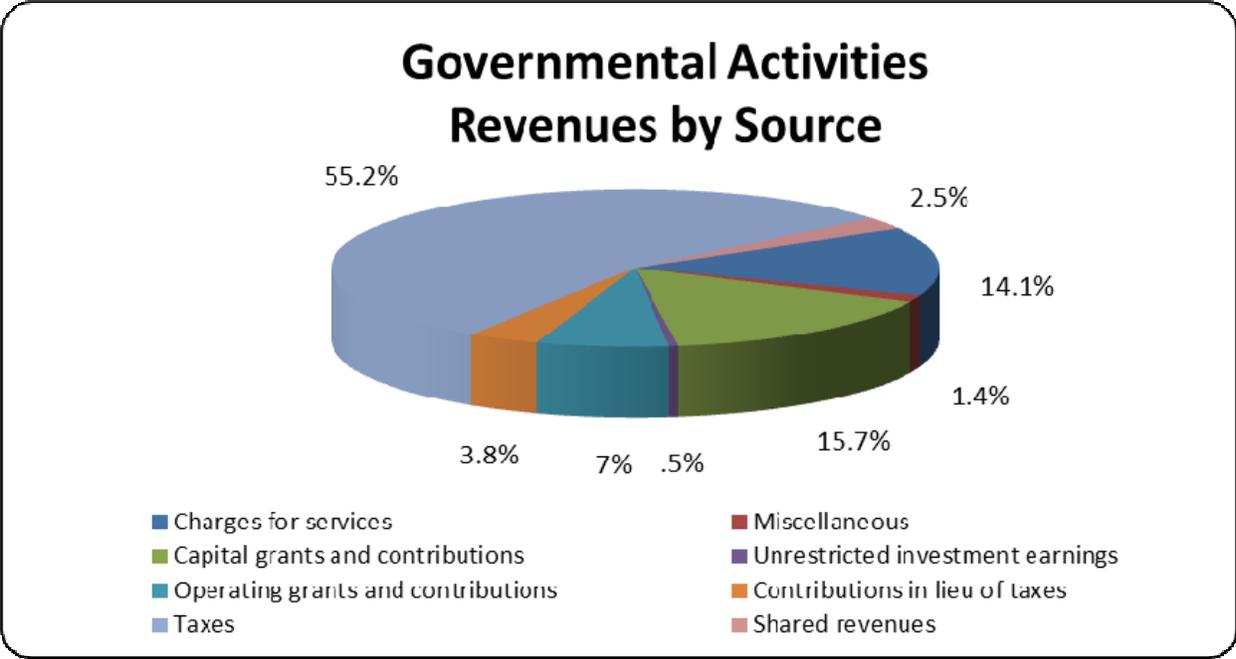


Chart 2

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 increased from \$2.9 million in the prior year to \$5.4 million in the current year. This increase of \$2.5 million can be explained by the following highlights:

- Total operating expenses for all business-type activities decreased by \$1.1 million (5.8%) from the prior year. This decrease can be attributed to the City implementing a new accounting and reporting standard for pensions that resulted in the recognition of a \$2.2 million prior period adjustment for the City’s business-type activities. To further complicate matters, the State’s Legislature passed pension reforms in a prior year that resulted in the City’s PERS net pension liability becoming a net pension asset. The reduction of pension expenses that resulted from this legislation was allocated across all business-type activities and resulted in significant decreases in expenses as compared to the prior year. This is a temporary decrease as the PERS legislation was subsequently challenged in the courts and overturned and we will see a large adjustment reversing the decrease in the following year. The impact of this legislation was a \$1.5 million decrease in expenses. If we were to remove the impact of this adjustment, operating expenses increased by \$0.5 million (2.6%) which can be attributed to normal inflationary pressures.

- Charges for services increased by \$1.0 million (5%) from the prior year and can be primarily attributed to a 3.0% rate increase in sewer fees, a 4.0% rate increase in stormwater fees, and a 9.0% increase in net ambulance billings.
- Sanitary Sewer expenses decreased by \$0.5 million (7.4%) from the prior year can be primarily attributed to a \$0.4 million decrease in PERS expenditures, as explained above. While the sanitary sewer fund experienced the same inflationary pressures as other funds, expenses remained flat from the prior year due to a decrease in personnel costs resulting from some unfilled vacant positions. Additionally, a fire destroyed the business of a major sewer customer, negatively impacting revenues and essentially offsetting the 3.0% increase in sewer user fees for fiscal year 2015.
- Storm drainage expenses decreased by \$0.1 million (3.3%) from the prior year can be primarily attributed to a \$0.5 million decrease in PERS expenditures, as explained above, offset by a \$0.3 million increase in operating expenses resulting from an increase in infrastructure repair projects, an increase in insurance costs, as well as normal inflationary pressures.
- Ambulance expenses decreased by \$0.4 (8.0%) from the prior year. This can be attributed to a \$0.6 million decrease in PERS expenditures, as explained above, offset by a \$0.2 million (4.0%) increase in personnel costs resulting from an increase in EMS staffing.

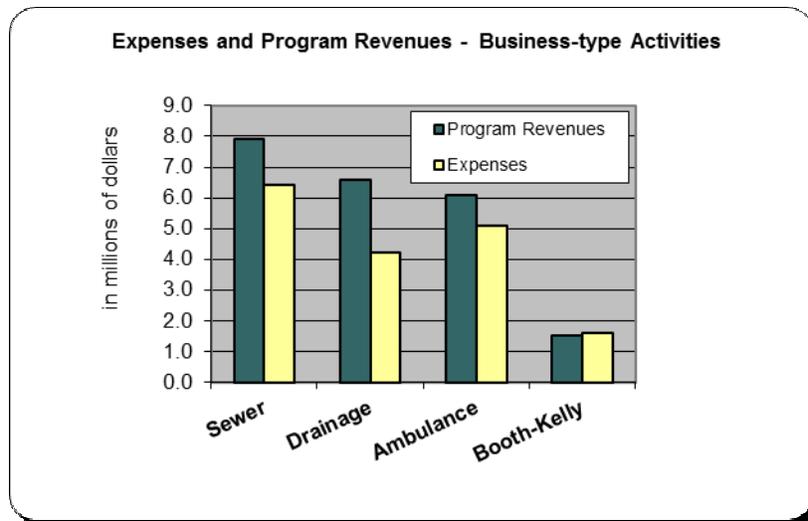


Chart 3

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.

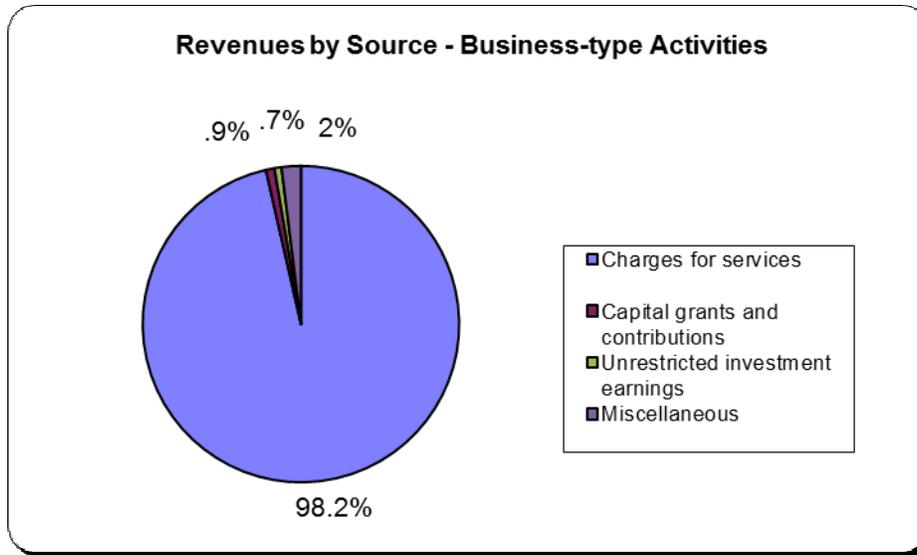


Chart 4

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 \$26.4 million. Of this total amount, \$8.5 million (32.0%) constitutes unassigned fund balance which is available for spending at the government’s discretion, \$17.6 million (67.0%) 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, \$0.3 million (1.0%) 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 \$8.5 million, while the total fund balance was \$9.3 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 26.0% of total General Fund expenditures, while total fund balance represents 28.0% of that same amount.

The fund balance of the City's General Fund increased by \$1.0 million during the current fiscal year compared to an increase of \$0.1 million in the prior year. This year-to-year increase of \$0.9 million can be explained by the following highlights:

- Property taxes increased by \$1.4 million (7.8%) from the prior year. About half of this increase can be attributed to a clerical error at the County as described earlier. The remaining balance can be attributed to strengthening property values in the City and a return to normal tax base growth.
- Licenses, permits, and fees increased by \$0.1 million (6.0%) from the prior year and can be primarily attributed to an increase in franchise fees. This is another sign that suggests the economy is slowly recovering.
- Intergovernmental revenues increased by \$0.4 million (9.3%) from the prior year and can be primarily attributed to the timing of payments under the modified accrual basis of accounting.
- Miscellaneous receipts decreased by \$0.2 million (42.0%) from the prior year and can be primarily attributed to a one-time refund in the prior year from Lane County that resulted from the discontinuation of the AIRS project, a regional public safety database.
- General government expenditures increased by \$0.4 million (8.9%) from the prior year and can be primarily attributed to a \$0.2 million (3.6%) increase in personnel costs, a \$150,000 increase in contractual services, and a \$100,000 increase in contributions to the City's computer equipment replacement reserve.
- Fire and Life Safety expenditures decreased by \$0.2 million (1.7%) from the prior year and can be primarily attributed to a reduction in overtime costs.
- Police expenditures increased by \$0.5 million (3.7%) from the prior year and can be primarily attributed to a \$0.2 million (1.4%) increase in personnel costs, a \$100,000 contribution to a regional radio consortium for capital upgrades, a \$130,000 increase in contributions to the City's internal insurance fund, and \$70,000 increase in public safety information system expenditures.
- Library expenditures increased by \$0.1 million (10.0%) from the prior year and can be primarily attributed to an increase in personnel costs resulting from an increase of hours the library is opened to the public as well as a one-time expenditure to upgrade the library online catalog software.
- Development and Public Works expenditures increased by \$0.1 million (5.3%) from the prior year and can be primarily attributed to normal inflationary pressures.
- Interfund transfers were relatively unchanged from the prior year.

The fund balance of the Street Fund increased by \$6,500 in the current fiscal year compared to a decrease of \$41,386 in the prior year. This year-to-year increase of \$47,886 is negligible and indicative of a fund whose revenues have plateaued. With a large back-log of street maintenance needs, the City is looking at alternative revenue sources to meet those needs.

The fund balance of the Community Development Fund increased by \$41,586 in the current fiscal year and was primarily due to the City being reimbursed by the HOME Consortium lead agency for an overpayment of HOME program income in a prior year.

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

As of the end of the current fiscal year, the City's proprietary funds reported a combined ending net position of \$83.8 million. Of this amount, \$27.6 million (33.0%) constitutes unrestricted net position. Proprietary fund highlights are as follows:

The Sanitary Sewer Operations Fund reported a \$4.1 million increase in net position. This increase can be primarily attributed to a \$2.9 million asset transfer from the Sewer Capital Projects Fund offset by a 3.0% user fee rate increase.

The Sanitary Sewer Capital Projects Fund reported a \$2.5 million decrease in net position primarily due to a transfer of assets to the Sanitary Sewer Operations Fund.

The Storm Drainage Capital Projects Fund reported a \$1.3 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 \$1.2 million increase in net position. \$0.6 million of this increase can be attributed to the PERS legislation as explained in an earlier section of this report. The remaining \$0.6 million can be primarily attributed to an increased focus on collecting accounts receivable and a steady increase in the number of calls for transport. Combined, this has resulted in a positive effect on revenues as the growth in business-type activities, such as ambulance billing services and the FireMed program, is continuing to compensate for the loss in Medicare reimbursements.

The Booth Kelly Fund reported a \$0.1 million decrease in net position primarily due to depreciation of capital assets.

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 increase of \$266,240. Details of this increase are as follows:

- \$ 33,000 increase to General Government
- 41,732 increase to Fire and Life Safety
- 43,500 increase to Library
- 5,571 increase in fiscal transactions
- 31,588 increase in the City reserves

For actual expenditures, the City under spent the amended budget by \$929,121.

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:

- \$ 297,364 increase in property taxes
- 275,560 increase in licenses, permits and fees
- 164,996 increase in intergovernmental revenues
- 31,157 decrease in interest and investment earnings
- 133,200 decrease in charges for service
- 417,919 decrease in fines and forfeitures
- 3,698 decrease in miscellaneous revenues
- 189,658 decrease in internal transfers
- 213,599 increase in beginning cash (amended over adopted budget)

For the year ended June 30, 2015, 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 greater than budgeted revenues. The combined actual current and delinquent property tax revenues were above the budgeted amounts; however, this is still the result of a previous year clerical error by the county and should now be corrected. Licenses and permits are seeing a stronger rebound as the economy improves, but they are still low overall compared to pre-recession numbers. Fines and forfeitures were lower as municipal court revenues are impacted by vacancies in the Police Department. Beginning fund balance on July 1, 2014 was \$213,598 greater than budgeted (+2.6%) while ending fund balance on June 30, 2015 was \$608,445 (+7.0%) greater than was projected in the FY15 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 FY16 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, 2015, amounts to \$209.0 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 Streets and right of way were recorded at an estimated cost of \$6.4 million.
- The 10th and N Street upgrade (phase I) project was completed for a total cost of \$4.2 million, with expenditures of \$0.8 million in the current fiscal year.
- The Downtown lighting project (phase I) was completed for a total cost of \$0.3 million in the current fiscal year.
- South 2nd Street Sewer Replacement was completed with expenditures of \$0.7 million in the current fiscal year.
- An additional \$2.6 million was added to construction in progress for sewer projects such as Millrace Stormwater facility, Topographic remapping, over/under channel and the Franklin Boulevard sewer extension.

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 60,765,378	\$ 55,947,842	\$ 4,758,858	\$ 4,758,858	\$ 65,524,236	\$ 60,706,700
Land improvements	-	-	24,046	-	24,046	-
Work in progress	1,024,979	692,762	4,858,218	2,173,143	5,883,197	2,865,905
Buildings	26,924,120	29,028,871	64,902,599	66,361,959	91,826,719	95,390,830
Infrastructure	38,296,576	39,602,661	-	-	38,296,576	39,602,661
Machinery & equipment	5,748,837	5,598,035	86,785	109,501	5,835,622	5,707,536
Library books	107,358	192,954	-	-	107,358	192,954
Studies	615,161	174,323	856,905	1,015,231	1,472,066	1,189,554
Total	\$133,482,409	\$131,237,448	\$ 75,487,411	\$ 74,418,692	\$208,969,820	\$205,656,140

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 \$45.3 million. Of this amount, \$19.1 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	
	2015	2014	2015	2014	2015	2014
General obligation bonds - 2005	\$ 2,420,000	\$ 3,585,000	\$ -	\$ -	\$ 2,420,000	\$ 3,585,000
General obligation bonds - 2007	16,650,000	17,825,000	-	-	16,650,000	17,825,000
Revenue bonds series 2005	-	-	-	235,000	-	235,000
Revenue bonds series 2009	-	-	17,770,000	18,700,000	17,770,000	18,700,000
Revenue bonds series 2010	-	-	8,480,000	8,875,000	8,480,000	8,875,000
Total	\$ 19,070,000	\$ 21,410,000	\$ 26,250,000	\$ 27,810,000	\$ 45,320,000	\$ 49,220,000

The City’s total bonded debt decreased by \$3.9 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 FY16 budget:

- Assessed (taxable) value for the City is projected to increase by 3.0%. Residential should receive an increase of 3.0% 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. A major mill fire in the community this past year will continue to have an impact on the City’s real market and assessed valuation for several more years.
- Interest rates will be slightly below 1.0% with short term rates staying below 0.5%.
- Inflation will not be a major factor during the next fiscal year as it appears that federal intent is to start slowly raising rates.
- AFSCME employees, the City’s smallest employee group, will receive a 1.5% cost of living adjustment on July 1, 2015. SEIU employees will receive pay increases on October 1st of this next year as a result of a completed salary market study, with increases ranging from 0% to 8.0%. Non-union employees will not receive any increase in the FY16 year.
- Springfield Police Association (SPA) employees will be in the second 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. For FY16, SPA employees will receive a COLA tied to the CPI with a minimum set at 2.0%.

- The International Association of Fire Fighters' (IAFF) contract will expire on June 30, 2015 and it is not expected that a new contract will be settled by that time. A reserve will be established to help offset the eventual settlement of the contract. The details and duration of the contract have not been determined.
- 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 and a 3.5% increase in January 2015. Both are substantially below the trend nationally. The current projection for January 2016 is 5.0%.
- Oregon PERS rates are bi-annual and rates are to be adjusted on July 1, 2015 and be in effect until June 30, 2017. Through Senate Bill 822 in 2013, the Oregon Legislature enacted several PERS reform measures that resulted in lower than expected rate increases for July 1, 2015. Subsequently, the Oregon Supreme Court overturned a majority of the reform measures, but at a time that was too late to make a change in the already published July 1, 2015 rates. Springfield, like many agencies, will consider options for being more proactive in addressing what is expected to be larger than usual rate increases on July 1, 2017, when the impact of the Supreme Court rulings will be felt.
- The City schedules an updated actuarial study of its City Retirement Plan every two years. The most recent update is as of June 30, 2014 and was completed in the fall of 2014 and implemented on July 1, 2015. The percentage of payroll contribution for members of this plan remained the same at 27.8% due to adequate investment returns to credit the 9.0% interest guarantee. These rates will remain the same for July 1, 2016. The subsequent actuarial study as of June 30, 2016 is scheduled to be completed in December of 2016 and scheduled for implementation on July 1, 2017.
- 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, 2015 as a result of increased costs. The local stormwater increase was 3.7% and the local wastewater increase was 2.5%.

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



City of Springfield, Oregon

Basic Financial Statements

SPRINGFIELD



OREGON

City of Springfield, Oregon
STATEMENT OF NET POSITION
June 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Metropolitan Wastewater
ASSETS				
Cash and investments	\$ 43,883,659	\$ 39,918,569	\$ 83,802,228	\$ 81,132,439
Receivables, net of allowance for uncollectable receivables	8,500,228	1,908,782	10,409,010	3,341,803
Internal balances	(376,909)	376,909	-	-
Due from primary government	-	-	-	14,313
Due from component unit	-	424,027	424,027	-
Inventory	130,197	-	130,197	-
Investment in foreclosed properties	1,970	-	1,970	-
Prepaid items	171,075	21,539	192,614	19,107
Deposits	362,272	-	362,272	700,000
Restricted assets - cash and investments	-	-	-	27,686,313
Restricted assets - accounts receivables	-	-	-	609,144
Accrued interest	200,591	169,090	369,681	285,734
Net pension asset	4,945,620	1,404,144	6,349,764	-
Capital assets:				
Land and work in progress	61,790,357	9,617,076	71,407,433	14,173,485
Other capital assets, net of accumulated depreciation	71,692,052	65,870,335	137,562,387	110,674,651
Total assets	<u>191,301,112</u>	<u>119,710,471</u>	<u>311,011,583</u>	<u>238,636,989</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflow	<u>2,364,891</u>	<u>529,372</u>	<u>2,894,263</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	2,260,812	904,792	3,165,604	2,204,172
Accrued payroll and other liabilities	2,807,685	579,731	3,387,416	59,242
Unearned revenue	90,853	448,624	539,477	10,840
Accrued interest payable	93,091	154,181	247,272	698,519
Deposits	6,979	41,021	48,000	-
Due to component unit	14,313	-	14,313	-
Due to primary government	-	-	-	424,027
Due to other governments	-	-	-	3,675,466
Noncurrent liabilities:				
Due within one year:				
Accrued claims liabilities	146,650	-	146,650	-
General obligation long-term debt	1,435,000	-	1,435,000	-
Revenue bonds payable	-	1,380,000	1,380,000	4,135,000
Notes payable	195,000	732,442	927,442	892,947
Capital lease	266,599	-	266,599	-
Due in more than one year:				
Accrued absence payable	2,888,142	651,127	3,539,269	-
Accrued claims liabilities	303,350	-	303,350	-
General obligation long-term debt (net of unamortized premium)	17,813,368	-	17,813,368	-
Revenue bonds payable (net of unamortized discount)	-	25,372,681	25,372,681	71,323,528
Notes and contracts payable	730,000	2,279,300	3,009,300	14,887,024
Capital lease	409,610	-	409,610	-
Interfund loan payable	340,774	-	340,774	-
Net pension liability	13,644,487	-	13,644,487	-
Net OPEB obligation	4,534,429	1,171,793	5,706,222	-
Total liabilities	<u>47,981,142</u>	<u>33,715,692</u>	<u>81,696,834</u>	<u>98,310,765</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflow	<u>9,680,196</u>	<u>2,748,370</u>	<u>12,428,566</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	112,632,832	52,836,347	165,469,179	49,901,799
Restricted for:				
Capital projects	2,040,473	3,348,526	5,388,999	-
Public safety	3,359,144	-	3,359,144	-
Transportation	6,697,766	-	6,697,766	-
Urban renewal	991,370	-	991,370	-
Community development	4,375,475	-	4,375,475	-
Debt service	847,413	-	847,413	8,770,908
Regional sanitary sewer	-	-	-	4,257,063
Other purposes	665,514	-	665,514	-
Unrestricted	<u>4,394,678</u>	<u>27,590,908</u>	<u>31,985,586</u>	<u>77,396,454</u>
Total net position	<u>\$ 136,004,665</u>	<u>\$ 83,775,781</u>	<u>\$ 219,780,446</u>	<u>\$ 140,326,224</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Component Unit Metropolitan Wastewater Mgmt Commission		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities		Total Business-type Activities	Total
Primary government:								
Governmental activities:								
General government	\$ 5,194,119	\$ 3,868,870	\$ 28,345	\$ -	\$ (1,296,904)	\$ -	\$ (1,296,904)	\$ -
Fire and life safety	9,905,694	1,809,091	29,386	-	(8,067,217)	-	(8,067,217)	-
Police	18,007,975	408,750	541,532	-	(17,057,693)	-	(17,057,693)	-
Library	1,477,854	125,482	57,879	-	(1,294,493)	-	(1,294,493)	-
Development and public works	10,605,607	2,710,606	3,787,043	9,934,788	5,826,830	-	5,826,830	-
Depreciation, unallocated	270,619	-	-	-	(270,619)	-	(270,619)	-
Interest on long-term debt	909,122	-	-	-	(909,122)	-	(909,122)	-
Total governmental activities	46,370,990	8,922,799	4,444,185	9,934,788	(23,069,218)	-	(23,069,218)	-
Business-type activities:								
Sanitary sewer	6,340,495	7,738,487	-	134,441	-	1,532,433	1,532,433	-
Storm drainage	4,259,913	6,613,264	-	27,519	-	2,380,870	2,380,870	-
Booth Kelly	1,649,088	1,412,722	-	37,309	-	(199,057)	(199,057)	-
Ambulance	5,082,272	6,119,908	-	-	-	1,037,636	1,037,636	-
Total business-type activities	17,331,768	21,884,381	-	199,269	-	4,751,882	4,751,882	-
Total primary government	\$ 63,702,758	\$ 30,807,180	\$ 4,444,185	\$ 10,134,057	(23,069,218)	4,751,882	(18,317,336)	-
Component unit:								
Metropolitan Wastewater Management Commission	\$ 24,245,680	\$ 32,280,767	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,035,087
General revenues:								
Property taxes					30,497,567		30,497,567	
Payment in lieu of taxes					2,404,859		2,404,859	
Franchise & utility taxes					2,203,895		2,203,895	
Local fuel tax					1,084,567		1,084,567	
Room tax					1,219,497		1,219,497	
Investment earnings					305,267	162,671	467,938	468,823
Miscellaneous					857,657	446,106	1,303,763	28,953
Shared revenue					1,579,978	-	1,579,978	-
Transfers					71,311	(71,311)	-	-
Total general revenues and transfers					40,224,598	537,466	40,762,064	497,776
Change in net position					17,155,380	5,289,348	22,444,728	8,532,863
Net position, beginning, as restated (Note R)					118,849,285	78,486,433	197,335,718	131,793,361
Net position, ending					\$ 136,004,665	\$ 83,775,781	\$ 219,780,446	\$ 140,326,224

