

City of Springfield Oregon

Comprehensive Annual
Financial Report

Fiscal Year Ended June 30, 2012



125th Anniversary Mural, Downtown Springfield



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CITY OF SPRINGFIELD, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2012

Prepared by:

Finance Department
Accounting Division

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City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2012

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Introductory Section

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

225 FIFTH STREET
SPRINGFIELD, OR 97477
(541) 726-3705
FAX (541) 726-3782
www.ci.springfield.or.us

December 14, 2012

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, 2012.

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, 2012, 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, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

In addition to meeting the requirements set forth above, the independent audit also was designed to meet the special needs of federal grantor agencies as provided for in the Federal Single Audit

Act and the Office of Management and Budget's (OMB) Circular A-133. These standards require that the independent auditor report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The results of the independent audit for the fiscal year ended June 30, 2012, indicated no instances of material weaknesses in the internal control structure nor significant violations of applicable laws and regulations. The independent auditor's reports related specifically to the Single Audit and OMB Circular A-133 are included in the Compliance Section.

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

Profile of the Government

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

Home to approximately 59,695 people, Springfield is bordered north and south by the McKenzie and Willamette Rivers, covering approximately 15 square miles in Lane County. The Springfield community has rich cultural assets like the Springfield Museum and Historic Interpretive Center, Washburne Historic District, Springfield Railroad Depot, Oregon Trail Mural, and Dorris Ranch Living History Farm.

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

For financial reporting purposes, the City includes all funds of the City subject to appropriation by the City Council. In addition, the City includes all governmental organizations and activities for which the City Council is financially accountable. Therefore, the financial statements of the Urban Renewal Agency of the City of Springfield, although legally separate, have been blended with those of the City by including them in the appropriate statements and schedules in this report. The City performs all administrative duties for the legally separate Metropolitan Wastewater Management Commission. It would be misleading to omit information about this

entity from the financial statements and so it is included as a discretely presented component unit. Other potential component units have been evaluated and determined not to be component units of the City according to the criteria provided by the Governmental Accounting Standards Board.

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

Under the changes made by Measure 50, Oregon's municipalities now levy their annual property taxes on a partial rate-based levy system. Springfield has been assigned a permanent tax rate of \$4.7403 per thousand dollars of assessed valuation for its annual property tax operating levy. This amount can be temporarily overridden through the use of voter-approved serial levies. In November 2006, Springfield voters renewed a special purpose four-year property tax levy for fire services at a rate of \$.40 per thousand. In the same election, voters approved a second 5-year \$1.09 per thousand to fund police and municipal court services and operation costs for a city jail. Subsequently in November 2010, Springfield voters re-authorized the levy for fire services at a rate of \$0.36 per thousand for five years beginning July 1, 2011 and in November 2012 voters re-authorized the levy for police, court, and jail services at a rate of \$1.28 per thousand for five years beginning July 1, 2013. Springfield still has the authority to levy an additional dollar value property tax levy for the retirement of its voter-approved general obligation bond debt. For the fiscal year ended June 30, 2012, the amount of the tax levy for general obligation bonded debt was \$0.837 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 9.6% in July of 2011 to 8.6% in June 2012. In July 2012, Lane County's seasonally adjusted unemployment rate was the same as the statewide figure of 8.7% and above the United States rate of 8.3%. Lane County's non-farm not-seasonally-adjusted employment in June 2012 was 165,049 compared to 167,326 the previous year, an annualized loss of 1.4 percent.

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

- **Hop Valley Brewery** expanded by adding a third beer fermenter to increase production of its craft beers, having originally started with a single fermenter at its Gateway location. This was also the site where regional craft brewer **Ninkasi Brewing** got its start several years ago and is now the nation's fastest growing craft brewery. Hop Valley has announced production expansion at a new facility in nearby Eugene proximate to Ninkasi's expanding facilities.
- **Fred Meyer** completed construction of a retail fueling facility with five multi-product dispensers for a total of ten fueling positions at its 650 Q Street site.
- **Willamalane Parks and Recreation District** has proposed a \$20 million bond for the November 2012 general election to assist with funding of a \$4 million four-mile long loop path that is the second phase of an eight-mile multi-use, bicycle/pedestrian path from Clearwater Park west to the Dorris Ranch Park along the Middle Fork of the Willamette River. The initial \$3 million first phase of the ten-foot wide asphalt path, completed in 2011, links Clearwater Park with Quarry Creek and opens access to a recreational area of more than 30 acres of undeveloped land jointly owned by the District, City of Springfield, and Springfield Utility Board. The full project includes trailheads with vehicle parking, rest areas, two bridges, viewing areas, and water access points.
- **Relief Nursery** had plans approved and broke ground on its new 14,900 square foot building on South 42nd Street in mid-Springfield. The facilities provide day care, education, and support services for children of low-income and working parents. The site will include parking lots and associated infrastructure for its operations and 44 employees.
- **Planned Parenthood** received approval for its final site plans and began construction on a new two-story 19,900 square foot medical office building. The multimillion dollar facilities are located on the 3500 block of Franklin Boulevard in Glenwood. This is the first major building along Glenwood's primary east-west connection between Springfield and Eugene's downtowns and on property already annexed to Springfield.
- **EWEB** submitted plans for its Hayden Bridge water intake facility. These plans include modifications to the water intake facility and construction of new valve vaults, a 1,000 square foot pre-engineered metal compressor building, and in-river intake screens. These enhancements will solidify EWEB's water processing facilities that supply nearly all of the City of Eugene's drinking water.
- **Panda Express** submitted plans and received approvals for demolition of an existing 1,840 square foot restaurant in the Gateway area (formerly Taco Time) and construction of a new 2,096 square foot restaurant with a drive-thru.

- **Buffalo Wild Wings** has submitted plans to remove an existing building (Hollywood Video) and replace it with a similarly sized restaurant on one of the pads of the Gateway Mall in the Gateway area. Construction on the building is expected to begin in late 2012 and be completed in early 2013. Headquartered in Minneapolis, Minnesota, Buffalo Wild Wings operates more than 800 locations in about 40 states. The restaurants specialize in Buffalo-style chicken wings with a variety of dipping sauces and dry rubs as well as ribs, chicken, burgers, salads, and appetizers. They feature full bars with a wide selection of beers and numerous large-screen TVs showing sporting events.
- **Tarantola Properties** has submitted plans to repair a vacant building shell and refurbish the existing fire-damaged office structures and use them for administrative offices for its investments in the Springfield area. Off North 28th Street, the firm would construct another warehouse with industrial spaces suitable for leasing to smaller start-up businesses. These smaller industrial incubator spaces have proven successful in their lease-up as construction is completed at the firm's multiple locations in the Springfield metro area.
- **Oregon's Only Organic** is proposing to open a manufacturing, warehousing, and distribution facility of organic plant supplements at an existing building in north Springfield on Olympic Street. The 24,900 square foot steel building will be used for manufacturing, storing, and shipping bottled liquid soil nutrients.
- **Pac-Land Engineering** submitted plans and received approval for modifying an existing 30,000 square foot building (the site left vacant when Circuit City closed its doors in 2009) and recasting it as a **Wal-Mart Neighborhood Market** store. Located in the Gateway Mall area, the stand-alone store is one of Walmart's smaller format stores at 39,000 square feet (about one-fifth the size of a Walmart Supercenter). The Neighborhood Market stores primarily focus in on groceries and Oregon produce and food as well as wine, a self-service deli, and a self-serve bakery. The store will employ about 65 people and likely open 2013. This west coast store will be added to the five in Oregon, two in California, and about a dozen in Washington. Walmart competitor **Target** recently expanded its offerings in its nearby Gateway Mall store with a 10,000 square-foot grocery section.
- In the Gateway area, **Symantec**, a global security software and services firm, has completed approximately \$3 million of interior remodeling and building upgrades which include seismic upgrades to exterior footings, wing walls and pilings and installation of a new lab and electrical generator equipment. These improvements are in anticipation of expanded, but not yet announced, services and security to be provided on site.
- **Hyland Business Park, LLC** has proposed an industrial business park just north of High Banks Road and 52nd Street. The proposal includes five warehouses and associated site improvements on a five-acre site zoned for light/medium industrial uses. The new structures would allow multiple tenants to have modest office space within the individual industrial buildings.

Long-term Financial Planning

As has been the past several years', subtle signs of an economic recovery in the private sector are still finding it difficult to surface in the public sector. Local governments in Oregon such as Springfield depend on the health of the housing and construction segment of the economy to support sustained growth. During this time, values of existing housing stock have not yet stabilized nor have any 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.

The continuation of underperforming revenues is probably the single biggest factor in the City needing to re-visit its approach to the annual budgeting process. The City is beginning to implement a more regimented program of priority based budgeting that attempts to draw a stronger correlation between its Council goals, performance measures, and budgeting decisions. It is anticipated that this could be a two to three year budget cycle effort with marked progress being identified in each of the ensuing years.

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

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

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

Public Safety Services:

The Cities of Springfield and Eugene are continuing to study the feasibility of merging some or all of the fire and ambulance services for the two communities. The effort to complete this merger, now in year three, has taken longer than anticipated, but is still proceeding on a

successful path. Currently, the primary shared positions are that of the Fire Chief, Deputy Chief of Operations, Fire Marshal, and Battalion Chief for Training. In addition, other positions, such as Battalion Chief of Operations, from each city are being assigned to work in the other respective city to become more familiar with how a merged operation would function, as it is anticipated that more line positions will be assigned to work in each other's organization soon. Currently, new employee recruitments, trainings, and work assignments are being handled jointly. The next phase will include the study of a model of governance that would satisfy the needs of both communities. This next phase will move the discussion into the 2013 calendar year with the possibility of a final decision by the two City Councils by mid-year.

Urban Renewal:

Within the past six years, the City has initiated the formation of two urban renewal districts within our community. One is for the core downtown area and the other is for the Glenwood area, located immediately adjacent to downtown and across the river. The formation of the two urban renewal districts is important to the City's strategy for attracting new or additional commercial and industrial businesses to our area. To be better prepared to attract business growth at a time when the economy is in recovery, the City has continued to invest in planning activities. This past year has seen the completion of the Downtown Study Plan and the final adoption of the Glenwood Refinement Plan. These plans have allowed the City to continue to move forward with infrastructure improvements for streets, sanitary sewer, and stormwater utilities to accommodate expansion and location requests.

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 property, that are programmed for planning, designing, and construction in the next five years. Programming in the CIP is based upon the then most-current estimates of available funding. Actual funding decisions are made during the City's annual budgeting process. These projects are aimed at improving neighborhoods, providing for economic growth, improving traffic safety, and maintaining the existing City infrastructure and facilities. Some of the major projects in each of these program areas include the following:

Transportation and Streets:

- ◆ For the 2013-2017 five-year outlook, due to the initiation of a right-of-way use fee for the storm and sanitary utilities, roughly \$400,000 in annual funding has been made available for street capital projects through 2016; however, a continued shortfall in funding for transportation and street projects is projected. Revenues generated from the local motor fuel tax are not projected to provide sufficient funding to adequately fund the City's current street preservation program.

- ◆ Franklin Boulevard Reconstruction – The project will construct modern urban standards improvements on Franklin Boulevard in Glenwood to support Glenwood redevelopment and provide safe and convenient facilities for transit, bicycles, pedestrians and autos. Glenwood redevelopment is a Council priority goal and upgrading and modernizing Franklin Boulevard is seen as a critical step to achieving this goal. The next activity in moving Franklin reconstruction forward will be to complete the required National Environmental Policy Act (NEPA) documentation, likely an Environmental Assessment (EA). The cost to complete an EA is approximately 80% funded with City Transportation Systems Development Charges (SDC) funds, Central Lane Metropolitan Planning Organization (CLMPO) discretionary federal funds, and Springfield Economic Development Agency (SEDA) funds. Springfield continues to work on identifying gap funding to complete the EA process and is now working with the Oregon Department of Transportation (ODOT) to begin the EA.

Wastewater:

- ◆ Jasper Trunk Sewer Extension – The Jasper Trunk Sewer Extension will provide sewer service to the Jasper/Natron urban growth area that is currently not serviced. The City Council has made this a priority project to promote development and community growth. In FY 2012, the project was divided into four separate construction contracts and construction on the first phase began. Construction of the first phase allowed for the decommissioning of the Lucerne Meadows Pump Station, which was due for major upgrades. Construction of the second phase is anticipated in FY 2013 and will allow for the decommissioning of two additional pump stations. Funding for the project was secured through the issuance of revenue bonds in 2009.
- ◆ Sewer Wet Weather Flow Abatement – This program is an on-going series of construction projects to address capacity problems in the wastewater system. Resolving these capacity problems is necessary to enable the City to maintain compliance with Federal and State requirements to eliminate sanitary sewer overflows (SSOs). By the end of FY 2010, the most urgent construction projects identified in 2001 Wet Weather Flow Management Plan in Springfield had been completed. These projects had been identified as essential to complying with an order of the U.S. Environmental Protection Agency to insure that no overflows of the wastewater system occur on or after December 31, 2009. Additional capacity concerns and associated construction projects were identified by the City in the 2008 Wastewater Master Plan, such as rehabilitation of sewers in Basin 22, a new parallel trunk sewer under Highway 126, and a flow control manhole and relief sewer on 58th Street. These projects are currently funded and it is anticipated that construction of these projects will be completed in FY 2013.
- ◆ In addition, Infiltration and Inflow (I/I) reduction efforts will continue in the local collection system to maintain compliance with the SSO prohibition. To assist this effort in the local collections system, an update to the 2008 Wastewater Master Plan is programmed in the CIP and is expected to generate a new list of projects for the City to complete over the next decade. Until the update to the Wastewater Master Plan is completed, Sewer Wet Weather Flow Abatement funding has been deferred so that other high priority projects can proceed.

Stormwater:

- ◆ Over-Under Channel Pipe Replacement – The Over-Under Channel is part of the City’s stormwater system serving mid-Springfield from 5th to 28th Streets and from Main Street to Highway 126. The name of the Channel comes from the configuration of the system where stormwater is collected and conveyed in both an open channel and in a large pipe located under and adjacent to the channel. A portion of the piped system, from the east side of Silke Field to the outfall of the system into the Q Street Channel at Moffitt School, is a corrugated metal arch pipe (CMP) installed in the late 1950’s and early 1960’s. Staff has found that this CMP has reached the end of its useful life and is showing signs of corrosion and minor failures. In FY 2011, the City Council approved funding to design a replacement pipe system and identify the amount of additional funds needed to commence construction in FY 2013.
- ◆ In addition to the above major projects, several other projects are also already budgeted and scheduled, including: the Mill Race Stormwater Facility, Booth Kelly Drainage, and the restoration of the Lower Mill Race and Mill Race Outfalls.

Major Initiatives

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

Provide Financially Responsible and Innovative Government Services

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

Encourage Economic Development and Revitalization through Community Partnerships

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

Foster an Environment that Values Diversity and Inclusion

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

Strengthen Public Safety by Leveraging Partnerships and Resources

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

Maintain and Improve Infrastructure and Facilities

- Planned infrastructure maintenance is performed
- Preservation projects and completed on schedule
- Out-of-service signalized intersection repaired within 48 hours after 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, 2011. This was the thirty-first consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

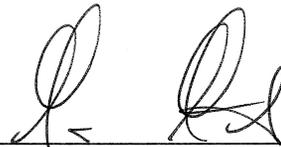
Acknowledgments

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

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

Respectfully submitted,

CITY OF SPRINGFIELD, OREGON



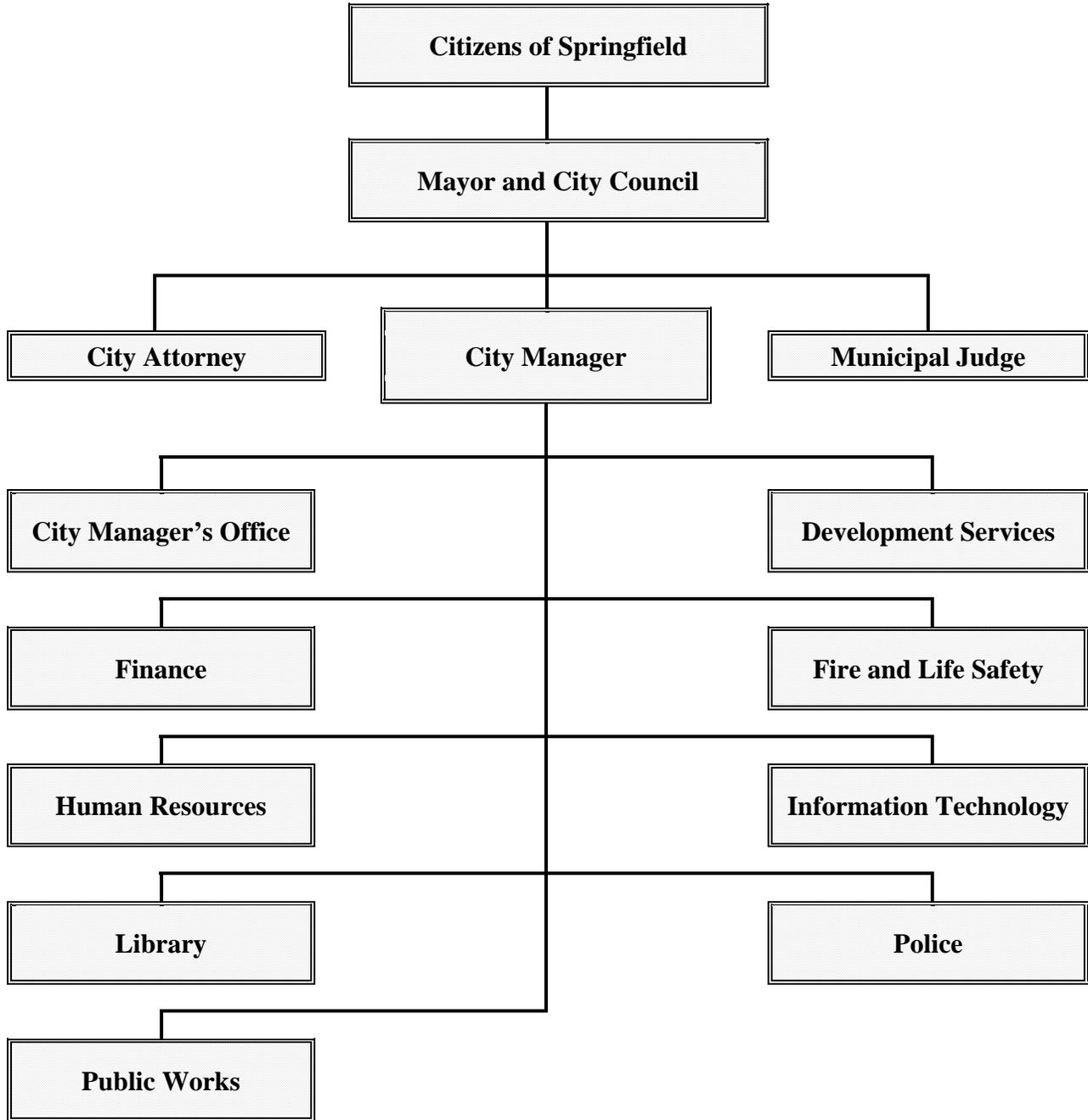
Gino Grimaldi,
City Manager



Robert J. Duey,
Finance Director

CITY OF SPRINGFIELD

Organization Chart



City of Springfield, Oregon

Principal City Officials June 30, 2012

Elected Officials

Mayor

Christine Lundberg
2031 2nd Street
Springfield, OR 97477

Term Expiration

December 31, 2012

Council Members

Sean VanGordon
2327 Clear Vue Lane
Springfield, OR 97477

Ward 1

December 31, 2012

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

Ward 2

December 31, 2014

Sheri Moore
1955 16th Street
Springfield, OR 97477

Ward 3

December 31, 2012

David Ralston
2114 "L" Street
Springfield, OR 97477

Ward 4

December 31, 2012

Marilee Woodrow
1009 South 59th Street
Springfield, OR 97477

Ward 5

December 31, 2014

Joe Pishioneri
961 S 70th Street
Springfield, OR 97478

Ward 6

December 31, 2012

Administrative Officials

Gino Grimaldi
Jeff Towery
Robert J. Duey

City Manager
Assistant City Manager
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Springfield
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

Financial Section

SPRINGFIELD



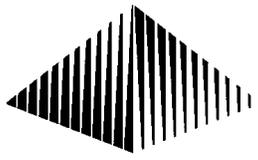
OREGON

Independent Auditor's Report

SPRINGFIELD



OREGON



GROVE, MUELLER & SWANK, P.C.

