

City of Springfield



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2007

CITY OF SPRINGFIELD, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2007

Prepared by:

Finance Department
Accounting Division

City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2007

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	iii-xi
Organization Chart	xii
Principal City Officials	xiii
Certificate of Achievement for Excellence in Financial Reporting	xiv
FINANCIAL SECTION	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-15
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Net Assets – Proprietary Funds	21
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	22
Statement of Cash Flows-Proprietary Funds	23
Statement of Fiduciary Net Assets – Agency Fund	24
Notes to Basic Financial Statements	25-57
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund	58
Street Fund	59
Housing and Community Development Fund	60

City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2007

Other Supplementary Information:

Non-major Governmental Funds Combining Statements:	
Combining Balance Sheet – Nonmajor Governmental Funds	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds	62
Special Revenue Funds:	
Combining Balance Sheet – Street Funds	63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Street Funds	64
Combining Balance Sheet – Nonmajor Special Revenue Funds	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	66
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Special Revenue Fund	67
Transient Room Tax Fund	68
Fire Local Option Levy Fund	69
Building Code Fund	70
Police Local Option Levy Fund	71
Jail Operations Fund	72
River Bend Fund	73
Street Fund	74
Transportation Capital Projects Fund	75
SDC Transportation Reimbursement Fund	76
SDC Transportation Improvement Fund	77
Debt Service Funds:	
Combining Balance Sheet – Nonmajor Debt Service Funds	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	79
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Obligation Debt Service Fund	80
Bancroft Redemption Fund	81
Capital Projects Funds:	
Combining Balance Sheet – Nonmajor Capital Project Funds	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds	83
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Development Assessments Capital Projects Fund	84
GO Bond Capital Projects Fund	85
Police Building Bond Capital Project Fund	86
Urban Renewal District Fund	87

City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2007

Development Capital Projects Fund	88
Enterprise Funds:	
Combining Balance Sheet – Sewer Funds	89
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Sewer Funds	90
Schedules of Revenues, Expenses and Changes in Fund Net Assets – Budget and Actual:	
Ambulance Fund	91
Booth Kelly Fund	92
Sanitary Sewer Operations Fund	93
Storm Drainage Operations Fund	94
Sanitary Sewer Capital Fund	95
Storm Drainage Capital Fund	96
Storm Improvement System Development Capital Project Fund	97
Sanitary Sewer Reimbursement System Development Capital Project Fund	98
Sanitary Sewer Improvement System Development Capital Project Fund	99
Internal Service Funds:	
Combining Statement of Net Assets – Internal Service Funds	100
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds	101
Combining Statement of Cash Flows – Internal Service Funds	102
Schedule of Revenues, Expenses and Changes in Fund Net Assets – Budget and Actual:	
Vehicle and Equipment Fund	103
Insurance Fund	104
SDC Administration Fund	105
Fiduciary Fund:	
Statement of Changes in Assets and Liabilities – Agency Fund	106
Discretely Presented Component Units:	
Schedule of Revenues, Expenses and Changes in Fund Net Assets – (NonGAAP Budgetary Basis) - Budget to Actual – Regional Fiber Consortium	107
Schedule of Revenues, Expenses and Changes in Fund Net Assets – Budget and Actual:	
Regional Wastewater Fund	108
Regional Wastewater Capital Fund	109
Regional Wastewater Improvement SDC Fund	110
Regional Wastewater Reimbursement SDC Fund	111
Supplemental Schedules:	
Schedule of Property Tax Transactions	112
Schedule of Bonded Debt Transactions	113

City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2007

Schedule of Future Requirements for Retirements of City Issued General Obligation Bonds - General Issue	114
--	-----

STATISTICAL SECTION

Financial Trend Information

Net assets by component	115
Changes in net assets, last five fiscal years	116
Fund balances, governmental funds, last five fiscal years	117
Changes in fund balances, governmental funds, last five fiscal years	118

Revenue Capacity Information

Assessed value and actual value of taxable property, last ten fiscal years	119
Direct and overlapping property tax rates, last ten fiscal years	120
Principal property tax payers, current year and nine years ago	121
Property tax levies and collections, last ten fiscal years	122

Debt Capacity Information

Ratios of outstanding debt by type, last ten fiscal years	123
Ratios of general bonded debt outstanding, last ten fiscal years	124
Direct and overlapping governmental activities debt	125
Legal debt margin information, last ten fiscal years	126
Pledged revenue coverage, last ten fiscal years	127

Demographic and Economic Information

Demographic and economic statistics, last ten calendar years	128
Principal employers, current year and nine years ago	129