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	General	Street	Community Development	Nonmajor Governmental	Total Governmental
ASSETS					
Cash and investments	\$ 10,074,851	\$ 572,379	\$ -	\$ 16,175,835	\$ 26,823,065
Receivables:					
Accounts	1,051,354	577,368	41,581	365,562	2,035,865
Taxes	1,446,686	-	-	861,676	2,308,362
Grants	-	7,373	147,898	181,539	336,810
Accrued interest	62,780	2,189	-	65,215	130,184
Assessments and liens	-	-	-	134,076	134,076
Notes	1,233	-	3,456,850	121,122	3,579,205
Inventory	1,297	98,600	-	-	99,897
Investment in foreclosed property	1,970	-	-	-	1,970
Due from other funds	194,621	-	-	-	194,621
Prepaid items	83,317	1,034	-	9,071	93,422
Deposits	-	-	-	96,772	96,772
Total assets	\$ 12,918,109	\$ 1,258,943	\$ 3,646,329	\$ 18,010,868	\$ 35,834,249
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 645,200	\$ 139,935	\$ 9,792	\$ 293,677	\$ 1,088,604
Accrued payroll and other liabilities	1,020,559	128,054	8,387	245,047	1,402,047
Unearned revenue	90,853	-	-	-	90,853
Deposits	-	-	-	6,979	6,979
Due to other funds	-	-	194,621	-	194,621
Total liabilities	1,756,612	267,989	212,800	545,703	2,783,104
Deferred inflows of resources:					
Unavailable revenue	1,838,192	37,196	3,456,850	1,309,290	6,641,528
Fund balances:					
Nonspendable	86,584	99,634	-	105,843	292,061
Restricted	-	854,124	-	12,788,306	13,642,430
Committed	83,224	-	-	2,617,234	2,700,458
Assigned	600,000	-	-	644,492	1,244,492
Unassigned	8,553,497	-	(23,321)	-	8,530,176
Total fund balances	9,323,305	953,758	(23,321)	16,155,875	26,409,617
Total liabilities, deferred inflows of resources, and fund balances	\$ 12,918,109	\$ 1,258,943	\$ 3,646,329	\$ 18,010,868	
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.					6,641,528
Capital assets are not financial resources in governmental funds, but are reported in the statement of net position at their net depreciable value.					128,336,368
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.					(45,037,767)
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.					19,654,919
Net position of governmental activities					\$ 136,004,665

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, 2015

	General	Street	Community Development	Nonmajor Governmental	Total Governmental
Revenues:					
Taxes	\$ 19,782,462	\$ 1,084,567	\$ -	\$ 12,198,471	\$ 33,065,500
Licenses, permits and fees	2,538,174	133,946	-	111,160	2,783,280
Intergovernmental	4,203,414	3,618,748	234,997	4,115,698	12,172,857
Charges for services	5,556,259	186,346	-	1,928,053	7,670,658
Fines and forfeitures	1,608,744	-	-	79,507	1,688,251
Investment earnings	43,698	169	-	65,506	109,373
Special assessments	-	-	-	45,618	45,618
Miscellaneous revenues	222,102	99,979	189,185	197,581	708,847
Total revenues	33,954,853	5,123,755	424,182	18,741,594	58,244,384
Expenditures:					
Current operating:					
General government	5,541,004	-	23,539	1,078,736	6,643,279
Fire and life safety	9,790,345	-	-	1,447,473	11,237,818
Police	13,733,856	-	-	5,263,460	18,997,316
Library	1,493,404	-	-	116,926	1,610,330
Development and public works	2,264,864	5,262,338	359,057	1,347,466	9,233,725
Capital projects	-	-	-	1,354,801	1,354,801
Debt service:					
Principal	185,000	-	-	2,417,206	2,602,206
Interest	41,895	-	-	871,208	913,103
Total expenditures	33,050,368	5,262,338	382,596	13,897,276	52,592,578
Excess of revenues over (under) expenditures	904,485	(138,583)	41,586	4,844,318	5,651,806
Other financing sources (uses):					
Transfers in	918,240	395,083	-	3,561,589	4,874,912
Transfers out	(845,813)	(250,000)	-	(3,410,892)	(4,506,705)
Total other financing sources (uses)	72,427	145,083	-	150,697	368,207
Net change in fund balance	976,912	6,500	41,586	4,995,015	6,020,013
Fund balances, beginning	8,346,393	952,124	(64,907)	11,160,860	20,394,470
Change in reserve for inventories	-	(4,866)	-	-	(4,866)
Fund balances, ending	\$ 9,323,305	\$ 953,758	\$ (23,321)	\$ 16,155,875	\$ 26,409,617

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, 2015

Net change in fund balances - total governmental funds \$ 6,020,013

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. 853,204

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. (81,004)

Capital outlay is reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlays over their estimated useful lives as depreciation expense. 2,250,052

Governmental funds do not report expenditures for unpaid compensated absences, pension liability, 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. 5,847,791

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 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. 2,270,190

Decreases in inventory in governmental funds increase expenses. (4,866)

Change in net position of governmental activities \$ 17,155,380

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
 PROPRIETARY FUNDS
 STATEMENT OF FUND NET POSITION
 June 30, 2015

	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
ASSETS									
Current assets:									
Cash and investments	\$ 4,306,494	\$ 3,865,816	\$ 10,646,592	\$ 15,265,476	\$ 1,768,357	\$ 865,531	\$ 3,200,303	\$ 39,918,569	\$ 17,060,594
Accounts receivable, net of allowance for estimated uncollectibles	561,301	536,417	-	-	545,580	78,632	186,852	1,908,782	105,910
Prepays	933	952	-	-	19,654	-	-	21,539	77,653
Deposits	-	-	-	-	-	-	-	-	265,500
Accrued interest	21,398	16,398	44,948	63,902	5,214	3,906	13,324	169,090	70,407
Inventory	-	-	-	-	-	-	-	-	30,300
Total current assets	4,890,126	4,419,583	10,691,540	15,329,378	2,338,805	948,069	3,400,479	42,017,980	17,610,364
Noncurrent assets:									
Capital assets - net	59,062,157	296,828	-	1,836,152	40,809	4,634,389	-	65,870,335	5,146,041
Construction in progress	2,929,389	1,004,869	-	923,960	-	-	-	4,858,218	-
Land and land rights	2,048,070	19,294	-	49,937	-	2,641,557	-	4,758,858	-
Due from component unit	424,027	-	-	-	-	-	-	424,027	-
Net pension asset	526,773	408,510	-	-	446,519	22,342	-	1,404,144	162,272
Total noncurrent assets	64,990,416	1,729,501	-	2,810,049	487,328	7,298,288	-	77,315,582	5,308,313
Total assets	69,880,542	6,149,084	10,691,540	18,139,427	2,826,133	8,246,357	3,400,479	119,333,562	22,918,677
DEFERRED OUTFLOWS OF RESOURCES									
Deferred pension outflow	198,597	154,011	-	-	168,341	8,423	-	529,372	61,177
LIABILITIES									
Current liabilities:									
Accounts payable	70,880	60,599	534,896	54,553	91,024	40,887	51,953	904,792	1,172,208
Accrued payroll and other liabilities	123,321	172,741	-	-	278,246	5,423	-	579,731	230,145
Accrued claims liabilities, current portion	-	-	-	-	-	-	-	-	146,650
Accrued interest payable	61,911	75,688	-	-	-	16,582	-	154,181	16,985
Deposits	-	-	-	-	-	41,021	-	41,021	-
Notes payable - current maturity	-	-	-	-	-	732,442	-	732,442	-
Capital lease payable - current maturity	-	-	-	-	-	-	-	-	266,599
Unearned revenues	-	-	-	410,000	430,097	18,527	-	448,624	-
Revenue bonds payable - current maturity	970,000	-	-	-	-	-	-	1,380,000	-
Total current liabilities	1,226,112	309,028	534,896	464,553	799,367	854,882	51,953	4,240,791	1,832,587
Noncurrent liabilities:									
Accrued absence payable	370,825	128,063	-	-	152,239	-	-	651,127	12,403
Accrued claims liabilities	-	-	-	-	-	-	-	-	303,350
Revenue bonds payable (net of unamortized premium)	16,904,887	-	-	8,467,794	-	-	-	25,372,681	-
Notes payable	321,002	275,004	-	-	562,122	2,279,300	-	2,279,300	-
Net OPEB obligation payable	-	-	-	-	-	13,665	-	1,171,793	58,145
Capital lease obligation	-	-	-	-	-	-	-	-	409,610
Total noncurrent liabilities	17,596,714	403,067	-	8,467,794	714,361	2,292,965	-	29,474,901	783,508
Total liabilities	18,822,826	712,095	534,896	8,932,347	1,513,728	3,147,847	51,953	33,715,692	2,616,095
DEFERRED INFLOWS OF RESOURCES									
Deferred pension inflow	1,031,067	799,587	-	-	873,985	43,731	-	2,748,370	317,618
NET POSITION									
Net investment in capital assets	46,164,729	1,320,991	-	1,045,614	40,809	4,264,204	-	52,836,347	4,469,832
Restricted for capital improvement	4,060,517	3,470,422	10,156,644	8,161,466	565,952	798,998	3,348,526	27,213,999	15,576,309
Unrestricted	50,225,246	4,791,413	10,156,644	9,207,080	606,761	5,063,202	3,348,526	83,398,872	20,046,141
Total net position	100,450,492	9,582,826	20,319,928	18,414,160	11,738,713	10,126,404	6,697,052	127,458,218	35,692,282
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds.								376,909	
Net position of business-type activities								\$ 83,775,781	

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, 2015

	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	\$ 7,171,994	\$ 6,487,668	\$ -	\$ -	\$ 16,662,111	\$ 1,412,722	\$ 692,089	\$ 32,426,584	\$ 12,114,974
Charges for services	-	-	-	-	(10,542,203)	-	-	(10,542,203)	-
Less: Contractual adjustments	-	-	-	-	-	-	-	-	75,013
Licenses and permits	-	-	262,781	-	126,875	-	-	389,656	-
Intergovernmental revenues	-	1,587	2,689	25,123	5,699	32	21,263	56,450	278,940
Miscellaneous receipts	57	-	-	-	-	-	-	-	-
Total operating revenues	7,172,051	6,489,255	265,470	25,123	6,252,482	1,412,754	713,352	22,330,487	12,468,927
Operating expenses:									
City manager's office	-	-	-	-	-	-	-	-	960
Human resources	-	-	-	-	-	-	-	-	9,503,907
Finance	12,342	12,342	-	-	-	-	-	24,684	22,824
Information technology	-	-	-	-	-	-	-	-	63,499
Fire and life safety	-	-	-	-	-	-	-	-	34,305
Police	-	-	-	-	5,068,382	-	-	5,068,382	8,654
Development and public works	2,895,854	3,852,833	3,179	219,151	-	542,027	275,025	7,788,069	937,189
Depreciation	2,481,815	10,478	-	64,365	5,830	789,041	-	3,351,529	1,142,735
Total operating expenses	5,390,011	3,875,653	3,179	283,516	5,074,212	1,331,068	275,025	16,232,664	11,714,073
Operating income (loss)	1,782,040	2,613,602	262,291	(258,393)	1,178,270	81,686	438,327	6,097,823	754,854
Nonoperating revenues (expenses):									
Investment earnings	19,713	15,330	47,885	57,547	3,867	4,096	14,233	162,671	62,368
Amortization of bond discount	(3,048)	-	-	-	-	-	-	(3,048)	-
Interest expense	(756,916)	(92,884)	-	26,053	-	(232,489)	-	(1,056,236)	(24,961)
Gain (loss) on disposal of assets	-	-	-	-	-	-	-	-	7,282
Total nonoperating revenues (expenses)	(740,251)	(77,554)	47,885	83,600	3,867	(228,393)	14,233	(896,613)	44,689
Income (loss) before contributions and transfers	1,041,789	2,536,048	310,176	(174,793)	1,182,137	(146,707)	452,560	5,201,210	799,543
Transfers in	5,335,885	-	2,496,190	1,433,737	-	-	-	9,265,812	-
Transfers out	(2,430,000)	(1,395,000)	(5,335,885)	-	-	-	(176,239)	(9,337,124)	(296,896)
Capital contributions	134,441	-	-	27,519	-	37,309	-	199,269	278,258
Change in net position	4,082,115	1,141,048	(2,529,519)	1,286,463	1,182,137	(109,398)	276,321	5,329,167	780,905
Net position, beginning of year, as restated (Note R)	46,143,131	3,650,365	12,686,163	7,920,617	(575,376)	5,172,600	3,072,205	19,265,236	19,265,236
Net position, end of year	\$ 50,225,246	\$ 4,791,413	\$ 10,156,644	\$ 9,207,080	\$ 606,761	\$ 5,063,202	\$ 3,348,526	\$ 20,046,141	\$ 20,046,141
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.								(39,819)	
Change in net position of business-type activities								\$ 5,289,348	

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 Year Ended June 30, 2015

	Business type activities - Enterprise Funds							Governmental Activities	
	Sanitary Sewer Operations	Storm Drainage Operations	Sewer Capital Projects Fund	Storm Capital Projects Fund	Ambulance	Booth Kelly	Other Nonmajor Enterprise	Total	Internal Service Funds
Cash flows from operating activities:									
Cash received from customers	\$ 7,152,430	\$ 6,439,622	\$ 262,781	\$ -	\$ 5,920,991	\$ 1,367,772	\$ 540,574	\$ 21,684,170	\$ -
Cash received from component unit services provided	(424,027)	-	-	-	-	-	-	(424,027)	12,056,481
Cash paid for employee services	(1,291,557)	(2,612,097)	-	-	(3,728,175)	(134,074)	-	(7,765,903)	(567,669)
Cash paid to suppliers for goods and services	(1,452,718)	(1,692,827)	257,845	(153,534)	(1,837,417)	(390,031)	(227,956)	(5,496,638)	(9,274,335)
Other operating receipts	57	1,587	7,643	25,123	132,574	32	21,263	188,279	353,953
Net cash provided by operating activities	3,984,185	2,136,285	528,269	(128,411)	487,973	843,699	333,881	8,185,881	2,568,430
Cash flows from noncapital financing activities:									
Transfers from other funds	5,335,885	-	2,496,190	1,433,737	-	-	-	9,265,812	-
Transfers to other funds	(2,430,000)	(1,395,000)	(5,335,885)	-	-	-	(176,239)	(9,337,124)	(296,896)
Net cash provided (used) by noncapital financing activities	2,905,885	(1,395,000)	(2,839,695)	1,433,737	-	-	(176,239)	(71,312)	(296,896)
Cash flows from capital and related financing activities:									
Acquisition and construction of capital assets	(23,292,626)	(191,021)	19,568,778	(404,405)	-	(66,639)	-	(4,385,913)	(986,367)
Disposition of capital assets	-	-	-	-	-	-	-	-	134,264
Principal paid on long-term debt	17,510,124	-	(18,700,000)	(421,054)	-	(683,275)	-	(2,294,205)	(551,308)
Interest paid on long-term debt	(732,802)	(95,846)	-	26,053	-	(236,057)	-	(1,038,652)	(37,901)
Net cash used in capital and related financing activities	(6,515,304)	(286,867)	868,778	(799,406)	-	(985,971)	-	(7,718,770)	(1,441,312)
Cash flows from investing activities:									
Interest received	27,996	22,041	76,745	80,186	4,358	6,308	20,812	238,446	85,660
Net change in cash and investments	402,762	476,459	(1,365,903)	586,106	492,331	(135,964)	178,454	634,245	915,882
Cash and investments, beginning 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
Cash and investments, end of year	\$ 4,306,494	\$ 3,865,816	\$ 10,646,592	\$ 15,265,476	\$ 1,768,357	\$ 865,531	\$ 3,200,302	\$ 39,918,568	\$ 17,060,594
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:									
Operating income (loss)	\$ 1,782,040	\$ 2,613,602	\$ 262,291	\$ (258,393)	\$ 1,178,270	\$ 81,686	\$ 438,327	\$ 6,097,823	\$ 754,854
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation	2,481,815	10,478	-	64,365	5,830	789,041	-	3,351,529	1,142,735
Changes in assets and liabilities:									
Accounts receivable	(19,564)	(47,579)	4,954	-	(140,717)	(74,965)	(151,515)	(429,386)	(58,493)
Due from component unit	(424,027)	-	-	-	-	-	-	(424,027)	-
Prepaid expenses	(933)	(952)	-	-	(15,121)	-	-	(17,006)	(77,653)
Accounts payable	(20,401)	31,328	(70,399)	24,766	(46,135)	32,639	47,069	(1,133)	498,581
Accrued payroll and other liabilities	130,580	60,047	-	-	31,122	685	-	222,434	32,672
Accrued claims liabilities	-	-	-	-	-	-	-	-	450,000
Net pension liability and related deferrals	(101,984)	(553,283)	-	-	(580,925)	(29,067)	-	(1,265,259)	(211,116)
Net OPEB obligation payable	156,659	23,111	-	-	113,849	13,665	-	307,284	11,850
Deposits	-	-	331,423	40,851	-	13,920	-	386,194	-
Unearned revenue	-	(467)	-	-	(58,200)	16,095	-	(42,572)	-
Inventory	-	-	-	-	-	-	-	-	25,000
Net cash provided by (used in) operating activities	\$ 3,984,185	\$ 2,136,285	\$ 528,269	\$ (128,411)	\$ 487,973	\$ 843,699	\$ 333,881	\$ 8,185,881	\$ 2,568,430
Noncash capital and related financing activities:									
Contributed capital assets	\$ 134,441	\$ -	\$ -	\$ 27,519	\$ -	\$ 37,309	\$ -	\$ 199,269	\$ 278,258

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
June 30, 2015

ASSETS

Cash and investments	<u>\$ 4,289,503</u>
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LIABILITIES

Amounts held for other parties	<u>\$ 4,289,503</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, 2015

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.

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 City management is responsible for the Agency’s operations, 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

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 collected 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 year being reported. 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, transient room taxes, and state shared revenues 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 when collected within 30 days following the year end. 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.

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, deferred outflows, liabilities, deferred inflows,

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 plus deferred outflows, liabilities plus deferred inflows, 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 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, 2015

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 billing fees collected for other agencies, Health Reimbursement Accounts held on behalf of City employees, and fees collected by the municipal court that are passed on to other entities and 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.

4. Assets, Liabilities, and Net Position or Equity

a. Cash and Investments

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

Investments are reported at fair value.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

b. Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance 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, 2015, the City’s tax levy did not exceed the Oregon constitutional limitation. The total property tax levy was \$31,427,683. This includes general property taxes to support general obligation bond debt service of \$3,135,550.

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 unavailable 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

c. Inventory

Inventories of materials and supplies are valued at cost or average cost using the first-in/first-out method and are shown on the balance sheet as an asset with a corresponding nonspendable fund balance. Inventories are charged to operations as consumed in both the government-wide and fund financial statements.

d. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2015 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 statement of net position.

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

g. Compensated Absences

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

h. Long-term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net 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. As required by GASB Statements No. 68 and 71, the City reports deferred outflows of resources related to pensions for OPERS for contributions made after the June 30, 2014 measurement date and for CRP's difference between projected and actual earnings.

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. As required by GASB Statement No. 68, the City reports deferred inflows of resources related to pensions for its share of OPERS' difference between expected and actual earnings and for its share of the difference between its contributions to OPERS and its proportionate share of the contributions.

The other instance of deferred inflows arises only under a modified accrual basis of accounting. Accordingly, *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, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

j. Pensions

Oregon Public Employees Retirement System (OPERS) – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the OPERS and additions to/deductions from OPERS’s fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City Retirement Plan (CRP) – For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of CRP and additions to/deductions from CRP fiduciary net position have been determined on the same basis as they are reported by the City’s actuary. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

k. 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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

Fund balances by classification for the year ended June 30, 2015 were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Street</u>	<u>Community Development</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Inventories	\$ 1,297	\$ 98,600	\$ -	\$ -	\$ 99,897
Prepays and deposits	83,317	1,034	-	105,843	190,194
Investment in foreclosed property	1,970	-	-	-	1,970
Restricted:					
Debt service	-	-	-	530,714	530,714
Urban renewal	-	-	-	922,386	922,386
Capital projects	-	-	-	1,916,166	1,916,166
Street repairs and maintenance	-	854,124	-	-	854,124
Transportation	-	-	-	4,038,097	4,038,097
Street improvements	-	-	-	1,557,965	1,557,965
Public Safety - Fire	-	-	-	432,186	432,186
Public Safety - Police general	-	-	-	1,825,765	1,825,765
Public Safety - Police forfeitures	-	-	-	647,356	647,356
Building code	-	-	-	290,566	290,566
Economic development	-	-	-	596,533	596,533
Library services	-	-	-	30,572	30,572
Committed:					
Development assessment	-	-	-	1,016,091	1,016,091
Capital projects	-	-	-	1,576,157	1,576,157
Technology fee reserve	83,224	-	-	-	83,224
Public Safety - Jail	-	-	-	24,986	24,986
Assigned:					
Capital projects	-	-	-	348,266	348,266
Contingency reserve	600,000	-	-	-	600,000
Public Safety - Police K9	-	-	-	41,223	41,223
Other purposes	-	-	-	255,003	255,003
Unassigned	8,553,497	-	(23,321)	-	8,530,176
Total fund balances	\$ 9,323,305	\$ 953,758	\$ (23,321)	\$ 16,155,875	\$ 26,409,617

I. Indirect Expenses Allocation

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

m. Contingency and Working Capital Policy

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

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

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net 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 \$45,037,767 difference are as follows:

Bonds payable, net of original issue discount	\$ 19,248,368
Notes payable	715,000
Interfund loan payable	340,774
Due to developer	210,000
Accrued interest payable	76,106
Compensated absences	4,051,233
Net pension liability and related deferrals	15,920,003
Net OPEB obligation	<u>4,476,283</u>
Total	<u>\$ 45,037,767</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 \$128,336,368 are as follows:

Capital assets (net of accumulated depreciation) reported in the Statement of Net Position – governmental activities column:	
Land and work in progress	\$ 61,790,357
Other capital assets (net of accumulated depreciation)	71,692,052
Total capital assets reported in internal service funds included in the Statement of Net Position – governmental activities column (net of accumulated depreciation):	<u>(5,146,041)</u>
Net adjustment	<u>\$ 128,336,368</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net 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 \$2,250,052 difference are as follows:

Capital outlay	\$ 1,222,279
Donated capital assets	5,973,064
Depreciation	<u>(4,945,291)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 2,250,052</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 \$2,270,190 difference are as follows:

Principal repayment of general obligation debt	\$ 2,340,000
Issuance of interfund loan payable	(340,774)
Principal repayment of note payable	262,206
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>13,329</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 2,270,190</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 \$5,847,791 difference are as follows:

Decrease in accrued compensated absences	\$ 11,163
Decrease in net pension liability and related deferrals	6,529,469
Increase in net OPEB obligation	<u>(692,841)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 5,847,791</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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, 2015, the City Council approved several transfer resolutions and supplemental budgets increasing appropriations by \$5,909,715.

The Community Development Fund reported a negative fund balance of \$23,321. This negative fund balance was the result of the City not being able to request reimbursement of expenditures totaling \$34,457 for a project due to environmental review procedures that 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.

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, 2015, cash and investments are comprised of the following:

Cash on Hand	\$	8,947
Cash with Fiscal Agent		5,500
Deposits		8,821,846
Local Government Investment Pool Accounts		77,584,814
Investments		<u>110,489,376</u>
		<u>\$ 196,910,483</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE D – CASH AND INVESTMENTS – Continued

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

Governmental Funds	\$ 43,883,659
Business-type Funds	39,918,569
Component Units	
MWMC Unrestricted	81,132,439
MWMC Restricted	27,686,313
Not Appearing on Statement of Net Position	
Fiduciary Fund	<u>4,289,503</u>
	<u>\$ 196,910,483</u>

Deposits

Deposits with financial institutions are comprised of checking and money market accounts, and certificates of deposits. As of June 30, 2015, the City of Springfield had a book balance of \$8,821,846 and bank balance of \$9,047,853. The difference is due to transactions in process. Of this amount, \$750,000 was covered by federal depository insurance, and the remainder was collateralized by the statewide pool. Effective July 1, 2008, the State of Oregon formed the Oregon Public Funds Collateralization Program under ORS 295. The collateralization program creates a statewide pool of qualified bank depositories for local governments, providing collateralization for bank balances that exceed the limits of federal depository insurance, and eliminating the need for certificates of participation. The legislation creates a shared liability structure for depository banks, but does not guarantee that public funds are 100% protected. The City is also 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.