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springfield, Oregon as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springfield, Oregon as of June 30, 2012, and the respective changes in financial position and the cash flows where applicable thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

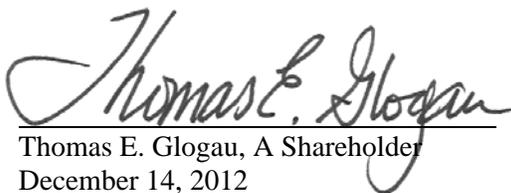
In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2012 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) on pages 3 through 18 the schedules of revenues, expenditures and changes in fund balance – budget and actual for the General Fund and major special revenue fund (pages 62 and 63), and the schedule of OPEB and CRP funding progress (page 64) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting

Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A and the schedule of OPEB and CRP funding progress in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The schedules of revenues, expenditures and changes in fund balance – budget and actual for the General Fund and major special revenue 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Springfield's financial statements as a whole. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*, and is also not a required part of the financial statements. The other supplementary information, and the schedule of expenditure of federal awards is the responsibility of management and was derived from and relates 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.

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

By: 
Thomas E. Glogau, A Shareholder
December 14, 2012

Management's Discussion and Analysis

SPRINGFIELD



OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Springfield's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2012. 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, 2012 increased \$1.2 million from \$293 million to \$294.2 million, or .4% from the prior year. This increase was primarily due to the addition of \$.3 million in accounts receivable and \$1 million in cash and investments.
- The City's total liabilities decreased by \$3.6 million from \$81.6 million to \$78 million. This decrease was primarily due to a \$3.5 million decrease in bonded debt, a \$.4 million decrease in compensated absences and a \$1 million decrease in notes payable offset by a \$.7 million increase in the City's OPEB obligation and a \$.6 million increase in accounts payable.
- The net assets of the City (assets less liabilities) at June 30, 2012 increased \$4.8 million from \$211.4 million to \$216.2 million, or 2.3 % from the prior year.
- At June 30, 2012, the City's governmental funds reported a combined ending fund balance of \$20.4 million, an increase of \$.1 million, or .5% from the prior year. Of this total amount, \$7.1 million (35%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$13.1 million (64%) 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, \$.2 million (1%) is in a nonspendable form.
- At the end of fiscal year 2012, the unassigned fund balance in the General Fund was \$7.1 million which was 23% 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 assets presents information on all of the City's assets and liabilities, with the difference between

the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

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

The business-type activities of the City include:

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

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

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

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

The government-wide financial statements can be found on pages 19-20 of the basic financial statements.

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government activities. The reconciliations can be found on pages 21 and 23 in the basic financial statements.

The City maintains 21 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for those funds that are considered significant (major) to the City taken as a whole. These financial statements report two funds: General Fund and Housing and Community Development Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The governmental funds financial statements can be found at pages 21-22 in the basic financial statements.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in government-wide financial statements. The City uses enterprise funds to account for its Local Sewer Operations, Storm Drainage Operations, Ambulance Service and Booth-Kelly operations. Internal service funds are an accounting device used to accumulate and allocate costs internally

among the City's various functions. The City uses internal services funds to account for its equipment, including its fleet of vehicles and its computer and telecommunication equipment, for employee benefits and risk management activities, and for administrative activities related to the System Development Charge program. Because all three of these services predominantly benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

The proprietary funds financial statements can be found on pages 24-26 in the basic financial statements.

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

The fiduciary fund financial statement of net assets can be found on page 27 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 28-61 of this report.

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

Other supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds, the schedule of property tax transactions, the schedule of bonded debt transactions and future requirements for bonded debt are included in this report and can be found on pages 65-121.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$216.2 million at the close of the most recent fiscal year.

The largest portion of the City's net assets, \$166.5 million, or 77%, reflects its investment in capital assets (e.g., land and right-of-way, buildings, improvements, equipment, and infrastructure, net of accumulated depreciation), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Springfield's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 42,297,776	\$ 41,317,677	\$ 46,036,708	\$ 45,866,809	\$ 88,334,484	\$ 87,184,486
Capital assets, net, where applicable, of accumulated depreciation	<u>137,493,724</u>	<u>140,952,668</u>	<u>68,369,941</u>	<u>64,865,184</u>	<u>205,863,665</u>	<u>205,817,852</u>
Total assets	<u>179,791,500</u>	<u>182,270,345</u>	<u>114,406,649</u>	<u>110,731,993</u>	<u>294,198,149</u>	<u>293,002,338</u>
Noncurrent liabilities	34,105,020	36,069,303	37,521,293	39,656,298	71,626,313	75,725,601
Other liabilities	<u>4,116,377</u>	<u>4,150,544</u>	<u>2,301,430</u>	<u>1,716,451</u>	<u>6,417,807</u>	<u>5,866,995</u>
Total liabilities	<u>38,221,397</u>	<u>40,219,847</u>	<u>39,822,723</u>	<u>41,372,749</u>	<u>78,044,120</u>	<u>81,592,596</u>
Net assets:						
Invested in capital assets, net of related debt	108,631,529	109,751,002	57,872,702	51,248,289	166,504,231	160,999,291
Restricted	11,424,559	12,102,762	3,236,454	3,091,423	14,661,013	15,194,185
Unrestricted	<u>21,514,015</u>	<u>20,196,734</u>	<u>13,474,770</u>	<u>15,019,532</u>	<u>34,988,785</u>	<u>35,216,266</u>
Total net assets	<u>\$141,570,103</u>	<u>\$142,050,498</u>	<u>\$ 74,583,926</u>	<u>\$ 69,359,244</u>	<u>\$216,154,029</u>	<u>\$211,409,742</u>

A portion of the City's net assets, \$14.7 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$35 million or 16%, may be used to meet the government's ongoing obligations to citizens and creditors.

City of Springfield's Change in Net Assets

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 7,902,842	\$ 7,242,276	\$ 19,313,130	\$ 19,239,179	\$ 27,215,972	\$ 26,481,455
Operating grants and contributions	5,514,649	5,616,572	-	-	5,514,649	5,616,572
Capital grants and contributions	1,109,866	3,661,254	1,448,360	1,129,770	2,558,226	4,791,024
General revenues:						
Taxes	30,702,494	29,685,700	-	-	30,702,494	29,685,700
In lieu of tax payments	2,358,273	2,373,660	-	-	2,358,273	2,373,660
Shared revenue	1,400,459	1,387,527	-	-	1,400,459	1,387,527
Interest and investment earnings	337,514	421,956	237,091	292,416	574,605	714,372
Miscellaneous receipts	727,049	486,358	16,990	368,134	744,039	854,492
Total revenues	50,053,146	50,875,303	21,015,571	21,029,499	71,068,717	71,904,802
Expenses:						
General government	4,724,454	5,386,231	-	-	4,724,454	5,386,231
Fire	11,847,128	11,760,498	-	-	11,847,128	11,760,498
Police	19,694,617	18,444,853	-	-	19,694,617	18,444,853
Library	1,519,866	1,513,148	-	-	1,519,866	1,513,148
Public works	7,899,474	8,446,669	-	-	7,899,474	8,446,669
Development services	3,485,221	4,358,054	-	-	3,485,221	4,358,054
Unallocated depreciation & amortization	284,439	283,227	-	-	284,439	283,227
Interest on debt	1,220,457	1,301,309	-	-	1,220,457	1,301,309
Sewer	-	-	5,190,475	4,886,099	5,190,475	4,886,099
Drainage	-	-	3,843,225	4,031,641	3,843,225	4,031,641
Booth Kelly	-	-	1,430,803	1,334,099	1,430,803	1,334,099
Ambulance	-	-	5,184,271	5,202,146	5,184,271	5,202,146
Total expenses	50,675,656	51,493,989	15,648,774	15,453,985	66,324,430	66,947,974
Increase in net assets before transfers	(622,510)	(618,686)	5,366,797	5,575,514	4,744,287	4,956,828
Transfers	142,115	107,047	(142,115)	(107,047)	-	-
Increase (decrease) in net assets	(480,395)	(511,639)	5,224,682	5,468,467	4,744,287	4,956,828
Net assets - beginning, as restated	142,050,498	142,562,137	69,359,244	63,890,777	211,409,742	206,452,914
Net assets - ending	<u>\$141,570,103</u>	<u>\$142,050,498</u>	<u>\$ 74,583,926</u>	<u>\$ 69,359,244</u>	<u>\$216,154,029</u>	<u>\$211,409,742</u>

Entity-wide change in net assets: Entity-wide net assets increased by \$4.7 million in the current fiscal year compared to an increase of \$5 million in the prior year. This modest \$.3 million (6%) year-to-year decrease in the change in entity-wide net assets can be attributed to normal fluctuations in annual operating revenues and expenditures, the details of which are provided below.

Governmental Activities. Governmental activities before transfers held steady with a deficit of \$.6 million in both the current and prior year. This stability masks some significant fluctuations in revenues and expenses, the details of which can be explained by the following highlights:

- Capital grants and contributions decreased by \$2.6 million (70%) from the prior year. This is a significant decrease from the prior year and can be attributed to the continued depression in development activity in the City.
- Charges for services increased by \$.7 million (9%) from the prior year and can be primarily attributed to the implementation of a right-of-way use fee charged to the sanitary sewer and storm drainage utilities that generated almost \$400,000 and the reinstatement of an internal facility rent fee charged to enterprise activities that generated \$150,000.
- Operating grants and contributions decreased by \$.1 million (1.8%) from the prior year. This is primarily due to a decrease of \$415,000 in federal funding from the U.S. Department of Housing and Urban Development offset by an increase of \$360,000 that resulted from the reclassification of pass-thru 911 tax revenues as an operating grant and contribution.
- Taxes increased by \$1 million (3.4%) from the prior year and can primarily attributed to an increase in property tax receipts resulting from a 3.6% increase in assessed values for the City.
- Interest and investment earnings decreased by \$84,000 (20%) from the prior year due to a decrease in the return on the City's cash and investments.
- Miscellaneous receipts increased by \$.2 million (50%) from the prior year and can be primarily attributed to a large health insurance premium refund that resulted from a lower than expected medical claims experience.
- Expenses for the Police Department increased by \$1.2 million (6.8%) from the prior year and can be primarily attributed to a \$.6 million increase in the interest guarantee for the City Retirement Plan as well as normal inflationary pressures.
- Expenses for the Development Services Department decreased by \$.9 million (20%) from the prior year and can be attributed to a combination of factors that include a significant reduction in federal funding from the U.S. Department of Housing and Urban Development, one-time projects completed in the prior fiscal year, and a reduction of staffing in the Building Code Fund resulting from the continued depression in development activity.
- Expenses for the Public Works Department decreased by \$.5 million (6.5%) from the prior year due to a one-time \$.5 million Energy Efficiency Community Block Grant received in the prior year.

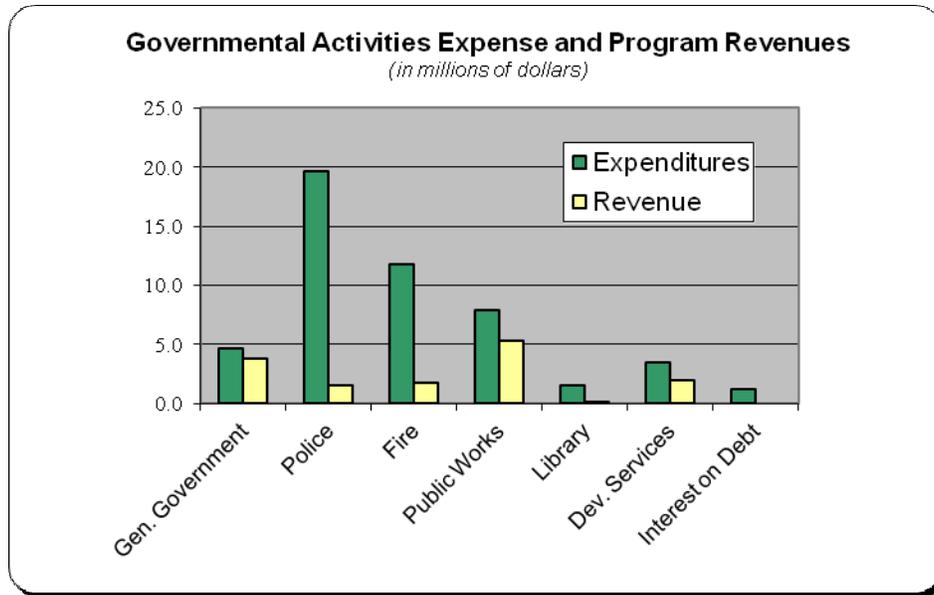


Chart 1

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

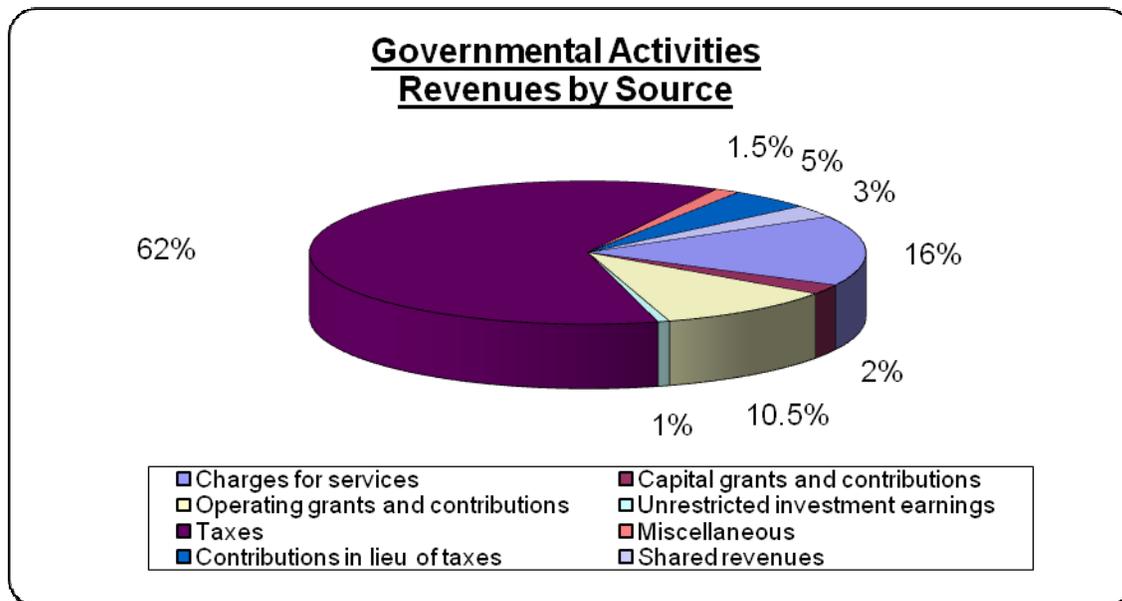


Chart 2

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

Business-type Activities. The change in business-type activities before transfers decreased from \$5.6 million in the prior year to \$5.4 million in the current year. This decrease of \$.2 million can be explained by the following highlights.

- Capital grant and contributions increased by \$.3 million (28.2%) from the prior year due to an increase in donated sewer lines. Donation of infrastructure does not always correspond with the year of construction and single large projects can sometimes distort trends on whether the outlook on development activity is improving.
- Miscellaneous receipt decreased by \$.4 million (95%) from the prior year due to a large one-time revenue received in the prior year.
- Sanitary Sewer expenses increased by \$.3 million (6.2%) from the prior year and can be primarily attributed to a new right-of-way use fee paid to the City and an increase in internal fees paid to the SDC Administration Fund.
- Stormwater Drainage expenses decreased by \$.2 million (4.7%) from the prior year and can be primarily attributed to a decrease of storm sewer repair expenses in the current year.
- Booth Kelly expenses increased by \$100,000 (7.2%) from the prior year and can be primarily attributed to an increase in property maintenance expenses.

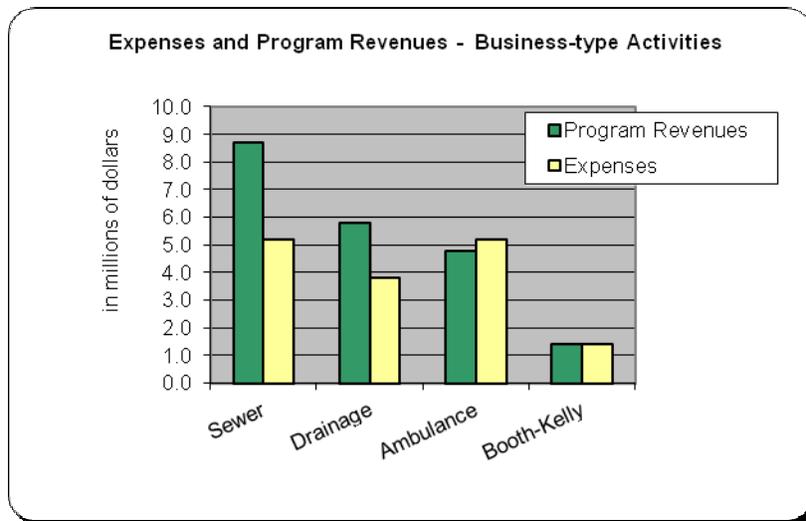


Chart 3

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.