Operating Information

Full-time equivalent city government employees by function/program, last ten fiscal years	130
Operating indicators by function/program, last ten fiscal years	131
Capital asset statistics by function/program, last ten fiscal years	132

COMPLIANCE SECTION

Audit Comments:

Report of Independent Accountants on Internal Control and Other Comments and Disclosure Required by State Regulators	133-134
---	---------

Governmental Auditing Standards:

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	135-136
--	---------

City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2007

OMB Circular A-133 (Single Audit) Report:

Independent Auditor's Report on Compliance with Requirements Applicable to
Each Major Program and Internal Control Over Compliance in Accordance
with OMB Circular A-133

137-138

Schedule of Findings and Questioned Costs

139

Schedule of Expenditures of Federal Awards

140

Notes to the Schedule of Expenditures of Federal Awards

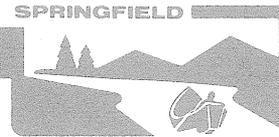
141

This page intentionally left blank

Introductory Section

This page intentionally left blank.

CITY OF SPRINGFIELD, OREGON



225 FIFTH STREET
SPRINGFIELD, OR 97477
(541) 726-3705
FAX (541) 726-3782

FINANCE DEPARTMENT
ACCOUNTING/REPORTING
ACCOUNTS RECEIVABLE/PAYABLE
ASSESSMENTS
BUDGETING/FINANCIAL PLANNING
TREASURY/DEBT MANAGEMENT

January 17, 2008

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, 2007.

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

The City of Springfield's financial statements have been audited by Grove, Mueller & Swank, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Springfield for the fiscal year ended June 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Springfield's financial statements for the fiscal year ended June 30, 2007, 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 the independent auditor report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The results of the independent audit for the fiscal year ended June 30, 2007 indicated no instances of material weaknesses in the internal control structure nor significant violations of applicable laws and regulations. The independent auditor's reports related specifically to the Single Audit and OMB Circular A-133 are included in the Government Auditing Standards Section.

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

Profile of the Government

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

Home to approximately 57,320 people, Springfield is bordered north and south by the McKenzie and Willamette Rivers, covering 15.47 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 and emergency medical services, municipal court, community planning and development, library, stormwater management, general public works, and administration.

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 and the legally separate Regional Fiber Consortium. It

would be misleading to omit information about these entities from the financial statements and so they are both included as discretely presented component units. 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 Trust and 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 at the departmental level for current expenditures, with separate appropriations established for capital projects, debt service, interfund transfers, miscellaneous fiscal transactions, statutory payments, contingencies, unappropriated fund balances and reserves.

Under the changes made by Measure 50, Oregon's municipalities now levy their annual property taxes on a partial rate based levy system. Springfield has been assigned a permanent tax rate of \$4.7403 per thousand dollars of assessed valuation for its annual property tax operating levy. This amount can be temporarily overridden through the use of voter approved serial levies. In November 2006, Springfield voters renewed a special purpose four-year property tax levy for fire services with a modest increase in the amount from \$.36 per thousand to \$.40 per thousand. In the same election, voters approved an additional \$1.09 per thousand to fund police services and operation costs for a city jail. Springfield is considered to be on a partial rate based levy system, as it still has the authority to levy additional dollar value property tax levy for the retirement of its voter approved general obligation bond debt. For the year ended June 30, 2007, the amount of the tax levy for general obligation bonded debt was \$.38 per thousand.

Major Initiatives

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

Provide financially sound, stable city government

- City bond rating of A2 maintained
- Identify strategies to reduce reliance on special levies
- Update the Information Technology Disaster Recovery Plan
- Complete City Hall Space Needs Study

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

- Continue effort to initiate Glenwood development
- Identify increased Library operations funding
- Complete plan and identify increased maintenance funding
- Document growth demands on current service levels

Maintain and improve transportation infrastructure and other city facilities

- Gateway Development [Gateway Area Transportation Management]
- Complete South 42nd Street improvements

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

- Initiate Commercial-Industrial-Residential Buildable Land Study

Enhance public safety in Springfield

- Develop/revise and implement an Emergency Management Plan
- Establish external and internal communications interoperability
- Facilitate Justice Center construction timeline for on schedule completion

Facilitate the redevelopment of Springfield

- Establishment of Downtown Urban Renewal District
- Continue with Mill Race Redevelopment Plan

Partner with citizens and other public agencies to leverage resources

- Continue TEAM Springfield programs
- Enter into an agreement with the BLM/Forest Service to construct office and warehouse space in Springfield
- Support review of the feasibility of a Conference Center

Preserve our hometown feel as we grow

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

Local Economy

The Lane County unemployment rate decreased during the year from a seasonally adjusted 5.5% in June of 2006 to 5.0% in June 2007. In June 2007, Lane County's unemployment rate was just below the statewide figure of 5.1% and higher than the United States rate of 4.5%. Lane County's non-farm payroll employment in June 2007 was \$153,000 compared to \$149,100 the previous year.