Local Government Investment Pool

The City participates in the State of Oregon Local Investment Pool (LGIP or Pool) which is an open-ended, load diversified portfolio created under ORS 294.805 to 294.895 and is not registered with the U.S. Securities and Exchange Commission as an investment company. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested and managed, like that of a prudent investor, exercising reasonable care, skill, and caution. Investments in the funds are further governed by portfolio guidelines issued by the Oregon short-term Funds Board, which establish diversification percentages and specify the types of maturities of investments. The Oregon Audits Division of the Secretary of State’s Office audits the Pool annually. The Division’s report on the Pool as of and for the year ended June 30, 2014 was unmodified and may be obtained at the Oregon State Treasury, 350 Winter St. NE, Ste 100, Salem, OR 97310 or at www.ost.state.or.us. On June 30, 2015, the City had \$38,827,407 in the LGIP and \$38,757,407 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, 2015, that amount was \$47,012,858.

Cash and Investments

On June 30, 2015, the City of Springfield held \$110,489,376 of investments, corporate indebtedness of \$47,616,683, and government agency securities totaling \$62,872,693.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE D – CASH AND INVESTMENTS – Continued

The City’s investment policy requires that the City diversify investments across maturities, security type, and institution to avoid incurring unreasonable risks. Specifically, except for the Local Government Investment Pool, no more than 25% of the City’s total investment portfolio will be invested with a single financial institution, no more than 20% of the total portfolio will be invested with any one security, and lastly, no more than 5% of the total portfolio will be invested with any one corporate entity. The City was in compliance with all of the above stated City investment policy guidelines.

The City’s policy for custodial credit risk for 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.

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, 2015, 100% of the total investments were considered short-term and had maturities less than 18 months and none were considered long-term with 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, 2015.

Short-Term Investments:

<u>Maturity</u>	<u>Amount</u>	<u>Actual %</u>	<u>Investment Policy %</u>
Under 30 days	\$ 88,181,996	45%	10 % minimum
Under 90 days	117,588,772	60%	25 % minimum
Under 270 days	135,262,070	69%	50 % minimum
Under one year	160,340,981	81%	80 % minimum
Under 18 months	196,910,483	100%	100 % minimum

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE D – CASH AND INVESTMENTS – Continued

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, 2015, 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, 2015 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 City diversifies investments across maturities, security type and institution to avoid incurring unreasonable risks. In particular, except for the Local Government Investment Pool, no more than 25% of the City’s total investment portfolio will be invested with a single financial institution. In addition, no more than 20% of the total portfolio will be invested with any one security and no more than 5 percent of the total portfolio will be invested with any one corporate entity. As of June 30, 2015, the City was in compliance with the City’s investment policy.

Diversification by Financial Instrument:

<u>Instrument</u>	<u>Amount</u>	<u>% Invested</u>	<u>Maximum % of Portfolio</u>
Sate of Oregon Investment Pool	\$ 77,584,814	39%	100%
Interest Bearing Checking Account	2,792,181	1%	50%
Money Market Account	3,790,554	2%	50%
Time Certificates of Deposit	2,239,111	1%	25%
Corporate Indebtedness	47,616,683	24%	25%
Government Agencies	62,872,693	32%	50%
Other	14,447	0%	0%
Totals	<u>\$ 196,910,483</u>	<u>100%</u>	

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE D – CASH AND INVESTMENTS – Continued

E. Foreign currency

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

NOTE E – RECEIVABLES AND UNAVAILABLE REVENUE

Receivables at June 30, 2015 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	\$ 1,446,686	\$ 1,051,354	\$ -	\$ -	\$ 62,780	\$ 1,233	\$ 2,562,053	\$ -	\$ 2,562,053
Community Development	-	41,581	-	147,898	-	3,456,850	3,646,329	-	3,646,329
Street	-	577,368	-	7,373	2,189	-	586,930	-	586,930
Sewer	-	561,301	-	-	21,398	-	582,699	-	582,699
Storm Drainage	-	536,417	-	-	16,398	-	552,815	-	552,815
Sanitary Sewer Capital	-	-	-	-	44,947	-	44,947	-	44,947
Storm Drainage Capital	-	-	-	-	63,902	-	63,902	-	63,902
Ambulance	-	1,587,680	-	-	5,214	-	1,592,894	(1,042,100)	550,794
Booth-Kelly	-	78,632	-	-	3,906	-	82,538	-	82,538
Nonmajor Governmental	861,676	365,562	134,076	181,539	65,215	121,122	1,729,190	-	1,729,190
Nonmajor Enterprise	-	186,852	-	-	13,324	-	200,176	-	200,176
Internal Service	-	105,910	-	-	70,407	-	176,317	-	176,317
	<u>\$ 2,308,362</u>	<u>\$ 5,092,657</u>	<u>\$ 134,076</u>	<u>\$ 336,810</u>	<u>\$ 369,680</u>	<u>\$ 3,579,205</u>	<u>\$ 11,820,790</u>	<u>\$ (1,042,100)</u>	<u>\$ 10,778,690</u>

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

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

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE E – RECEIVABLES AND UNAVAILABLE REVENUE – Continued

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2015, the various components of unavailable revenue (deferred inflows) consist of the following:

FUND BY TYPE	Property taxes receivable	Fees and charges	Mortgage notes receivable	Assessments	Accrued Other	Total unavailable revenue
General Fund	\$ 1,407,080	\$ 240,432	\$ -	\$ -	\$ 190,680	\$ 1,838,192
Street Fund	-	37,196	-	-	-	37,196
Community Development	-	-	3,456,850	-	-	3,456,850
Nonmajor governmental	840,286	157,242	-	137,499	174,263	1,309,290
Total unavailable revenue	<u>\$ 2,247,366</u>	<u>\$ 434,870</u>	<u>\$ 3,456,850</u>	<u>\$ 137,499</u>	<u>\$ 364,943</u>	<u>\$ 6,641,528</u>

NOTE F – CAPITAL ASSETS

Governmental activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 55,947,842	\$ 4,817,536	\$ -	\$ 60,765,378
Work in progress	692,762	792,244	(460,027)	1,024,979
Total capital assets, not being depreciated	<u>56,640,604</u>	<u>5,609,780</u>	<u>(460,027)</u>	<u>61,790,357</u>
Capital assets, being depreciated:				
Buildings	47,600,863	104,957	-	47,705,820
Infrastructure	69,492,598	1,145,799	-	70,638,397
Machinery & equipment	20,015,524	1,568,432	(608,368)	20,975,588
Library books	1,998,269	-	-	1,998,269
Studies	644,561	491,027	-	1,135,588
Total capital assets, being depreciated	<u>139,751,815</u>	<u>3,310,215</u>	<u>(608,368)</u>	<u>142,453,662</u>
Less accumulated depreciation for:				
Buildings	(18,571,992)	(2,209,708)	-	(20,781,700)
Infrastructure	(29,889,937)	(2,451,884)	-	(32,341,821)
Machinery & equipment	(14,417,489)	(1,290,648)	481,386	(15,226,751)
Library books	(1,805,315)	(85,596)	-	(1,890,911)
Studies	(470,238)	(50,189)	-	(520,427)
Total depreciation	<u>(65,154,971)</u>	<u>(6,088,025)</u>	<u>481,386</u>	<u>(70,761,610)</u>
Total capital assets, being depreciated, net	<u>74,596,844</u>	<u>(2,777,810)</u>	<u>(126,982)</u>	<u>71,692,052</u>
Governmental activities capital assets, net	<u>\$ 131,237,448</u>	<u>\$ 2,831,970</u>	<u>\$ (587,009)</u>	<u>\$ 133,482,409</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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	2,173,143	3,406,824	(721,749)	4,858,218
Total capital assets, not being depreciated	<u>6,932,001</u>	<u>3,406,824</u>	<u>(721,749)</u>	<u>9,617,076</u>
Capital assets, being depreciated:				
Buildings & infrastructure	94,367,734	1,710,298	-	96,078,032
Land improvements	507,931	24,875	-	532,806
Equipment	1,214,225	-	-	1,214,225
Studies	1,659,805	-	-	1,659,805
Total capital assets, being depreciated	<u>97,749,695</u>	<u>1,735,173</u>	<u>-</u>	<u>99,484,868</u>
Less accumulated depreciation for:				
Land improvements	(507,931)	(829)	-	(508,760)
Buildings & infrastructure	(28,005,775)	(3,169,658)	-	(31,175,433)
Equipment	(1,104,724)	(22,716)	-	(1,127,440)
Studies	(644,574)	(158,326)	-	(802,900)
Total depreciation	<u>(30,263,004)</u>	<u>(3,351,529)</u>	<u>-</u>	<u>(33,614,533)</u>
Total capital assets, being depreciated, net	<u>67,486,691</u>	<u>(1,616,356)</u>	<u>-</u>	<u>65,870,335</u>
Business-type activities capital assets, net	<u>\$ 74,418,692</u>	<u>\$ 1,790,468</u>	<u>\$ (721,749)</u>	<u>\$ 75,487,411</u>

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

Governmental activities:

General government	\$ 86,943
Police	2,000,563
Fire and life safety	748,182
Development and public works	2,902,192
Library	99,711
Unallocated	<u>250,434</u>

Total depreciation expense – governmental activities \$ 6,088,025

Business-type activities:

Sewer	\$ 2,481,815
Storm	74,843
Booth-Kelly	789,041
Ambulance	<u>5,830</u>

Total depreciation expense – business type activities \$ 3,351,529

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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, 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
2015	399,575	6,007,389	(5,359,049)	1,047,915

The City of Springfield is self-insured for workers' compensation. The City estimates liability for incurred losses for reported and unreported claims for worker's compensation. Workers' compensation estimates are primarily based on individual case estimates for reported claims and through historical data for unreported claims as determined by the City's Risk Management Services and independent actuarial studies. Liabilities are based on estimated ultimate cost of settling claims, including effects of inflation and other societal and economic factors.

Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and LAE at June 30, 2015

Year	Case Reserves	IBNR Reserves	Outstanding LCF	Closeout Risk Adj.	IBNR & LCF after Closeout	Net Outstanding Liabilities
Prior	\$ 17,953	\$ 1,841	\$ -	\$ -	\$ -	\$ 19,794
2010-11	-	20,343	4,069	-	(19,993)	4,419
2011-12	-	38,110	7,622	-	(24,868)	20,864
2012-13	-	38,202	7,640	-	(17,885)	27,957
2013-14	12,114	84,169	19,257	4,155	-	119,695
2014-15	59,006	150,980	41,997	5,288	-	257,271
Total	\$ 89,073	\$ 333,645	\$ 80,585	\$ 9,443	\$ (62,746)	\$ 450,000

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE G - RISK MANAGEMENT – Continued

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, and property. 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.

The assets acquired through capital leases are as follows:

Machinery and equipment	\$ 2,685,227
Less: Accumulated depreciation	<u>(992,348)</u>
Total	<u><u>\$ 1,692,879</u></u>

The future minimum lease obligations as of June 30, 2015, are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>
2016	\$ 266,599	\$ 19,476
2017	201,928	11,674
2018	<u>207,682</u>	<u>5,919</u>
Totals	<u><u>\$ 676,209</u></u>	<u><u>\$ 37,069</u></u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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, 2015 are as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Effective Interest Rate</u>	<u>Outstanding July 1, 2014</u>	<u>Issued During year</u>	<u>Matured During Year</u>	<u>Outstanding June 30, 2015</u>	<u>Due Within One Year</u>
Series 2007	3/9/2007	2026	4.00%	\$17,825,000	\$ -	\$ (1,175,000)	\$16,650,000	\$ 1,230,000
Series 2005	7/26/2005	2025	3.48%	3,585,000	-	(1,165,000)	2,420,000	205,000
					Unamortized Premium		183,442	
					Unamortized Discount		(5,074)	
					Due in current year		<u>(1,435,000)</u>	
					Total noncurrent liabilities		<u>\$17,813,368</u>	

Revenue Bonds

The City issues revenue bonds to finance major construction projects in business-type activities. Revenue bonds are secured and serviced by system revenues. The original amount of revenue bonds issued in prior years was \$34,800,000.

Revenue obligation bonds payable transactions for the year ended June 30, 2015 are as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Effective Interest Rate</u>	<u>Outstanding July 1, 2014</u>	<u>Issued During year</u>	<u>Matured During Year</u>	<u>Outstanding June 30, 2015</u>	<u>Due Within One Year</u>
Series 2005	5/13/2005	2015	3.700%	\$ 235,000	\$ -	\$ (235,000)	\$ -	\$ -
Series 2009	4/2/2009	2029	4.070%	18,700,000	-	(930,000)	17,770,000	970,000
Series 2010	10/6/2010	2030	3.149%	8,875,000	-	(395,000)	8,480,000	410,000
					Unamortized Premium		502,681	
					Due in current year		<u>(1,380,000)</u>	
					Total noncurrent liabilities		<u>\$25,372,681</u>	

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE I - LONG-TERM DEBT – Continued

Maturities of bond principal and interest are as follows:

Year	General Obligation bonds		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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
2019-20	1,680,000	525,830	1,595,000	822,931	3,275,000	1,348,761
2021-25	9,455,000	1,573,941	8,925,000	3,164,850	18,380,000	4,738,791
2026-30	1,830,000	77,776	9,215,000	1,155,326	11,045,000	1,233,102
2030-31	-	-	690,000	13,800	690,000	13,800
Total	<u>\$ 19,070,000</u>	<u>\$ 4,893,022</u>	<u>\$ 26,250,000</u>	<u>\$ 9,000,157</u>	<u>\$ 45,320,000</u>	<u>\$ 13,893,179</u>

Notes Payable

At June 30, 2015 notes payable are as follows:

Governmental activities:

Bank of America (FS 16), payable in semi-annual installments including interest at 4.9%, due 2018	<u>\$ 715,000</u>
Total governmental activities	<u>\$ 715,000</u>

Business-type activities:

McKenzie Enterprises, Inc. note payable in monthly installments of \$7,024 including interest at 7%, due in 2017	\$ 156,866
Bank of the West (BLM), Note payable with monthly installments beginning June, 2009 at 6.97%, due in May of 2019	<u>2,854,876</u>
Total business-type activities	<u>\$ 3,011,742</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE I - LONG-TERM DEBT – Continued

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>
2015-16	\$ 195,000	\$ 732,442
2016-17	200,000	785,196
2017-18	210,000	754,687
2018-19	110,000	739,417
	<u>\$ 715,000</u>	<u>\$ 3,011,742</u>

Interfund Advance

At June 30, 2015 interfund Advances are as follows:

Springfield Economic Development Agency due on or before 2024	<u>\$ 340,774</u>
Total interfund advances	<u>\$ 340,774</u>

Beginning in 2004, the City entered into an initial agreement with the US Bureau of Land Management (USBLM) to finance their portion of the construction of a shared facility constructed by the Oregon Department of Military. In 2006, the City secured a \$6.4 million construction loan from the Bank of the West and construction began. The building was completed in the 2009 fiscal year and the construction loan was converted into a ten-year conventional loan with remaining loan proceeds used to reduce the new loan balance to \$6 million. The USBLM’s portion of the building was capitalized by the City and is being depreciated over ten years on the straight-line method. The USBLM will make lease payments to the City equal to the City’s debt service payments. Per the terms of the loan agreement with the Bank of the West, the City is under no obligation to make debt service payments above the lease payments received by the USBLM. At the end of ten years, the capital asset and related loan will be fully depreciated and repaid, and the building transferred to the Oregon Department of Military.

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE I - LONG-TERM DEBT – Continued

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, 2015</u>
General	\$ 3,112,408
Street	389,088
Community development	25,933
Special revenue funds	523,804
Internal service funds	14,552
	<u>\$ 4,065,785</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, 2015</u>
General	\$ 3,666,365
Street	269,467
Community development	23,044
Special revenue funds	510,263
Other governmental funds	7,145
Internal service funds	58,145
	<u>\$ 4,534,429</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE I - LONG-TERM DEBT – Continued

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 21,410,000	\$ -	\$ (2,340,000)	\$ 19,070,000	\$ 1,435,000
Less deferred amounts					
For issuance premiums	199,054	-	(15,612)	183,442	-
For issuance discounts	(5,581)	-	507	(5,074)	-
Total bonds payable	21,603,473	-	(2,355,105)	19,248,368	1,435,000
Notes payable	977,206	-	(262,206)	715,000	195,000
Interfund loan payable	-	340,774	-	340,774	-
Contracts payable	210,000	-	-	210,000	-
Capital leases	1,227,516	-	(551,307)	676,209	266,599
Accrued claims liability	-	450,000	-	450,000	146,650
Accrued absences	4,065,413	1,117,430	(1,117,058)	4,065,785	1,177,645
OPEB obligation	3,829,737	704,692	-	4,534,429	-
Net pension liability	13,450,420	194,067	-	13,644,487	-
Governmental activity long-term liabilities	<u>\$ 31,913,345</u>	<u>\$ 2,806,963</u>	<u>\$ (4,285,676)</u>	<u>\$ 43,885,052</u>	<u>\$ 3,220,894</u>
<u>Business-type activities:</u>					
Bonds payable:					
Revenue bonds	\$ 27,810,000	\$ -	\$ (1,560,000)	\$ 26,250,000	\$ 1,380,000
Less deferred amounts					
For issuance discounts	(3,048)	-	3,048	-	-
For issuance premiums	556,659	-	(53,978)	502,681	-
Total bonds payable	28,363,611	-	(1,610,930)	26,752,681	1,380,000
Notes payable	3,695,017	-	(683,275)	3,011,742	656,751
Accrued absences	695,116	417,834	(220,452)	892,498	241,371
OPEB obligation	864,509	307,284	-	1,171,793	-
Business-type activities long-term liabilities	<u>\$ 33,618,253</u>	<u>\$ 725,118</u>	<u>\$ (2,514,657)</u>	<u>\$ 31,828,714</u>	<u>\$ 2,278,122</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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	\$ 152,080
Storm Drainage	Internal service funds	111,140
Booth Kelly	Internal service funds	10,611
Ambulance	Internal service funds	103,078
Total due to/from other funds (different fund types)		<u>\$ 376,909</u>

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Community Development	<u>\$ 194,621</u>

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, 2015 are presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Metropolitan Wastewater	Internal service funds	<u>\$ 14,313</u>

Interfund Transfers

Fund description			Nonmajor	Sewer	Drainage	Total
	General	Street	Governmental Funds	Capital	Capital	Transfers Out
General	\$ -	\$ 395,083	\$ 450,730	\$ -	\$ -	\$ 845,813
Street	-	-	250,000	-	-	250,000
Nonmajor Governmental	691,344	-	2,719,548	-	-	3,410,892
Sanitary Sewer	-	-	5,335,885	2,430,000	-	7,765,885
Storm Drainage	-	-	-	-	1,395,000	1,395,000
Nonmajor Enterprise	-	-	71,311	66,190	38,737	176,238
Internal Service Funds	226,896	-	70,000	-	-	296,896
Total Transfers In	<u>\$ 918,240</u>	<u>\$ 395,083</u>	<u>\$ 8,897,474</u>	<u>\$ 2,496,190</u>	<u>\$ 1,433,737</u>	<u>\$ 14,140,724</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 the statute or budget requires to collect them in to the fund the statute or budget requires to expend them.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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, 2015.

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, 2015.

NOTE L – CITY DEFINED BENEFIT PENSION PLAN

Plan Description – The City sponsors a pension plan for Springfield Police Association employees hired before April 1, 1996 (City of Springfield, Oregon Retirement Plan – CRP). CRP is a governmental single-employer plan maintained and operated by the City of Springfield. The plan is closed to new entrants and 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. As of June 30, 2015, there were 41 participants in the plan, of which 23 are active employees and 17 are inactive employees or their beneficiaries. 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 plan does not issue a separate stand-alone report.

City Retirement Plan Benefits

Pension Benefits – 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.

Distribution of Benefits – Upon severance of employment of a participant other than by death, a participant’s vested account balances shall be distributed to the participant as soon as administratively feasible. Participants who retired prior to June 30, 2006 could elect to leave their account balances in the plan up until the age of 70-1/2 with a 9% interest guarantee. Participants that terminate employment with the City subsequent to June 30, 2006 and have reached the age of 50 may elect to leave their account balances in the plan up until the age of 70-1/2 with a 9% interest guarantee the 1st year, 6% for years 2 and 3, 4% for years 4 and 5, and 0% thereafter. For participants who terminate employment with the City after June 30, 2006 and before the age of 50, the interest guarantee is 9% for the 1st year and 0% thereafter. All distributions must be lump sum.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

Death Benefits – Upon the death of a participant, the participant’s vested account balances shall be distributed to the participant’s beneficiary no later than one year after the date of death.

Disability Benefits – A participant who becomes permanently disable while employed by the City so that the participant is unable to perform all essential duties will continue to earn credits for service up through the earlier of age 60, death, or the date the participant is no longer disabled. Participant accounts will be distributed at the earlier of age 65 or death.

Contributions – The CRP is funded through a tax-exempt trust that holds assets and funds benefits for the plan. The assets of the CRP are held for the exclusive benefit of participants and beneficiaries under the terms of the plan and cannot be used to pay any benefits or expenses of any other retirement plan or trust. The benefits are funded by employer contributions and earnings from plan investments. The City’s Council adopted a formal CRP Funding Policy in 2015 that established a policy to systematically fund the liabilities of the plan on a sound actuarial basis, taking into account the closed status of the plan. The funding policy may be amended by the City Council at any time for any reason.

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 in \$1,352,000.

Employer contributions for the year ended June 30, 2015 were \$1,964,977.

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the City reported a net pension liability of \$13,644,487. The net pension liability and fiduciary net position were measured as of June 30, 2015. The total pension liability was determined using actuarial valuation results as of June 30, 2014 rolled forward to June 30, 2015. The following table presents the changes in the net pension liability for the fiscal year ended June 30, 2015:

<u>Changes in Net Pension Liability</u>	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances as of June 30, 2014	\$ 34,890,821	\$ 21,440,401	\$ 13,450,420
Changes for the year:			
Service cost	611,102	-	611,102
Interest on total pension liability	2,186,388	-	2,186,388
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) losses	-	-	-
Changes in assumptions	-	-	-
Benefit payments	(3,730,383)	(3,730,383)	-
Administrative expenses	-	(70,078)	70,078
Member contributions	-	-	-
Net investment income	-	708,524	(708,524)
Employer contributions	-	1,964,977	(1,964,977)
Net changes	(932,893)	(1,126,960)	194,067
Balances as of June 30, 2015	\$ 33,957,928	\$ 20,313,441	\$ 13,644,487

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

For the year ended June 30, 2015, the City recognized pension expense of \$1,658,685, the details of which are presented in the following table:

<u>Pension Expense</u>	<u>July 1, 2014 to June 30, 2015</u>
Service cost	\$ 611,102
Interest on total pension liability	2,186,388
Effect of plan changes	-
Administrative expenses	70,078
Member contributions	-
Expected investment return net of investment expenses	(1,333,973)
Recognition of Deferred (Inflows)/Outflows of Resources:	
Recognition of economic/demographic (gains) losses	-
Recognition of assumption changes or inputs	-
Recognition of investment (gains) losses	<u>125,090</u>
Pension Expense	<u>\$ 1,658,685</u>

At June 30, 2015, the City reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Inflows of Resources</u>
Net deference between projected and actual earnings of pension plan investments	<u>\$ 500,359</u>

The \$500,359 reported as deferred outflows of resources related to pensions resulting from investment earnings falling short of projected earnings will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 125,090
2017	125,090
2018	125,090
2019	125,090
2020	-
Total	<u>\$ 500,359</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

Actuarial Valuations – The total pension liability in the June 30, 2014 actuarial valuation rolled forward to June 30, 2015 was determined using the following actuarial assumptions:

Actuarial Valuation Assumptions

Valuation Date	June 30, 2014 rolled forward to June 30, 2015.
Actuarial cost method	Individual entry age normal, level percentage of pay
Amortization method	Fixed amortization period of 22 years starting July 1, 2014, with payments calculated in level dollar installments.
Asset valuation method	Five-year smoothing of market value investment gains and losses, with the resulting smoothed asset value within 10% of market value.
Actuarial assumptions:	
Investment rate of return	6.50%
Projected salary increases	3.5% per year for wage inflation with merit increases
Administrative expenses	\$39,000 per year
Mortality	None assumed

Discount Rate – The Plan’s fiduciary net position plus anticipated future contributions in adherence with the funding policy is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return of 6.5%.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.5%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	1 % Decrease (5.5%)	Current Discount Rate (6.5%)	1 % Increase (7.5%)
Total pension liability	\$ 36,042,234	\$ 33,957,928	\$ 32,031,027
Fiduciary net position	20,313,441	20,313,441	20,313,441
Net pension liability	<u>\$ 15,728,793</u>	<u>\$ 13,644,487</u>	<u>\$ 11,717,586</u>

Long-Term Expected Rate of Return – To help select the long-term expected rate of return assumption, the plan’s actuary, Milliman Inc, reviewed the plan’s asset allocation as of the most recent July 1, 2014 valuation date. The table below shows Milliman’s assumptions for the general asset classes in which the plan was invested at that time. Each asset class return assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

Asset Class	Allocation	Compound Annual Return (Geometric)
Cash	2.3%	3.00%
Core Fixed Income	35.9%	4.40%
Broad US Equities	28.6%	6.85%
Large Cap US Equities	9.6%	6.75%
Small Cap US Equities	7.8%	7.00%
Developed Economy Foreign Equities	15.8%	6.75%
Assumed Inflation – Mean		2.50%

NOTE M – PERS DEFINED BENEFIT PENSION PLAN

Plan Description – Qualifying employees of the city, consisting of police public safety personnel – covered by the Springfield Police Association (SPA) – and fire public safety personnel, hired on or after April 1, 1996, as well as all general service personnel beginning April 1, 2002, are provided pensions through the Oregon Public Employees Retirement System (OPERS). These pensions are part of a cost-sharing multiple-employer defined benefit plan administered and managed by the Public Employees Retirement System Board. All related benefits were established by the legislature pursuant to ORS Chapters 238 and 238A. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx, or by calling (503) 598-7377, or by writing the Oregon Public Employees Retirement System at PO Box 23700, Tigard, Oregon 97281-3700.