The Ambulance Fund returns to a trend of expenses exceeding revenues after a single, and what now appears to be an outlier, year of a positive change in net assets in the prior year. A major contributing factor to this trend has been the reduction in Medicare reimbursements for ambulance services that began April 1, 2002, and was fully implemented by December 31, 2005. Included in this fund are the business-type activities of ambulance billing services for other agencies and the FireMed program. The City has worked aggressively to grow both programs with the goal of replacing this lost revenue.

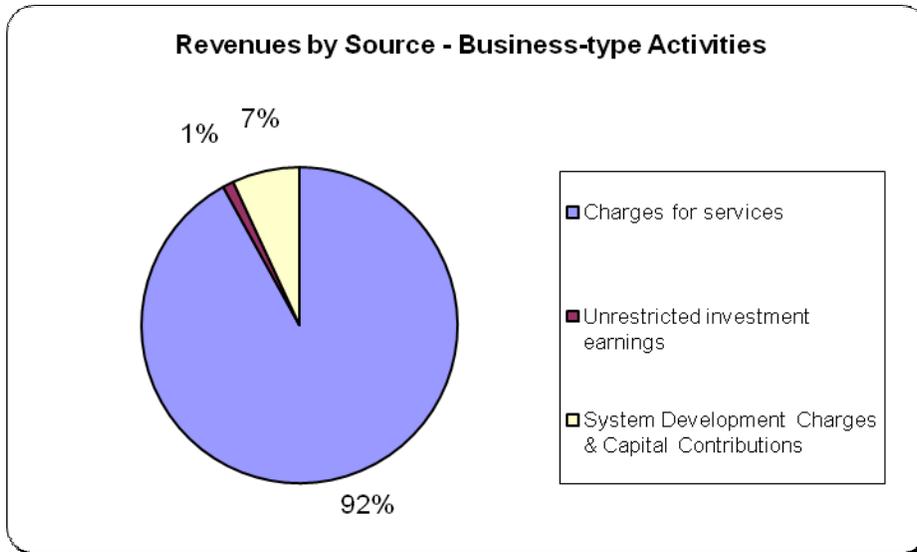


Chart 4

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

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$20.4 million. Of this total amount, \$7.1 million (35%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$13.1 million (64%)

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, \$.2 million (1%) is in a nonspendable form.

The General Fund is the chief operating fund of the City of Springfield. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7.1 million, while the total fund balance was \$7.8 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 23% of total General Fund expenditures, while total fund balance represents 25% of that same amount.

The fund balance of the City's General Fund increased by \$.2 million during the current fiscal year compared to decrease of \$.3 million in the prior year. This increase of \$.5 million can be explained by the following highlights:

- Property taxes increased by \$.5 million (3%) from the prior year due to an increase in assessed values for the City.
- Charges for services increased by \$.6 million (13%) from the prior year and can primarily attributed to implementation of a right-of-way use fee charged the sanitary sewer and storm drainage utilities as well as reinstatement of an internal facility rent fee.
- Miscellaneous receipts increased by \$.2 million (90%) from the prior year due to a refund from Lane County that resulted from the discontinuation of the AIRS project, a regional public safety database.
- Police expenditures increased by \$.7 million (6%) from the prior year due to an increase in the interest guarantee for the City Retirement Plan as well as normal inflationary pressures.
- Expenditures for the Development Services Department decreased by \$.25 million due to one-time projects completed in the prior year.
- Interfund transfers out decreased by \$.25 million offset by a \$.35 million decrease in interfund transfers in. This decline in General Fund interfund transfer activity represents a growing trend at the City of scarcer resources across all City funded services, resulting in the General Fund providing less support to other funds as well as receiving less support.

While the fund balance of the Housing and Community Development Fund remained relatively unchanged from the prior year, both revenues and expenditures decreased by \$.4 million (27%) from the prior year. This decrease is due to a significant reduction in federal funding from the U.S. Department of Housing and Urban Development.

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

As of the end of the current fiscal year, the City's proprietary funds reported combined ending net assets of \$74.6 million. Of this amount, \$13.5 million (18%) constitutes unrestricted net assets. Proprietary fund highlights are as follows:

The Sanitary Sewer Operations Fund reported a \$.6 million increase in net assets. This increase can be primarily attributed to capital contributions of \$1.4 million and a 4% increase in local sewer user fees offset by a \$2.8 million transfer to the Sewer Capital Projects Fund.

The Storm Drainage Operations Fund reported a \$.4 million decrease in net assets. This decrease can be primarily attributed to a \$2.5 million transfer to the Storm Capital Projects Fund offset by a 3% increase in local drainage user fees.

The Sanitary Sewer Capital Projects Fund reported a \$2.9 million increase in net assets, primarily due to a transfer from the Sanitary Sewer Operations Fund for anticipated projects in the coming year.

The Storm Drainage Capital Projects Fund reported a \$2.5 million increase in net assets, primarily due to a transfer from the Storm Drainage Operations Fund for anticipated projects in the coming year.

The Ambulance Fund reported a loss of \$.2 million. As discussed earlier, this has been a continuing trend resulting from the reduction in Medicare reimbursement for ambulance services. The City has determined that this is an important service for the community and decided to subsidize ambulance services out of the General Fund.

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

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was a net increase of \$73,870. Details of this increase are as follows:

- \$ 26,000 increase to General Government
- 16,019 increase to Fire
- 9,865 increase to Library
- 500 increase to Public Works
- 360,000 increase to Non-Departmental transfers
- 338,514 decrease in the City reserves

For actual expenditures, the City under spent the amended budget by \$463,170.

The continuation of the impacts of the economic recession could be seen in the difficulty of the City to accurately project its revenues in early 2011 for the fiscal year ending June 30, 2012.

That trend began with the release of property tax information in October of 2011. Other impacts being seen were a continuation of a loss of revenue from permits and fees as well as franchise revenues tied to economic activity. These differences in actual revenue received compared to the amended budget are as follows:

- \$ 493,411 increase in property taxes
- 394,511 decrease in licenses, permits and fees
- 233,392 decrease in intergovernmental revenues
- 76,915 decrease in interest and investment earnings
- 112,852 decrease in charges for service
- 334,834 decrease in fines and forfeitures
- 142,453 increase in miscellaneous revenues
- 61,178 increase in internal transfers
- 306,149 decrease in beginning cash (amended over adopted budget)

For the year ended June 30, 2012, the total variance between the final amended budgeted revenue and the actual budget-basis revenue amounts in the General Fund was -1.9%, where actual revenues were less than budgeted revenues. Actual current property tax revenues were 3.8% above budgeted amounts. Other revenue line items were generally below budget, with the aggregate difference representing the -5.7% variance. Beginning fund balance on July 1, 2011 was \$306,149 less than budgeted (-3.9%) while ending fund balance on June 30, 2012 was \$340,273 (-4.2%) less than was projected in the FY13 Adopted Budget.

In response to the economic conditions, the City monitored both revenue and expenditure estimates throughout the year and determined mid-year that more stringent targets than each department's legal authority would be necessary to meet year-end targets. At mid-year, revenues were projected to be \$500,000 under budget at year-end. In response, management imposed strict vacancy control requirements that were intended to generate a savings by year-end of \$500,000. Actual expenditures to amended budget actually resulted in an under expenditure of 1.7%. Personal services are the largest component of the General Fund's operating budget (81%), and as a result of the managing the timing of re-filling vacant positions, this category was under expended by \$479,418 (1.9%). Material and services comprises 18% of the General Fund operating budget and was under expended by 1.1%. Capital outlay, comprising less than 1% of the General Fund operating budget, was overspent by \$73,704 during the past year as the result of the timing for a planned software upgrade project and is not seen as an ongoing or significant issue.

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, 2012, amounts to \$205.9 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 during the year were recorded at an estimated cost of \$1 million.
- Donated sewer lines during the year were recorded at an estimated cost of \$1.4 million.
- The Sanitary Sewer Rehab for Basin 22 was completed for \$3.4 million, with expenditures of \$1.1 million in 2012.
- Implementation of an Asset Management System, a Development and Public Work's infrastructure management system, is in process with expenditures of \$425,000 in 2012.
- Jasper Road Trunk Sewer is in process with expenditures of \$2.1 million in 2012.

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

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 53,363,065	\$ 53,114,065	\$ 4,758,858	\$ 4,758,858	\$ 58,121,923	\$ 57,872,923
Land improvements	-	-	1,392	3,424	1,392	3,424
Construction in progress	524,434	8,355,835	8,270,734	5,354,840	8,795,168	13,710,675
Buildings	32,626,571	34,474,047	53,888,793	53,227,502	86,515,364	87,701,549
Infrastructure	44,221,349	37,484,814	-	-	44,221,349	37,484,814
Machinery & equipment	6,127,643	6,761,552	118,156	142,022	6,245,799	6,903,574
Library books	364,145	449,741	-	-	364,145	449,741
Studies	266,517	312,614	1,332,008	1,378,538	1,598,525	1,691,152
Total	\$137,493,724	\$140,952,668	\$ 68,369,941	\$ 64,865,184	\$205,863,665	\$205,817,852

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

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of \$56.6 million. Of this amount, \$25.8 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	
	2012	2011	2012	2011	2012	2011
General obligation bonds - 2005	\$ 5,815,000	\$ 6,880,000	\$ -	\$ -	\$ 5,815,000	\$ 6,880,000
General obligation bonds - 2007	20,030,000	21,065,000	-	-	20,030,000	21,065,000
Revenue bonds series 2005	-	-	675,000	880,000	675,000	880,000
Revenue bonds series 2009	-	-	20,480,000	21,330,000	20,480,000	21,330,000
Revenue bonds series 2010	-	-	9,635,000	10,000,000	9,635,000	10,000,000
Total	\$ 25,845,000	\$ 27,945,000	\$ 30,790,000	\$ 32,210,000	\$ 56,635,000	\$ 60,155,000

The City's total bonded debt decreased by \$3.5 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 FY13 budget:

- Assessed (taxable) value for the City is projected to increase by 3.0%. Residential should receive an increase of 3% under the guidelines established by Measures 49 and 50, industrial is likely to remain flat and expectations are for a downward trend to impact commercial property values.
- Interest rates will be slightly below 1% with short term rates staying below 0.5%.
- Inflation will be a factor during the next fiscal year, however, it appears that federal intent is to maintain some control over the overall inflation rate.
- Wages will increase by 1.5% for AFSCME and 3.0% for SEIU employees. With the recently completed class and compensation study and the development of a new 11 step wage scale, more employees will find themselves with additional step increases available for annual merit adjustments. Market adjustments for non-union employees for FY13 are not anticipated.
- Springfield Police Association employees will be in the second year of a three year agreement with a CPI based increase scheduled for FY13. The estimated increase is 3.0%.
- Wages for International Association of Fire Fighters employees will be under negotiations and somewhat complicated by the simultaneous discussions with City of Eugene about a merger between the two fire departments. Anticipated settlement for this next year will be in the 2.5% range.

- The plan year for health insurance is the calendar year. Early projections show a rise in January, according to national trend data, of 9%, however, carrier supplied actual usage by Springfield is indicating a lower adjustment will be likely. Springfield is also studying its ability to move to a self-funded health insurance program by January 2013 which will further influence actual rates at that time.
- Oregon PERS rates are bi-annual and remain unchanged on July 2012. A significant increase, in the range of 550 basis points, is anticipated for the two year rates scheduled to be implemented on July 2013.
- The City completed its last updated actuarial study on its City Retirement Plan during the spring of 2011, resulting in an increase in the interest guarantee contribution rate as part of the PERS equal-to-or-better testing. This rate remains unchanged for FY13 and will remain in place until the next actuarial study is completed in the fall of 2012. During this time, features of the plan, such as projected interest rates and targets for actuarial funding levels, are also under review.
- The City's special operating levy for police services, a rate of \$01.09 per thousand, expires on June 30, 2013. In November of 2012, residents will vote on a 5 year extension of the special levy at a rate of \$1.28 per thousand. If passed, this new levy will expire on June 30, 2018.
- The economic response towards building and construction activity is expected to remain slow for the next year, resulting in continued low collection of fees related to planning and building. Monthly rates for both the City's local sanitary sewer and storm water drainage programs will increase on July 1, 2012 as a result of a debt issuance program that is intended to address both an ongoing system improvements program and an added capacity component for the two utilities. Wastewater rates are expected to increase by 4% and stormwater rates are expected to increase by 3%.

Requests for Information

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

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

City of Springfield, Oregon

Basic Financial Statements

SPRINGFIELD



OREGON

City of Springfield, Oregon
STATEMENT OF NET ASSETS
June 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Metropolitan Wastewater
ASSETS				
Cash and investments	\$ 32,880,322	\$ 43,765,912	\$ 76,646,234	\$ 58,415,894
Receivables, net of allowance for uncollectable receivables	8,816,088	1,571,489	10,387,577	3,409,657
Internal balances	(160,441)	160,441	-	-
Due from primary government	-	-	-	8,416
Inventory	84,033	-	84,033	-
Investment in foreclosed properties	1,970	-	1,970	-
Prepaid items	670	3,611	4,281	271,290
Deposits	79,447	800	80,247	700,000
Deferred charges	443,158	360,315	803,473	-
Restricted assets - cash and investments	-	-	-	30,911,305
Restricted assets - accounts receivables	-	-	-	196,117
Accrued interest	152,529	174,140	326,669	276,154
Capital assets				
Land and construction in progress	53,887,499	13,029,592	66,917,091	28,139,790
Other capital assets net of accumulated depreciation	83,606,225	55,340,349	138,946,574	110,773,112
Total assets	<u>179,791,500</u>	<u>114,406,649</u>	<u>294,198,149</u>	<u>233,101,735</u>
LIABILITIES				
Current liabilities				
Accounts payable	1,050,885	959,620	2,010,505	2,077,823
Accrued payroll and other liabilities	2,918,968	605,995	3,524,963	108,042
Unearned revenue	-	553,669	553,669	16,477
Accrued interest payable	138,108	157,545	295,653	788,763
Deposits	-	24,601	24,601	-
Due from component unit	8,416	-	8,416	-
Noncurrent liabilities				
Due within one year				
Notes payable	238,973	664,087	903,060	592,985
Revenue bonds payable	-	1,465,000	1,465,000	3,640,000
Capital lease	335,793	-	335,793	-
General obligation long-term debt	2,180,000	-	2,180,000	-
Due in more than one year				
Accrued absence payable	2,760,567	414,790	3,175,357	99,188
Accrued interest payable	-	26,557	26,557	-
General obligation long-term debt	23,888,683	-	23,888,683	-
Revenue bonds payable (net of unamortized discount)	-	29,980,203	29,980,203	83,710,364
Notes and contracts payable	1,440,179	4,404,011	5,844,190	14,919,773
Capital lease	778,567	-	778,567	-
Net OPEB obligation	2,482,258	566,645	3,048,903	93,903
Total liabilities	<u>38,221,397</u>	<u>39,822,723</u>	<u>78,044,120</u>	<u>106,047,318</u>
NET ASSETS				
Invested in capital assets, net of related debt	108,631,529	57,872,702	166,504,231	57,189,577
Restricted for:				
Capital projects	434,599	3,236,454	3,671,053	-
Public safety	3,609,413	-	3,609,413	-
Transportation	2,447,844	-	2,447,844	-
Community development	3,076,439	-	3,076,439	-
Debt service	938,546	-	938,546	-
Regional sanitary sewer	-	-	-	2,482,900
Other purposes	917,718	-	917,718	-
Unrestricted	21,514,015	13,474,770	34,988,785	67,381,940
Total net assets	<u>\$ 141,570,103</u>	<u>\$ 74,583,926</u>	<u>\$ 216,154,029</u>	<u>\$ 127,054,417</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets					Component Unit Metropolitan Wastewater Mgmt Commission
	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Business-type Activities	
Primary government:						
Governmental activities:						
General government	\$ 4,724,454	\$ 3,759,347	\$ -	\$ -	\$ (965,107)	\$ -
Fire	11,847,128	1,764,798	31,003	-	(10,051,327)	-
Police	19,694,617	529,998	976,052	-	(18,188,567)	-
Library	1,519,866	99,186	68,468	-	(1,352,212)	-
Public works	7,899,474	806,305	3,407,386	1,109,866	(2,575,917)	-
Development services	3,485,221	943,208	1,031,740	-	(1,510,273)	-
Depreciation & amortization, unallocated	284,439	-	-	-	(284,439)	-
Interest on long-term debt	1,220,457	-	-	-	(1,220,457)	-
Total governmental activities	50,675,656	7,902,842	5,514,649	1,109,866	(36,148,299)	-
Business-type activities:						
Sanitary sewer	5,190,475	7,261,315	-	1,447,955	3,518,795	-
Storm drainage	3,843,225	5,789,080	-	405	1,946,260	-
Booth Kelly	1,430,803	1,412,841	-	-	(17,962)	-
Ambulance	5,184,271	4,849,894	-	-	(334,377)	-
Total business-type activities	15,648,774	19,313,130	-	1,448,360	5,112,716	-
Total primary government	\$ 66,324,430	\$ 27,215,972	\$ 5,514,649	\$ 2,558,226	(36,148,299)	-
Component unit:						
Metropolitan Wastewater Management Commission	\$ 23,635,638	\$ 28,671,134	\$ -	\$ -	-	5,035,496
General revenues:						
Property taxes					27,056,405	-
Contributions in lieu of taxes					2,358,273	-
Franchise tax					1,752,889	-
Local fuel tax					991,535	-
Room tax					901,665	-
Interest and investment earnings					237,091	484,157
Miscellaneous					16,990	4,401
Shared revenue					-	-
Transfers					(142,115)	-
Total general revenues and transfers					35,667,904	488,558
Change in net assets					(480,395)	5,524,054
Net assets, beginning, as restated (Note Q)					142,050,498	121,530,363
Net assets, ending					\$ 141,570,103	\$ 127,054,417

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	General	Housing and Community Development	Nonmajor Governmental	Total Governmental
ASSETS				
Cash and investments	\$ 8,043,477	\$ -	\$ 12,303,438	\$ 20,346,915
Receivables:				
Accounts	1,235,868	-	623,628	1,859,496
Taxes	1,285,335	-	743,461	2,028,796
Grants	-	533,297	212,261	745,558
Accrued interest	48,067	-	53,370	101,437
Assessments and liens	-	-	255,138	255,138
Mortgage notes	-	3,902,251	8,409	3,910,660
Inventory	2,471	-	81,562	84,033
Investment in foreclosed property	1,970	-	-	1,970
Due from other funds	240,238	-	-	240,238
Prepaid items	670	-	-	670
Deposits	478	-	78,969	79,447
	<u>\$ 10,858,574</u>	<u>\$ 4,435,548</u>	<u>\$ 14,360,236</u>	<u>\$ 29,654,358</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 265,533	\$ 134,720	\$ 411,144	\$ 811,397
Accrued payroll and other liabilities	1,082,445	15,753	435,257	1,533,455
Deferred revenue	1,732,125	3,902,251	1,025,363	6,659,739
	<u>3,080,103</u>	<u>4,292,962</u>	<u>1,871,764</u>	<u>9,244,829</u>
Fund balances:				
Nonspendable	5,589	-	160,531	166,120
Restricted	632	142,586	7,877,737	8,020,955
Committed	37,863	-	4,024,188	4,062,051
Assigned	600,000	-	426,016	1,026,016
Unassigned	7,134,387	-	-	7,134,387
	<u>7,778,471</u>	<u>142,586</u>	<u>12,488,472</u>	<u>20,409,529</u>
Total liabilities and fund balances	<u>\$ 10,858,574</u>	<u>\$ 4,435,548</u>	<u>\$ 14,360,236</u>	