Over the past year, most sectors of the local economy have remained stable with the only significant change being a decrease in government jobs.

Some of the more significant events of the past year were:

- Completed construction by Michigan-based Workstage LLC on the new Royal Caribbean Cruise lines customer service center. It will eventually house more than 900 employees in a 150,000 square-foot, \$65 million facility in the Gateway area.
- Ashley Furniture reconfigured 30,000 square feet of vacant space in the Gateway Mall.

- Symantec Corp. doubled the size of its Springfield campus by adding a second 200,000 square-foot research and development facility costing about \$35 million as a two-story office building connected on the west side of its existing 1,100 employee customer service center.
- Construction continued on Peace Health's 900,000 square-foot medical facility at the Riverbend campus. The eight story building is up with an opening expected in August 2008. Peace Health is also building two planned parking structures, the second of two structures, northwest of the hospital will be a 4 level, 333 car parking structure and a 3 level connecting building with patient services and storage. The \$35 million Oregon Heart & Vascular Institute (OHVI), a six-story structure connected to the Hospital is up and interiors are expected to be completed by opening of the hospital.
- Tentative Plans for citing two medical office buildings are now under review by the City.
- Inn Sight has constructed the first four floors of a new \$11 million six-story Holiday Inn Hotel on a 7-acre site at Kruse and Hutton Way with 153 rooms, restaurant and 4,000 square feet of meeting space. Groundbreaking was in December 2006 and construction is on schedule for completion in May 2008, opening just before 700 media members arrive to cover the 2008 US Olympic trials held at the University of Oregon in Eugene.
- Embassy Suites Hotel has approval for a \$12 million 8-story, full service hotel with approximately 164 rooms in the Beltline-Gateway area. The hotel ground floor would include a swimming pool, a 3,800 square foot restaurant lounge and 6,000 square feet of meeting rooms.
- Sycan B received approval for an additional 55,000 square-foot retail building on its Best Buy commercial site.
- St. Vincent de Paul continued construction of a \$6.7 million dollar 5-story, mixed-use building. With approximately 4,000 square feet of ground floor commercial space, upper stories provide 33, 1-bedroom affordable housing units serving individuals, couples, and small families at or below 50% of the Area Median Income. Renters were moving into the structure by fall of 2007.
- Bayberry Commons' construction on Laura Street is completed for a two-story congregate care facility with 48 assisted living units and 13 Alzheimer's care units.
- Liberty Bank has completed its new 5,000 square-foot branch bank in the Thurston area on a .6 acre-site at Main and 58th Streets.
- Midtown Court, a 5-acre commercial center at Main and 32nd Streets, has received approvals and begun site development for commercial buildings built in 3 phases, including a bank, pharmacy, two restaurants, and 3 retail/office buildings.

- The Springfield Justice Center, a multi-million dollar, three story combined courts, police facility, with standard steel erection is under construction with 2nd and 3rd floor framing nearly done. The Police and Courts facility is expected to be finished in 2008 and the Jail facility in 2010.
- The Armed Forces Reserve Center (AFRC), located on Pierce Parkway, is currently in the planning and construction stages with a 145,000 square foot building and an 11,000 square foot storage building. First floor concrete slab is nearly complete and 1/3 of 64 tilt up panels are finished.
- St. Vincent DePaul received tentative approval in June 2007 for its 54 unit, 3 story, senior housing facility on 3rd Street called the Aster Apartments.
- Brethren Community Services has proposed to expand its housing in Downtown for homeless and chronically ill. The expansion will include a community center, 4,000 square foot retail, and will help create work opportunities for residents.
- Developers of Marcola Meadows, a proposed multi-use development on 28th and Mohawk, submitted a master plan and was amended at the March 20th, 2007 Planning Commission meeting.
- The Relief Nursery began efforts to site a new multi-million dollar facility for children and families in need. The South 42nd Street area has been identified as a future site.
- General Growth reconfigured a large area on the East side of Gateway Mall to open a Chuck E Cheese in November of 2007.
- “A Storage Place” located in Pierce Parkway Industrial Park submitted plans to construct a 100,000 square foot storage facility to include a manager’s office and residence.

Long-term Financial Planning

In the area of capital improvement projects, the council annually approves a list of public projects such as street, sewer and drainage repair and improvements that are tentatively funded for construction in the next five years. These projects are aimed at improving neighborhoods, providing for economic growth, improving traffic safety, and maintaining the existing city infrastructure.