Tier One/Tier Two Plan Benefits

Pension Benefits – This Pension Program (ORS Chapter 238) is closed to new members hired on or after August 29, 2003. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2% for police and fire employees, 1.67% for general service employees) is multiplied by the number of years of service and the final average salary.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire). General Service members may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service member benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

Death Benefits – Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member’s account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits – A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes After Retirement – Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits may change annually through cost-of-living adjustments. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

OPSRP Plan Benefits

Pension Benefits – This Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with a formula for members who attain normal retirement age; for Police and Fire, age 60 or 53 with 25 years of retirement credit, 1.8% is multiplied by the number of years of service and the final average salary; for General Service, age 65 or 58 with 30 years of retirement credit, 1.5% is multiplied by the number of years of service and the final average salary.

To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement. A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits – Upon the death of a non-retired member, the spouse – or other person who is constitutionally required to be treated in the same manner as the spouse – receives, for life, 50% of the pension that would otherwise have been paid to the deceased member.

Disability Benefits – A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45% of the member’s salary determined as of the last full month of employment before the disability occurred.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

Benefit Changes After Retirement – Under ORS 238A.210, post retirement monthly benefits will change annually through cost-of-living adjustments. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The City contribution rates in effect for the fiscal year ended June 30, 2015 were 11.28% for Tier One/Tier Two covered members, 7.94% for OPSRP Pension Program Police and Fire Members, and 5.21% for OPSRP Pension Program General Service Members.

Employer contributions for the year ended June 30, 2015 were \$2,393,904.

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the City reported an asset of \$6,349,764 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2012 rolled forward to June 30, 2014. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2014, the City's proportion was .2801 percent, which was unchanged from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the City recognized pension expense (income) of \$(5,867,194). At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net deference between projected and actual earnings of pension plan investments	\$ -	\$ 12,252,472
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	176,094
Contributions subsequent to the measurement date	2,393,904	-
	<u>\$ 2,393,904</u>	<u>\$ 12,428,566</u>

The \$2,393,904 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2016	\$ 3,101,399
2017	3,101,399
2018	3,101,399
2019	3,101,399
2020	<u>22,970</u>
Total	<u>\$ 12,428,566</u>

Actuarial Valuations – The employer contribution rates effective July 1, 2013, through June 30, 2015, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years. The total pension liability in the December 31, 2012 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2012 rolled forward to June 30, 2014.
Experience Study Report	2012, published September 18, 2013
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation rate	2.75%
Investment rate of return	7.75%

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

Projected salary increases	3.75% overall payroll growth; salaries for individuals are assumed to grow at 3.75% plus assumed rates of merit/longevity increases based on service
Mortality	<p>Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2012 Experience Study which reviewed experience for the four-year period ending on December 31, 2012.

Discount Rate – The discount rate used to measure the total pension liability was 7.75% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate – The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.75%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1 % Decrease (6.75%)	Current Discount Rate (7.75%)	1 % Increase (8.75%)
City’s proportionate share of the net pension liability (asset)	\$13,446,506	\$(6,349,764)	\$(23,092,765)

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

Long-Term Expected Rate of Return – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00	3.70
Intermediate-Term Bonds	3.00	4.10
High Yield Bonds	1.80	6.66
Large Cap US Equities	11.65	7.20
Mid Cap US Equities	3.88	7.30
Small Cap US Equities	2.27	7.45
Developed Foreign Equities	14.21	6.90
Emerging Foreign Equities	5.49	7.40
Private Equity	20.00	8.26
Opportunity Funds/Absolute Return	5.00	6.01
Real Estate (Property)	13.75	6.51
Real Estate (REITS)	2.50	6.76
Commodities	7.71	6.07
Assumed Inflation – Mean		2.75

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

Changes in Plan Provisions Subsequent to Measurement Date – On April 30, 2015, the Oregon Supreme Court ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually.

PERS member who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This is a change in benefit terms subsequent to the measurement date of June 30, 2014, and was not include in the net pension liability (asset) proportionate shares provided to the City in June 2015.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE N – PERS DEFINED CONTRIBUTION PENSION PLAN

Plan Description – OPSRP Individual Account Program (IAP) is a defined contribution pension plan for Tier One/Tier Two and OPSRP plan members. All benefits of the system are established by the legislature pursuant to ORS Chapters 238 and 238A.

Plan Benefits – An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, or 20-year period or anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits – Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments of choose a lump-sum payment.

Recordkeeping – PERS contracts with VOYA Financial to maintain IAP participant records.

Contributions – State statute requires that covered employees contribute 6% of their covered salary to the IAP plan effective January 1, 2004. Statute allows that the employer may elect to pay any or all of the employee's required IAP contributions.

The City has elected to pay all of the employees' required IAP contribution, except for employees who are members of the City's International Association of Fire Fighters (IAFF) union, which elected to pay the required employee contribution.

For the fiscal year ending June 30, 2015, the City's contribution to the IAP plan was \$1,614,645.

NOTE O – 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, 2015, 23 qualified retirees are eligible to receive this benefit. The cost of the coverage, financed on a pay-as-you-go basis, is shared between the City and the retirees. The City's share is capped at \$115 per month, per qualified retiree. The total cost of providing this coverage for the fiscal year ended June 30, 2015 was \$31,869.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

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

For these employees, the amount of the pension contribution is either 7%, 8%, or 9% of the employee’s last monthly salary, depending on what the employee’s contribution rate was before retirement. At June 30, 2015, there were 3 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, 2015, the amount actually contributed to the plans, and changes in the City’s net OPEB obligation:

Annual required contribution	\$ 1,660,019
Interest on net OPEB obligation	169,146
Adjustment to ARC	<u>(581,094)</u>
Annual OPEB cost (expense)	1,248,071
Contributions	<u>(374,581)</u>
Increase in net OPEB obligation	873,490
Net OPEB obligation, beginning of year	<u>4,832,732</u>
Net OPEB obligation, end of year	<u>\$ 5,706,222</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 2015 and the preceding six years were as follows:

<u>Fiscal year</u> <u>ending June 30</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Contribution</u>	Percentage of annual <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
2015	1,248,071	374,581	30.01%	5,706,222

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

As of July 1, 2014, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$6,620,575, and the actuarial value of assets was zero, resulting in an unfunded accrued liability of \$6,620,575.

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

Actuarial Methods and Assumptions

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

The July 1, 2014 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 7.0% for the 1st year, July 1, 2014 to July 1, 2015. In future years, the health care cost trend varies from 5.0% 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 4.75%. 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 P – COMMITMENTS AND CONTINGENCIES

At June 30, 2015, the City was obligated under incomplete construction contracts in the amount of \$1,153,705.

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, 2015, the Sick Leave Reserve Program bank contained 7,077 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE Q – CONSTITUTIONAL PROPERTY TAX LIMITATION

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

In May 1997, the voters approved a citizen initiative (Measure 50) that rolls back assessed property values to 90 percent of their 1995-96 real market value amount and limits future increases to 3 percent per year, except for major improvements. Under Measure 50, voters may approve new local initiatives provided a majority approves at either a general election in an even numbered year, or at any other election in which at least 50 percent of registered voters cast a ballot. This double majority requirement for local initiatives is no longer required as a result of the passage of statewide measure 56, passed on November 4, 2008.

NOTE R – RESTATEMENT

The City implemented Governmental Accounting Standards Board (GASB) statement 68, “Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27),” and statement 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date” in the fiscal year ending June 30, 2015. The implementation of these statements required the City to record beginning net pension liability and the effects on net position of contributions made by the City during the measurement period (fiscal year ending June 30, 2014).

Description	Governmental Activities	Business-type Activities	Total
Net Position as previously reported at June 30, 2014	\$ 141,604,041	\$ 80,700,508	\$ 222,304,549
Prior Period Restatement:			
Net Pension Liability	(24,584,691)	(2,649,529)	(27,234,220)
Deferred outflows:			
City contributions made during fiscal year 2014	1,829,935	435,454	2,265,389
Total prior period restatement	(22,754,756)	(2,214,075)	(24,968,831)
Net position, as restated, July 1, 2014	\$ 118,849,285	\$ 78,486,433	\$ 197,335,718

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE S – NEW PRONOUNCEMENTS

The City implemented the following pronouncement during the fiscal year:

GASB Statement No. 68 “Accounting and Reporting for Pension Plans—an amendment of GASB Statement No. 27.” The statement establishes accounting and financial reporting requirements related to pensions provided by governments. The statement was implemented in the current year.

GASB Statement No. 69 “Government Combinations and Disposals of Government Operations.” The statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The statement was implemented in the current year.

GASB Statement No. 71 “Pension Transition for Contributions Made Subsequent to the Measurement Date”. The statement amends transition provisions of GASB Statement No. 68, establishes accounting and financial reporting standards for recognition of contributions made between the measurement date of the net pension liability and implementation of GASB Statement No. 68. The statement was implemented in the current year.

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

GASB Statement No. 72 “Fair Value Measurement and Application” addresses accounting and financial reporting issues related to fair value measurements. It provides guidance for determining a fair value measurement for financial reporting purposes, as well as guidance for applying fair value to certain investments, and disclosures related to all fair value measurements. The statement is effective for fiscal years beginning after June 15, 2015.

GASB Statement No. 73 “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68”, completes the suite of pension standards. The requirements in Statement 73 for reporting pensions generally are the same as in Statement 68. The statement is generally effective for fiscal years beginning after June 15, 2015.

GASB Statement No. 74 “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”. This statement replaces Statement No. 46, “Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans” as amended, and Statement 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, “Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans”, as amended, and Statement No. 50, “Pension Disclosures”. This statement is effective for financial statement periods beginning after June 15, 2016.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE S – NEW PRONOUNCEMENTS – Continued

GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. It requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. The statement is effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 76 “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”. This statement supersedes Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The statement is effective for fiscal years beginning after June 15, 2015.

NOTE T – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 22, 2015, 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



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, 2015

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 19,427,022	\$ 19,427,022	\$ 19,782,462	\$ 355,440	\$ -	\$ 19,782,462
Licenses, permits, and fees	2,312,097	2,312,097	2,448,195	136,098	89,979	2,538,174
Intergovernmental revenue	3,991,551	4,038,417	4,203,414	164,997	-	4,203,414
Charges for services	5,689,460	5,689,460	5,556,259	(133,201)	-	5,556,259
Fines and forfeitures	2,026,663	2,026,663	1,608,744	(417,919)	-	1,608,744
Investment earnings	72,500	72,500	40,349	(32,151)	3,349	43,698
Miscellaneous revenue	223,000	228,776	222,102	(6,674)	-	222,102
Total revenues	33,742,293	33,794,935	33,861,525	66,590	93,328	33,954,853
Expenditures:						
Current operating:						
City manager's office	1,281,335	1,314,335	1,309,695	4,640	-	1,309,695
Legal and judicial services	1,451,521	1,480,816	1,383,272	97,544	-	1,383,272
Human resources	439,238	464,778	443,063	21,715	-	443,063
Finance	930,325	986,339	953,474	32,865	-	953,474
Information technology	1,478,817	1,478,817	1,451,500	27,317	-	1,451,500
Fire and life safety	10,111,701	10,153,433	9,790,345	363,088	-	9,790,345
Police	13,916,034	13,916,034	13,760,879	155,155	(27,023)	13,733,856
Library	1,545,761	1,589,261	1,493,404	95,857	-	1,493,404
Development and public works	2,399,777	2,399,777	2,268,846	130,931	(3,982)	2,264,864
Contingency	600,000	600,000	-	600,000	-	-
Debt Service:						
Principal	185,000	185,000	185,000	-	-	185,000
Interest	41,896	41,896	41,895	1	-	41,895
Total expenditures	34,381,405	34,610,486	33,081,373	1,529,113	(31,005)	33,050,368
Excess of revenues over (under) expenditures	(639,112)	(815,551)	780,152	1,595,703	124,333	904,485
Other financing sources (uses):						
Transfers in	881,002	881,002	918,240	37,238	-	918,240
Transfers out	(840,250)	(845,821)	(845,813)	8	-	(845,813)
Total other financing sources (uses)	40,752	35,181	72,427	37,246	-	72,427
Net change in fund balances	(598,360)	(780,370)	852,579	1,632,949	124,333	976,912
Fund balance, beginning of year	8,214,717	8,428,315	8,428,315	-	(81,922)	8,346,393
Fund balance, end of year	\$ 7,616,357	\$ 7,647,945	\$ 9,280,894	\$ 1,632,949	\$ 42,411	\$ 9,323,305

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, 2015

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,084,567	\$ (115,433)	\$ -	\$ 1,084,567
Licenses, permits, and fees	166,500	166,500	133,946	(32,554)	-	133,946
Intergovernmental revenue	3,589,000	3,589,000	3,618,748	29,748	-	3,618,748
Charges for services	133,000	133,000	186,346	53,346	-	186,346
Investment earnings	1,200	1,200	-	(1,200)	169	169
Miscellaneous revenue	5,000	8,600	99,979	91,379	-	99,979
Total revenues	5,094,700	5,098,300	5,123,586	25,286	169	5,123,755
Expenditures:						
Current operating:						
Development and public works	5,479,397	5,416,211	5,262,338	153,873	-	5,262,338
Excess of revenues over (under) expenditures	(384,697)	(317,911)	(138,752)	179,159	169	(138,583)
Other financing sources (uses):						
Transfers in	390,250	395,091	395,083	(8)	-	395,083
Transfers out	(150,000)	(250,000)	(250,000)	-	-	(250,000)
Total other financing sources (uses)	240,250	145,091	145,083	(8)	-	145,083
Net change in fund balances	(144,447)	(172,820)	6,331	179,151	169	6,500
Fund balance, beginning of year	758,555	847,350	847,351	1	104,773	952,124
Change in reserve for inventory	-	-	-	-	(4,866)	(4,866)
Fund balance, end of year	\$ 614,108	\$ 674,530	\$ 853,682	\$ 179,152	\$ 100,076	\$ 953,758

City of Springfield, Oregon

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

Year Ended June 30, 2015

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ 848,004	\$ 1,306,998	\$ 234,997	\$ (1,072,001)	\$ -	\$ 234,997
Investment earnings	33,692	33,692	-	(33,692)	-	-
Miscellaneous receipts	-	-	189,185	189,185	-	189,185
Total revenues	881,696	1,340,690	424,182	(916,508)	-	424,182
Expenditures:						
Current operating:						
Finance	23,539	23,539	23,539	-	-	23,539
Development and public works	858,157	1,317,151	359,057	958,094	-	359,057
Total expenditures	881,696	1,340,690	382,596	958,094	-	382,596
Net change in fund balances	-	-	41,586	41,586	-	41,586
Fund balance, beginning of year	-	-	(64,907)	(64,907)	-	(64,907)
Fund balance, end of year	\$ -	\$ -	\$ (23,321)	\$ (23,321)	\$ -	\$ (23,321)

City of Springfield, Oregon

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2015

OTHER POSTEMPLOYMENT BENEFITS

Schedule of OPEB Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2010	\$ -	\$ 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%
7/1/2014	-	6,620,575	6,620,575	0%	28,695,685	23%

CITY RETIREMENT PLAN PENSION BENEFITS

Schedule of CRP Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2010	\$ 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%
7/1/2014	19,296,361	34,890,821	15,594,460	55.3%	2,425,639	643%

Schedule of CRP Employer Contributions

(Dollar Amounts in Thousands)

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 1,936	\$ 2,088	\$ 1,790	\$ 1,810	\$ 1,209	\$ 1,303	\$ 1,359	\$ 1,273	\$ 1,253	\$ 1,221
Actual employer contribution	1,965	2,088	1,790	1,810	1,209	1,303	1,359	1,273	1,253	1,221
Contribution deficiency (Excess)	(29)	-	-	-	-	-	-	-	-	-
Covered payroll	2,101	2,426	2,498	2,535	2,738	2,944	3,027	3,132	3,224	3,134
Contribution as a % of covered payroll	93.53%	86.07%	71.66%	71.40%	44.16%	44.26%	44.90%	40.64%	38.86%	38.96%
Valuation Date	7/1/2014	7/1/2012	7/1/2012	7/1/2010	7/1/2010	7/1/2008	7/1/2008	7/1/2006	7/1/2006	7/1/2004
Investment Rate of Return Assumption	6.50%	6.50%	7.50%	7.50%	7.50%	7.50%	8.00%	8.00%	8.00%	8.00%

CITY RETIREMENT PLAN PENSION BENEFITS – Continued

Schedule of Changes in Total Pension Liability, Fiduciary Net Position, and Related Ratios

	<u>2015</u>	<u>2014</u>	<u>2013 and Prior</u>
Total Pension Liability			
Service cost	\$ 611,102	N/A	N/A
Interest on total pension liability	2,186,388	N/A	N/A
Benefit payments	<u>(3,730,383)</u>	<u>N/A</u>	<u>N/A</u>
Net change in total pension liability	(932,893)	N/A	N/A
Total pension liability, beginning	<u>34,890,821</u>	<u>N/A</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>33,957,928</u>	<u>\$ 34,890,821</u>	<u>N/A</u>
Fiduciary Net Position			
Employer contributions	1,964,977	N/A	N/A
Investment income net of investment expenses	708,524	N/A	N/A
Benefit payments	(3,730,383)	N/A	N/A
Administrative expenses	<u>(70,078)</u>	<u>N/A</u>	<u>N/A</u>
Net change in plan net position	(1,126,960)	N/A	N/A
Fiduciary net position, beginning	<u>21,440,401</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>20,313,441</u>	<u>21,440,401</u>	<u>N/A</u>
Net pension liability, ending (a) - (b)	<u>\$ 13,644,487</u>	<u>\$ 13,450,420</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	60%	61%	N/A
Covered payroll	\$ 2,100,871	\$ 2,425,639	N/A
Net pension liability as a % of covered payroll	649%	555%	N/A

OPERS RETIREMENT PLAN PENSION BENEFITS

Schedule of Proportionate Share of Net Pension Liability

	Fiscal Year Ending June 30,	
	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset)	0.2801%	0.2801%
Proportionate share of the net pension liability (asset)	\$ (6,349,764)	\$ 14,295,480
Covered payroll	\$ 27,340,088	\$ 26,270,045
Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll	-23.23%	54.42%
Plan net position as a percentage of the total pension liability	103.59%	92.00%

OPERS RETIREMENT PLAN PENSION BENEFITS – Continued

Schedule of Contributions

	Fiscal Year Ending June 30,	
	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,393,904	\$ 2,371,838
Contributions in relation to the contractually required contribution	<u>2,393,904</u>	<u>2,371,838</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 27,340,088	\$ 26,270,045
Contributions as a percentage of covered employee payroll	8.76%	9.03%

Other Supplementary Information



**Nonmajor Governmental Funds
Combining Statements**



City of Springfield, Oregon
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

June 30, 2015

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 5,062,368	\$ 10,496,174	\$ 617,293	\$ 16,175,835
Receivables:				
Accounts	140,860	224,702	-	365,562
Taxes	538,482	-	323,194	861,676
Grants	170,433	11,106	-	181,539
Accrued interest	17,355	39,668	8,192	65,215
Assessments and liens	-	127,783	6,293	134,076
Notes	25	121,097	-	121,122
Prepaid items	5,600	3,471	-	9,071
Deposits	96,772	-	-	96,772
Total assets	\$ 6,031,895	\$ 11,024,001	\$ 954,972	\$ 18,010,868
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 190,929	\$ 102,748	\$ -	\$ 293,677
Accrued payroll and other liabilities	242,218	2,354	475	245,047
Deposits	6,979	-	-	6,979
Total liabilities	440,126	105,102	475	545,703
Deferred inflows of resources:				
Unavailable revenue	523,542	462,686	323,062	1,309,290
Fund Balances:				
Nonspendable	102,372	3,471	-	105,843
Restricted	4,745,364	7,512,228	530,714	12,788,306
Committed	24,986	2,592,248	-	2,617,234
Assigned	195,505	348,266	100,721	644,492
Total fund balances	5,068,227	10,456,213	631,435	16,155,875
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,031,895	\$ 11,024,001	\$ 954,972	\$ 18,010,868

City of Springfield, Oregon
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year ended June 30, 2015

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 9,154,385	\$ -	\$ 3,044,086	\$ 12,198,471
Licenses, permits, and fees	111,160	-	-	111,160
Intergovernmental revenue	238,142	3,877,556	-	4,115,698
Charges for services	1,247,551	680,502	-	1,928,053
Fines and forfeitures	79,507	-	-	79,507
Investment earnings	17,426	40,168	7,912	65,506
Special assessments	-	45,618	-	45,618
Miscellaneous revenue	132,286	65,295	-	197,581
Total revenues	<u>10,980,457</u>	<u>4,709,139</u>	<u>3,051,998</u>	<u>18,741,594</u>
Expenditures:				
Current operating:				
General government	984,008	79,084	15,644	1,078,736
Fire and life safety	1,447,473	-	-	1,447,473
Police	5,263,460	-	-	5,263,460
Library	116,926	-	-	116,926
Development and public works	1,147,492	199,974	-	1,347,466
Capital projects	277,220	1,077,581	-	1,354,801
Debt service:				
Principal	-	-	2,417,206	2,417,206
Interest	1,113	-	870,095	871,208
Total expenditures	<u>9,237,692</u>	<u>1,356,639</u>	<u>3,302,945</u>	<u>13,897,276</u>
Excess of revenues over (under) expenditures	<u>1,742,765</u>	<u>3,352,500</u>	<u>(250,947)</u>	<u>4,844,318</u>
Other financing sources (uses):				
Transfers in	2,705,416	759,094	97,079	3,561,589
Transfers out	<u>(3,063,624)</u>	<u>(333,768)</u>	<u>(13,500)</u>	<u>(3,410,892)</u>
Total other financing sources (uses)	<u>(358,208)</u>	<u>425,326</u>	<u>83,579</u>	<u>150,697</u>
Net change in fund balances	1,384,557	3,777,826	(167,368)	4,995,015
Fund balance, beginning of year	<u>3,683,670</u>	<u>6,678,387</u>	<u>798,803</u>	<u>11,160,860</u>
Fund balance, end of year	<u>\$ 5,068,227</u>	<u>\$ 10,456,213</u>	<u>\$ 631,435</u>	<u>\$ 16,155,875</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.

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.