Reconciliation to the statement of net assets

The statement of net assets reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are deferred in governmental funds.	6,659,739
Capital assets are not financial resources in governmental funds, but are reported in the statement of net assets at their net depreciable value.	132,387,147
All liabilities are reported in the statement of net assets. However, if they are not due and payable in the current period, they are not recorded in the governmental funds.	(33,980,342)
Internal service funds are proprietary-type funds and not reported with governmental funds. However, because internal service funds primarily benefit governmental activities, their assets, liabilities, and net assets are reported along with governmental activities in the statement of net assets.	<u>16,094,030</u>
Net assets of governmental activities	<u>\$ 141,570,103</u>

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, 2012

	General	Housing and Community Development	Nonmajor Governmental	Total Governmental
Revenues:				
Taxes	\$ 17,648,630	\$ -	\$ 11,190,311	\$ 28,838,941
Licenses, permits and fees	2,044,417	-	256,410	2,300,827
Intergovernmental	3,857,269	994,948	4,122,474	8,974,691
Charges for services	5,032,591	-	1,925,428	6,958,019
Fines and forfeitures	1,573,505	-	163,217	1,736,722
Use of money and property	52,433	22,851	94,995	170,279
Special assessments	-	-	48,934	48,934
Miscellaneous revenues	430,597	-	218,391	648,988
Total revenues	<u>30,639,442</u>	<u>1,017,799</u>	<u>18,020,160</u>	<u>49,677,401</u>
Expenditures:				
Current operating:				
General government	5,022,032	13,640	1,047,542	6,083,214
Fire	9,965,259	-	1,549,294	11,514,553
Police	12,266,323	-	5,478,006	17,744,329
Library	1,330,771	-	95,312	1,426,083
Public works	987,179	-	4,781,191	5,768,370
Development services	1,282,255	1,005,820	1,227,376	3,515,451
Capital projects	-	-	1,001,890	1,001,890
Debt service:				
Principal	165,000	-	2,165,192	2,330,192
Interest	67,375	-	1,130,260	1,197,635
Total expenditures	<u>31,086,194</u>	<u>1,019,460</u>	<u>18,476,063</u>	<u>50,581,717</u>
Excess of revenues over (under) expenditures	<u>(446,752)</u>	<u>(1,661)</u>	<u>(455,903)</u>	<u>(904,316)</u>
Other financing sources (uses)				
Transfers in	1,488,417	-	3,590,633	5,079,050
Transfers out	(846,172)	-	(3,274,326)	(4,120,498)
Total other financing sources (uses)	<u>642,245</u>	<u>-</u>	<u>316,307</u>	<u>958,552</u>
Net change in fund balance	195,493	(1,661)	(139,596)	54,236
Fund balances, beginning	7,582,978	144,247	12,614,258	20,341,483
Change in reserve for inventories	-	-	13,810	13,810
Fund balances, ending	<u>\$ 7,778,471</u>	<u>\$ 142,586</u>	<u>\$ 12,488,472</u>	<u>\$ 20,409,529</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
 Reconciliation of Statement of Revenues, Expenditures and
 Changes in Fund Balances of Governmental Funds to the
 Statement of Activities
 For the Year Ended June 30, 2012

Net change in fund balances - total governmental funds	\$	54,236
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		(97,362)
<p>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.</p>		513,768
<p>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.</p>		(3,065,315)
<p>Governmental funds do not report expenditures for unpaid compensated absences or other post employment benefits since they do not require the use of current financial resources. However, the statement of activities reports such expenses when incurred, regardless of when settlement ultimately occurs.</p>		(209,348)
<p>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 Assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		2,309,816
<p>Increases in inventory in governmental funds decrease expenses.</p>		13,810
<p>Change in net assets of governmental activities</p>	\$	(480,395)

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
PROPRIETARY FUNDS
STATEMENT OF FUND NET ASSETS
June 30, 2012

	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 Proprietary	
ASSETS								
Current assets:								
Cash and investments	\$ 4,973,716	\$ 3,154,612	\$ 17,087,933	\$ 13,601,640	\$ 545,714	\$ 1,176,391	\$ 3,225,906	\$ 43,765,912
Accounts receivable, net of allowance for estimated uncollectibles	518,136	458,224	-	-	576,390	5,638	13,101	1,571,489
Prepays	-	600	-	-	3,611	-	-	3,611
Deposits	200	10,540	72,680	53,593	1,565	4,364	-	800
Accrued interest	18,899	3,623,976	17,160,613	13,655,233	1,127,280	1,186,393	3,251,506	174,140
Total current assets	5,510,951	7,361,352	34,482,226	27,310,466	8,314,465	2,374,748	6,730,513	45,515,952
Noncurrent assets:								
Bond costs - net	267,969	-	-	92,346	-	-	-	360,315
Capital assets - net	41,075,775	5,497	7,330,030	52,218	58,776	6,818,053	-	55,340,349
Construction in progress	4,132,179	562,768	2,739,152	836,635	-	-	-	8,270,734
Land and land rights	2,048,070	19,294	-	49,937	-	2,641,557	-	4,758,858
Total noncurrent assets	47,523,993	587,559	10,069,182	1,031,136	58,776	9,459,610	-	68,730,256
Total assets	53,034,944	4,211,535	27,229,795	14,686,369	1,186,056	10,646,003	3,251,506	114,246,208
LIABILITIES								
Current liabilities:								
Accounts payable	78,057	26,092	664,977	9,825	159,537	6,080	15,052	959,620
Accrued payroll and other liabilities	136,571	170,495	-	-	294,207	4,722	-	605,995
Accrued interest payable	73,195	84,350	-	-	-	-	-	157,545
Deposits	-	-	-	-	-	24,601	-	24,601
Notes payable - current maturity	69,503	-	-	-	-	594,584	-	664,087
Capital lease payable - current maturity	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	553,669	-	-	553,669
Revenue bonds payable - current maturity	215,000	-	875,000	375,000	-	-	-	1,465,000
Total current liabilities	572,326	280,937	1,539,977	384,825	1,007,413	629,987	15,052	4,430,517
Noncurrent liabilities:								
Accrued absence payable	146,525	124,039	-	-	144,226	-	-	414,790
Accrued interest	-	-	-	-	-	26,557	-	26,557
Revenue bonds payable (net of unamortized discount)	639,249	-	19,605,000	9,735,954	-	4,332,422	-	29,980,203
Notes payable	71,589	-	-	-	-	-	-	4,404,011
Net OPEB obligation payable	107,891	164,804	-	-	293,950	-	-	566,645
Capital lease obligation	-	-	-	-	-	-	-	778,567
Total noncurrent liabilities	965,254	288,843	19,605,000	9,735,954	438,176	4,358,979	-	35,392,206
Total liabilities	1,537,580	569,780	21,144,977	10,120,779	1,445,589	4,988,966	15,052	39,822,723
NET ASSETS								
Invested in capital assets, net of related debt	46,260,683	587,559	3,964,557	2,468,523	58,776	4,532,604	-	57,872,702
Restricted for SDC projects	-	-	2,120,261	2,097,067	(318,309)	1,124,433	3,236,454	3,236,454
Unrestricted	5,236,681	3,054,196	-	-	-	-	-	13,314,329
Total net assets	51,497,364	3,641,755	6,084,818	4,565,590	(259,533)	5,657,037	3,236,454	74,423,485
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds.								160,441
Net assets of business-type activities								\$ 74,583,926

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 ASSETS
 Year Ended June 30, 2012

	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 Proprietary	Total	Internal Service Funds		
OPERATING REVENUES:											
Charges for services	\$ 6,815,470	\$ 5,667,743	\$ -	\$ -	\$ 11,414,051	\$ 1,415,055	\$ 567,182	\$ 25,879,501	\$ 3,575,483		
Less: Contractual adjustments	-	-	-	-	(6,564,157)	-	-	(6,564,157)	-		
Licenses and permits	-	-	-	-	-	-	-	-	60,669		
Intergovernmental revenues	-	-	-	-	8,733	-	-	8,733	26,436		
Miscellaneous receipts	66	1,294	436	-	6,461	-	-	8,257	495,489		
Total operating revenues	6,815,536	5,669,037	436	-	4,865,088	1,415,055	567,182	19,332,334	4,158,077		
Operating expenses:											
Court	-	-	-	-	-	-	-	-	974		
Human resources	-	-	-	-	-	-	-	-	2,045,857		
Finance	10,742	10,742	-	-	-	-	-	21,484	36,301		
Information technology	-	-	-	-	-	-	-	-	69,821		
Library	-	-	-	-	-	-	-	-	11,998		
Fire	-	-	-	-	5,044,503	-	-	5,044,503	7,161		
Police	-	-	-	-	-	-	-	-	17,009		
Public works	2,983,523	3,580,635	-	10,144	-	49,835	351,642	6,975,779	463,859		
Development services	19,312	43,939	-	-	-	262,725	-	325,976	77,832		
Depreciation	1,775,259	-	-	-	10,496	718,954	-	2,504,709	1,060,650		
Total operating expenses	4,788,836	3,635,316	-	10,144	5,054,999	1,031,514	351,642	14,872,451	3,791,462		
Operating income (loss)	2,026,700	2,033,721	436	(10,144)	(189,911)	383,541	215,540	4,459,883	366,615		
Nonoperating revenues (expenses):											
Interest on investments	26,481	17,380	95,374	67,997	7,428	4,304	15,913	234,877	61,214		
Amortization of issuance costs	(46,017)	(1,871)	-	-	-	(361,864)	-	(46,017)	-		
Interest expense	(26,548)	-	-	-	-	-	-	(390,283)	(49,785)		
Gain(loss) on disposal of assets	-	-	-	-	-	-	-	-	(44,303)		
Total nonoperating revenues	(46,084)	15,509	95,374	67,997	7,428	(357,560)	15,913	(201,423)	(32,874)		
Income (loss) before contributions and transfers	1,980,616	2,049,230	95,810	57,853	(182,483)	25,981	231,453	4,258,460	333,741		
Transfers in	-	-	2,770,000	2,486,111	-	-	-	5,256,111	-		
Transfers out	(2,790,771)	(2,485,297)	-	-	-	(35,736)	(86,422)	(5,398,226)	(816,438)		
Capital contributions	1,447,955	-	-	405	-	-	-	1,448,360	-		
Change in net assets	637,800	(436,067)	2,865,810	2,544,369	(182,483)	(9,755)	145,031	5,564,705	(482,697)		
Net assets, beginning	-	4,077,822	3,219,008	2,021,221	(77,050)	5,666,792	3,091,423	16,745,584	16,745,584		
Prior period adjustment (Note Q)	(4,468,817)	-	-	-	-	-	-	-	-		
Net assets, beginning, as restated	50,859,564	4,077,822	3,219,008	2,021,221	(77,050)	5,666,792	3,091,423	16,745,584	16,745,584		
Net assets, end of year	\$ 51,497,364	\$ 3,641,755	\$ 6,084,818	\$ 4,565,590	\$ (259,533)	\$ 5,657,037	\$ 3,236,454	\$ 16,262,887	\$ 16,262,887		
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.											
Change in net assets of business-type activities											
<u>(340,023)</u>											
<u>\$ 5,224,682</u>											

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 Year Ended June 30, 2012

	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 Proprietary		Total
Cash flows from operating activities:									
Cash received from customers	\$ 6,789,366	\$ 5,656,448	\$ -	\$ -	\$ 4,754,453	\$ 1,436,393	\$ 559,679	\$ 19,196,339	\$ -
Cash received from interfund services provided	(1,713,460)	(2,177,149)	-	-	(3,405,254)	(52,049)	-	(7,347,912)	3,787,357
Cash paid for employee services	(1,275,501)	(1,458,466)	514,870	(13,509)	(1,594,769)	(255,785)	(336,686)	(4,419,846)	(806,541)
Cash paid to suppliers for goods and services	824	694	436	-	120,281	(5,577)	-	116,658	(2,005,586)
Other operating receipts									582,594
Net cash provided by (used in) operating activities	3,801,229	2,021,527	515,306	(13,509)	(125,289)	1,122,982	222,993	7,545,239	1,557,823
Cash flows from noncapital financing activities:									
Transfers from other funds	(2,790,771)	(2,485,297)	2,770,000	2,486,111	-	(35,736)	(86,422)	5,256,111	-
Transfers to other funds									(816,438)
Net cash provided (used) by noncapital financing activities	(2,790,771)	(2,485,297)	2,770,000	2,486,111	-	(35,736)	(86,422)	(142,115)	(816,438)
Cash flows from capital and related financing activities:									
Bond costs	42,837	-	-	-	-	-	-	42,837	-
Acquisition and construction of capital assets	(911,045)	(337,811)	(3,094,218)	(286,920)	-	-	-	(4,629,994)	(463,510)
Disposition of capital assets	-	-	-	-	-	-	-	82,766	82,766
Principal paid on long-term debt	(771,625)	-	(520,000)	(391,054)	-	(554,586)	-	(2,237,265)	(324,757)
Interest paid on long-term debt	(5,708)	(4,152)	-	-	-	(361,864)	-	(371,724)	(49,785)
Net cash used in capital and related financing activities	(1,645,541)	(341,963)	(3,614,218)	(677,974)	-	(916,450)	-	(7,196,146)	(755,286)
Cash flows from investing activities:									
Interest received	31,287	22,267	108,644	53,614	7,818	3,884	17,431	244,945	65,447
Net change in cash and investments	(603,796)	(783,466)	(220,268)	1,848,242	(117,471)	174,680	154,002	451,923	51,546
Cash and investments, beginning of year	5,577,512	3,938,078	17,308,201	11,753,398	663,185	1,004,600	3,071,904	43,316,878	12,481,861
Cash and investments, end of year	4,973,716	3,154,612	17,087,933	13,601,640	545,714	1,176,391	3,225,906	43,765,912	12,533,407
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:									
Operating income (loss)	\$ 2,026,700	\$ 2,033,721	\$ 436	\$ (10,144)	\$ (189,911)	\$ 383,541	\$ 215,540	\$ 4,459,883	\$ 366,615
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation	1,775,259	-	-	-	10,496	718,954	-	2,504,709	1,060,650
Changes in assets and liabilities:									
Accounts receivable	(26,104)	(11,295)	-	-	(95,441)	21,338	(7,503)	(119,005)	211,874
Accounts payable	(2,731)	(6,566)	514,870	(3,365)	(17,809)	808	14,956	500,163	65,030
Accrued interest payable	-	-	-	-	-	-	-	-	(1,715)
Accrued payroll and other liabilities	5,251	(28,125)	-	-	(6,120)	3,918	-	(25,076)	(152,755)
Net OPEB obligation payable	22,096	34,392	-	-	68,408	-	-	124,896	8,124
Deposits	758	(600)	-	-	(21)	(5,577)	-	(5,440)	-
Unearned revenue	-	-	-	-	105,109	-	-	105,109	-
Net cash provided by (used in) operating activities	\$ 3,801,229	\$ 2,021,527	\$ 515,306	\$ (13,509)	\$ (125,289)	\$ 1,122,982	\$ 222,993	\$ 7,545,239	\$ 1,557,823
Noncash capital and related financing activities:									
Contributed capital assets	\$ 1,447,955	\$ -	\$ -	\$ 405	\$ -	\$ -	\$ -	\$ 1,448,360	\$ -
Vehicle acquired by capital lease	-	-	-	-	-	-	-	-	330,582
Retirement and disposition of capital assets, net of accumulated depreciation	-	-	-	-	-	-	-	-	(44,303)

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND
June 30, 2012

ASSETS

Cash and investments	<u>\$ 3,570,380</u>
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LIABILITIES

Amounts held in trust for other parties	<u>\$ 3,570,380</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, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Springfield have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant accounting policies are described below.

1. Financial Reporting Entity

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

DISCRETELY PRESENTED COMPONENT UNIT

Metropolitan Wastewater Management Commission (MWMC) provides regional sewage treatment and is governed by a board comprised of appointed members. The City of Springfield provides all administrative duties for MWMC in accordance with an intergovernmental agreement. Given the nature and significance of MWMC's relationship, the City of Springfield believes it would be misleading to exclude MWMC from the basic financial statements. MWMC is presented as an enterprise fund type.

The Regional Fiber Consortium was formed by units of local government on August 1, 1999 pursuant to ORS190. There are twenty member governments: fifteen cities and five counties. The board is comprised of one representative appointed by each member government. The City of Springfield provides administrative duties for the Regional Fiber Consortium in accordance with an intergovernmental agreement, however, this administrative activity is minor and insignificant to the City as a whole, and therefore, the City has determined that the Regional Fiber Consortium does not qualify as a component unit.

BLENDED COMPONENT UNIT

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

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

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Government-wide and fund financial statements

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

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

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

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

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

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

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

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

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

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

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

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

Additionally, the government reports the following fund types:

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

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

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

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

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

Investments are reported at fair value.

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

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

b. Receivables and Payables

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

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

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

For the year ended June 30, 2012, the City’s tax levy did not exceed the Oregon constitutional limitation. The total property tax levy was \$27,667,002. This includes general property taxes to support general obligation bond debt service of \$3,243,677.

The City has foreclosed on properties, collateralizing assessments receivable over the past twenty years. The properties collateralizing the assessments receivable, where the right to redemption still exists by the benefited property owner, are recorded as liens receivable, which include the cost of the original assessment, foreclosure costs and interest to the date of foreclosure, as provided by Oregon Statutes. Once the right to redeem these properties no longer exists (after one year), the properties are deeded to the City and then become investment in foreclosed property. Liens receivable and investment in foreclosed property are offset by deferred revenue and, accordingly, have not been recorded as revenue in the governmental funds.