- The Martin Luther King Jr. Parkway and Roundabout were opened to traffic on October 5th, 2006. The project was many years in planning and design and took a year and a half to construct. The \$9.3 million dollar project provides a four –lane arterial link from the Gateway area to downtown Springfield and incorporates the second multi-lane roundabout in the state of Oregon.
- Construction for the new justice center for the city’s police administration and 100-bed municipal jail is well underway. All \$28.65 million of the city’s bonding authority has

been exercised. The completion and move-in for the police administration and municipal court will be later in 2008 with the municipal jail completion scheduled for early 2010.

- The Jasper Road Extension project (managed by Lane County) will connect Main Street to Jasper Road through the Natron area. The project is to be completed in two phases with the initial phase completed last year. The second phase will connect a rural standard road from Daisy to Jasper Road at a cost of \$2.5 million. Construction has begun on Phase 2 and is scheduled for completion in 2008.
- The Gateway/Beltline intersection has been identified as needing major transportation improvements, including the construction of a couplet and purchase of right-of-way. This will be a multi-year project, funded partially by developers and partially by sources yet to be identified, is expected to cost approximately \$15 - \$18 million, depending on the option selected. All design options have been completed and Council is expected to select a final design in early 2008 and right-of-way acquisition is expected to be initiated.
- The City received jurisdiction of transfer of 42nd Street from Main Street to Jasper Road and received payment of \$4.125 million to pay for full improvement to the road. Phase 1 was completed in 2005 and Phase 2 was completed in 2007.
- An ongoing program of sanitary sewer maintenance is in place to deal with the capacity issues caused by excess infiltration and inflow of rain and ground water to the system. Over the next five years, the City expects to spend approximately \$5.2 million on this activity, totally funded by sewer user fees.
- An ongoing program of road maintenance is in place to repair and extend the life of city streets through sealing and overlays. Current budget estimates provide approximately \$3.4 million over five years. Public works estimates that \$5 million would be necessary to maintain the street system in its present condition.
- Drainage improvements for the Springfield Millrace are underway and are expected to take several years. At completion, the project will improve water quality and stabilize year round flows, restoring the aquatic ecosystem from Clearwater Park to the 7th Street bridge. The entire project is anticipated to cost \$4.1 million, with the majority of the funds coming from a federal grant.

Other Issues

Cash Management

Cash, temporarily idle during the year in the City's accounts, was invested in certificates of deposit, obligations of the U.S. Treasury and agencies, commercial paper, and the State of Oregon Local Government Investment Pool, all ranging in maturity from one day to eighteen months. The total amount of interest earned was \$3,627,853 as compared to \$2,928,472 for the prior year. The change is the result of rising interest rates throughout the fiscal year ended June 30, 2007 combined with higher cash balances.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance, the Securities Investor Protection Corporation (SIPC), or collateralized through the Oregon Certification of Participation Collateral Pool.

Investments are required to be reported at fair value rather than cost. For this year, investment value was marked down by \$64,522 to reflect fair value. For fiscal year 2005-06 investments were marked down by \$696,025 to reflect fair value. This is a function of market fluctuation and will not result in a realized loss or gain to the City because our policy is to hold investments to maturity.

Risk Management

The City maintains a professional risk management program. Various risk control techniques, including employee accident prevention training, have been implemented to minimize accident related losses. The City has third-party coverage for all lines of insurance. The liability program has token deductibles of less than \$1,000.

On March 31, 1999, the City terminated the Workers' Compensation Self-Insurance Plan, which had been implemented in 1991. From that date on, worker's compensation claims have been covered by a third-party carrier, SAIF. As of June 30, 2007, the amount of liability for claims incurred before March 31, 1999, but not reported, was estimated at \$2,400.

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 year ended June 30, 2006. This was the twenty-sixth 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. In addition, members of the Public Works staff continue to make a substantial contribution to the financial statement preparation by tracking and valuing the city's infrastructure in order to report in compliance with GASB34.