SPRINGFIELD



City of Springfield, Oregon

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

June 30, 2015

	Special Revenue	Room Tax	Building	SEDA Glenwood	SEDA Downtown	Fire Levy	Police Levy	Jail Operations	Total
Cash and investments	\$ 713,038	\$ 492,191	\$ 317,675	\$ 921,462	\$ 65,646	\$ 471,779	\$ 1,952,395	\$ 128,182	\$ 5,062,368
Receivables:									
Accounts	964	112,446	-	-	-	-	-	27,450	140,860
Taxes	-	-	-	49,418	21,505	110,225	357,334	-	538,482
Grants	170,433	-	-	-	-	-	-	-	170,433
Accrued interest	-	1,808	420	2,930	566	2,762	8,869	-	17,355
Notes	-	-	25	-	-	-	-	-	25
Prepaid items	190	1,050	4,360	-	-	-	-	-	5,600
Deposits	96,772	-	-	-	-	-	-	-	96,772
Total assets	\$ 981,397	\$ 607,495	\$ 322,480	\$ 973,810	\$ 87,717	\$ 584,766	\$ 2,318,598	\$ 155,632	\$ 6,031,895

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

Liabilities:									
Accounts payable	\$ 9,253	\$ 2,808	\$ 2,716	\$ 6,045	\$ 62,845	\$ 4,461	\$ 57,978	\$ 44,823	\$ 190,929
Accrued payroll and other liabilities	-	7,925	24,813	-	-	41,783	87,353	80,344	242,218
Deposits	-	-	-	-	1,500	-	-	5,479	6,979
Total liabilities	9,253	10,733	27,529	6,045	64,345	46,244	145,331	130,646	440,126
Deferred inflows of resources:									
Unavailable revenue	-	-	25	47,933	20,818	107,336	347,430	-	523,542
Fund balances:									
Nonspendable	96,962	1,050	4,360	-	-	-	-	-	102,372
Restricted	679,677	595,712	290,566	919,832	2,554	431,186	1,825,837	-	4,745,364
Committed	-	-	-	-	-	-	-	24,986	24,986
Assigned	195,505	-	-	-	-	-	-	-	195,505
Total fund balances	972,144	596,762	294,926	919,832	2,554	431,186	1,825,837	24,986	5,068,227
Total liabilities, deferred inflows of resources, and fund balances	\$ 981,397	\$ 607,495	\$ 322,480	\$ 973,810	\$ 87,717	\$ 584,766	\$ 2,318,598	\$ 155,632	\$ 6,031,895

City of Springfield, Oregon

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

Year ended June 30, 2015

	Special Revenue	Transient Room Tax	Building	SEDA Glenwood	SEDA Downtown	Fire Levy	Police Levy	Jail Operations	Total
Revenues:									
Taxes	\$ 278,200	\$ 1,219,497	\$ -	\$ 811,434	\$ 404,282	\$ 1,416,755	\$ 5,024,217	\$ -	\$ 9,154,385
Licenses, permits, and fees	-	-	-	-	-	-	-	111,160	111,160
Intergovernmental revenue	234,821	-	-	3,047	274	-	-	-	238,142
Charges for services	-	-	1,069,229	-	2,385	-	-	175,937	1,247,551
Fines and forfeitures	79,507	-	-	-	-	-	-	-	79,507
Investment earnings	2,664	1,049	591	1,332	443	2,671	8,676	-	17,426
Miscellaneous revenue	120,938	10,089	859	-	-	-	-	400	132,286
Total revenues	716,130	1,230,635	1,070,679	815,813	407,384	1,419,426	5,032,893	287,497	10,980,457
Expenditures:									
Current operating:									
City manager's office	16,124	194,818	-	156,303	156,408	-	-	-	523,653
Legal and judicial services	3,072	-	-	-	-	-	439,373	-	442,445
Finance	-	-	-	11,760	6,150	-	-	-	17,910
Fire and life safety	-	-	-	-	-	1,447,473	-	-	1,447,473
Police	328,476	-	-	-	-	-	2,208,141	2,726,843	5,263,460
Library	56,339	60,587	-	-	-	-	-	-	116,926
Development and public works	180,722	105,548	861,222	-	-	-	-	-	1,147,492
Capital projects	-	-	-	-	277,220	-	-	-	277,220
Debt Service:									
Interest	-	-	-	-	1,113	-	-	-	1,113
Total expenditures	584,733	360,953	861,222	168,063	440,891	1,447,473	2,647,514	2,726,843	9,237,692
Excess of revenues over (under) expenditures	131,397	869,682	209,457	647,750	(33,507)	(28,047)	2,385,379	(2,439,346)	1,742,765
Other financing sources (uses):									
Transfers in	730	-	-	-	245,000	-	-	2,459,686	2,705,416
Transfers out	-	(658,344)	-	(21,000)	(374,594)	-	(2,009,686)	-	(3,063,624)
Total other financing sources (uses)	730	(658,344)	-	(21,000)	(129,594)	-	(2,009,686)	2,459,686	(358,208)
Net change in fund balances	132,127	211,338	209,457	626,750	(163,101)	(28,047)	375,693	20,340	1,384,557
Fund balances, beginning of year	840,017	385,424	85,469	293,082	165,655	459,233	1,450,144	4,646	3,683,670
Fund balances, end of year	\$ 972,144	\$ 596,762	\$ 294,926	\$ 919,832	\$ 2,554	\$ 431,186	\$ 1,825,837	\$ 24,986	\$ 5,068,227

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, 2015

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 425,000	\$ 425,000	\$ 278,200	\$ (146,800)	\$ -	\$ 278,200
Intergovernmental revenue	49,875	258,481	234,891	(23,590)	(70)	234,821
Fines and forfeitures	-	-	79,507	79,507	-	79,507
Investment earnings	-	-	2,664	2,664	-	2,664
Miscellaneous revenue	83,000	109,250	120,938	11,688	-	120,938
Total revenues	557,875	792,731	716,200	(76,531)	(70)	716,130
Expenditures:						
Current operating:						
City manager's office	15,730	26,952	16,124	10,828	-	16,124
Legal and judicial services	-	5,000	3,072	1,928	-	3,072
Police	491,500	600,835	381,120	219,715	(52,644)	328,476
Library	74,175	99,863	56,339	43,524	-	56,339
Development and public works	17,000	197,654	180,722	16,932	-	180,722
Total expenditures	598,405	930,304	637,377	292,927	(52,644)	584,733
Excess of revenues over (under) expenditures	(40,530)	(137,573)	78,823	216,396	52,574	131,397
Other financing sources (uses):						
Transfers in	730	730	730	-	-	730
Net change in fund balances	(39,800)	(136,843)	79,553	216,396	52,574	132,127
Fund balance, beginning of year	637,899	840,017	840,017	-	-	840,017
Fund balance, end of year	\$ 598,099	\$ 703,174	\$ 919,570	\$ 216,396	\$ 52,574	\$ 972,144

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, 2015

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,132,700	\$ 1,214,700	\$ 1,219,497	\$ 4,797	\$ -	\$ 1,219,497
Investment earnings	1,000	1,000	562	(438)	487	1,049
Miscellaneous revenue	-	-	10,089	10,089	-	10,089
Total revenues	1,133,700	1,215,700	1,230,148	14,448	487	1,230,635
Expenditures:						
Current operating:						
City managers office	184,178	197,378	194,818	2,560	-	194,818
Library	58,132	67,441	60,587	6,854	-	60,587
Development and public works	114,097	114,097	105,548	8,549	-	105,548
Total expenditures	356,407	378,916	360,953	17,963	-	360,953
Excess of revenues over (under) expenditures	777,293	836,784	869,195	32,411	487	869,682
Other financing sources (uses):						
Transfers out	(582,970)	(664,970)	(658,344)	6,626	-	(658,344)
Net change in fund balances	194,323	171,814	210,851	39,037	487	211,338
Fund balance, beginning of year	366,255	384,692	384,692	-	732	385,424
Fund balance, end of year	\$ 560,578	\$ 556,506	\$ 595,543	\$ 39,037	\$ 1,219	\$ 596,762

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, 2015

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 805,025	\$ 820,170	\$ 1,069,229	\$ 249,059	\$ -	\$ 1,069,229
Investment earnings	370	370	747	377	(156)	591
Miscellaneous receipts	-	-	859	859	-	859
Total revenues	805,395	820,540	1,070,835	250,295	(156)	1,070,679
Expenditures:						
Current operating:						
Development and public works	855,103	870,248	861,222	9,026	-	861,222
Net change in fund balances	(49,708)	(49,708)	209,613	259,321	(156)	209,457
Fund balance, beginning of year	99,045	85,030	85,030	-	439	85,469
Fund balance, end of year	\$ 49,337	\$ 35,322	\$ 294,643	\$ 259,321	\$ 283	\$ 294,926

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, 2015

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 663,000	\$ 663,000	\$ 811,434	\$ 148,434	\$ -	\$ 811,434
Intergovernmental revenue	100	100	3,047	2,947	-	3,047
Investment earnings	1,500	1,500	73	(1,427)	1,259	1,332
Total revenues	664,600	664,600	814,554	149,954	1,259	815,813
Expenditures:						
Current operating:						
City manager's office	234,498	294,498	156,303	138,195	-	156,303
Finance	13,350	13,350	11,760	1,590	-	11,760
Debt service:						
Principal	120,000	-	-	-	-	-
Interest	200,000	-	-	-	-	-
Total expenditures	567,848	307,848	168,063	139,785	-	168,063
Excess of revenues over (under) expenditures	96,752	356,752	646,491	289,739	1,259	647,750
Other financing sources (uses):						
Transfers out	-	(500,000)	(21,000)	479,000	-	(21,000)
Net change in fund balances	96,752	(143,248)	625,491	768,739	1,259	626,750
Fund balance, beginning of year	176,319	292,366	292,365	1	717	293,082
Fund balance, end of year	<u>\$ 273,071</u>	<u>\$ 149,118</u>	<u>\$ 917,856</u>	<u>\$ 768,738</u>	<u>\$ 1,976</u>	<u>\$ 919,832</u>

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, 2015

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 264,000	\$ 380,000	\$ 404,282	\$ 24,282	\$ -	\$ 404,282
Intergovernmental revenue	100	100	274	174	-	274
Charges for services	-	-	2,385	2,385	-	2,385
Fines and forfeitures	20,000	20,000	-	(20,000)	-	-
Investment earnings	22,900	22,900	-	(22,900)	443	443
Total revenues	307,000	423,000	406,941	(16,059)	443	407,384
Expenditures:						
Current operating:						
City manager's office	206,148	206,148	156,408	49,740	-	156,408
Finance	6,650	6,650	6,150	500	-	6,150
Capital projects	140,000	300,000	277,220	22,780	-	277,220
Debt service:						
Interest	1,250	1,250	1,113	137	-	1,113
Total expenditures	354,048	514,048	440,891	73,157	-	440,891
Excess of revenues over (under) expenditures	(47,048)	(91,048)	(33,950)	57,098	443	(33,507)
Other financing sources (uses):						
Interfund loan proceeds	305,000	305,000	245,000	(60,000)	(245,000)	-
Interfund loan repaid	(258,750)	(374,750)	(374,594)	156	374,594	-
Transfers in	-	-	-	-	245,000	245,000
Transfers out	-	-	-	-	(374,594)	(374,594)
Total other financing sources (uses)	46,250	(69,750)	(129,594)	(59,844)	-	(129,594)
Net change in fund balances	(798)	(160,798)	(163,544)	(2,746)	443	(163,101)
Fund balance, beginning of year	3,611	165,716	165,716	-	(61)	165,655
Fund balance, end of year	\$ 2,813	\$ 4,918	\$ 2,172	\$ (2,746)	\$ 382	\$ 2,554

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, 2015

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,495,007	\$ 1,495,007	\$ 1,416,755	\$ (78,252)	\$ -	\$ 1,416,755
Investment earnings	3,000	3,000	2,752	(248)	(81)	2,671
 Total revenues	 1,498,007	 1,498,007	 1,419,507	 (78,500)	 (81)	 1,419,426
Expenditures:						
Current operating:						
Fire and life safety	1,633,670	1,633,670	1,447,473	186,197	-	1,447,473
 Net change in fund balances	 (135,663)	 (135,663)	 (27,966)	 107,697	 (81)	 (28,047)
Fund balance, beginning of year	390,948	457,288	457,288	-	1,945	459,233
Fund balance, end of year	\$ 255,285	\$ 321,625	\$ 429,322	\$ 107,697	\$ 1,864	\$ 431,186

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, 2015

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 5,261,137	\$ 5,261,137	\$ 5,024,217	\$ (236,920)	\$ -	\$ 5,024,217
Investment earnings	6,000	6,000	9,015	3,015	(339)	8,676
Total revenues	<u>5,267,137</u>	<u>5,267,137</u>	<u>5,033,232</u>	<u>(233,905)</u>	<u>(339)</u>	<u>5,032,893</u>
Expenditures:						
Current operating:						
Legal and judicial services	430,930	485,596	439,373	46,223	-	439,373
Police	<u>2,520,053</u>	<u>2,520,053</u>	<u>2,340,284</u>	<u>179,769</u>	<u>(132,143)</u>	<u>2,208,141</u>
Total expenditures	<u>2,950,983</u>	<u>3,005,649</u>	<u>2,779,657</u>	<u>225,992</u>	<u>(132,143)</u>	<u>2,647,514</u>
Excess of revenues over (under) expenditures	2,316,154	2,261,488	2,253,575	(7,913)	131,804	2,385,379
Other financing sources (uses):						
Transfers out	<u>(2,107,200)</u>	<u>(2,107,200)</u>	<u>(2,009,686)</u>	<u>97,514</u>	<u>-</u>	<u>(2,009,686)</u>
Net change in fund balances	208,954	154,288	243,889	89,601	131,804	375,693
Fund balance, beginning of year	<u>1,654,806</u>	<u>1,575,965</u>	<u>1,575,965</u>	<u>-</u>	<u>(125,821)</u>	<u>1,450,144</u>
Fund balance, end of year	<u>\$ 1,863,760</u>	<u>\$ 1,730,253</u>	<u>\$ 1,819,854</u>	<u>\$ 89,601</u>	<u>\$ 5,983</u>	<u>\$ 1,825,837</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, 2015

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Licenses, permits, and fees	\$ 107,000	\$ 107,000	\$ 111,160	\$ 4,160	\$ -	\$ 111,160
Charges for services	264,550	264,550	175,937	(88,613)	-	175,937
Miscellaneous revenue	-	-	400	400	-	400
Total revenues	371,550	371,550	287,497	(84,053)	-	287,497
Expenditures:						
Current operating:						
Police	2,924,126	2,924,126	2,726,843	197,283	-	2,726,843
Excess of revenues over (under) expenditures	(2,552,576)	(2,552,576)	(2,439,346)	113,230	-	(2,439,346)
Other financing sources (uses):						
Transfers in	2,557,200	2,557,200	2,459,686	(97,514)	-	2,459,686
Net change in fund balance	4,624	4,624	20,340	15,716	-	20,340
Fund balance, beginning of year	2,800	4,646	4,646	-	-	4,646
Fund balance, end of year	\$ 7,424	\$ 9,270	\$ 24,986	\$ 15,716	\$ -	\$ 24,986

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, 2015

	General Obligation Debt Service	Bancroft Redemption	Total
ASSETS			
Cash and investments	\$ 516,562	\$ 100,731	\$ 617,293
Receivables:			
Property taxes	323,124	70	323,194
Accrued interest	7,727	465	8,192
Assessments and liens	-	6,293	6,293
Total assets	\$ 847,413	\$ 107,559	\$ 954,972
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accrued payroll and other liabilities	\$ -	\$ 475	\$ 475
Deferred inflows of resources:			
Unavailable revenue	316,699	6,363	323,062
Fund balances:			
Restricted	530,714	-	530,714
Assigned	-	100,721	100,721
Total fund balances	530,714	100,721	631,435
Total liabilities, deferred inflows of resources, and fund balances	\$ 847,413	\$ 107,559	\$ 954,972

City of Springfield, Oregon
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2015

	<u>General Obligation Debt Service</u>	<u>Bancroft Redemption</u>	<u>Total</u>
Revenues:			
Taxes	\$ 3,044,042	\$ 44	\$ 3,044,086
Investment earnings	<u>7,359</u>	<u>553</u>	<u>7,912</u>
Total revenues	<u>3,051,401</u>	<u>597</u>	<u>3,051,998</u>
Expenditures:			
Current operating:			
Finance	-	15,644	15,644
Debt service:			
Principal	2,417,206	-	2,417,206
Interest	<u>870,095</u>	<u>-</u>	<u>870,095</u>
Total expenditures	<u>3,287,301</u>	<u>15,644</u>	<u>3,302,945</u>
Excess of revenues over (under) expenditures	<u>(235,900)</u>	<u>(15,047)</u>	<u>(250,947)</u>
Other financing sources (uses):			
Transfers in	81,685	15,394	97,079
Transfers out	<u>-</u>	<u>(13,500)</u>	<u>(13,500)</u>
Total other financing sources (uses)	<u>81,685</u>	<u>1,894</u>	<u>83,579</u>
Net change in fund balances	(154,215)	(13,153)	(167,368)
Fund balances, beginning of year	<u>684,929</u>	<u>113,874</u>	<u>798,803</u>
Fund balances, end of year	<u>\$ 530,714</u>	<u>\$ 100,721</u>	<u>\$ 631,435</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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 3,018,328	\$ 3,018,328	\$ 3,044,042	\$ 25,714	\$ -	\$ 3,044,042
Investment earnings	6,000	6,000	7,500	1,500	(141)	7,359
Total revenues	<u>3,024,328</u>	<u>3,024,328</u>	<u>3,051,542</u>	<u>27,214</u>	<u>(141)</u>	<u>3,051,401</u>
Expenditures:						
Debt service:						
Principal	2,417,206	2,417,206	2,417,206	-	-	2,417,206
Interest	870,097	870,097	870,095	2	-	870,095
Total expenditures	<u>3,287,303</u>	<u>3,287,303</u>	<u>3,287,301</u>	<u>2</u>	<u>-</u>	<u>3,287,301</u>
Excess of revenues over (under) expenditures	(262,975)	(262,975)	(235,759)	27,216	(141)	(235,900)
Other financing sources (uses):						
Transfers in	81,685	81,685	81,685	-	-	81,685
Net change in fund balances	(181,290)	(181,290)	(154,074)	27,216	(141)	(154,215)
Fund balance, beginning of year	567,857	679,575	679,575	-	5,354	684,929
Fund balance, end of year	<u>\$ 386,567</u>	<u>\$ 498,285</u>	<u>\$ 525,501</u>	<u>\$ 27,216</u>	<u>\$ 5,213</u>	<u>\$ 530,714</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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ -	\$ -	\$ 44	\$ 44	\$ -	\$ 44
Investment earnings	500	500	647	147	(94)	553
Total revenues	<u>500</u>	<u>500</u>	<u>691</u>	<u>191</u>	<u>(94)</u>	<u>597</u>
Expenditures:						
Current operating:						
Finance	17,394	17,394	15,644	1,750	-	15,644
Excess of revenues over (under) expenditures	<u>(16,894)</u>	<u>(16,894)</u>	<u>(14,953)</u>	<u>1,941</u>	<u>(94)</u>	<u>(15,047)</u>
Other financing sources (uses):						
Transfers in	15,394	15,394	15,394	-	-	15,394
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(13,500)</u>	<u>36,500</u>	<u>-</u>	<u>(13,500)</u>
Total other financing sources (uses)	<u>(34,606)</u>	<u>(34,606)</u>	<u>1,894</u>	<u>36,500</u>	<u>-</u>	<u>1,894</u>
Net change in fund balances	(51,500)	(51,500)	(13,059)	38,441	(94)	(13,153)
Fund balance, beginning of year	<u>111,444</u>	<u>113,466</u>	<u>113,466</u>	<u>-</u>	<u>408</u>	<u>113,874</u>
Fund balance, end of year	<u>\$ 59,944</u>	<u>\$ 61,966</u>	<u>\$ 100,407</u>	<u>\$ 38,441</u>	<u>\$ 314</u>	<u>\$ 100,721</u>

Capital Projects Funds

The City has seven 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.

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

Street Capital Projects 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, 2015

	Development Assessments Capital Projects	Development Capital Projects	Police Building Bond Capital Projects	SEDA Glenwood Capital Projects	Street Capital Projects	Transportation Reimbursement SDC	Transportation Improvement SDC	Total
ASSETS								
Cash and investments	\$ 1,013,910	\$ 3,864,249	\$ 9,965	\$ 13,350	\$ 3,809,557	\$ 233,279	\$ 1,551,864	\$ 10,496,174
Receivables:								
Accounts	-	14,318	-	-	53,167	33,800	123,417	224,702
Grants	-	-	-	-	11,106	-	-	11,106
Accrued interest	4,535	15,892	-	-	11,857	1,283	6,101	39,668
Assessments and liens	127,783	-	-	-	-	-	-	127,783
Notes	-	121,097	-	-	-	-	-	121,097
Prepays	-	3,471	-	-	-	-	-	3,471
Total assets	\$ 1,146,228	\$ 4,019,027	\$ 9,965	\$ 13,350	\$ 3,885,687	\$ 268,362	\$ 1,681,382	\$ 11,024,001
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ 60,563	\$ 83	\$ 13,117	\$ 28,985	\$ -	\$ -	\$ 102,748
Accrued payroll and other liabilities	2,354	-	-	-	-	-	-	2,354
Total liabilities	2,354	60,563	83	13,117	28,985	-	-	105,102
Deferred inflows of resources:								
Unavailable revenue	127,783	124,519	-	-	53,167	33,800	123,417	462,686
Fund balances:								
Nonspendable	-	3,471	-	-	-	-	-	3,471
Restricted	-	1,906,051	9,882	233	3,803,535	234,562	1,557,965	7,512,228
Committed	1,016,091	1,576,157	-	-	-	-	-	2,592,248
Assigned	-	348,266	-	-	-	-	-	348,266
Total fund balances	1,016,091	3,833,945	9,882	233	3,803,535	234,562	1,557,965	10,456,213
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,146,228	\$ 4,019,027	\$ 9,965	\$ 13,350	\$ 3,885,687	\$ 268,362	\$ 1,681,382	\$ 11,024,001

City of Springfield, Oregon

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

Year Ended June 30, 2015

	Development Assessments Capital Projects	Development Capital Projects	Police Building Bond Capital Project	SEDA Glenwood Capital Projects	Street Capital Projects	Transportation Reimbursement SDC	Transportation Improvement SDC	Total
Revenues:								
Intergovernmental revenues	\$ -	\$ 353,965	\$ -	\$ -	\$ 3,523,591	\$ -	\$ -	\$ 3,877,556
Charges for services	-	268,731	-	-	-	56,230	355,541	680,502
Investment earnings	12,095	15,088	158	-	5,701	1,295	5,831	40,168
Special assessments	45,618	-	-	-	-	-	-	45,618
Miscellaneous revenue	-	32,000	-	-	30,000	3,295	-	65,295
Total revenues	57,713	669,784	158	-	3,559,292	60,820	361,372	4,709,139
Expenditures:								
Current operating:								
General government	79,084	-	-	-	-	-	-	79,084
Development and public works	-	-	-	-	-	36,629	163,345	199,974
Capital projects	-	222,280	27,266	20,767	730,216	76,425	627	1,077,581
Total expenditures	79,084	222,280	27,266	20,767	730,216	113,054	163,972	1,356,639
Excess of revenues over (under) expenditures	(21,371)	447,504	(27,108)	(20,767)	2,829,076	(52,234)	197,400	3,352,500
Other financing sources (uses):								
Transfer in	-	388,094	-	21,000	350,000	-	-	759,094
Transfer out	(15,394)	(308,000)	-	-	-	(10,374)	-	(333,768)
Total other financing sources (uses)	(15,394)	80,094	-	21,000	350,000	(10,374)	-	425,326
Net change in fund balances	(36,765)	527,598	(27,108)	233	3,179,076	(62,608)	197,400	3,777,826
Fund balance, beginning of year	1,052,856	3,306,347	36,990	-	624,459	297,170	1,360,565	6,678,387
Fund balance, end of year	\$ 1,016,091	\$ 3,833,945	\$ 9,882	\$ 233	\$ 3,803,535	\$ 234,562	\$ 1,557,965	\$ 10,456,213