The value of these properties, both liens and investment in foreclosed property, has been adjusted to the lower of net realizable value or cost. Net realizable value for the City has been determined by reviewing the true cash value of these properties as recorded by the Lane County assessor, less the underlying property taxes that must be paid upon the sale of the property by the City.

c. Inventory

Governmental fund types – Inventory of materials and supplies is recorded at first-in, first-out (FIFO) cost and is shown in the balance sheet as an asset and a reservation of fund balance. The amount shown as inventory has been recorded as an expenditure, consistent with the “purchase method” of accounting for inventories.

d. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2012 are recorded as prepaid items.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

e. Restricted Assets

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

f. Capital Assets

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

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

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

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

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

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

g. Compensated Absences

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

h. Long-term Liabilities

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

i. Fund 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 takes formal action, such as passing an ordinance or 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 taking a similar formal action.

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 expenditures is incurred where an unrestricted fund balance classification could be used, the City's practice is to use committed resources first, assigned resources second, and then unassigned amounts as they are needed.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund balances by classification for the year ended June 30, 2012 were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Housing and Community Development</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Inventories	\$ 2,471	\$ -	\$ 81,562	\$ 84,033
Prepays and deposits	1,148	-	78,969	80,117
Investment in foreclosed property	1,970	-	-	1,970
Restricted:				
Community development	-	142,586	-	142,586
Debt service	-	-	631,813	631,813
Urban renewal	-	-	5,932	5,932
Capital projects	-	-	509,599	509,599
Transportation	-	-	3,030,589	3,030,589
Public Safety	632	-	3,148,246	3,148,878
Building code	-	-	258,098	258,098
Economic development	-	-	188,860	188,860
Library services	-	-	104,600	104,600
Committed:				
Development assessment	-	-	1,166,819	1,166,819
Capital projects	-	-	2,578,335	2,578,335
Technology fee reserve	37,863	-	-	37,863
Public Safety	-	-	279,034	279,034
Assigned:				
Capital projects	-	-	241,208	241,208
Contingency reserve	600,000	-	-	600,000
Public Safety	-	-	33,838	33,838
Other purposes	-	-	150,970	150,970
Unassigned	7,134,387	-	-	7,134,387
Total fund balances	<u>\$ 7,778,471</u>	<u>\$ 142,586</u>	<u>\$ 12,488,472</u>	<u>\$ 20,409,529</u>

j. Indirect Expenses Allocation

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

k. Contingency and Working Capital Policy

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “all liabilities are reported in the statement of net assets, however if they are not due and payable in the current period, they are not recorded in the governmental funds.” The details of this \$33,980,342 difference are as follows:

Bonds payable, net of original issue discount	\$ 25,625,525
Notes payable	1,469,152
Due to developer	210,000
Accrued interest payable	113,922
Compensated absences	4,107,095
Net OPEB obligation	<u>2,454,648</u>
Total	<u>\$ 33,980,342</u>

Another element of that reconciliation states that “capital assets are not financial resources in governmental funds, but are reported in the statement of net assets at their net depreciable value.” The details of this \$132,387,147 are as follows:

Capital assets (net of accumulated depreciation) reported in the Statement of Net Assets – governmental activities column:	
Land and work in progress	\$ 53,887,499
Other capital assets (net of accumulated depreciation)	83,606,225
Total capital assets reported in internal service funds included in the Statement of Net Assets – governmental activities column (net of accumulated depreciation):	<u>(5,106,577)</u>
Net adjustment	<u>\$ 132,387,147</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net assets of government activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$3,065,315 difference are as follows:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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

Capital outlay	\$ 838,371
Donated capital assets	1,016,207
Depreciation	<u>(4,919,893)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (3,065,315)</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$2,309,816 difference are as follows:

Principal repayment of general obligation debt	\$ 2,100,000
Principal repayment of note payable	230,192
Amortization of deferred charge on refunding	(19,676)
Amortization on issuance costs	(27,156)
Amortization of bond discounts	(507)
Amortization of bond premiums	15,612
Decrease in accrued interest payable	<u>11,351</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 2,309,816</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 \$209,348 difference are as follows:

Decrease in accrued compensated absences	\$ 371,821
Increase in net OPEB obligation	<u>(581,169)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (209,348)</u>

NOTE C – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

In April of each year, the City Manager submits a recommended budget to the Budget Committee (which consists of the City Council and an equal number of citizens of the City). The City’s budget is prepared for each fund on the modified accrual basis of accounting. Estimated receipts and expenditures are budgeted for by fund, program and

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE C – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

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, 2012, the City Council approved several transfer resolutions and supplemental budgets increasing appropriations by \$6,736,734.

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, 2012, cash and investments are comprised of the following:

Cash on Hand	\$ 8,947
Cash with Fiscal Agent	5,500
Deposits	14,682,786
Local Government Investment Pool Accounts	55,307,830
Investments	<u>99,538,751</u>
	<u>\$ 169,543,814</u>

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

Governmental Funds	\$ 32,880,322
Business-type Funds	43,765,913
Component Units	
MWMC	58,415,894
MWMC Restricted	30,911,305
Not Appearing on Statement of Net Assets	
Fiduciary Fund	<u>3,570,380</u>
	<u>\$ 169,543,814</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE D – CASH AND INVESTMENTS - Continued

Deposits

On June 30, 2012 the City of Springfield held \$14,682,786 in deposits. Of this total, \$626,591 is in commercial checking accounts with a bank balance of \$1,188,626. The difference is due to transactions in process. The remainder is invested in time certificates of deposit with local institutions. The Oregon legislature passed public funds collateralization statutes effective July 1, 2008. The legislation creates a shared liability structure for depository banks but does not guarantee that public funds are 100% protected. ORS requires depository banks to pledge collateral against public funds in excess of federal depository insurance (FDIC) amounts and sets the value and type of collateral needed. The Public Funds Collateralization Program (PFCP) was created by the Oregon Office of the State Treasurer to facilitate depository bank, custodian, and public official compliance with ORS. Depository banks are required to report quarterly to the Office of the State Treasurer information on public funds in excess of FDIC insurance limits, the bank's net worth, and FDIC capitalization information. Based on this information the PFCP calculates the amount of collateral required for the following quarter. The City is required to verify that amounts in excess of FDIC insurance limits are deposited only in qualified depository banks listed by the Office of the State Treasurer. The City must also report, at least annually, the depository banks the City does business with and public official contact information. \$1,250,000 of the City's cash and investment balance is insured by the FDIC. The remaining balance has been placed in qualified depository banks in compliance with Oregon Revised Statutes.

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

Local Government Investment Pool

The Oregon State Treasurer maintains the Oregon Short Term Fund, of which the Local Government Investment Pool (LGIP) is a part. Participation by local governments is voluntary. The State of Oregon Investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. LGIP was created to offer a short-term investment alternative for Oregon local governments. The investments are regulated by the Oregon Short-term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Separate financial statements for the Oregon Short-term Fund are available from the Oregon State Treasurer or www.ost.state.or.us. On June 30, 2012, the City had \$34,367,627 in the LGIP and \$20,940,203 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, 2012, that amount was \$44,999,213.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE D – CASH AND INVESTMENTS - Continued

Investments

On June 30, 2012, the City of Springfield held \$99,538,751 of investments: Corporate indebtedness of \$41,876,741 and Government Agency securities totaling \$57,662,010.

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, 2012, 100% of the total investments were considered short-term and had maturities less than 18 months and 0% were considered long-term and had maturities of more than 18 months but less than 3 years. The table below displays the liquidity requirements of the investment policy and the liquidity characteristics of the City’s cash and investments on June 30, 2012.

Short-Term Investments:

<u>Maturity</u>	<u>Amount</u>	<u>Actual %</u>	<u>Investment Policy %</u>
Under 30 days	\$ 71,261,929	42%	10 % minimum
Under 90 days	89,305,739	53	25 % minimum
Under 270 days	125,541,678	74	50 % minimum
Under one year	149,324,717	88	80 % minimum
Under 18 months	169,543,814	100	100 % minimum

Long-Term Investments:

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

B. Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The City’s investment policy provides that all corporate debt securities be rated at a minimum of A1 or AA by Standard and Poor’s rating service or P1 or Aa by Moody’s rating service, or for an Oregon issuer, a minimum of A1 or A or better by S & P; or P1 or Aa by Moody’s. At June 30, 2012, 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE D – CASH AND INVESTMENTS – Continued

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, 2012 were delivered by book entry to the account of BNY Western Trust Company, who held the securities for the benefit of the City.

D. Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy provides concentration guidelines by both institution and by type of investment. The table below displays the investment policy parameters and the actual concentrations of cash and investment funds at June 30, 2012.

Diversification by Financial Institution:

<u>Financial Institution</u>	<u>Amount</u>	<u>% Invested</u>	<u>Maximum % of Portfolio</u>
State of Oregon Investment Pool	\$ 55,307,829	33%	100
Government Agencies	57,662,010	34	N/A
US Bank	626,591	1	15
Sterling Bank	2,015,615	1	15
Siuslaw Bank NOW	2,002,857	1	15
Umpqua Bank	10,036,723	6	15
Bank of America	1,000	0	15
Corporate Indebtedness:			
JP Morgan Chase	2,046,555	1	5
Barclay's Bank	4,029,160	2	5
Wells Fargo	4,087,720	2	5
General Elec Cap Corp	8,176,025	5	5
Deutsche Bank	7,621,365	5	5
UBS Stamford	5,015,350	3	5
Credit Suisse	7,856,196	4	5
WestPac Bank	3,044,371	2	5
Other	14,447	0	N/A
Totals	<u>\$ 169,543,814</u>	<u>100%</u>	

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE D – CASH AND INVESTMENTS – Continued

Diversification by Financial Instrument:

<u>Instrument</u>	<u>Amount</u>	<u>% Invested</u>	<u>Maximum% of Portfolio</u>
State of Oregon Investment Pool	\$ 55,307,829	33%	100 %
Interest Bearing Checking Account	626,591	1	50 %
Money Market Account	7,310,207	4	50 %
Time Certificates of Deposit	6,745,988	4	25 %
Corporate Indebtedness	41,876,741	24	25 %
Government Agencies	57,662,011	34	50 %
Other	14,447	0	0 %
Totals	<u>\$ 169,543,814</u>	<u>100 %</u>	

E. Foreign currency

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

NOTE E – RECEIVABLES AND DEFERRED REVENUE

Receivables at June 30, 2012 consist of the following:

<u>Fund</u>	<u>Property Taxes and Other</u>	<u>Accounts</u>	<u>Assessments and Liens</u>	<u>Grants</u>	<u>Accrued Interest</u>	<u>Mortgage Notes</u>	<u>Total Gross Receivable</u>	<u>Less Allowance for Uncollectible</u>	<u>Total Net Receivable</u>
General	\$ 1,285,335	\$ 1,235,868	\$ -	\$ -	\$ 48,067	\$ -	\$ 2,569,270	\$ -	\$ 2,569,270
CDBG	-	-	-	533,297	-	3,902,251	4,435,548	-	4,435,548
Sewer	-	518,136	-	-	18,899	-	537,035	-	537,035
Storm Drainage	-	458,224	-	-	10,540	-	468,764	-	468,764
Sanitary Sewer Capital	-	-	-	-	72,680	-	72,680	-	72,680
Storm Drainage Capital	-	-	-	-	53,593	-	53,593	-	53,593
Ambulance	-	1,679,707	-	-	1,565	-	1,681,272	(1,103,317)	577,955
Booth-Kelly	-	5,638	-	-	4,364	-	10,002	-	10,002
Nonmajor Gov	743,461	623,628	255,138	212,261	53,370	8,409	1,896,267	-	1,896,267
Nonmajor Prop	-	13,101	-	-	12,499	-	25,600	-	25,600
Internal Service Funds	-	16,440	-	-	51,092	-	67,532	-	67,532
	<u>\$ 2,028,796</u>	<u>\$ 4,550,742</u>	<u>\$ 255,138</u>	<u>\$ 745,558</u>	<u>\$ 326,669</u>	<u>\$ 3,910,660</u>	<u>\$11,817,563</u>	<u>\$ (1,103,317)</u>	<u>\$ 10,714,246</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE E – RECEIVABLES AND DEFERRED REVENUE - Continued

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

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

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

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2012, the various components of deferred revenue consist of the following:

<u>FUND BY TYPE</u>	<u>Deferred</u>
Property taxes receivable:	
General Fund	\$ 1,252,491
Special revenue funds	418,847
Debt service funds	307,251
Fees and charges:	
General Fund	308,868
Special revenue funds	29,707
Capital projects funds	3,210
Mortgage notes receivable:	
Special revenue funds	8,409
CDBG Fund	3,902,251
Assessments:	
Debt service funds	9,221
Capital projects funds	245,915
Other:	
General Fund	170,766
Special revenue funds	<u>2,803</u>
Total deferred revenue	<u>\$ 6,659,739</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE F – CAPITAL ASSETS

Primary Government

<u>Governmental activities:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 53,114,065	\$ 249,000	\$ -	\$ 53,363,065
Work in progress	<u>8,355,835</u>	<u>166,159</u>	<u>(7,997,560)</u>	<u>524,434</u>
Total capital assets, not being depreciated	<u>61,469,900</u>	<u>415,159</u>	<u>(7,997,560)</u>	<u>53,887,499</u>
Capital assets, being depreciated:				
Buildings	46,426,735	353,215	-	46,779,950
Infrastructure	60,256,290	8,964,896	-	69,221,186
Machinery & equipment	18,748,788	912,960	(389,334)	19,272,414
Library books	1,998,269	-	-	1,998,269
Studies	<u>644,561</u>	<u>-</u>	<u>-</u>	<u>644,561</u>
Total capital assets, being depreciated	<u>128,074,643</u>	<u>10,231,071</u>	<u>(389,334)</u>	<u>137,916,380</u>
Less accumulated depreciation for:				
Buildings	(11,952,688)	(2,200,691)	-	(14,153,379)
Infrastructure	(22,771,476)	(2,228,361)	-	(24,999,837)
Machinery & equipment	(11,987,236)	(1,419,799)	262,264	(13,144,771)
Library books	(1,548,528)	(85,596)	-	(1,634,124)
Studies	<u>(331,947)</u>	<u>(46,097)</u>	<u>-</u>	<u>(378,044)</u>
Total depreciation	<u>(48,591,875)</u>	<u>(5,980,544)</u>	<u>262,264</u>	<u>(54,310,155)</u>
Total capital assets, being depreciated, net	<u>79,482,768</u>	<u>4,250,527</u>	<u>(127,070)</u>	<u>83,606,225</u>
Governmental activities capital assets, net	<u>\$ 140,952,668</u>	<u>\$ 4,665,686</u>	<u>\$ (8,124,630)</u>	<u>\$ 137,493,724</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE F – CAPITAL ASSETS - Continued

Business-type activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 4,758,858	\$ -	\$ -	\$ 4,758,858
Construction in progress	<u>5,354,840</u>	<u>3,461,942</u>	<u>(546,048)</u>	<u>8,270,734</u>
Total capital assets, not being depreciated	<u>10,113,698</u>	<u>3,461,942</u>	<u>(546,048)</u>	<u>13,029,592</u>
Capital assets, being depreciated:				
Buildings & structure	72,967,998	3,089,323	-	76,057,321
Land improvements	507,931	-	-	507,931
Equipment	1,225,192	4,249	-	1,229,441
Studies	<u>1,659,804</u>	<u>-</u>	<u>-</u>	<u>1,659,804</u>
Total capital assets, being depreciated	<u>76,360,925</u>	<u>3,093,572</u>	<u>-</u>	<u>79,454,497</u>
Less accumulated depreciation for:				
Land improvements	(504,507)	(2,032)	-	(506,539)
Buildings	(19,740,496)	(2,428,032)	-	(22,168,528)
Equipment	(1,083,170)	(28,115)	-	(1,111,285)
Studies	<u>(281,266)</u>	<u>(46,530)</u>	<u>-</u>	<u>(327,796)</u>
Total depreciation	<u>(21,609,439)</u>	<u>(2,504,709)</u>	<u>-</u>	<u>(24,114,148)</u>
Total capital assets, being depreciated, net	<u>54,751,486</u>	<u>588,863</u>	<u>-</u>	<u>55,340,349</u>
Governmental activities capital assets, net	<u>\$ 64,865,184</u>	<u>\$ 4,050,805</u>	<u>\$ (546,048)</u>	<u>\$ 68,369,941</u>

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

Governmental activities:

General Government	\$ 94,770
Police	2,141,952
Fire	758,044
Public Works	2,604,931
Library	100,964
Development Services	42,782
Unallocated	<u>237,101</u>
Total depreciation expense – governmental activities	<u>\$ 5,980,544</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE F – CAPITAL ASSETS - Continued

Business-type activities:

Sewer	\$ 1,775,259
Booth-Kelly	718,954
Ambulance	<u>10,496</u>
Total depreciation expense – business type activities	<u>\$ 2,504,709</u>

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

Business type activities depreciation	\$ 2,504,709
Amortization of bond issue costs	5,646
Amortization of original issue discount	<u>3,181</u>
Total depreciation and amortization expense	<u>\$ 2,513,536</u>

NOTE G - RISK MANAGEMENT

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

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

The City has established an internal service fund to account for and finance its risks of loss. The City purchases third-party coverage for all lines of coverage. These include but are not limited to personal injury, public officials' errors and omissions, automobile, employer's liability, worker's compensation, property, medical, dental, and vision insurance. In fiscal year 2012, the City conducted a probable maximum loss analysis to determine if property insurance levels were correct. As a result of this analysis, the City changed insurance carriers and reduced property coverage from \$79 million to \$16 million. This decrease in coverage resulted in substantial savings for the City. Settled claims have not exceeded insurance coverage in any of the past four fiscal years.