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

Respectfully submitted,

CITY OF SPRINGFIELD, OREGON



Gino Grimaldi,
City Manager



Robert J. Duey,
Finance Director

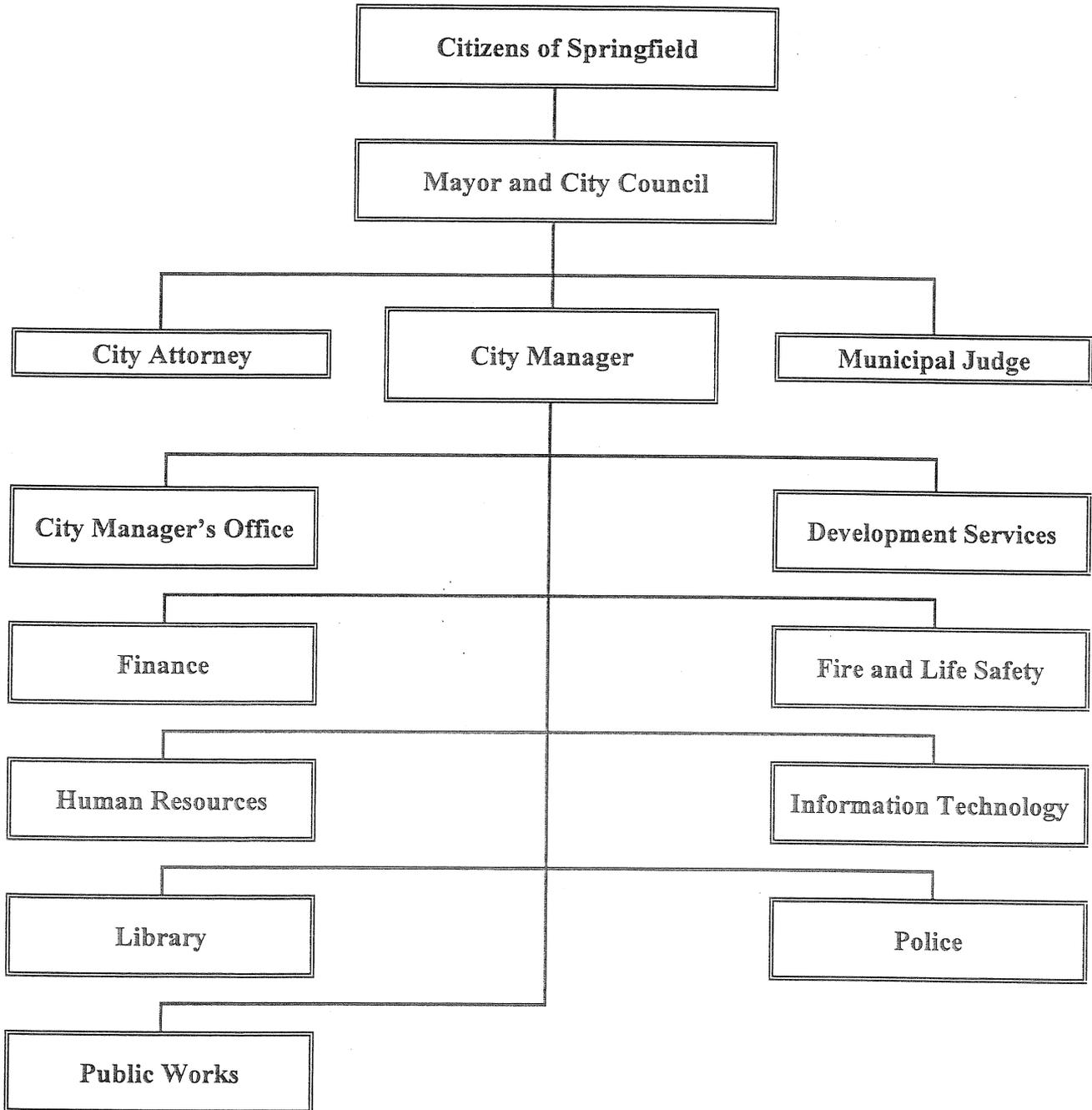


Michael Crocker,
Accounting & Audit Manager

This page intentionally left blank

CITY OF SPRINGFIELD

Organization Chart



City of Springfield, Oregon

Principal City Officials June 30, 2007

Elected Officials

Mayor

Sidney W. Leiken
6856 Holly Street
Springfield, OR 97478

Term Expiration

December 31, 2008

Council Members

Christine Lundberg
127 Woodlane Drive
Springfield, OR 97477

Ward 1

December 31, 2010

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

Ward 2

December 31, 2010

Anne Ballew
953 "C" Street
Springfield, OR 97477

Ward 3

December 31, 2008

David Ralston
2114 "L" Street
Springfield, OR 97477

Ward 4

December 31, 2008

John Woodrow
1009 S 59th Street
Springfield, OR 97477

Ward 5

December 31, 2010

Joe Pishioneri
961 S 70th Street
Springfield, OR 97478

Ward 6

December 31, 2008

Administrative Officials

Gino Grimaldi
Jeff Towery
Robert J. Duey

City Manager
Assistant City Manager
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Springfield
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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



President

Executive Director

This page intentionally left blank