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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 7,060	\$ 7,060	\$ 12,313	\$ 5,253	\$ (218)	\$ 12,095
Special assessments	17,300	17,300	45,618	28,318	-	45,618
Total revenues	<u>24,360</u>	<u>24,360</u>	<u>57,931</u>	<u>33,571</u>	<u>(218)</u>	<u>57,713</u>
Expenditures:						
Current operating:						
Finance	<u>85,789</u>	<u>85,789</u>	<u>79,084</u>	<u>6,705</u>	<u>-</u>	<u>79,084</u>
Excess of revenues over (under) expenditures	<u>(61,429)</u>	<u>(61,429)</u>	<u>(21,153)</u>	<u>40,276</u>	<u>(218)</u>	<u>(21,371)</u>
Other financing sources (uses):						
Transfer in	1,037,216	-	-	-	-	-
Transfer out	<u>(15,394)</u>	<u>(15,394)</u>	<u>(15,394)</u>	<u>-</u>	<u>-</u>	<u>(15,394)</u>
Total other financing sources (uses)	<u>1,021,822</u>	<u>(15,394)</u>	<u>(15,394)</u>	<u>-</u>	<u>-</u>	<u>(15,394)</u>
Net change in fund balances	960,393	(76,823)	(36,547)	40,276	(218)	(36,765)
Fund balance, beginning of year	<u>-</u>	<u>1,049,578</u>	<u>1,049,578</u>	<u>-</u>	<u>3,278</u>	<u>1,052,856</u>
Fund balance, end of year	<u>\$ 960,393</u>	<u>\$ 972,755</u>	<u>\$ 1,013,031</u>	<u>\$ 40,276</u>	<u>\$ 3,060</u>	<u>\$ 1,016,091</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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ -	\$ 327,939	\$ 353,965	\$ 26,026	\$ -	\$ 353,965
Charges for services	268,731	268,731	268,731	-	-	268,731
Investment earnings	16,650	16,650	14,480	(2,170)	608	15,088
Miscellaneous revenue	-	-	32,000	32,000	-	32,000
Total revenues	285,381	613,320	669,176	55,856	608	669,784
Expenditures:						
Capital projects	346,174	641,079	222,280	418,799	-	222,280
Excess of revenues over (under) expenditures	(60,793)	(27,759)	446,896	474,655	608	447,504
Other financing sources (uses):						
Interfund loan repayments	258,750	258,750	374,594	115,844	(374,594)	-
Interfund loans issued	(275,000)	(275,000)	(245,000)	30,000	245,000	-
Transfer in	50,000	50,000	13,500	(36,500)	374,594	388,094
Transfer out	(70,140)	(100,140)	(63,000)	37,140	(245,000)	(308,000)
Total other financing sources (uses)	(36,390)	(66,390)	80,094	146,484	-	80,094
Net change in fund balances	(97,183)	(94,149)	526,990	621,139	608	527,598
Fund balance, beginning of year	3,118,170	3,296,234	3,296,234	-	10,113	3,306,347
Fund balance, end of year	\$ 3,020,987	\$ 3,202,085	\$ 3,823,224	\$ 621,139	\$ 10,721	\$ 3,833,945

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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ -	\$ 250	\$ 158	\$ (92)	\$ -	\$ 158
Expenditures:						
Capital projects	-	37,240	27,266	9,974	-	27,266
Net change in fund balances	-	(36,990)	(27,108)	9,882	-	(27,108)
Fund balance, beginning of year	-	36,990	36,990	-	-	36,990
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,882</u>	<u>\$ 9,882</u>	<u>\$ -</u>	<u>\$ 9,882</u>

City of Springfield, Oregon
 SEDA GLENWOOD CAPITAL PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Expenditures:						
Capital projects	\$ 3,600,000	\$ 3,600,000	\$ 20,767	\$ 3,579,233	\$ -	\$ 20,767
Other financing sources (uses):						
Proceeds of debt issuance	3,600,000	3,100,000	-	(3,100,000)	-	-
Transfer in	-	500,000	21,000	(479,000)	-	21,000
Total other financing sources (uses)	3,600,000	3,600,000	21,000	(3,579,000)	-	21,000
Net change in fund balances	-	-	233	233	-	233
Fund balance, beginning of year	-	-	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 233	\$ 233	\$ -	\$ 233

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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)	\$ 5,701	\$ 5,701
Miscellaneous receipts	-	30,000	30,000	-	-	30,000
Intergovernmental revenue	-	314,032	3,523,591	3,209,559	-	3,523,591
Total revenues	<u>2,000</u>	<u>346,032</u>	<u>3,553,591</u>	<u>3,207,559</u>	<u>5,701</u>	<u>3,559,292</u>
Expenditures:						
Capital projects	<u>449,000</u>	<u>1,048,032</u>	<u>730,216</u>	<u>317,816</u>	<u>-</u>	<u>730,216</u>
Excess of revenues over (under) expenditures	(447,000)	(702,000)	2,823,375	3,525,375	5,701	2,829,076
Other financing sources (uses):						
Transfer in	<u>150,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>350,000</u>
Net change in fund balances	(297,000)	(352,000)	3,173,375	3,525,375	5,701	3,179,076
Fund balance, beginning of year	<u>750,305</u>	<u>622,161</u>	<u>622,161</u>	<u>-</u>	<u>2,298</u>	<u>624,459</u>
Fund balance, end of year	<u>\$ 453,305</u>	<u>\$ 270,161</u>	<u>\$ 3,795,536</u>	<u>\$ 3,525,375</u>	<u>\$ 7,999</u>	<u>\$ 3,803,535</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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 80,000	\$ 80,000	\$ 56,230	\$ (23,770)	\$ -	\$ 56,230
Investment earnings	800	800	1,334	534	(39)	1,295
Intergovernmental revenue	-	-	3,295	3,295	-	3,295
Total revenues	80,800	80,800	60,859	(19,941)	(39)	60,820
Expenditures:						
Current operating:						
Development and public works	36,231	36,632	36,629	3	-	36,629
Capital projects	-	76,425	76,425	-	-	76,425
Total expenditures	36,231	113,057	113,054	3	-	113,054
Excess of revenues over (under) expenditures	44,569	(32,257)	(52,195)	(19,938)	(39)	(52,234)
Other financing sources (uses):						
Transfer out	(10,374)	(10,374)	(10,374)	-	-	(10,374)
Net change in fund balances	34,195	(42,631)	(62,569)	(19,938)	(39)	(62,608)
Fund balance, beginning of year	293,211	296,265	296,265	-	905	297,170
Fund balance, end of year	\$ 327,406	\$ 253,634	\$ 233,696	\$ (19,938)	\$ 866	\$ 234,562

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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 250,000	\$ 250,000	\$ 355,541	\$ 105,541	\$ -	\$ 355,541
Investment earnings	4,000	4,000	5,799	1,799	32	5,831
Total revenues	<u>254,000</u>	<u>254,000</u>	<u>361,340</u>	<u>107,340</u>	<u>32</u>	<u>361,372</u>
Expenditures:						
Current operating:						
Development and public works	124,790	163,347	163,345	2	-	163,345
Capital projects	504,977	521,453	627	520,826	-	627
Total expenditures	<u>629,767</u>	<u>684,800</u>	<u>163,972</u>	<u>520,828</u>	<u>-</u>	<u>163,972</u>
Excess of revenues over (under) expenditures	(375,767)	(430,800)	197,368	628,168	32	197,400
Other financing sources (uses):						
Transfer out	(30,000)	(30,000)	-	30,000	-	-
Net change in fund balances	(405,767)	(460,800)	197,368	658,168	32	197,400
Fund balance, beginning of year	<u>1,346,443</u>	<u>1,356,481</u>	<u>1,356,481</u>	<u>(30,000)</u>	<u>4,084</u>	<u>1,360,565</u>
Fund balance, end of year	<u>\$ 940,676</u>	<u>\$ 895,681</u>	<u>\$ 1,553,849</u>	<u>\$ 628,168</u>	<u>\$ 4,116</u>	<u>\$ 1,557,965</u>



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.



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

June 30, 2015

	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	\$ 104,524	\$ 1,388,382	\$ 1,377,829	\$ 329,568	\$ 3,200,303
Accounts receivable	5,895	8,574	115,677	56,706	186,852
Accrued interest	345	5,954	5,640	1,385	13,324
Total current assets	<u>110,764</u>	<u>1,402,910</u>	<u>1,499,146</u>	<u>387,659</u>	<u>3,400,479</u>
LIABILITIES					
Current liabilities:					
Accounts payable	<u>-</u>	<u>8,133</u>	<u>15,269</u>	<u>28,551</u>	<u>51,953</u>
NET POSITION					
Restricted	<u>110,764</u>	<u>1,394,777</u>	<u>1,483,877</u>	<u>359,108</u>	<u>3,348,526</u>
Total net position	<u>\$ 110,764</u>	<u>\$ 1,394,777</u>	<u>\$ 1,483,877</u>	<u>\$ 359,108</u>	<u>\$ 3,348,526</u>

City of Springfield, Oregon
NONMAJOR ENTERPRISE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2015

	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	\$ 51,185	\$ 74,411	\$ 381,051	\$ 185,442	\$ 692,089
Miscellaneous receipts	-	21,263	-	-	21,263
Total revenues	<u>51,185</u>	<u>95,674</u>	<u>381,051</u>	<u>185,442</u>	<u>713,352</u>
Expenses:					
Operating expenses:					
Development and public works	22,899	33,287	147,482	71,357	275,025
Operating income (loss)	28,286	62,387	233,569	114,085	438,327
Nonoperating revenues (expenses):					
Investment earnings	346	6,420	5,722	1,745	14,233
Income (loss) before contributions and transfers	28,632	68,807	239,291	115,830	452,560
Transfers out	-	(64,386)	(25,876)	(85,977)	(176,239)
Change in net position	28,632	4,421	213,415	29,853	276,321
Net position, beginning of year	82,132	1,390,356	1,270,462	329,255	3,072,205
Net position, end of year	<u>\$ 110,764</u>	<u>\$ 1,394,777</u>	<u>\$ 1,483,877</u>	<u>\$ 359,108</u>	<u>\$ 3,348,526</u>

City of Springfield, Oregon
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2015

	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	\$ 47,082	\$ 68,443	\$ 285,981	\$ 139,068	\$ 540,574
Cash paid to suppliers for goods and services	(22,899)	(29,250)	(133,000)	(42,807)	(227,956)
Other operating receipts	-	21,263	-	-	21,263
Net cash provided by (used in) operating activities	<u>24,183</u>	<u>60,456</u>	<u>152,981</u>	<u>96,261</u>	<u>333,881</u>
Cash flows from noncapital financing activities:					
Transfers to other funds	-	(64,386)	(25,876)	(85,977)	(176,239)
Cash flows from investing activities:					
Interest received	461	10,135	7,704	2,512	20,812
Net change in cash and investments	24,644	6,205	134,809	12,796	178,454
Cash and investments, beginning of year	79,880	1,382,177	1,243,019	316,772	3,021,848
Cash and investments, end of year	<u>\$ 104,524</u>	<u>\$ 1,388,382</u>	<u>\$ 1,377,828</u>	<u>\$ 329,568</u>	<u>\$ 3,200,302</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 28,286	\$ 62,387	\$ 233,569	\$ 114,085	\$ 438,327
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Changes in assets and liabilities:					
Accounts receivable	(4,103)	(5,968)	(95,070)	(46,374)	(151,515)
Accounts payable	-	4,037	14,482	28,550	47,069
Net cash provided by (used in) operating activities	<u>\$ 24,183</u>	<u>\$ 60,456</u>	<u>\$ 152,981</u>	<u>\$ 96,261</u>	<u>\$ 333,881</u>

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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 7,220,800	\$ 7,220,800	\$ 7,149,363	\$ (71,437)	\$ 22,631	\$ 7,171,994
Investment earnings	15,000	15,000	19,583	4,583	130	19,713
Miscellaneous revenue	-	-	57	57	-	57
Total revenues	7,235,800	7,235,800	7,169,003	(66,797)	22,761	7,191,764
Expenses:						
Current operating:						
Development and public works	3,623,914	3,651,914	3,291,935	359,979	(396,081)	2,895,854
Finance	12,716	12,716	12,342	374	-	12,342
Debt service:						
Principal	1,165,000	1,165,000	1,165,000	-	(1,165,000)	-
Interest	788,651	788,651	788,650	1	(31,734)	756,916
Depreciation	-	-	-	-	2,481,815	2,481,815
Amortization	-	-	-	-	3,048	3,048
Total expenses	5,590,281	5,618,281	5,257,927	360,354	892,048	6,149,975
Excess of revenues over (under) expenses	1,645,519	1,617,519	1,911,076	293,557	(869,287)	1,041,789
Other financing sources (uses):						
Capital contributions	-	-	-	-	134,441	134,441
Transfers in	-	-	-	-	5,335,885	5,335,885
Transfers out	(1,500,000)	(1,500,000)	(1,500,000)	-	(930,000)	(2,430,000)
Total other financing sources (uses)	(1,500,000)	(1,500,000)	(1,500,000)	-	4,540,326	3,040,326
Change in net position	145,519	117,519	411,076	293,557	3,671,039	4,082,115
Net position, beginning of year, as restated	3,759,554	4,285,460	4,285,461	-	41,857,670	46,143,131
Net position, end of year	\$ 3,905,073	\$ 4,402,979	\$ 4,696,537	\$ 293,557	\$ 45,528,709	\$ 50,225,246

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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 6,225,700	\$ 6,225,700	\$ 6,462,921	\$ 237,221	\$ 24,747	\$ 6,487,668
Investment earnings	15,000	15,000	15,406	406	(76)	15,330
Miscellaneous revenue	36,000	36,000	1,587	(34,413)	-	1,587
Total revenues	<u>6,276,700</u>	<u>6,276,700</u>	<u>6,479,914</u>	<u>203,214</u>	<u>24,671</u>	<u>6,504,585</u>
Expenses:						
Current operating:						
Development and public works	4,910,200	4,987,553	4,307,392	680,161	(454,559)	3,852,833
Finance	12,716	12,716	12,342	374	-	12,342
Debt service:						
Principal	395,000	395,000	395,000	-	(395,000)	-
Interest	308,675	308,675	308,675	-	(215,791)	92,884
Depreciation	-	-	-	-	10,478	10,478
Total expenses	<u>5,626,591</u>	<u>5,703,944</u>	<u>5,023,409</u>	<u>680,535</u>	<u>(1,054,872)</u>	<u>3,968,537</u>
Excess of revenues over (under) expenses	650,109	572,756	1,456,505	883,749	1,079,543	2,536,048
Other financing sources (uses):						
Transfers out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	-	<u>(395,000)</u>	<u>(1,395,000)</u>
Change in net position	(349,891)	(427,244)	456,505	883,749	684,543	1,141,048
Net position, beginning of year, as restated	<u>2,858,152</u>	<u>3,752,191</u>	<u>3,752,192</u>	<u>1</u>	<u>(101,827)</u>	<u>3,650,365</u>
Net position, end of year	<u>\$ 2,508,261</u>	<u>\$ 3,324,947</u>	<u>\$ 4,208,697</u>	<u>\$ 883,750</u>	<u>\$ 582,716</u>	<u>\$ 4,791,413</u>

City of Springfield, Oregon
SEWER CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 25,000	\$ 25,000	\$ 53,139	\$ 28,139	\$ (5,254)	\$ 47,885
Intergovernmental revenue	-	-	262,781	262,781	-	262,781
Miscellaneous receipts	-	-	109,975	109,975	(107,286)	2,689
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>425,895</u>	<u>400,895</u>	<u>(112,540)</u>	<u>313,355</u>
Expenses:						
Current operating:						
Development and public works	-	-	-	-	3,179	3,179
Capital projects	4,969,619	6,309,688	3,249,959	3,059,729	(3,249,959)	-
Total expenses	<u>4,969,619</u>	<u>6,309,688</u>	<u>3,249,959</u>	<u>3,059,729</u>	<u>(3,246,780)</u>	<u>3,179</u>
Excess of revenues over (under) expenses	<u>(4,944,619)</u>	<u>(6,284,688)</u>	<u>(2,824,064)</u>	<u>3,460,624</u>	<u>3,134,240</u>	<u>310,176</u>
Other financing sources (uses):						
Transfers out	-	-	-	-	(5,335,885)	(5,335,885)
Transfers in	1,500,000	1,500,000	1,500,000	-	996,190	2,496,190
Total other financing sources (uses)	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>(4,339,695)</u>	<u>(2,839,695)</u>
Change in net position	<u>(3,444,619)</u>	<u>(4,784,688)</u>	<u>(1,324,064)</u>	<u>3,460,624</u>	<u>(1,205,455)</u>	<u>(2,529,519)</u>
Net position, beginning of year	<u>9,306,751</u>	<u>11,450,384</u>	<u>11,450,385</u>	<u>1</u>	<u>1,235,778</u>	<u>12,686,163</u>
Net position, end of year	<u>\$ 5,862,132</u>	<u>\$ 6,665,696</u>	<u>\$ 10,126,321</u>	<u>\$ 3,460,625</u>	<u>\$ 30,323</u>	<u>\$ 10,156,644</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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 65,000	\$ 65,000	\$ 56,152	\$ (8,848)	\$ 1,395	\$ 57,547
Miscellaneous revenue	-	-	25,123	25,123	-	25,123
Total revenues	<u>65,000</u>	<u>65,000</u>	<u>81,275</u>	<u>16,275</u>	<u>1,395</u>	<u>82,670</u>
Expenses:						
Current operating:						
Development and public works	-	-	-	-	219,151	219,151
Debt service:						
Interest	-	-	-	-	(26,053)	(26,053)
Capital projects	6,371,343	7,517,263	541,939	6,975,324	(541,939)	-
Depreciation	-	-	-	-	64,365	64,365
Total expenses	<u>6,371,343</u>	<u>7,517,263</u>	<u>541,939</u>	<u>6,975,324</u>	<u>(284,476)</u>	<u>257,463</u>
Excess of revenues over (under) expenses	<u>(6,306,343)</u>	<u>(7,452,263)</u>	<u>(460,664)</u>	<u>6,991,599</u>	<u>285,871</u>	<u>(174,793)</u>
Other financing sources (uses):						
Transfers in	1,000,000	1,000,000	1,000,000	-	433,737	1,433,737
Capital contributions	-	-	-	-	27,519	27,519
Total other financing sources (uses)	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>461,256</u>	<u>1,461,256</u>
Change in net position	<u>(5,306,343)</u>	<u>(6,452,263)</u>	<u>539,336</u>	<u>6,991,599</u>	<u>747,127</u>	<u>1,286,463</u>
Net position, beginning of year, as restated	<u>14,362,761</u>	<u>14,703,780</u>	<u>14,703,781</u>	<u>1</u>	<u>(6,783,164)</u>	<u>7,920,617</u>
Net position, end of year	<u>\$ 9,056,418</u>	<u>\$ 8,251,517</u>	<u>\$ 15,243,117</u>	<u>\$ 6,991,600</u>	<u>\$ (6,036,037)</u>	<u>\$ 9,207,080</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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 5,311,000	\$ 5,311,000	\$ 5,907,450	\$ 596,450	\$ 10,754,661	\$ 16,662,111
Less: Contractual adjustments	-	-	-	-	(10,542,203)	(10,542,203)
Intergovernmental revenue	28,900	28,900	126,875	97,975	-	126,875
Investment earnings	3,200	3,200	3,099	(101)	768	3,867
Miscellaneous revenue	2,000	2,000	5,699	3,699	-	5,699
Total revenues	<u>5,345,100</u>	<u>5,345,100</u>	<u>6,043,123</u>	<u>698,023</u>	<u>213,226</u>	<u>6,256,349</u>
Expenses:						
Current operating:						
Fire and life safety	5,669,282	5,669,282	5,520,920	148,362	(452,538)	5,068,382
Depreciation	-	-	-	-	5,830	5,830
Total expenses	<u>5,669,282</u>	<u>5,669,282</u>	<u>5,520,920</u>	<u>148,362</u>	<u>(446,708)</u>	<u>5,074,212</u>
Excess of revenues over (under) expenses	(324,182)	(324,182)	522,203	846,385	659,934	1,182,137
Net position, beginning of year, as restated	<u>510,668</u>	<u>994,846</u>	<u>994,845</u>	<u>(1)</u>	<u>(1,570,221)</u>	<u>(575,376)</u>
Net position, end of year	<u>\$ 186,486</u>	<u>\$ 670,664</u>	<u>\$ 1,517,048</u>	<u>\$ 846,384</u>	<u>\$ (910,287)</u>	<u>\$ 606,761</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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,397,177	\$ 1,397,177	\$ 1,412,722	\$ 15,545	\$ -	\$ 1,412,722
Investment earnings	4,000	4,000	4,410	410	(314)	4,096
Miscellaneous revenue	-	-	32	32	-	32
Total revenues	1,401,177	1,401,177	1,417,164	15,987	(314)	1,416,850
Expenses:						
Current operating:						
Development and public works	611,892	611,892	581,427	30,465	(42,040)	539,387
Capital projects	250,000	250,000	42,640	207,360	(40,000)	2,640
Debt service:						
Principal	683,279	683,279	683,275	4	(683,275)	-
Interest	236,042	236,067	236,057	10	(3,568)	232,489
Depreciation	-	-	-	-	789,041	789,041
Total expenses	1,781,213	1,781,238	1,543,399	237,839	20,158	1,563,557
Excess of revenues over (under) expenses	(380,036)	(380,061)	(126,235)	253,826	(20,472)	(146,707)
Other financing sources (uses):						
Capital contributions	-	-	-	-	37,309	37,309
Change in net position	(380,036)	(380,061)	(126,235)	253,826	16,837	(109,398)
Net position, beginning of year, as restated	666,144	965,812	965,812	-	4,206,788	5,172,600
Net position, end of year	\$ 286,108	\$ 585,751	\$ 839,577	\$ 253,826	\$ 4,223,625	\$ 5,063,202

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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 71,000	\$ 71,000	\$ 45,290	\$ (25,710)	\$ 5,895	\$ 51,185
Investment earnings	400	400	335	(65)	11	346
Total revenues	<u>71,400</u>	<u>71,400</u>	<u>45,625</u>	<u>(25,775)</u>	<u>5,906</u>	<u>51,531</u>
Expenses:						
Current operating:						
Development and public works	32,204	22,900	22,899	1	-	22,899
Capital projects	67,650	67,650	-	67,650	-	-
Total expenses	<u>99,854</u>	<u>90,550</u>	<u>22,899</u>	<u>67,651</u>	<u>-</u>	<u>22,899</u>
Change in net position	(28,454)	(19,150)	22,726	41,876	5,906	28,632
Net position, beginning of year	<u>58,567</u>	<u>81,910</u>	<u>81,910</u>	<u>-</u>	<u>222</u>	<u>82,132</u>
Net position, end of year	<u>\$ 30,113</u>	<u>\$ 62,760</u>	<u>\$ 104,636</u>	<u>\$ 41,876</u>	<u>\$ 6,128</u>	<u>\$ 110,764</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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 91,000	\$ 91,000	\$ 65,837	\$ (25,163)	\$ 8,574	\$ 74,411
Investment earnings	5,000	5,000	7,064	2,064	(644)	6,420
Miscellaneous receipts	-	-	21,263	21,263	-	21,263
Total revenues	<u>96,000</u>	<u>96,000</u>	<u>94,164</u>	<u>(1,836)</u>	<u>7,930</u>	<u>102,094</u>
Expenses:						
Current operating:						
Development and public works	56,358	33,289	33,287	2	-	33,287
Capital projects	1,066,580	1,116,580	40,075	1,076,505	(40,075)	-
Total expenses	<u>1,122,938</u>	<u>1,149,869</u>	<u>73,362</u>	<u>1,076,507</u>	<u>(40,075)</u>	<u>33,287</u>
Excess of revenues over (under) expenses	(1,026,938)	(1,053,869)	20,802	1,074,671	48,005	68,807
Other financing sources (uses):						
Transfers out	(25,649)	(25,649)	(25,649)	-	(38,737)	(64,386)
Change in net position	(1,052,587)	(1,079,518)	(4,847)	1,074,671	9,268	4,421
Net position, beginning of year	<u>1,212,562</u>	<u>1,387,033</u>	<u>1,387,034</u>	<u>1</u>	<u>3,322</u>	<u>1,390,356</u>
Net position, end of year	<u>\$ 159,975</u>	<u>\$ 307,515</u>	<u>\$ 1,382,187</u>	<u>\$ 1,074,672</u>	<u>\$ 12,590</u>	<u>\$ 1,394,777</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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 300,000	\$ 300,000	\$ 265,374	\$ (34,626)	\$ 115,677	\$ 381,051
Investment earnings	4,000	4,000	5,591	1,591	131	5,722
Total revenues	<u>304,000</u>	<u>304,000</u>	<u>270,965</u>	<u>(33,035)</u>	<u>115,808</u>	<u>386,773</u>
Expenses:						
Current operating:						
Development and public works	152,968	147,484	147,482	2	-	147,482
Capital projects	904,000	904,000	25,876	878,124	(25,876)	-
Total expenses	<u>1,056,968</u>	<u>1,051,484</u>	<u>173,358</u>	<u>878,126</u>	<u>(25,876)</u>	<u>147,482</u>
Excess of revenues over (under) expenses	(752,968)	(747,484)	97,607	845,091	141,684	239,291
Other financing sources (uses)						
Transfers out	-	-	-	-	(25,876)	(25,876)
Change in net position	(752,968)	(747,484)	97,607	845,091	115,808	213,415
Net position, beginning of year	<u>1,229,320</u>	<u>1,266,786</u>	<u>1,266,787</u>	<u>1</u>	<u>3,675</u>	<u>1,270,462</u>
Net position, end of year	<u>\$ 476,352</u>	<u>\$ 519,302</u>	<u>\$ 1,364,394</u>	<u>\$ 845,092</u>	<u>\$ 119,483</u>	<u>\$ 1,483,877</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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 110,000	\$ 110,000	\$ 128,737	\$ 18,737	\$ 56,705	\$ 185,442
Investment earnings	1,500	1,500	1,846	346	(101)	1,745
Total revenues	111,500	111,500	130,583	19,083	56,604	187,187
Expenses:						
Current operating:						
Development and public works	72,460	71,359	71,357	2	-	71,357
Capital projects	152,000	152,000	40,315	111,685	(40,315)	-
Total expenses	224,460	223,359	111,672	111,687	(40,315)	71,357
Excess of revenues over (under) expenses	(112,960)	(111,859)	18,911	130,770	96,919	115,830
Other financing sources (uses):						
Transfers out	(45,662)	(45,662)	(45,662)	-	(40,315)	(85,977)
Change in net position	(158,622)	(157,521)	(26,751)	130,770	56,604	29,853
Net position, beginning of year	271,278	328,218	328,218	-	1,037	329,255
Net position, end of year	\$ 112,656	\$ 170,697	\$ 301,467	\$ 130,770	\$ 57,641	\$ 359,108