NOTE H - CAPITAL AND OPERATING LEASES

The City purchased equipment in the fiscal year ending June 30, 2007 for \$6,130 with no down payment and monthly payments over 5 years. The City purchased three pumper engines in the fiscal year ending June 30, 2010 for \$1,360,555 with no down payment and entered into a lease agreement for financing in the amount of \$1,360,555 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. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE H - CAPITAL AND OPERATING LEASES - Continued

The assets acquired through capital leases are as follows:

Machinery and equipment	\$ 1,734,371
Less: Accumulated depreciation	<u>(344,092)</u>
Total	<u>\$ 1,390,279</u>

The future minimum lease obligations as of June 30, 2012, are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>
2013	\$ 335,793	\$ 39,812
2014	347,885	27,720
2015	360,416	15,190
2016	<u>70,266</u>	<u>2,206</u>
Totals	<u>\$ 1,114,360</u>	<u>\$ 84,928</u>

NOTE I - LONG-TERM DEBT

General Obligation Bonds

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

General obligation bonds payable transactions for the year ended June 30, 2012 are as follows:

	Issue Date	Final Maturity Date	Effective Interest Rate	Outstanding July 1, 2011	Issued During year	Matured During Year	Outstanding June 30, 2012	Due Within One Year
Series 2007	3/9/07	2026	4.00%	\$ 21,065,000	\$ -	\$ (1,035,000)	\$ 20,030,000	\$ 1,080,000
Series 2005	7/26/05	2025	3.48%	6,880,000	-	(1,065,000)	5,815,000	1,100,000
							230,279	
							(6,596)	
							<u>(2,180,000)</u>	
							<u>\$ 23,888,683</u>	

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE I - LONG-TERM DEBT - Continued

Revenue Bonds

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

Revenue obligation bonds payable transactions for the year ended June 30, 2012 are as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Effective Interest Rate</u>	<u>Outstanding July 1, 2011</u>	<u>Issued During Year</u>	<u>Matured During Year</u>	<u>Outstanding June 30, 2012</u>	<u>Due Within One Year</u>
Series 2005	5-13-05	2015	3.700%	<u>\$ 880,000</u>	<u>\$ -</u>	<u>\$ (205,000)</u>	<u>\$ 675,000</u>	<u>\$ 215,000</u>
Series 2009	4-02-09	2029	4.070%	<u>\$21,330,000</u>	<u>\$ -</u>	<u>\$ (850,000)</u>	<u>\$20,480,000</u>	<u>\$ 875,000</u>
Series 2010	10-06-10	2030	3.149%	<u>\$10,000,000</u>	<u>\$ -</u>	<u>\$ (365,000)</u>	<u>\$ 9,635,000</u>	<u>\$ 375,000</u>

Maturities of bond principal and interest are as follows:

<u>Year</u>	<u>General Obligation bonds</u>		<u>Revenue Bonds</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012-13	\$ 2,180,000	\$ 1,033,473	\$ 1,465,000	\$ 1,188,956	\$ 3,645,000	\$ 2,222,429
2013-14	2,255,000	951,283	1,515,000	1,144,050	3,770,000	2,095,333
2014-15	2,340,000	865,618	1,560,000	1,097,325	3,900,000	1,962,943
2015-16	1,435,000	773,133	1,380,000	1,039,531	2,815,000	1,812,664
2016-17	1,495,000	710,608	1,425,000	988,281	2,920,000	1,698,889
2018-22	8,415,000	2,608,385	7,985,000	4,103,706	16,400,000	6,712,091
2022-2027	7,725,000	800,897	9,650,000	2,437,263	17,375,000	3,238,160
2027-2030	-	-	5,810,000	431,375	5,810,000	431,375
Total	<u>\$ 25,845,000</u>	<u>\$ 7,743,395</u>	<u>\$ 30,790,000</u>	<u>\$ 12,430,487</u>	<u>\$ 56,635,000</u>	<u>\$ 20,173,882</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE I - LONG-TERM DEBT - Continued

Notes Payable

At June 30, 2012 notes payable are as follows:

Governmental activities:

Oregon Special Public Works (OSPW), McKenzie Gateway payable in annual installments of \$81,684 including interest at 5.8%, due 2015	\$ 219,152
Bank of America (FS 16), payable in semi-annual installments including interest at 4.9%, due 2018	<u>1,250,000</u>
Total governmental activities	<u>\$ 1,469,152</u>

Business-type activities:

McKenzie Enterprises, Inc. note payable in monthly installments of \$7,024 including interest at 7%, due in 2017 Carter Building	\$ 354,789
Bank of the West (BLM), Note payable with monthly installments beginning June 2009 at 6.97%, due in May of 2019	4,572,217
Oregon Department of Environmental Quality (DEQ) state Revolving Fund loan, payable in semiannual installments of \$36,609 including interest at 3%, due 2014	<u>141,092</u>
Total business-type activities	<u>\$ 5,068,098</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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>
2012-13	\$ 238,973	\$ 664,064
2013-14	252,973	708,961
2014-15	262,206	683,264
2015-16	195,000	732,460
2016-17	200,000	785,244
Thereafter	<u>320,000</u>	<u>1,494,105</u>
	<u>\$ 1,469,152</u>	<u>\$ 5,068,098</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, 2012

NOTE I - LONG-TERM DEBT - continued

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 27,945,000	\$ -	\$ (2,100,000)	\$ 25,845,000	\$ 2,180,000
Less deferred amounts					
For issuance premiums	245,891	-	(15,612)	230,279	-
For issuance discounts	(7,104)	-	507	(6,596)	-
Total bonds payable	28,183,787	-	(2,115,105)	26,068,683	2,180,000
Notes payable	1,699,344	-	(230,192)	1,469,152	238,973
Contracts payable	210,000	-	-	210,000	-
Capital leases	1,108,535	330,582	(324,757)	1,114,360	335,793
Accrued absences	4,484,069	1,134,692	(1,509,397)	4,109,364	1,348,797
OPEB obligation	1,892,965	589,293	-	2,482,258	-
Governmental activity long-term liabilities	<u>\$ 37,578,700</u>	<u>\$ 2,054,567</u>	<u>\$ (4,179,450)</u>	<u>\$ 35,453,817</u>	<u>\$ 4,103,563</u>
<u>Business-type activities:</u>					
Bonds payable:					
Revenue bonds	\$ 32,210,000	\$ -	\$ (1,420,000)	\$ 30,790,000	\$ 1,465,000
Less deferred amounts					
For issuance discounts	(12,591)	-	3,181	(9,410)	-
For issuance premiums	718,591	-	(53,977)	664,614	-
Total bonds payable	32,916,000	-	(1,470,796)	31,445,204	1,465,000
Notes payable	5,834,566	-	(766,468)	5,068,098	664,064
Accrued absences	731,904	234,411	(297,367)	668,948	254,158
OPEB obligation	441,749	124,895	-	566,644	-
Business-type activities long-term liabilities	<u>\$ 39,924,219</u>	<u>\$ 359,306</u>	<u>\$ (2,534,631)</u>	<u>\$ 37,748,894</u>	<u>\$ 2,383,222</u>

For the governmental activities, compensated absences are generally liquidated by the General Fund.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE J – RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

Interfund Payables & Receivables

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Storm Drainage	Internal service funds	\$ 38,969
Sanitary Sewer	Internal service funds	53,891
Booth Kelly	Internal service funds	14,603
Ambulance	Internal service funds	<u>52,978</u>
Total due to/from other funds (different fund types)		<u>\$ 160,441</u>

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

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

Amounts due to/from component units at June 30, 2012 are presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Metropolitan Wastewater	Internal service funds	<u>\$ 8,416</u>

Interfund Transfers

Fund	General	Nonmajor			Total Transfers Out
		Governmental Funds	Sewer Capital	Drainage Capital	
General	\$ -	\$ 846,172	\$ -	\$ -	\$ 846,172
Nonmajor Governmental	636,243	2,638,083	-	-	3,274,326
Sanitary Sewer	-	20,771	2,770,000	-	2,790,771
Storm Drainage	-	14,297	-	2,471,000	2,485,297
Booth Kelly	35,736	-	-	-	35,736
Nonmajor Enterprise	-	71,311	-	15,111	86,422
Internal Service Funds	816,438	-	-	-	816,438
Total Transfer In	<u>\$ 1,488,417</u>	<u>\$ 3,590,634</u>	<u>\$ 2,770,000</u>	<u>\$ 2,486,111</u>	<u>\$ 10,335,162</u>

Transfers are routinely made for the following purposes:

- To move unrestricted revenues collected in the General Fund to finance various programs and activities accounted for in other funds in accordance with budgetary authorizations.
- To move unrestricted revenues collected in other funds to the General Fund to finance government programs.
- To move revenues appropriated for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due.
- To move revenues from the fund that statute or budget requires to collect them to the fund the statute or budget requires to expend them.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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.

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, 2012.

NOTE L – CITY PENSION PLAN

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

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

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

Funding policy – The City completes an actuarial study of the CRP as of June 30 every 2 years. In part because of the closed membership nature of the plan, the City has implemented a new funding strategy for the CRP. The City now contributes annually to the plan a consistent percentage for all covered salary across all employee groups and an annual single lump sum in each year of the bi-annual cycle. The percentage contribution for all covered salary is now 23.1%. The annual lump sum contribution for the current bi-annual period is \$1,215,000.

The City’s contribution to the CRP was calculated using the covered base salary amount of \$2,462,734. The City’s total payroll was \$29,189,395.

Annual Pension Cost – For the fiscal year 2011-12, the City’s contribution of \$1,830,622 for the CRP was equal to the City’s required and actual contributions. The required contribution was determined as part of the July 2010 actuarial valuation using the Individual Entry Age Actuarial Cost method and an actuarial asset method which smoothes investment returns different than the assumed investment return over a five-year period. The UAL amortization period was closed for the July 2010 valuation and was equal to 30 years.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE L – CITY PENSION PLAN - Continued

The significant actuarial assumptions used in the 2010 valuation include: (a) a rate of return on the investment of present and future assets of 7.5% per year; (b) projected annual salary increases for inflation of 5% per year; (c) and demographic assumptions as described below.

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

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

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

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

All inactive Members are assumed to retire at age 65.

DISABLEMENT. None.

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

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

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

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE L – CITY PENSION PLAN - Continued

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

For the July 1, 2010 actuarial valuation, the amortization period was increased from an open period of 20 years to a close period of 30 years. The amortization of the unfunded liability was changed to be expressed as a level dollar amount as opposed to a percentage of salary. These changes affect contribution rates for years beginning after June 30, 2011.

<u>Fiscal Year Ending</u>	<u>Annual Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2003	\$ 803,591	100%	\$ -
6/30/2004	756,650	100%	-
6/30/2005	801,702	100%	-
6/30/2006	1,220,539	100%	-
6/30/2007	1,253,254	100%	-
6/30/2008	1,272,654	100%	-
6/30/2009	1,358,806	100%	-
6/30/2010	1,303,162	100%	-
6/30/2011	1,213,564	100%	-
6/30/2012	1,830,622	100%	-

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b) – (a)</u>	<u>Funded Ratio (a) / (b)</u>	<u>Estimated Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b) – (a)] / (c)</u>
7/1/2006	\$18,447,240	\$27,011,984	\$8,564,744	68.3%	\$3,299,007	260%
7/1/2008	20,873,921	30,276,437	9,402,516	68.9%	3,017,170	312%
7/1/2010	18,354,656	32,329,421	13,974,765	56.8%	2,904,027	481%

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE L – CITY PENSION PLAN – Continued

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

Beginning July 1, 2006, the actuarial liability was determined using the Individual Entry Age Actuarial Cost Method. Beginning July 1, 2008, the actuarial value of assets is determined using five-year smoothing of investment gains and losses, limited to within 10% of the market value of assets. No changes to assumptions or methods were made in the July 1, 2010 actuarial valuation which affected the results in the schedule of funding progress.

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

NOTE M – PERS PENSION PLAN

Plan Description – All City employees in qualified fire public safety positions and full time regular public safety employees covered by the Springfield Police Association (SPA) hired on or after April 1, 1996, and beginning April 1, 2002, all general service employees participate in the Oregon Public Employees Retirement System (OPERS). Contributions are made for employees after six months of employment unless they are already members of OPERS and eligible for contributions when they begin employment. OPERS is a cost sharing multiple-employer defined benefit pension plan that acts as a common investment and administrative agent for government units in the State of Oregon. Benefits generally vest after five years of continuous service in OPERS covered position(s).

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

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

Compulsory retirement age is 70.

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

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE M – PERS PENSION PLAN – Continued

formula takes into account final average salary and years of service and a factor that varies based on type of service (general vs. police or fire).

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

Both existing PERS and OPSRP accounts are administered by the Oregon Public Employees Retirement Board (OPERB). The comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to the Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700, by calling (503) 598-7377, or by accessing the PERS website at www.pers.state.or.us.

Funding Policy – The City’s contribution rate for the fiscal year ended June 30, 2012 was 11.56% of covered payroll for the following members: PERS Fire (Emergency Services), PERS Fire Management (Emergency Services), PERS General Service and PERS Police (Emergency Services). For members of OPSRP Fire (Emergency Services), OPSRP Fire Management (Emergency Services), OPSRP Police (Emergency Services), the Rate was 8.35% of covered payroll. For members of OPSRP General Service, the rate was 5.64% of covered payroll.

The required employee contribution of 6% of covered compensation is paid by the City for non-union, SPA, OPEU and AFSCME members. For IAFF, the employee portion is contributed by the employee. The contribution requirements of the City are established and may be amended by the Public Employees Retirement Board (PERB), while the employees’ rate is set by the state statute, ORS 238.200. The City’s payroll for employees covered by OPERS for the year ended June 30, 2012 was \$26,726,661. The City’s total payroll was \$29,189,395.

Annual Pension Cost – For the fiscal year 2011-12, the City’s annual pension cost of \$4,185,615 for OPERS was equal to the City’s required and actual contributions. Of this amount, \$2,584,807 was funded by the City and \$1,600,808 was paid by employee contributions from fire public safety and general service members.

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

Fiscal Year <u>Ending</u>	Annual Pension Cost <u>(APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/10	\$ 3,268,693	100	\$ -
6/30/11	3,370,522	100	-
6/30/12	4,185,615	100	-

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE N – OTHER POSTEMPLOYMENT BENEFITS

The City administers a single-employer defined benefit healthcare plan as established through negotiations between the City and collective bargaining units. The healthcare plan provides post-retirement medical, dental, and vision coverage for eligible retirees, spouses, domestic partners, and dependents. The following groups are eligible: Non-Medicare eligible regular retirees, disability retirees, Non-Medicare eligible early retirees eligible for pension under a City Plan or OPERS with at least 2 years of benefited service at the City, and Non-Medicare eligible early retirees whose age plus years of service equal 70 or greater at their time of retirement. The authority for this coverage is City personnel policy. At June 30, 2012, 24 qualified retirees are eligible to receive this benefit. The cost of the coverage, financed on a pay-as-you-go basis, is shared between the City and the retirees. The city's share is capped at \$115 per month, per qualified retiree. The total cost of providing this coverage for the fiscal year ended June 30, 2012 was \$35,321.

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

For these employees, the amount of the pension contribution is either 7%, 10%, or 12.8% of the employee's last monthly salary, depending on what the employee's contribution rate was before retirement. At June 30, 2012, there were no employees receiving this benefit.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance within the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the fiscal year ending June 30, 2012, the amount actually contributed to the plans, and changes in the City's net OPEB obligation:

Annual required contribution	\$ 1,152,643
Interest on net OPEB obligation	96,404
Adjustment to ARC	<u>(163,789)</u>
Annual OPEB cost (expense)	1,085,258
Contributions	<u>(352,559)</u>
Increase in net OPEB obligation	732,699
Net OPEB obligation, beginning of year	<u>2,410,107</u>
Net OPEB obligation, end of year	<u>\$ 3,142,806</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 2012 and the preceding three years were as follows:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE N – OTHER POSTEMPLOYMENT BENEFITS – Continued

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

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

Funded Status and Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2006	\$ -	\$ 6,469,229	\$ 6,469,229	0%	\$ 24,377,875	27%
7/1/2008	-	8,929,996	8,929,996	0%	28,602,068	31%
7/1/2010	-	7,851,047	7,851,047	0%	28,390,341	28%

As of July 1, 2010, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$7,851,047, and the actuarial value of assets was zero, resulting in an unfunded accrued liability of \$7,851,047.

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

Actuarial Methods and Assumptions

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE N – OTHER POSTEMPLOYMENT BENEFITS – Continued

The July 1, 2010 actuarial valuations for the OPEB plan is based on the projected unit credit actuarial cost method. The actuarial assumptions include an investment return of 4.0%, a healthcare cost inflation trend rate of 11.0% for the 1st year, July 1, 2010 to July 1, 2011, 7.25% in the 2nd year, 6.25% in the third year, 6.0% in the fourth, fifth, and sixth year, 5.75% for the 7th through 26th year, 5.50% for the 27th through 32nd, and 5.25% thereafter. Annual payroll increases are compounded at 3.75% annually. The unfunded actuarially accrued liability and the gain or loss is amortized as a level percentage of projected payroll over 15 years on an open basis.

NOTE O - COMMITMENTS AND CONTINGENCIES

At June 30, 2012, the City was obligated under incomplete construction contracts in the amount of \$1,821,163.

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, 2012, the Sick Leave Reserve Program bank contained 5,676 hours. The value of these hours is not included in the liability for compensated absences because there is no estimate of the number of hours that will be used.

NOTE P – CONSTITUTIONAL PROPERTY TAX LIMITATION

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

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

NOTE Q – PRIOR PERIOD ADJUSTMENTS

Sanitary Sewer Operations Fund

In prior fiscal years (2005 through 2010), the City overstated the amount of donated sewer lines contributed to the City by \$4,788,321. This, in conjunction with the depreciation of \$319,504 taken on those sewer lines, resulted in a prior period adjustment reducing the July, 1 2011 fund balance of the Sanitary Sewer Operation Fund by \$4,468,817.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE R – NEW PRONOUNCEMENTS

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 pronouncements.

GASB Statement No. 61 “The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34.” This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. This Statement also amends the criteria for reporting component units as if they were part of the primary government. The statement is effective for fiscal years beginning after June 15, 2012.

GASB Statement No. 62 “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.” The objective of this Statement is to incorporate into GASB's authoritative literature certain accounting and financial reporting guidance that were issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. The statement is effective for fiscal years beginning after December 15, 2011.

GASB Statement No. 63 “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.” The statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The statement is effective for fiscal years beginning after December 15, 2011.

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

NOTE S – SUBSEQUENT EVENTS

The City adopted the provisions of ASC 855, "Subsequent Events", as of June 30, 2009. ASC 855 establishes new accounting and disclosure requirements for subsequent events. Management has evaluated subsequent events through December 14, 2012, 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.