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 and 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, 2015

	Vehicle and Equipment	Insurance	SDC Administration	Total
ASSETS				
Current assets:				
Cash and investments	\$ 8,161,616	\$ 8,535,344	\$ 363,634	\$ 17,060,594
Prepays	-	75,909	1,744	77,653
Deposits	-	265,500	-	265,500
Accounts receivable	75,151	-	30,759	105,910
Accrued interest receivable	34,980	34,130	1,297	70,407
Inventory	30,300	-	-	30,300
	<u>8,302,047</u>	<u>8,910,883</u>	<u>397,434</u>	<u>17,610,364</u>
Total current assets				
Noncurrent assets				
Net pension asset	-	102,760	59,512	162,272
Capital assets				
Machinery and equipment	16,875,940	-	-	16,875,940
Less accumulated depreciation	(11,729,899)	-	-	(11,729,899)
	<u>5,146,041</u>	<u>102,760</u>	<u>59,512</u>	<u>5,308,313</u>
Total noncurrent assets				
	<u>5,146,041</u>	<u>102,760</u>	<u>59,512</u>	<u>5,308,313</u>
Total assets	<u>13,448,088</u>	<u>9,013,643</u>	<u>456,946</u>	<u>22,918,677</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflow	-	38,741	22,436	61,177
	<u>-</u>	<u>38,741</u>	<u>22,436</u>	<u>61,177</u>
LIABILITIES				
Current liabilities:				
Accounts payable	60,315	1,109,039	2,854	1,172,208
Accrued interest payable	16,985	-	-	16,985
Capital lease obligation, current portion	266,599	-	-	266,599
Accrued claims liabilities, current portion	-	146,650	-	146,650
Accrued payroll and other related liabilities	-	217,233	12,912	230,145
	<u>-</u>	<u>217,233</u>	<u>12,912</u>	<u>230,145</u>
Total current liabilities	<u>343,899</u>	<u>1,472,922</u>	<u>15,766</u>	<u>1,832,587</u>
Noncurrent liabilities:				
Accrued absence payable	-	10,840	1,563	12,403
Capital lease obligation, less current portion	409,610	-	-	409,610
Accrued claims liabilities, less current portion	-	303,350	-	303,350
Net OPEB obligation	-	28,135	30,010	58,145
	<u>-</u>	<u>28,135</u>	<u>30,010</u>	<u>58,145</u>
Total noncurrent liabilities	<u>409,610</u>	<u>342,325</u>	<u>31,573</u>	<u>783,508</u>
Total liabilities	<u>753,509</u>	<u>1,815,247</u>	<u>47,339</u>	<u>2,616,095</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflow	-	201,134	116,484	317,618
	<u>-</u>	<u>201,134</u>	<u>116,484</u>	<u>317,618</u>
NET POSITION				
Net investment in capital assets	4,469,832	-	-	4,469,832
Unrestricted	8,224,747	7,036,003	315,559	15,576,309
	<u>8,224,747</u>	<u>7,036,003</u>	<u>315,559</u>	<u>15,576,309</u>
Total net position	<u>\$ 12,694,579</u>	<u>\$ 7,036,003</u>	<u>\$ 315,559</u>	<u>\$ 20,046,141</u>

City of Springfield, Oregon
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
Year ended June 30, 2015

	Vehicle and Equipment	Insurance	SDC Administration	Total
Operating revenues:				
Charges for services	\$ 2,199,451	\$ 9,415,439	\$ 500,084	\$ 12,114,974
Licenses and permits	-	-	75,013	75,013
Miscellaneous revenue	12,781	266,159	-	278,940
Total operating revenues	<u>2,212,232</u>	<u>9,681,598</u>	<u>575,097</u>	<u>12,468,927</u>
Operating expenses:				
Current operating:				
City manager's office	960	-	-	960
Human resources	3,221	9,500,686	-	9,503,907
Finance	3,600	-	19,224	22,824
Information technology	63,499	-	-	63,499
Fire and life safety	34,305	-	-	34,305
Police	8,654	-	-	8,654
Development and public works	546,729	-	390,460	937,189
Depreciation	1,142,735	-	-	1,142,735
Total operating expenses	<u>1,803,703</u>	<u>9,500,686</u>	<u>409,684</u>	<u>11,714,073</u>
Operating income (loss)	<u>408,529</u>	<u>180,912</u>	<u>165,413</u>	<u>754,854</u>
Nonoperating revenues (expenses):				
Interest income	33,273	28,041	1,054	62,368
Interest expense	(24,961)	-	-	(24,961)
Gain (loss) on disposition of equipment	7,282	-	-	7,282
Total nonoperating revenues (expenses)	<u>15,594</u>	<u>28,041</u>	<u>1,054</u>	<u>44,689</u>
Income (loss) before capital contributions and transfers	424,123	208,953	166,467	799,543
Transfers out	(70,000)	(226,896)	-	(296,896)
Capital contributions	278,258	-	-	278,258
Change in net position	632,381	(17,943)	166,467	780,905
Net position, beginning of year, as restated	<u>12,062,198</u>	<u>7,053,946</u>	<u>149,092</u>	<u>19,265,236</u>
Net position, end of year	<u>\$ 12,694,579</u>	<u>\$ 7,036,003</u>	<u>\$ 315,559</u>	<u>\$ 20,046,141</u>

City of Springfield, Oregon
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2015

	Vehicle and Equipment	Insurance	SDC Administration	Total
Cash flows from operating activities:				
Cash received from interfund services provided	\$ 2,148,845	\$ 9,435,545	\$ 472,091	\$ 12,056,481
Cash paid for employee services	-	(212,121)	(355,548)	(567,669)
Cash paid to suppliers for goods and services	(714,945)	(8,425,544)	(133,846)	(9,274,335)
Other operating receipts	12,781	266,159	75,013	353,953
	<u>1,446,681</u>	<u>1,064,039</u>	<u>57,710</u>	<u>2,568,430</u>
Net cash provided by (used in) operating activities				
	<u>1,446,681</u>	<u>1,064,039</u>	<u>57,710</u>	<u>2,568,430</u>
Cash flows from noncapital financing activities:				
Transfers to other funds	(70,000)	(226,896)	-	(296,896)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(986,367)	-	-	(986,367)
Disposition of capital assets	134,264	-	-	134,264
Principal paid on long-term debt	(551,308)	-	-	(551,308)
Interest paid	(37,901)	-	-	(37,901)
	<u>(1,441,312)</u>	<u>-</u>	<u>-</u>	<u>(1,441,312)</u>
Net cash used in capital and related financing activities				
	<u>(1,441,312)</u>	<u>-</u>	<u>-</u>	<u>(1,441,312)</u>
Cash flows from investing activities:				
Interest received	48,501	35,811	1,348	85,660
	<u>48,501</u>	<u>35,811</u>	<u>1,348</u>	<u>85,660</u>
Net change in cash and investments				
	<u>(16,130)</u>	<u>872,954</u>	<u>59,058</u>	<u>915,882</u>
Cash and investments, beginning of year				
	<u>8,177,746</u>	<u>7,662,390</u>	<u>304,576</u>	<u>16,144,712</u>
Cash and investments, end of year				
	<u>\$ 8,161,616</u>	<u>\$ 8,535,344</u>	<u>\$ 363,634</u>	<u>\$ 17,060,594</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 408,529	\$ 180,912	\$ 165,413	\$ 754,854
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,142,735	-	-	1,142,735
Changes in assets and liabilities:				
Prepays	-	(75,909)	(1,744)	(77,653)
Accounts receivable	(50,606)	20,106	(27,993)	(58,493)
Inventory	25,000	-	-	25,000
Net pension liabilities	-	(133,691)	(77,425)	(211,116)
Accounts payable	(78,977)	579,358	(1,800)	498,581
Accrued payroll and other liabilities	-	34,490	(1,818)	32,672
Accrued claims liabilities	-	450,000	-	450,000
Net OPEB obligation	-	8,773	3,077	11,850
	<u>-</u>	<u>8,773</u>	<u>3,077</u>	<u>11,850</u>
Net cash provided by (used in) operating activities				
	<u>\$ 1,446,681</u>	<u>\$ 1,064,039</u>	<u>\$ 57,710</u>	<u>\$ 2,568,430</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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 2,471,827	\$ 2,471,827	\$ 2,199,451	\$ (272,376)	\$ -	\$ 2,199,451
Investment earnings	39,000	39,000	33,874	(5,126)	(601)	33,273
Miscellaneous revenue	-	-	50,444	50,444	(37,663)	12,781
Total revenues	2,510,827	2,510,827	2,283,769	(227,058)	(38,264)	2,245,505
Expenses:						
Current operating:						
City manager's office	2,400	2,400	960	1,440	-	960
Human resources	-	9,226	3,221	6,005	-	3,221
Finance	3,600	3,600	3,600	-	-	3,600
Information technology	207,000	257,000	63,499	193,501	-	63,499
Library	8,000	8,000	7,608	392	(7,608)	-
Fire and life safety	312,300	312,300	134,521	177,779	(100,216)	34,305
Police	261,000	589,920	535,395	54,525	(526,741)	8,654
Development and public works	1,917,915	2,288,643	909,507	1,379,136	(362,778)	546,729
Debt service:						
Principal	563,317	563,317	551,308	12,009	(551,308)	-
Interest	40,900	40,900	37,900	3,000	(12,939)	24,961
Depreciation	-	-	-	-	1,142,735	1,142,735
Total expenses	3,316,432	4,075,306	2,247,519	1,827,787	(418,855)	1,828,664
Excess of revenues over (under) expenses	(805,605)	(1,564,479)	36,250	1,600,729	380,591	416,841
Other financing sources (uses):						
Gain (loss) on disposal of assets	-	-	-	-	7,282	7,282
Assets contributed by other funds	-	-	-	-	278,258	278,258
Transfers out	-	(70,000)	(70,000)	-	-	(70,000)
Total other financing sources (uses)	-	(70,000)	(70,000)	-	285,540	215,540
Change in net position	(805,605)	(1,634,479)	(33,750)	1,600,729	666,131	632,381
Net position, beginning of year	7,402,344	8,173,172	8,173,172	-	3,889,026	12,062,198
Net position, end of year	\$ 6,596,739	\$ 6,538,693	\$ 8,139,422	\$ 1,600,729	\$ 4,555,157	\$ 12,694,579

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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 18,994,980	\$ 19,262,980	\$ 17,617,105	\$ (1,645,875)	\$ (8,201,666)	\$ 9,415,439
Investment earnings	50,000	50,000	25,213	(24,787)	2,828	28,041
Miscellaneous revenue	30,000	69,250	319,869	250,619	(53,710)	266,159
Total revenues	<u>19,074,980</u>	<u>19,382,230</u>	<u>17,962,187</u>	<u>(1,420,043)</u>	<u>(8,252,548)</u>	<u>9,709,639</u>
Expenses:						
Current operating:						
Human resources	8,986,810	9,203,123	8,046,316	1,156,807	1,454,370	9,500,686
Statutory payments	9,705,616	10,067,529	9,330,266	737,263	(9,330,266)	-
Total expenses	<u>18,692,426</u>	<u>19,270,652</u>	<u>17,376,582</u>	<u>1,894,070</u>	<u>(7,875,896)</u>	<u>9,500,686</u>
Excess of revenues over (under) expenses	382,554	111,578	585,605	474,027	(376,652)	208,953
Other financing sources (uses):						
Transfers out	<u>(226,896)</u>	<u>(226,896)</u>	<u>(226,896)</u>	<u>-</u>	<u>-</u>	<u>(226,896)</u>
Change in net position	155,658	(115,318)	358,709	474,027	(376,652)	(17,943)
Net position, beginning of year, as restated	<u>6,109,800</u>	<u>7,007,248</u>	<u>7,007,248</u>	<u>-</u>	<u>46,698</u>	<u>7,053,946</u>
Net position, end of year	<u>\$ 6,265,458</u>	<u>\$ 6,891,930</u>	<u>\$ 7,365,957</u>	<u>\$ 474,027</u>	<u>\$ (329,954)</u>	<u>\$ 7,036,003</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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 475,000	\$ 475,000	\$ 492,867	\$ 17,867	\$ 7,217	\$ 500,084
Licenses and permits	50,000	50,000	51,471	1,471	23,542	75,013
Investment earnings	-	-	946	946	108	1,054
Total revenues	<u>525,000</u>	<u>525,000</u>	<u>545,284</u>	<u>20,284</u>	<u>30,867</u>	<u>576,151</u>
Expenses:						
Current operating:						
Finance	19,227	19,227	19,224	3	-	19,224
Development and public works	565,152	565,152	464,112	101,040	(73,652)	390,460
Total expenses	<u>584,379</u>	<u>584,379</u>	<u>483,336</u>	<u>101,043</u>	<u>(73,652)</u>	<u>409,684</u>
Change in net position	(59,379)	(59,379)	61,948	121,327	104,519	166,467
Net position, beginning of year, as restated	<u>164,797</u>	<u>290,235</u>	<u>290,236</u>	<u>1</u>	<u>(141,144)</u>	<u>149,092</u>
Net position, end of year	<u>\$ 105,418</u>	<u>\$ 230,856</u>	<u>\$ 352,184</u>	<u>\$ 121,328</u>	<u>\$ (36,625)</u>	<u>\$ 315,559</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.



City of Springfield, Oregon
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND

Year Ended June 30, 2015

	Beginning Balance	Additions	Reductions	Ending Balance
ASSETS				
Cash and investments	\$ 4,367,225	\$ 16,137,698	\$ (16,215,420)	\$ 4,289,503
LIABILITIES				
Accounts payable	\$ 477,450	\$ 9,902,234	\$ (8,969,899)	\$ 1,409,785
Health Reimbursement Account deposits	1,143,975	847,700	(774,392)	1,217,283
Ambulance billing deposits	1,740,601	15,076,985	(16,156,299)	661,287
Bail deposits	237,086	1,387,592	(1,223,843)	400,835
Miscellaneous deposits	768,113	1,976,982	(2,144,782)	600,313
Total liabilities	\$ 4,367,225	\$ 29,191,493	\$ (29,269,215)	\$ 4,289,503



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.



Metropolitan Wastewater Management Commission
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 Year Ended June 30, 2015

	Regional Wastewater Fund	Regional Capital Fund	Regional Capital Fund	Regional Bond Capital Fund	Regional Wastewater Improve SDC Fund	Regional Wastewater Reimb SDC Fund	Regional Debt Service Fund	Eliminations	Total
Revenues:									
Charges for services	\$ 30,530,024	\$ 167	\$ -	\$ -	\$ 1,914,858	\$ 152,793	\$ -	\$ (329,472)	\$ 32,268,370
Investment earnings	84,901	81,056	289,635	11,740	1,491	-	-	-	468,823
Licenses and permits	10,897	-	-	-	-	-	-	-	10,897
Fines and forfeitures	1,500	-	-	-	-	-	-	-	1,500
Miscellaneous revenues	17,673	11	-	-	-	-	-	-	17,684
Total revenues	30,644,995	81,234	289,635	1,926,598	154,284	-	-	(329,472)	32,767,274
Expenses:									
Current operating:									
Finance	115,201	-	-	-	-	-	-	-	115,201
Development and public works	12,943,247	-	-	1,371	110	-	-	(329,472)	12,615,256
Debt service:									
Interest	428,817	(156,434)	(14,178)	-	-	-	3,496,484	-	3,754,689
Depreciation	7,760,533	-	-	-	-	-	-	-	7,760,533
Total expenses	21,247,798	(156,434)	(14,178)	1,371	110	-	3,496,484	(329,472)	24,245,679
Excess of revenues over (under) expenses	9,397,197	237,668	303,813	1,925,227	154,174	-	(3,496,484)	-	8,521,595
Transfers in	3,784,190	10,422,811	1,965,000	-	-	-	7,706,701	(23,878,702)	-
Transfers out	(14,744,512)	(1,119,336)	(2,416,391)	(1,400,000)	(17,890)	(17,890)	(4,180,574)	23,878,702	-
Loss on disposal of assets	11,269	-	-	-	-	-	-	-	11,269
Total other financing sources (uses)	(10,949,053)	9,303,475	(451,391)	(1,400,000)	(17,890)	-	3,526,127	-	11,268
Change in net position	(1,551,856)	9,541,143	(147,578)	525,227	136,284	-	29,643	-	8,532,863
Net position, beginning of year, as restated	139,471,072	12,205,428	(22,919,975)	3,255,703	422,069	-	(640,936)	-	131,793,361
Net position, end of year	\$ 137,919,216	\$ 21,746,571	\$ (23,067,553)	\$ 3,780,930	\$ 558,353	\$ -	\$ (611,293)	\$ -	\$ 140,326,224

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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 30,170,000	\$ 30,020,000	\$ 30,506,060	\$ 486,060	\$ 23,964	\$ 30,530,024
Investment earnings	110,000	110,000	58,569	(51,431)	26,332	84,901
Licenses and permits	9,200	9,200	11,373	2,173	(476)	10,897
Fines and forfeitures	600	600	1,500	900	-	1,500
Miscellaneous revenue	700,500	700,500	3,501	(696,999)	14,172	17,673
Total revenues	<u>30,990,300</u>	<u>30,840,300</u>	<u>30,581,003</u>	<u>(259,297)</u>	<u>63,992</u>	<u>30,644,995</u>
Expenses:						
Current operating:						
Finance	123,702	123,702	115,201	8,501	-	115,201
Development and public works	16,553,945	16,311,183	14,822,997	1,488,186	(1,879,750)	12,943,247
Debt service:						
Principal	1,013,274	1,013,274	737,811	275,463	(737,811)	-
Interest	444,007	444,007	409,079	34,928	19,738	428,817
Depreciation	-	-	-	-	7,760,533	7,760,533
Total expenses	<u>18,134,928</u>	<u>17,892,166</u>	<u>16,085,088</u>	<u>1,807,078</u>	<u>5,162,710</u>	<u>21,247,798</u>
Excess of revenues over (under) expenses	<u>12,855,372</u>	<u>12,948,134</u>	<u>14,495,915</u>	<u>1,547,781</u>	<u>(5,098,718)</u>	<u>9,397,197</u>
Other financing sources (uses):						
Transfers in	17,890	17,890	17,890	-	3,766,300	3,784,190
Transfers out	(13,806,701)	(14,006,701)	(14,006,701)	-	(737,811)	(14,744,512)
Gain (loss) on disposal of assets	-	-	-	-	11,269	11,269
Total other financing sources (uses)	<u>(13,788,811)</u>	<u>(13,988,811)</u>	<u>(13,988,811)</u>	<u>-</u>	<u>3,039,758</u>	<u>(10,949,053)</u>
Change in net position	(933,439)	(1,040,677)	507,104	1,547,781	(2,058,960)	(1,551,856)
Net position, beginning of year, as restated	<u>13,693,350</u>	<u>15,650,933</u>	<u>15,650,934</u>	<u>-</u>	<u>123,820,138</u>	<u>139,471,072</u>
Net position, end of year	<u>\$ 12,759,911</u>	<u>\$ 14,610,256</u>	<u>\$ 16,158,038</u>	<u>\$ 1,547,781</u>	<u>\$ 121,761,178</u>	<u>\$ 137,919,216</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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ -	\$ -	\$ 167	\$ 167	\$ -	\$ 167
Investment earnings	100,000	100,000	51,947	(48,053)	29,109	81,056
Miscellaneous receipts	-	-	11	11	-	11
Total revenues	100,000	100,000	52,125	(47,875)	29,109	81,234
Expenses:						
Current operating:						
Development and public works	1,673,400	2,469,028	966,069	1,502,959	(966,069)	-
Capital projects	2,328,398	2,482,622	153,267	2,329,355	(153,267)	-
Debt service:						
Interest	-	-	-	-	(156,434)	(156,434)
Total expenses	4,001,798	4,951,650	1,119,336	3,832,314	(1,275,770)	(156,434)
Excess of revenues over (under) expenses	(3,901,798)	(4,851,650)	(1,067,211)	3,784,439	1,304,879	237,668
Other financing sources (uses):						
Transfers in	7,500,000	7,700,000	7,700,000	-	2,722,811	10,422,811
Transfers out	-	-	-	-	(1,119,336)	(1,119,336)
Loan proceeds	175,000	175,000	173,917	(1,083)	(173,917)	-
Total other financing sources (uses)	7,675,000	7,875,000	7,873,917	(1,083)	1,429,558	9,303,475
Change in net position	3,773,202	3,023,350	6,806,706	3,783,356	2,734,437	9,541,143
Net position, beginning of year	63,476,259	65,789,817	65,789,817	-	(53,584,389)	12,205,428
Net position, end of year	\$ 67,249,461	\$ 68,813,167	\$ 72,596,523	\$ 3,783,356	\$ (50,849,952)	\$ 21,746,571

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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 200,000	\$ 200,000	\$ 296,211	\$ 96,211	\$ (6,576)	\$ 289,635
Expenses:						
Capital projects	10,937,849	12,500,876	2,416,391	10,084,485	(2,416,391)	-
Debt service:						
Interest	-	-	-	-	(14,178)	(14,178)
Total expenses	10,937,849	12,500,876	2,416,391	10,084,485	(2,430,569)	(14,178)
Excess of revenues over (under) expenses	(10,737,849)	(12,300,876)	(2,120,180)	10,180,696	2,423,993	303,813
Other financing sources (uses):						
Transfers in	-	-	-	-	1,965,000	1,965,000
Transfers out	-	-	-	-	(2,416,391)	(2,416,391)
Total other financing sources (uses)	-	-	-	-	(451,391)	(451,391)
Change in net position	(10,737,849)	(12,300,876)	(2,120,180)	10,180,696	1,972,602	(147,578)
Net position, beginning of year	18,249,950	19,206,866	19,206,866	-	(42,126,841)	(22,919,975)
Net position, end of year	<u>\$ 7,512,101</u>	<u>\$ 6,905,990</u>	<u>\$ 17,086,686</u>	<u>\$ 10,180,696</u>	<u>\$ (40,154,239)</u>	<u>\$ (23,067,553)</u>

Metropolitan Wastewater Management Commission
REGIONAL WASTEWATER IMPROVEMENT SDC FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 750,000	\$ 750,000	\$ 1,905,908	\$ 1,155,908	\$ 8,950	\$ 1,914,858
Investment earnings	7,500	7,500	11,277	3,777	463	11,740
Total revenues	<u>757,500</u>	<u>757,500</u>	<u>1,917,185</u>	<u>1,159,685</u>	<u>9,413</u>	<u>1,926,598</u>
Expenses:						
Current operating:						
Development and public works	3,000	3,000	1,371	1,629	-	1,371
Excess of revenues over (under) expenses	754,500	754,500	1,915,814	1,161,314	9,413	1,925,227
Other financing sources (uses):						
Transfers out	(1,400,000)	(1,400,000)	(1,400,000)	-	-	(1,400,000)
Change in net position	(645,500)	(645,500)	515,814	1,161,314	9,413	525,227
Net position, beginning of year	<u>2,282,352</u>	<u>3,247,528</u>	<u>3,247,528</u>	<u>-</u>	<u>8,175</u>	<u>3,255,703</u>
Net position, end of year	<u>\$ 1,636,852</u>	<u>\$ 2,602,028</u>	<u>\$ 3,763,342</u>	<u>\$ 1,161,314</u>	<u>\$ 17,588</u>	<u>\$ 3,780,930</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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 82,000	\$ 82,000	\$ 151,799	\$ 69,799	\$ 994	\$ 152,793
Investment earnings	1,800	1,800	1,154	(646)	337	1,491
Total revenues	<u>83,800</u>	<u>83,800</u>	<u>152,953</u>	<u>69,153</u>	<u>1,331</u>	<u>154,284</u>
Expenses:						
Current operating:						
Development and public works	2,000	2,000	110	1,890	-	110
Excess of revenues over (under) expenses	81,800	81,800	152,843	71,043	1,331	154,174
Other financing sources (uses):						
Transfers out	(17,890)	(17,890)	(17,890)	-	-	(17,890)
Change in net position	63,910	63,910	134,953	-	1,331	136,284
Net position, beginning of year	<u>382,525</u>	<u>421,036</u>	<u>421,038</u>	<u>2</u>	<u>1,031</u>	<u>422,069</u>
Net position, end of year	<u><u>\$ 446,435</u></u>	<u><u>\$ 484,946</u></u>	<u><u>\$ 555,991</u></u>	<u><u>\$ 71,045</u></u>	<u><u>\$ 2,362</u></u>	<u><u>\$ 558,353</u></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, 2015

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Expenses:						
Debt service:						
Principal	\$ 3,950,000	\$ 3,950,000	\$ 3,950,000	\$ -	\$ (3,950,000)	\$ -
Interest	3,756,701	3,756,701	3,756,700	1	(260,216)	3,496,484
Total expenses	<u>7,706,701</u>	<u>7,706,701</u>	<u>7,706,700</u>	<u>1</u>	<u>(4,210,216)</u>	<u>3,496,484</u>
Other financing sources (uses):						
Transfers in	7,706,701	7,706,701	7,706,701	-	-	7,706,701
Transfers out	-	-	-	-	(4,180,574)	(4,180,574)
Total other financing sources (uses)	<u>7,706,701</u>	<u>7,706,701</u>	<u>7,706,701</u>	<u>-</u>	<u>(4,180,574)</u>	<u>3,526,127</u>
Change in net position	-	-	1	-	29,642	29,643
Net position, beginning of year	-	1	1	-	(640,937)	(640,936)
Net position, end of year	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ (611,295)</u>	<u>\$ (611,293)</u>

SPRINGFIELD



Supplemental Schedules

SPRINGFIELD



City of Springfield, Oregon
SCHEDULE OF PROPERTY TAX TRANSACTIONS - ALL FUNDS
Year Ended June 30, 2015

	Taxes Receivable 7/1/2014	Tax Levy	(Adjustments) Interest and (Discounts)	(Deduct) Collections	Taxes Receivable 6/30/2015
Prior Years	\$ 97,143	\$ -	\$ 212	\$ (2,077)	\$ 95,278
2005-06	8,883	-	266	(913)	8,236
2006-07	9,540	-	316	(1,185)	8,671
2007-08	11,682	-	385	(1,438)	10,629
2008-09	24,697	-	(1,229)	(7,621)	15,847
2009-10	140,796	-	(1,445)	(11,341)	128,010
2010-11	211,554	-	14,455	(77,899)	148,110
2011-12	333,655	-	25,215	(149,885)	208,985
2012-13	509,827	-	(43,173)	(142,799)	323,855
2013-14	881,761	-	(29,663)	(364,648)	487,450
2014-15	-	31,427,683	(889,038)	(29,665,353)	873,292
	<u>\$ 2,229,538</u>	<u>\$ 31,427,683</u>	<u>\$ (923,699)</u>	<u>\$ (30,425,159)</u>	<u>\$ 2,308,363</u>

Summary by fund:

General Fund	\$ (19,724,386)	\$ 1,446,686
Fire Levy Fund	(1,416,754)	110,225
Police Levy Fund	(5,024,217)	357,334
SEDA Glenwood General Fund	(811,434)	49,419
SEDA Downtown General Fund	(404,282)	21,505
Debt Service Funds:		
Bancroft Redemption	(44)	70
General Obligation	(3,044,042)	323,124
	<u>\$ (30,425,159)</u>	<u>\$ 2,308,363</u>

SCHEDULE OF OTHER TAX REVENUES RECEIVED

Special Revenue Funds:

Transient room taxes	\$ 1,219,497
Gas tax	1,084,567
	<u>\$ 2,304,064</u>

SPRINGFIELD



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.	203-207
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	211-214
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.	217-221
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.	225-226
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.	229-231

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



Financial Trend Information

SPRINGFIELD



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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 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	\$ 112,632,832
Restricted	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	18,977,155
Unrestricted	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	4,394,678
Total governmental activities net position	\$ 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	\$ 136,004,665
Business-type activities										
Net investment in capital assets	\$ 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	\$ 52,836,347
Restricted	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	3,348,526
Unrestricted	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	27,590,908
Total business-type activities net position	\$ 48,919,200	\$ 52,962,370	\$ 60,175,626	\$ 59,930,225	\$ 63,890,777	\$ 69,359,244	\$ 74,583,926	\$ 77,914,255	\$ 80,700,508	\$ 83,775,781
Primary government										
Net investment in capital assets	\$ 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	\$ 165,469,179
Restricted	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	22,325,681
Unrestricted	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	31,985,586
Total primary government net position	\$ 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	\$ 219,780,446

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 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	\$ 5,194,119
Fire and life safety	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	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	18,007,975
Library	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	1,477,854
Development and public works	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	10,605,607
Depreciation, unallocated	255,614	259,908	273,239	313,042	283,227	283,227	284,439	297,774	270,618	270,619
Interest on long-term debt	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	909,122
Total governmental activities expense	\$ 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	\$ 36,465,296
Business-type activities:										
Sanitary sewer	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	6,340,495
Storm drainage	-	-	-	3,894,947	3,956,135	4,031,641	3,843,225	3,984,400	4,407,437	4,259,913
Booth Kelly	520,007	589,313	660,713	779,773	1,334,965	1,334,099	1,430,803	1,463,621	1,611,902	1,649,088
Ambulance	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	5,082,272
Business-type activities expenses	\$ 12,958,527	\$ 13,308,871	\$ 13,009,046	\$ 16,233,625	\$ 15,194,279	\$ 15,453,985	\$ 15,648,774	\$ 16,552,095	\$ 18,393,511	\$ 17,331,768
Total primary government expenses	\$ 56,762,900	\$ 59,724,237	\$ 58,664,468	\$ 63,873,464	\$ 63,305,429	\$ 66,947,974	\$ 66,324,430	\$ 68,001,335	\$ 70,499,532	\$ 53,797,064
Program Revenue										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 3,868,870
Fire and life safety	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	250,968	232,563	274,968	490,731	246,682	513,759	529,998	493,254	429,497	408,750
Library	79,534	88,338	91,273	89,853	103,475	97,718	99,186	105,329	102,737	125,482
Development and public works	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	2,710,606
Operating grants and contributions	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	4,444,185
Capital grants and contributions	2,019,869	6,003,405	16,101,592	155,634	3,994,233	3,661,254	1,109,866	2,192,135	481,598	9,934,788
Business-type activities program revenues	\$ 21,006,808	\$ 26,060,490	\$ 30,529,113	\$ 12,591,918	\$ 16,605,285	\$ 16,520,102	\$ 14,527,357	\$ 15,126,627	\$ 13,749,012	\$ 21,492,681
Business-type activities:										
Charges for services:										
Sanitary sewer	7,687,885	8,967,919	9,116,078	5,590,002	6,325,689	6,927,642	7,261,314	7,324,173	7,536,486	7,738,487
Storm drainage	-	-	-	4,475,347	4,984,732	5,694,208	5,789,080	6,032,530	6,347,901	6,613,264
Booth Kelly	600,968	634,721	664,398	788,095	1,381,649	1,443,802	1,412,841	1,348,308	1,355,337	1,412,722
Ambulance	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	6,119,908
Operating grants and contributions	6,068	2,294	-	-	-	-	-	-	-	-
Capital grants and contributions	2,578,981	2,376,975	5,620,276	385,165	1,001,635	1,129,770	1,448,360	16,729	16,848	199,269
Business-type activities program revenues	\$ 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	\$ 22,083,650
Total primary government program revenues	\$ 36,075,581	\$ 42,479,200	\$ 50,190,777	\$ 28,493,508	\$ 35,133,320	\$ 36,889,051	\$ 35,288,846	\$ 35,103,433	\$ 34,617,970	\$ 43,576,331
Net (Expense) Revenue										
Governmental activities	\$ (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)	\$ (23,069,218)
Business-type activities	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	4,751,882
Total primary government net expense	\$ (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)	\$ (18,317,336)

Continued

Continued

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 30,497,567
Room tax	678,594	819,206	783,767	771,994	679,566	777,085	901,665	973,830	1,070,722	1,219,497
Other taxes	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	3,288,462
Payment in lieu of taxes	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	2,404,859
Investment earnings	1,702,251	2,758,907	2,945,365	1,727,120	664,423	421,956	337,514	333,178	361,323	305,267
Miscellaneous	206,256	385,310	323,133	379,635	201,184	486,358	727,049	985,770	908,413	857,657
Gain (loss) on disposition of capital assets	49,900	(35,598)	-	19,810	(57,355)	-	-	-	-	-
Shared revenue	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	1,579,978
Transfers	416,552	643,168	272,692	593,130	(30,673)	107,047	142,115	71,894	64,344	71,311
Total governmental activities	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	40,224,598
Business-type activities:										
Investment earnings	441,688	868,946	821,733	559,713	409,360	292,416	237,091	211,730	282,238	162,671
Miscellaneous	142,650	707,548	11,597	120,051	186,763	368,134	16,990	78,204	92,912	446,106
Transfers	(416,552)	(643,168)	(272,692)	(593,130)	30,673	(107,047)	(142,115)	(71,894)	(64,344)	(71,311)
Total business-type activities	167,786	933,326	560,638	86,634	626,796	553,503	111,966	218,040	310,806	537,466
Total primary government	\$ 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	\$ 40,762,064
Change in Net Position										
Governmental activities	\$ 6,987,767	\$ 14,913,575	\$ (2,876,717)	\$ 3,918,160	\$ (217,271)	\$ (1,686,051)	\$ (654,709)	\$ (1,509,294)	\$ (134,193)	\$ 25,251,983
Business-type activities	2,278,032	7,585,944	228,603	3,420,390	5,541,760	5,666,218	3,536,679	2,693,487	2,786,253	5,289,348
Total primary government	\$ 9,265,799	\$ 22,499,519	\$ (2,648,114)	\$ 7,338,550	\$ 5,324,489	\$ 3,980,167	\$ 2,881,970	\$ 1,184,193	\$ 2,652,060	\$ 30,541,331

- 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 494,395	\$ 391,918	\$ 926,688	\$ 388,528	\$ 10,546	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	6,896,167	7,874,253	8,350,863	6,966,896	7,843,269	-	-	-	-	-
Nonspendable	-	-	-	-	-	5,420	5,589	49,644	22,109	86,584
Restricted	-	-	-	-	600,000	632	632	-	-	-
Committed	-	-	65,721	-	37,863	12,764	25,902	600,000	25,902	83,224
Assigned	-	-	-	-	39,224	600,000	600,000	600,000	600,000	600,000
Unassigned	-	-	-	-	6,872,613	7,134,387	7,698,382	7,538,441	7,698,382	8,553,497
Total general fund	\$ 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	\$ 9,323,305
All Other Governmental Funds										
Reserved	\$ 4,835,844	\$ 6,104,214	\$ 6,868,556	\$ 5,339,010	\$ 4,492,479	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	8,118,406	8,487,980	3,137,842	4,329,775	4,459,760	-	-	-	-	-
Capital projects funds	11,029,365	30,228,095	24,023,946	14,937,692	4,030,636	-	-	-	-	-
Debt service funds	2,433,530	2,036,894	1,718,922	1,369,823	1,257,621	-	-	-	-	-
Nonspendable	-	-	-	-	-	179,198	160,531	151,297	147,593	205,477
Restricted	-	-	-	-	-	7,022,919	8,020,323	8,535,571	9,060,917	13,642,430
Committed	-	-	-	-	-	4,546,915	4,024,188	3,130,187	2,460,530	2,617,234
Assigned	-	-	-	-	-	1,009,473	426,016	410,941	443,945	644,492
Unassigned	-	-	-	-	-	-	-	(26,365)	(64,907)	(23,321)
Total all other governmental funds	\$ 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	\$ 17,086,312

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenue:										
Taxes	\$ 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	\$ 33,065,500
Licenses and permits	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	2,783,280
Intergovernmental	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	12,172,857
Charges for services	10,477,114	9,745,427	16,598,189	7,660,854	7,041,256	7,417,478	6,958,019	7,022,389	7,142,048	7,670,658
Fines & forfeitures	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	1,688,251
Use of money & property	1,800,266	2,489,523	2,821,836	1,159,664	452,130	263,317	170,279	191,559	141,996	109,373
Special assessments	138,754	53,236	38,011	11,684	10,856	25,625	48,934	42,569	31,651	45,618
Miscellaneous revenue	167,044	525,944	312,154	464,200	267,380	664,045	648,988	306,085	570,176	708,847
Total Revenues	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	58,244,384
Expenditures:										
Current Operating:										
General government	5,118,518	5,338,050	5,815,636	6,460,455	5,536,753	5,825,159	6,083,214	6,306,579	6,042,155	6,643,279
Fire and life safety	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	11,237,818
Police	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	18,997,316
Library	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	1,610,330
Development and public works	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	9,233,725
Capital Projects	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	1,354,801
Debt service:										
Principal	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	2,602,206
Interest	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	913,103
Bond issue costs	63,112	355,501	-	-	49,406	-	-	-	-	-
Arbitrage	-	-	-	-	-	-	-	-	-	-
Total expenditures	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	52,592,578
Excess of revenues over (under) expenditures	(1,160,138)	(4,284,155)	(10,390,055)	(14,240,234)	(11,754,444)	(2,345,630)	(904,316)	(624,954)	(371,366)	5,651,806
Other financing sources (uses):										
Transfers in	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	4,874,912
Transfers out	(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)	(4,506,705)
Bond proceeds	12,290,353	24,962,242	-	1,800,000	-	-	-	-	-	-
Proceeds of debt issuance	-	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	(8,301,763)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	4,358,856	25,605,410	274,622	2,582,920	500,839	591,777	958,552	614,296	345,059	368,207
Net changes in fund balances	\$ 3,178,718	\$ 21,321,255	\$ (10,115,433)	\$ (11,657,314)	\$ (11,253,605)	\$ (1,753,853)	\$ 54,236	\$ (10,658)	\$ (26,307)	\$ 6,020,013
Debt services as a percentage of non-capital expenditures *	2.45%	3.00%	6.96%	6.96%	7.14%	7.03%	7.09%	7.05%	6.83%	6.78%

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.



Revenue Capacity Information

SPRINGFIELD



OREGON

City of Springfield, Oregon

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal year ended June 30,	Residential Property *	Commercial Property *	Industrial Property *	Less: Tax- Exempt Property *	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
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%
2015	-	-	-	-	4,253,901,084	7.03	6,782,631,808	62.72%

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	Metropolitan Wastewater District	Springfield Economic Development Agency
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
2015	4.65	0.74	1.28	0.36	7.03	5.61	1.91	0.85	0.22	2.33	-	-	0.22

Source: Lane County Department of Assessment & Taxation

City of Springfield, Oregon

PRINCIPAL PROPERTY TAX PAYERS

Current Year and Nine Years Ago

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
PeaceHealth	\$ 392,493,343	1	9.23%	\$ 14,312,651	10	0.48%
IP Eat Three LLC (Weyerhaeuser)	228,408,199	2	5.37%	238,474,109	1	7.99%
Symantec Corporation	87,644,726	3	2.06%	39,182,820	3	1.31%
Gateway Mall Partners	58,141,526	4	1.37%	46,900,346	2	1.57%
Comcast Corporation	42,310,500	5	0.99%	-	-	-
United States bakery	35,012,817	6	0.82%	-	-	-
Shapard Investment Group LLC	28,909,543	8	0.68%	-	-	-
Rosboro LLC	29,090,455	7	0.68%	25,857,970	5	0.87%
Symantec Corporation	25,862,747	9	0.61%	-	-	-
RC Springfield 2007 LLC	25,603,977	10	0.60%	-	-	-
Advance America CAC of OR Inc	-	-	-	32,255,170	4	1.08%
Qwest Corp	-	-	-	23,523,800	6	0.79%
Kingsford Manufacturing	-	-	-	22,797,400	7	0.76%
Shorewood Packaging Corp	-	-	-	22,089,020	8	0.74%
McKenzie Willamette	-	-	-	18,602,325	9	0.62%
KRC Rolls	-	-	-	-	-	-
Total	<u>\$ 953,477,833</u>		<u>22.41%</u>	<u>\$ 483,995,611</u>		<u>16.22%</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
2006	\$ 18,347,448	\$ 17,394,011	94.8%	\$ 945,201	\$ 18,339,212	99.96%
2007	19,665,050	18,611,955	94.6%	1,044,424	19,656,379	99.96%
2008	21,473,863	20,128,824	93.7%	1,334,410	21,463,234	99.95%
2009	25,639,015	24,092,260	94.0%	1,530,907	25,623,167	99.94%
2010	27,170,891	25,473,655	93.8%	1,569,226	27,042,881	99.53%
2011	26,956,427	25,339,490	94.0%	1,468,827	26,808,317	99.45%
2012	27,667,002	26,127,844	94.4%	1,330,173	27,458,017	99.24%
2013	28,646,245	26,967,621	94.1%	1,354,769	28,322,390	98.87%
2014	29,539,586	27,866,138	94.3%	1,185,996	29,052,135	98.35%
2015	31,427,683	29,665,353	94.4%	889,036	30,554,390	97.22%

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

Debt Capacity Information



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				
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	0.42%	934	
2015	19,248,368	-	676,209	715,000	210,000	26,752,681	3,011,742	50,614,000	*	843	

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>
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
2015	19,248,368	0.45%	320

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

City of Springfield, Oregon

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

June 30, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage applicable to the City</u>	<u>City's share of overlapping debt</u>
City of Springfield - general obligation bonds	\$ 19,248,368	100.00%	\$ 19,248,368
City of Springfield - notes payable	715,000	100.00%	715,000
City of Springfield - contracts payable	210,000	100.00%	210,000
City of Springfield - capital leases	<u>676,209</u>	100.00%	<u>676,209</u>
Total Direct debt	<u>\$ 20,849,577</u>		<u>20,849,577</u>
<u>Overlapping Debt</u>			
Lane Community College	115,624,929	15.35%	17,750,392
Lane County	90,887,541	15.57%	14,147,464
School District 19	174,944,153	75.00%	131,204,965
School District 4J	266,070,402	6.14%	16,336,457
Lane Education Service District	7,055,000	15.61%	1,101,053
Willamalane Park & Recreation District	20,990,000	94.09%	<u>19,748,903</u>
Total overlapping debt			<u>200,289,234</u>
Total direct and overlapping debt			<u>\$ 221,138,811</u>

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, 2015	
\$ 6,782,631,808	
\$ 203,478,954	
19,070,000	
\$ 184,408,954	

Real market value

Debt limit 3% of real market value

Amount of debt applicable to debt limit:

Total debt margin

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 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	\$ 203,478,954
Total net debt applicable to limit	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	19,070,000
Legal debt margin	\$ 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	\$ 184,408,954
Total net debt applicable to the limit as a percentage of debt limit	8.97%	21.11%	16.74%	14.50%	13.32%	13.45%	12.83%	12.33%	11.06%	9.37%

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	
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
2015	14,819,959	7,270,726	7,549,233	1,560,000	1,097,325	2.84

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

SPRINGFIELD



Demographic and Economic Information



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
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	12,784,129	36,062	10,600	8.9%
2013	59,990	13,047,961	36,630	11,033	8.2%
2014	60,001	13,392,647	37,374	10,969	7.1%
2015	60,065	*	*	11,069	6.0%

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.

Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the end of the school year.

* Not yet available

City of Springfield, Oregon

Principal Employers

Current Year and Nine Years Ago

<u>Employer</u>	<u>2015</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	3,985	1	15.86%	-		-
Symantic	1,600	2	6.37%	1,103	2	4.24%
Springfield School District #19	1,197	3	4.76%	1,383	1	5.31%
Royal Caribbean Cruise Lines	900	4	3.58%	-		-
McKenzie Willamette Hospital	892	5	3.55%	680	3	2.61%
City of Springfield	408	6	1.62%	412	6	1.58%
Willamalane Park and Recreation District	404	7	1.61%	332	9	1.28%
Pacific Source	372	8	1.48%	315	10	1.21%
Wal-Mart	352	9	1.40%	400	7	1.54%
Peace Health Medical Laboratories	346	10	1.38%	-		-
Weyerhaeuser	-		-	533	4	2.05%
Rosboro Lumber Company	-		-	416	5	1.60%
U.S. Postal Service	-		-	337	8	1.29%
Total	10,456		41.61%	5,911		22.71%

Source: City Economic Development Division

Operating Information



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*									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
City management	7.00	7.00	7.50	8.00	8.00	8.00	7.00	7.00	7.00	7.50
Finance	11.50	11.30	11.30	11.30	10.30	10.30	9.80	9.50	9.50	9.50
Human resources	7.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00	6.00
Information technology	10.00	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	8.55	8.55	8.55	8.85	8.84	8.84	8.84
Police										
Officers	70.00	70.00	70.00	70.00	66.00	69.00	69.16	68.16	68.16	70.00
Civilians	40.00	40.00	40.00	41.00	57.00	57.00	55.00	54.83	54.83	53.00
Fire and life safety										
Firefighters and officers	87.00	89.00	89.00	90.25	91.00	88.00	88.00	87.00	86.00	86.00
Civilians	14.55	16.05	21.25	21.00	17.00	18.00	15.00	14.00	14.00	13.00
Development and public works										
Engineers	14.00	17.00	16.00	19.00	20.00	15.00	15.00	15.00	13.00	12.00
Other	130.50	135.75	143.85	149.75	135.75	134.25	125.75	115.56	116.75	118.00
Library	13.60	13.60	13.60	13.60	13.20	13.40	12.40	12.60	12.60	13.10
Total	412.70	424.25	437.05	449.45	442.80	437.50	421.96	408.49	406.68	406.94

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Criminal arrests (charges)	10,993	9,044	8,523	7,054	7,107	7,527	7,148	8,577	9,221	7,672 *
Parking violations	939	941	457	395	354	***	237	185	360	209
Traffic violations	9,182	10,879	10,091	9,964	9,423	10,299	10,122	10,648	7,517	7,775
Fire and life safety										
Number of fire stations	5	5	5	5	5	5	5	5	5	5
Emergency responses	16,129	16,345	18,190	18,413	17,382	19,096	19,398	20,836	23,206	25,504
Fires extinguished	283	257	216	238	165	180	206	248	275	287
Inspections	3,540	3,719	3,374	3,329	2,103	1,670	2,214	1,047	1,641	2,123
Library										
Number of public computer log-ins	118,894	149,153	109,019	100,867	60,335	59,994	46,797	64,065	70,756	56,666
Total volumes loaned	309,277	293,068	297,982	326,235	344,809	344,586	354,120	354,538	354,503	365,497
Development and public works										
Crack sealing	33	28	18	41	12	9	3	40	28	11
Potholes repaired	1,343	989	1,142	722	1,569	1,062	1,364	1,124	1,047	775
Storm lines high velocity cleaning	231,891	132,637	215,683	32,584	7,810	9,452	3,835	1,909	1,811	2,200
Sanitary lines high velocity cleaning	518,889	664,822	657,295	932,839	965,853	653,641	652,069	587,954	363,748	426,466
Number of building permits **	770	724	618	512	491	400	428	382	433	466
Building valuation (in thousands)	\$ 462,560	\$ 192,868	\$ 143,064	\$ 65,192	\$ 48,150	\$ 38,067	\$ 40,698	\$ 44,388	\$ 44,621	\$ 51,818

Sources: Various city departments

* Excludes non-criminal holds
 *** New constructions permits
 *** Data not available

City of Springfield, Oregon
 Capital Asset Statistics by Function/Program,
 Last Ten Fiscal Years

<u>Function/Program</u>	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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)	390	392	398	401	412	420	423	423	423	444
Street lights	3,555	3,875	4,033	4,117	4,160	4,208	4,350	4,530	4,300	4,362
Traffic signals	72.00	70	68	68	69	68	73	83	68	83
Water										
Fire hydrants	1,500	1,516	1,553	1,552	1,552	1,552	1,559	1,581	1,585	1,600

Sources: Various city departments



Compliance Section

SPRINGFIELD



OREGON

Audit Comments

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 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, 2015, and have issued our report thereon dated December 22, 2015.

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.

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 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.

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: 
Ryan T. Pasquarella, A Shareholder
December 22, 2015