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Required Supplementary Information

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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, 2012

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 17,155,219	\$ 17,155,219	\$ 17,648,630	\$ 493,411	\$ -	\$ 17,648,630
Licenses and permits	2,438,928	2,438,928	2,044,417	(394,511)	-	2,044,417
Intergovernmental revenues	4,084,619	4,093,167	3,857,269	(235,898)	-	3,857,269
Charges for services	4,804,235	5,164,235	5,032,591	(131,644)	-	5,032,591
Fines and forfeitures	1,979,512	1,979,512	1,573,505	(406,007)	-	1,573,505
Use of money and property	152,000	152,000	73,086	(78,914)	(20,653)	52,433
Miscellaneous receipts	203,500	214,971	430,597	215,626	-	430,597
Total revenues	30,818,013	31,198,032	30,660,095	(537,937)	(20,653)	30,639,442
Expenditures:						
Current operating:						
City manager's office	1,154,296	1,180,296	1,075,431	104,865	(334)	1,075,097
Court	1,415,371	1,415,371	1,402,593	12,778	(510)	1,402,083
Human resources	416,261	416,261	374,108	42,153	(279)	373,829
Finance	855,185	855,185	832,650	22,535	-	832,650
Information technology	1,339,119	1,339,119	1,339,119	-	(746)	1,338,373
Fire	9,962,773	9,978,792	9,966,973	11,819	(1,714)	9,965,259
Police	12,502,697	12,502,697	12,270,639	232,058	(4,316)	12,266,323
Library	1,323,736	1,333,601	1,333,601	-	(2,830)	1,330,771
Public works	1,013,958	1,014,458	987,402	27,056	(223)	987,179
Development services	1,293,740	1,293,740	1,283,833	9,907	(1,578)	1,282,255
Contingency	600,000	600,000	-	600,000	-	-
Debt Service:						
Principal	165,000	165,000	165,000	-	-	165,000
Interest	67,375	67,375	67,375	-	-	67,375
Total expenditures	32,109,511	32,161,895	31,098,724	1,063,171	(12,530)	31,086,194
Excess of revenues over (under) expenditures	(1,291,498)	(963,863)	(438,629)	525,234	(8,123)	(446,752)
Other financing sources (uses):						
Transfers in	1,405,941	1,405,941	1,488,417	82,476	-	1,488,417
Transfers out	(714,224)	(1,074,224)	(846,172)	228,052	-	(846,172)
Total other financing sources (uses)	691,717	331,717	642,245	310,528	-	642,245
Net change in fund balances	(599,781)	(632,146)	203,616	835,762	(8,123)	195,493
Fund balance, beginning of year	7,857,285	7,551,136	7,551,136	-	31,842	7,582,978
Fund balance, end of year	\$ 7,257,504	\$ 6,918,990	\$ 7,754,752	\$ 835,762	\$ 23,719	\$ 7,778,471

City of Springfield, Oregon

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

Year Ended June 30, 2012

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenues	\$ 1,100,689	\$ 2,082,449	\$ 996,643	\$ (1,085,806)	\$ (1,695)	\$ 994,948
Use of money and property	-	16,357	22,851	6,494	-	22,851
Total revenues	<u>1,100,689</u>	<u>2,098,806</u>	<u>1,019,494</u>	<u>(1,079,312)</u>	<u>(1,695)</u>	<u>1,017,799</u>
Expenditures:						
Current operating						
Finance	21,479	23,952	13,640	10,312	-	13,640
Development services	<u>1,079,210</u>	<u>2,074,854</u>	<u>1,005,820</u>	<u>1,069,034</u>	<u>-</u>	<u>1,005,820</u>
Total expenditures	<u>1,100,689</u>	<u>2,098,806</u>	<u>1,019,460</u>	<u>1,079,346</u>	<u>-</u>	<u>1,019,460</u>
Net change in fund balances	-	-	34	34	(1,695)	(1,661)
Fund balance, beginning of year	<u>140,950</u>	<u>142,552</u>	<u>142,552</u>	<u>-</u>	<u>1,695</u>	<u>144,247</u>
Fund balance, end of year	<u>\$ 140,950</u>	<u>\$ 142,552</u>	<u>\$ 142,586</u>	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 142,586</u>

City of Springfield, Oregon

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2012

SCHEDULE OF FUNDING PROGRESS

Schedule of OPEB Funding Progress

Other Post Employment Benefits schedule of funding progress:

Acturial Valuation Date	Acturial Value of Assets	Acturial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2006	\$ -	\$ 6,469,229	\$ 6,469,229	0%	\$ 24,377,875	27%
7/1/2008	-	8,929,996	8,929,996	0%	28,602,068	31%
7/1/2010	-	7,851,047	7,851,047	0%	28,390,341	28%

Schedule of CRP Funding Progress

City Retirement Plan schedule of funding progress:

Acturial Valuation Date	Acturial Value of Assets	Acturial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2006	\$ 18,447,240	\$ 27,011,984	\$ 8,564,744	68.3%	\$ 3,299,007	260%
7/1/2008	20,873,921	30,276,437	9,402,516	68.9%	3,017,170	312%
7/1/2010	18,354,656	32,329,421	13,974,765	56.8%	2,904,027	481%

City Retirement Plan employer contributions:

Fiscal Year Ending	Annual Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2006	\$ 1,220,539	100%	\$ -
6/30/2007	1,253,254	100%	-
6/30/2008	1,272,654	100%	-
6/30/2009	1,358,806	100%	-
6/30/2010	1,303,162	100%	-
6/30/2011	1,213,564	100%	-
6/30/2012	1,830,622	100%	-

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Other Supplementary Information

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**Nonmajor Governmental Funds
Combining Statements**

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City of Springfield, Oregon
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

June 30, 2012

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 4,715,677	\$ 6,825,063	\$ 762,698	\$ 12,303,438
Receivables:				
Accounts	620,419	3,209	-	623,628
Taxes	430,034	-	313,427	743,461
Grants	207,512	4,749	-	212,261
Accrued interest	18,657	25,768	8,945	53,370
Assessments and liens	-	245,916	9,222	255,138
Mortgage notes	8,409	-	-	8,409
Inventory	81,562	-	-	81,562
Deposits	78,969	-	-	78,969
	<u>\$ 6,161,239</u>	<u>\$ 7,104,705</u>	<u>\$ 1,094,292</u>	<u>\$ 14,360,236</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 345,720	\$ 65,424	\$ -	\$ 411,144
Accrued payroll and other liabilities	433,815	1,197	245	435,257
Deferred revenue	459,766	249,125	316,472	1,025,363
	<u>1,239,301</u>	<u>315,746</u>	<u>316,717</u>	<u>1,871,764</u>
Fund Balances:				
Unspendable	160,531	-	-	160,531
Restricted	4,443,327	2,802,597	631,813	7,877,737
Committed	279,034	3,745,154	-	4,024,188
Assigned	39,046	241,208	145,762	426,016
	<u>4,921,938</u>	<u>6,788,959</u>	<u>777,575</u>	<u>12,488,472</u>
Total liabilities and fund balances	<u>\$ 6,161,239</u>	<u>\$ 7,104,705</u>	<u>\$ 1,094,292</u>	<u>\$ 14,360,236</u>

City of Springfield, Oregon
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year ended June 30, 2012

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 8,060,780	\$ -	\$ 3,129,531	\$ 11,190,311
Licenses, permits and fees	256,410	-	-	256,410
Intergovernmental revenues	4,097,753	24,721	-	4,122,474
Charges for services	1,236,657	688,771	-	1,925,428
Fines and forfeitures	163,217	-	-	163,217
Use of money and property	42,632	39,370	12,993	94,995
Special assessments	-	48,934	-	48,934
Miscellaneous receipts	216,878	1,513	-	218,391
Total revenues	14,074,327	803,309	3,142,524	18,020,160
Expenditures:				
Current operating:				
General government	972,271	61,399	13,872	1,047,542
Fire	1,549,294	-	-	1,549,294
Police	5,478,006	-	-	5,478,006
Library	95,312	-	-	95,312
Public works	4,651,634	129,557	-	4,781,191
Development services	1,227,376	-	-	1,227,376
Capital projects	249,000	752,890	-	1,001,890
Debt service:				
Principal	-	-	2,165,192	2,165,192
Interest	2,775	-	1,127,485	1,130,260
Total expenditures	14,225,668	943,846	3,306,549	18,476,063
Excess of revenues over (under) expenditures	(151,341)	(140,537)	(164,025)	(455,903)
Other financing sources (uses)				
Transfers in	2,702,812	792,264	95,557	3,590,633
Transfers out	(2,545,125)	(679,201)	(50,000)	(3,274,326)
Total other financing sources (uses):	157,687	113,063	45,557	316,307
Net change in fund balances	6,346	(27,474)	(118,468)	(139,596)
Fund balance, beginning of year	4,901,782	6,816,433	896,043	12,614,258
Change in reserve for inventory	13,810	-	-	13,810
Fund balance, end of year	\$ 4,921,938	\$ 6,788,959	\$ 777,575	\$ 12,488,472

Special Revenue Funds

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

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

Major Special Revenue Funds:

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

Nonmajor Special Revenue Funds:

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

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

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

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

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

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

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

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

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

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City of Springfield, Oregon

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

June 30, 2012

ASSETS	Street	Special Revenue	Transient Room Tax	Building	SEDA Glenwood	SEDA Downtown	Fire Levy	Police Levy	Jail Operations	Total
Cash and investments	\$ 400,659	\$ 732,322	\$ 179,383	\$ 287,413	\$ 7,964	\$ 32,776	\$ 787,279	\$ 1,914,637	\$ 373,244	\$ 4,715,677
Receivables:										
Accounts	480,265	20,331	79,477	-	-	-	371	-	39,975	620,419
Taxes	-	-	-	-	20,942	13,043	104,632	291,417	-	430,034
Grants	7,256	200,256	-	-	-	-	-	-	-	207,512
Accrued interest	1,131	-	575	1,745	275	145	3,950	10,630	206	18,657
Mortgage notes	-	8,409	-	-	-	-	-	-	-	8,409
Inventory	81,562	-	-	-	-	-	-	-	-	81,562
Deposits	3,200	75,769	-	-	-	-	-	-	-	78,969
Total assets	\$ 974,073	\$ 1,037,087	\$ 259,435	\$ 289,158	\$ 29,181	\$ 45,964	\$ 896,232	\$ 2,216,684	\$ 413,425	\$ 6,161,239
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 86,580	\$ 123,953	\$ 61,884	\$ 365	\$ 4,010	\$ 32,122	\$ 2,202	\$ 5,973	\$ 28,631	\$ 345,720
Accrued payroll and other liabilities	130,355	16,878	8,691	30,695	-	-	62,061	102,100	83,035	433,815
Deferred revenue	9,785	8,409	-	-	20,375	12,706	101,982	283,784	22,725	459,766
Total liabilities	226,720	149,240	70,575	31,060	24,385	44,828	166,245	391,857	134,391	1,239,301
Fund balances:										
Nonspendable	84,762	75,769	-	-	-	-	-	-	-	160,531
Restricted	662,591	773,032	188,860	258,098	4,796	1,136	729,987	1,824,827	-	4,443,327
Committed	-	-	-	-	-	-	-	-	279,034	279,034
Assigned	-	39,046	-	-	-	-	-	-	-	39,046
Total fund balances	747,353	887,847	188,860	258,098	4,796	1,136	729,987	1,824,827	279,034	4,921,938
Total liabilities and fund balances	\$ 974,073	\$ 1,037,087	\$ 259,435	\$ 289,158	\$ 29,181	\$ 45,964	\$ 896,232	\$ 2,216,684	\$ 413,425	\$ 6,161,239

City of Springfield, Oregon

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

Year ended June 30, 2012

	Street	Special Revenue	Transient Room Tax	Building	SEDA Glenwood	SEDA Downtown	Fire Levy	Police Levy	Jail Operations	Total
Revenues:										
Taxes	\$ 991,535	\$ 292,837	\$ 901,664	\$ -	\$ 285,369	\$ 174,047	\$ 1,348,805	\$ 4,066,523	\$ -	\$ 8,060,780
Licenses and fees	161,316	-	-	-	-	-	-	-	95,094	256,410
Intergovernmental	3,404,142	693,417	-	-	117	77	-	-	-	4,097,753
Charges for services	273,475	-	-	713,730	-	-	-	-	249,452	1,236,657
Fines and forfeitures	-	163,217	-	-	-	-	-	-	-	163,217
Use of money and property	535	1,790	427	4,678	14,234	80	5,754	12,617	2,517	42,632
Miscellaneous receipts	44,875	166,533	2,782	20	-	1,000	371	-	1,297	216,878
Total revenues	4,875,878	1,317,794	904,873	718,428	299,720	175,204	1,354,930	4,079,140	348,360	14,074,327
Expenditures:										
Current operating:										
City manager's office	-	110,964	225,899	-	133,793	119,733	-	-	-	590,389
Court	-	-	-	-	-	-	-	364,627	-	364,627
Finance	-	-	-	-	11,355	5,900	-	-	-	17,255
Fire	-	22,455	-	-	-	-	1,526,839	-	-	1,549,294
Police	-	879,552	-	-	-	-	-	2,136,984	2,461,470	5,478,006
Library	-	42,514	52,798	-	-	-	-	-	-	95,312
Public works	4,537,020	2,098	46,398	-	66,118	-	-	-	-	4,651,634
Development services	59,397	39,648	53,719	1,008,612	66,000	-	-	-	-	1,227,376
Capital projects	-	-	-	-	249,000	-	-	-	-	249,000
Debt Service:										
Interest	-	-	-	-	2,597	178	-	-	-	2,775
Total expenditures	4,596,417	1,097,231	378,814	1,008,612	528,863	125,811	1,526,839	2,501,611	2,461,470	14,225,668
Excess of revenues over (under) expenditures	279,461	220,563	526,059	(290,184)	(229,143)	49,393	(171,909)	1,577,529	(2,113,110)	(151,341)
Other financing sources (uses):										
Transfers in	392,740	38,499	-	-	514,568	35,500	-	-	1,721,505	2,702,812
Transfers out	(350,000)	(42,987)	(486,193)	(27,050)	(282,773)	(84,617)	-	(1,271,505)	-	(2,545,125)
Total other financing sources (uses)	42,740	(4,488)	(486,193)	(27,050)	231,795	(49,117)	-	(1,271,505)	1,721,505	157,687
Net change in fund balances	322,201	216,075	39,866	(317,234)	2,652	276	(171,909)	306,024	(391,605)	6,346
Fund balances, beginning of year	411,342	671,772	148,994	575,332	2,144	860	901,896	1,518,803	670,639	4,901,782
Change in reserve for inventory	13,810	-	-	-	-	-	-	-	-	13,810
Fund balances, end of year	\$ 747,353	\$ 887,847	\$ 188,860	\$ 258,098	\$ 4,796	\$ 1,136	\$ 729,987	\$ 1,824,827	\$ 279,034	\$ 4,921,938

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, 2012

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,132,210	\$ 1,132,210	\$ 991,535	\$ (140,675)	\$ -	\$ 991,535
Licenses and permits	179,053	179,053	161,316	(17,737)	-	161,316
Intergovernmental revenue	3,370,302	3,370,302	3,404,142	33,840	-	3,404,142
Charges for services	159,930	159,930	273,475	113,545	-	273,475
Use of money and property	300	300	-	(300)	535	535
Miscellaneous receipts	172,055	204,555	44,875	(159,680)	-	44,875
Total revenues	5,013,850	5,046,350	4,875,343	(171,007)	535	4,875,878
Expenditures:						
Current operating:						
Public works	4,838,548	4,971,153	4,540,230	430,923	(3,210)	4,537,020
Development services	61,757	61,757	59,397	2,360	-	59,397
Total expenditures	4,900,305	5,032,910	4,599,627	433,283	(3,210)	4,596,417
Excess of revenues over (under) expenditures	113,545	13,440	275,716	262,276	3,745	279,461
Other financing sources (uses):						
Transfers in	-	395,068	392,740	(2,328)	-	392,740
Transfers out	-	(350,000)	(350,000)	-	-	(350,000)
Total other financing sources (uses)	-	45,068	42,740	(2,328)	-	42,740
Net change in fund balances	113,545	58,508	318,456	259,948	3,745	322,201
Fund balance, beginning of year	46,017	347,825	347,825	-	63,517	411,342
Change in reserve for inventory	-	-	-	-	13,810	13,810
Fund balance, end of year	\$ 159,562	\$ 406,333	\$ 666,281	\$ 259,948	\$ 81,072	\$ 747,353

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, 2012

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 350,000	\$ 350,000	\$ 292,837	\$ (57,163)	\$ -	\$ 292,837
Intergovernmental revenue	547,766	964,471	693,417	(271,054)	-	693,417
Fines and forfeitures	-	-	163,217	163,217	-	163,217
Use of money and property	-	-	1,790	1,790	-	1,790
Miscellaneous receipts	41,370	134,870	166,533	31,663	-	166,533
Total revenues	939,136	1,449,341	1,317,794	(131,547)	-	1,317,794
Expenditures:						
Current operating:						
City manager's office	-	145,000	110,964	34,036	-	110,964
Fire	28,040	28,040	22,455	5,585	-	22,455
Police	942,786	1,187,046	879,552	307,494	-	879,552
Library	29,801	54,801	42,514	12,287	-	42,514
Public works	85,000	212,900	2,098	210,802	-	2,098
Development services	38,499	58,459	39,648	18,811	-	39,648
Total expenditures	1,124,126	1,686,246	1,097,231	589,015	-	1,097,231
Excess of revenues over (under) expenditures	(184,990)	(236,905)	220,563	457,468	-	220,563
Other financing sources (uses):						
Transfers in	38,499	38,499	38,499	-	-	38,499
Transfers out	-	(42,987)	(42,987)	-	-	(42,987)
Total other financing sources (uses)	38,499	(4,488)	(4,488)	-	-	(4,488)
Net change in fund balances	(146,491)	(241,393)	216,075	457,468	-	216,075
Fund balance, beginning of year	400,324	671,772	671,772	-	-	671,772
Fund balance, end of year	<u>\$ 253,833</u>	<u>\$ 430,379</u>	<u>\$ 887,847</u>	<u>\$ 457,468</u>	<u>\$ -</u>	<u>\$ 887,847</u>

City of Springfield, Oregon
 TRANSIENT ROOM TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2012

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 750,000	\$ 828,333	\$ 901,664	\$ 73,331	\$ -	\$ 901,664
Use of money and property	1,000	1,000	474	(526)	(47)	427
Miscellaneous receipts	-	-	2,782	2,782	-	2,782
Total revenues	751,000	829,333	904,920	75,587	(47)	904,873
Expenditures:						
Current operating:						
City managers office	237,402	237,402	225,899	11,503	-	225,899
Library	60,618	60,618	52,798	7,820	-	52,798
Public works	46,469	46,469	46,398	71	-	46,398
Development services	61,566	61,566	53,719	7,847	-	53,719
Total expenditures	406,055	406,055	378,814	27,241	-	378,814
Excess of revenues over (under) expenditures	344,945	423,278	526,106	102,828	(47)	526,059
Other financing sources (uses):						
Transfers out	(416,667)	(495,000)	(486,193)	8,807	-	(486,193)
Net change in fund balances	(71,722)	(71,722)	39,913	111,635	(47)	39,866
Fund balance, beginning of year	105,691	148,662	148,662	-	332	148,994
Fund balance, end of year	\$ 33,969	\$ 76,940	\$ 188,575	\$ 111,635	\$ 285	\$ 188,860

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, 2012

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 994,000	\$ 994,000	\$ 713,730	\$ (280,270)	\$ -	\$ 713,730
Use of money & property	4,500	4,500	7,192	2,692	(2,514)	4,678
Miscellaneous receipts	-	-	20	20	-	20
Total revenues	<u>998,500</u>	<u>998,500</u>	<u>720,942</u>	<u>(277,558)</u>	<u>(2,514)</u>	<u>718,428</u>
Expenditures:						
Current operating:						
Development services	<u>1,275,022</u>	<u>1,273,551</u>	<u>1,008,874</u>	<u>264,677</u>	<u>(262)</u>	<u>1,008,612</u>
Excess of revenues over (under) expenditures	(276,522)	(275,051)	(287,932)	(12,881)	(2,252)	(290,184)
Other financing sources (uses):						
Transfer out	<u>(54,100)</u>	<u>(54,100)</u>	<u>(27,050)</u>	<u>27,050</u>	<u>-</u>	<u>(27,050)</u>
Net change in fund balances	<u>(330,622)</u>	<u>(329,151)</u>	<u>(314,982)</u>	<u>14,169</u>	<u>(2,252)</u>	<u>(317,234)</u>
Fund balance, beginning of year	<u>504,648</u>	<u>572,216</u>	<u>572,216</u>	<u>-</u>	<u>3,116</u>	<u>575,332</u>
Fund balance, end of year	<u>\$ 174,026</u>	<u>\$ 243,065</u>	<u>\$ 257,234</u>	<u>\$ 14,169</u>	<u>\$ 864</u>	<u>\$ 258,098</u>

City of Springfield, Oregon
 SEDA GLENWOOD FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2012

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 303,000	\$ 303,000	\$ 285,369	\$ (17,631)	\$ -	\$ 285,369
Intergovernmental revenue	1,200	1,200	117	(1,083)	-	117
Use of money and property	10,800	10,800	14,410	3,610	(176)	14,234
Total revenues	315,000	315,000	299,896	(15,104)	(176)	299,720
Expenditures:						
Current operating:						
City manager's office	437,320	434,232	133,793	300,439	-	133,793
Finance	11,600	11,600	11,355	245	-	11,355
Public works	223,000	223,000	66,118	156,882	-	66,118
Development services	78,000	78,000	66,000	12,000	-	66,000
Capital projects	-	250,000	249,000	1,000	-	249,000
Debt service:						
Interest	4,425	4,425	2,597	1,828	-	2,597
Total expenditures	754,345	1,001,257	528,863	472,394	-	528,863
Excess of revenues over (under) expenditures	(439,345)	(686,257)	(228,967)	457,290	(176)	(229,143)
Other financing sources (uses):						
Interfund loan proceeds	725,000	975,000	514,568	(460,432)	(514,568)	-
Interfund loan repaid	(290,575)	(290,575)	(282,773)	7,802	282,773	-
Transfers in	-	-	-	-	514,568	514,568
Transfers out	-	-	-	-	(282,773)	(282,773)
Total other financing sources (uses)	434,425	684,425	231,795	(452,630)	-	231,795
Net change in fund balances	(4,920)	(1,832)	2,828	4,660	(176)	2,652
Fund balance, beginning of year	7,489	1,832	1,832	-	312	2,144
Fund balance, end of year	\$ 2,569	\$ -	\$ 4,660	\$ 4,660	\$ 136	\$ 4,796

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, 2012

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 154,000	\$ 154,000	\$ 174,047	\$ 20,047	\$ -	\$ 174,047
Intergovernmental revenue	410	410	77	(333)	-	77
Use of money and property	35	35	89	54	(9)	80
Miscellaneous receipts	-	-	1,000	1,000	-	1,000
Total revenues	154,445	154,445	175,213	20,768	(9)	175,204
Expenditures:						
Current operating:						
City manager's office	409,835	409,725	119,733	289,992	-	119,733
Finance	6,400	6,400	5,900	500	-	5,900
Debt service:						
Interest	100	1,000	178	822	-	178
Total expenditures	416,335	417,125	125,811	291,314	-	125,811
Excess of revenues over (under) expenditures	(261,890)	(262,680)	49,402	312,082	(9)	49,393
Other financing sources (uses):						
Interfund loan proceeds	281,000	366,900	35,500	(331,400)	(35,500)	-
Interfund loan repaid	(20,000)	(105,000)	(84,617)	20,383	84,617	-
Transfers in	-	-	-	-	35,500	35,500
Transfers out	-	-	-	-	(84,617)	(84,617)
Total other financing sources (uses)	261,000	261,900	(49,117)	(311,017)	-	(49,117)
Net change in fund balances	(890)	(780)	285	1,065	(9)	276
Fund balance, beginning of year	1,237	780	780	-	80	860
Fund balance, end of year	<u>\$ 347</u>	<u>\$ -</u>	<u>\$ 1,065</u>	<u>\$ 1,065</u>	<u>\$ 71</u>	<u>\$ 1,136</u>

City of Springfield, Oregon
FIRE LOCAL OPTION LEVY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,307,934	\$ 1,307,934	\$ 1,348,805	\$ 40,871	\$ -	\$ 1,348,805
Use of money and property	6,000	6,000	8,057	2,057	(2,303)	5,754
Miscellaneous receipts	-	-	371	371	-	371
Total revenues	1,313,934	1,313,934	1,357,233	43,299	(2,303)	1,354,930
Expenditures:						
Current operating:						
Fire	1,537,852	1,537,852	1,526,839	11,013	-	1,526,839
Net change in fund balances	(223,918)	(223,918)	(169,606)	54,312	(2,303)	(171,909)
Fund balance, beginning of year	955,999	897,637	897,637	-	4,259	901,896
Fund balance, end of year	<u>\$ 732,081</u>	<u>\$ 673,719</u>	<u>\$ 728,031</u>	<u>\$ 54,312</u>	<u>\$ 1,956</u>	<u>\$ 729,987</u>

City of Springfield, Oregon
POLICE LOCAL OPTION LEVY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 3,938,245	\$ 3,938,245	\$ 4,066,523	\$ 128,278	\$ -	\$ 4,066,523
Use of money and property	5,000	5,000	16,808	11,808	(4,191)	12,617
Total revenues	<u>3,943,245</u>	<u>3,943,245</u>	<u>4,083,331</u>	<u>140,086</u>	<u>(4,191)</u>	<u>4,079,140</u>
Expenditures:						
Current operating:						
Court	395,504	395,504	364,627	30,877	-	364,627
Police	<u>2,232,060</u>	<u>2,232,060</u>	<u>2,136,984</u>	<u>95,076</u>	<u>-</u>	<u>2,136,984</u>
Total expenditures	<u>2,627,564</u>	<u>2,627,564</u>	<u>2,501,611</u>	<u>125,953</u>	<u>-</u>	<u>2,501,611</u>
Excess of revenues over (under) expenditures	1,315,681	1,315,681	1,581,720	266,039	(4,191)	1,577,529
Other financing sources (uses):						
Transfers out	<u>(1,215,522)</u>	<u>(1,300,000)</u>	<u>(1,271,505)</u>	<u>28,495</u>	<u>-</u>	<u>(1,271,505)</u>
Net change in fund balances	100,159	15,681	310,215	294,534	(4,191)	306,024
Fund balance, beginning of year	<u>1,588,969</u>	<u>1,509,349</u>	<u>1,509,349</u>	<u>-</u>	<u>9,454</u>	<u>1,518,803</u>
Fund balance, end of year	<u>\$ 1,689,128</u>	<u>\$ 1,525,030</u>	<u>\$ 1,819,564</u>	<u>\$ 294,534</u>	<u>\$ 5,263</u>	<u>\$ 1,824,827</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, 2012

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Licenses and fees	\$ 90,000	\$ 90,000	\$ 95,094	\$ 5,094	\$ -	\$ 95,094
Charges for services	191,625	191,625	249,452	57,827	-	249,452
Use of money and property	5,000	5,000	4,189	(811)	(1,672)	2,517
Miscellaneous receipts	-	-	1,297	1,297	-	1,297
Total revenues	286,625	286,625	350,032	63,407	(1,672)	348,360
Expenditures:						
Current operating:						
Police	2,599,345	2,599,345	2,462,753	136,592	(1,283)	2,461,470
Excess of revenues over (under) expenditures	(2,312,720)	(2,312,720)	(2,112,721)	199,999	(389)	(2,113,110)
Other financing sources (uses):						
Transfers in	1,890,522	1,890,522	1,721,505	(169,017)	-	1,721,505
Net change in fund balance	(422,198)	(422,198)	(391,216)	30,982	(389)	(391,605)
Fund balance, beginning of year	565,112	670,147	670,148	1	491	670,639
Fund balance, end of year	<u>\$ 142,914</u>	<u>\$ 247,949</u>	<u>\$ 278,932</u>	<u>\$ 30,983</u>	<u>\$ 102</u>	<u>\$ 279,034</u>

SPRINGFIELD



OREGON

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.

SPRINGFIELD



OREGON

City of Springfield, Oregon
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 2012

	<u>General Obligation Debt Service</u>	<u>Bancroft Redemption</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 617,396	\$ 145,302	\$ 762,698
Receivables:			
Property taxes	312,909	518	313,427
Accrued interest	8,241	704	8,945
Assessments and liens	<u>-</u>	<u>9,222</u>	<u>9,222</u>
Total assets	<u>\$ 938,546</u>	<u>\$ 155,746</u>	<u>\$ 1,094,292</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued payroll and related liabilities	\$ -	\$ 245	\$ 245
Deferred revenues	<u>306,733</u>	<u>9,739</u>	<u>316,472</u>
Total liabilities	<u>306,733</u>	<u>9,984</u>	<u>316,717</u>
Fund balances:			
Restricted	631,813	-	631,813
Assigned	<u>-</u>	<u>145,762</u>	<u>145,762</u>
Total fund balances	<u>631,813</u>	<u>145,762</u>	<u>777,575</u>
Total liabilities and fund balances	<u>\$ 938,546</u>	<u>\$ 155,746</u>	<u>\$ 1,094,292</u>

City of Springfield, Oregon
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2012

	General Obligation Debt Service	Bancroft Redemption	Total
Revenues:			
Taxes	\$ 3,129,517	\$ 14	\$ 3,129,531
Use of money and property	11,095	1,898	12,993
Total revenues	<u>3,140,612</u>	<u>1,912</u>	<u>3,142,524</u>
Expenditures:			
Current operating:			
Finance	-	13,872	13,872
Debt service:			
Principal	2,165,192	-	2,165,192
Interest	1,127,485	-	1,127,485
Total expenditures	<u>3,292,677</u>	<u>13,872</u>	<u>3,306,549</u>
Excess of revenues over (under) expenditures	<u>(152,065)</u>	<u>(11,960)</u>	<u>(164,025)</u>
Other financing sources (uses):			
Transfers in	81,685	13,872	95,557
Transfers out	-	(50,000)	(50,000)
Total other financing sources (uses)	<u>81,685</u>	<u>(36,128)</u>	<u>45,557</u>
Net change in fund balances	(70,380)	(48,088)	(118,468)
Fund balances, beginning of year	<u>702,193</u>	<u>193,850</u>	<u>896,043</u>
Fund balances, end of year	<u>\$ 631,813</u>	<u>\$ 145,762</u>	<u>\$ 777,575</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, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 3,102,285	\$ 3,102,285	\$ 3,129,516	\$ 27,231	\$ -	\$ 3,129,517
Use of money and property	12,000	12,000	15,264	3,264	(4,169)	11,095
Total revenues	<u>3,114,285</u>	<u>3,114,285</u>	<u>3,144,780</u>	<u>30,495</u>	<u>(4,169)</u>	<u>3,140,612</u>
Expenditures:						
Debt service:						
Principal	2,165,192	2,165,192	2,165,192	-	-	2,165,192
Interest	1,127,485	1,127,485	1,127,485	-	-	1,127,485
Total expenditures	<u>3,292,677</u>	<u>3,292,677</u>	<u>3,292,677</u>	<u>-</u>	<u>-</u>	<u>3,292,677</u>
Excess of revenues over (under) expenditures	(178,392)	(178,392)	(147,897)	30,495	(4,169)	(152,065)
Other financing sources (uses):						
Transfers in	<u>81,685</u>	<u>81,685</u>	<u>81,685</u>	<u>-</u>	<u>-</u>	<u>81,685</u>
Net change in fund balances	(96,707)	(96,707)	(66,212)	30,495	(4,169)	(70,380)
Fund balance, beginning of year	<u>652,204</u>	<u>693,944</u>	<u>693,944</u>	<u>-</u>	<u>8,249</u>	<u>702,193</u>
Fund balance, end of year	<u>\$ 555,497</u>	<u>\$ 597,237</u>	<u>\$ 627,732</u>	<u>\$ 30,495</u>	<u>\$ 4,080</u>	<u>\$ 631,813</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, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ -	\$ -	\$ 14	\$ 14	\$ -	\$ 14
Use of money and property	2,000	2,000	2,920	920	(1,022)	1,898
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>2,934</u>	<u>934</u>	<u>(1,022)</u>	<u>1,912</u>
Expenditures:						
Current operating:						
Finance	16,402	16,402	13,872	2,530	-	13,872
Excess of revenues over (under) expenditures	<u>(14,402)</u>	<u>(14,402)</u>	<u>(10,938)</u>	<u>3,464</u>	<u>(1,022)</u>	<u>(11,960)</u>
Other financing sources (uses):						
Transfers in	16,439	16,439	13,872	(2,567)	-	13,872
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
Total other financing sources (uses)	<u>(33,561)</u>	<u>(33,561)</u>	<u>(36,128)</u>	<u>(2,567)</u>	<u>-</u>	<u>(36,128)</u>
Net change in fund balances	(47,963)	(47,963)	(47,066)	897	(1,022)	(48,088)
Fund balance, beginning of year	<u>165,560</u>	<u>192,479</u>	<u>192,479</u>	<u>-</u>	<u>1,371</u>	<u>193,850</u>
Fund balance, end of year	<u>\$ 117,597</u>	<u>\$ 144,516</u>	<u>\$ 145,413</u>	<u>\$ 897</u>	<u>\$ 349</u>	<u>\$ 145,762</u>

Capital Projects Funds

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

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

Nonmajor Capital Projects Funds:

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

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

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

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.

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

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

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

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

SPRINGFIELD



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City of Springfield, Oregon

NONMAJOR CAPITAL PROJECTS FUNDS
BALANCE SHEET

June 30, 2012

	Development Assessments Capital Projects	Development Capital Projects	Police Building Bond Capital Projects	Street Capital	Transportation Reimbursement SDC	Transportation Improvement SDC	Total
Cash and investments	\$ 1,163,326	\$ 3,130,210	\$ 154,078	\$ 585,002	\$ 374,678	\$ 1,417,769	\$ 6,825,063
Receivables:							
Accounts	-	-	-	-	593	2,616	3,209
Grants	-	4,749	-	-	-	-	4,749
Accrued interest	4,690	13,157	-	953	1,511	5,457	25,768
Assessments and liens	245,916	-	-	-	-	-	245,916
Total assets	\$ 1,413,932	\$ 3,148,116	\$ 154,078	\$ 585,955	\$ 376,782	\$ 1,425,842	\$ 7,104,705

LIABILITIES AND FUND BALANCE

	Accounts and contracts payable	Accrued payroll and payroll taxes	Deferred revenue	Total liabilities	Fund balances:	Restricted	Committed	Assigned	Total
Liabilities:									
Accounts and contracts payable	\$ -	\$ 48,052	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,424
Accrued payroll and payroll taxes	1,197	-	-	-	-	-	-	-	1,197
Deferred revenue	245,916	-	-	-	593	2,616	-	-	249,125
Total liabilities	247,113	48,052	-	1,658	18,923	-	-	-	315,746
Fund balances:									
Restricted	-	280,521	154,078	375,124	1,406,919	2,802,597	-	-	3,745,154
Committed	1,166,819	2,578,335	-	-	-	-	-	-	241,208
Assigned	-	241,208	-	-	-	-	-	-	-
Total fund balances	1,166,819	3,100,064	154,078	375,124	1,406,919	6,788,959	-	-	7,104,705
Total liabilities and fund balances	\$ 1,413,932	\$ 3,148,116	\$ 154,078	\$ 585,955	\$ 376,782	\$ 1,425,842	\$ 7,104,705	\$ 7,104,705	\$ 7,104,705

City of Springfield, Oregon

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

Year Ended June 30, 2012

	Development Assessments Capital Projects	Development Capital Projects	Police Building Bond Capital Project	SEDA Glenwood Capital Projects	Street Capital	Transportation Reimbursement SDC	Transportation Improvement SDC	Total
Revenues:								
Intergovernmental revenues	\$ -	\$ 24,721	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,721
Charges for services	-	246,445	-	-	-	95,196	347,130	688,771
Use of money and property	10,094	15,825	884	-	666	1,996	9,905	39,370
Special assessments	48,934	-	-	-	-	-	-	48,934
Miscellaneous receipts	-	1,513	-	-	-	-	-	1,513
Total revenues	59,028	288,504	884	-	666	97,192	357,035	803,309
Expenditures:								
Current operating:								
General government	61,399	-	-	-	-	-	-	61,399
Public works	-	-	-	-	-	45,683	83,874	129,557
Capital projects	-	564,717	47,043	-	7,702	26,987	106,441	752,890
Total expenditures	61,399	564,717	47,043	-	7,702	72,670	190,315	943,846
Excess of revenues over (under) expenditures	(2,371)	(276,213)	(46,159)	-	(7,036)	24,522	166,720	(140,537)
Other financing sources (uses):								
Transfer in	-	420,377	-	-	350,000	-	21,887	792,264
Transfer out	(13,872)	(612,887)	-	(42,068)	-	(10,374)	-	(679,201)
Total other financing sources (uses)	(13,872)	(192,510)	-	(42,068)	350,000	(10,374)	21,887	113,063
Net change in fund balances	(16,243)	(468,723)	(46,159)	(42,068)	342,964	14,148	188,607	(27,474)
Fund balance, beginning of year	1,183,062	3,568,787	200,237	42,068	242,991	360,976	1,218,312	6,816,433
Fund balance, end of year	\$ 1,166,819	\$ 3,100,064	\$ 154,078	\$ -	\$ 585,955	\$ 375,124	\$ 1,406,919	\$ 6,788,959

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, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 17,340	\$ 17,340	\$ 12,856	\$ (4,484)	\$ (2,762)	\$ 10,094
Special assessments	23,500	23,500	48,934	25,434	-	48,934
Total revenues	<u>40,840</u>	<u>40,840</u>	<u>61,790</u>	<u>20,950</u>	<u>(2,762)</u>	<u>59,028</u>
Expenditures:						
Current operating:						
Finance	<u>79,524</u>	<u>79,524</u>	<u>61,399</u>	<u>18,125</u>	<u>-</u>	<u>61,399</u>
Excess of revenues over (under) expenditures	(38,684)	(38,684)	391	39,075	(2,762)	(2,371)
Other financing sources (uses):						
Transfer out	<u>(16,439)</u>	<u>(16,439)</u>	<u>(13,872)</u>	<u>2,567</u>	<u>-</u>	<u>(13,872)</u>
Net change in fund balances	(55,123)	(55,123)	(13,481)	41,642	(2,762)	(16,243)
Fund balance, beginning of year	<u>1,219,517</u>	<u>1,177,978</u>	<u>1,177,978</u>	<u>-</u>	<u>5,084</u>	<u>1,183,062</u>
Fund balance, end of year	<u>\$ 1,164,394</u>	<u>\$ 1,122,855</u>	<u>\$ 1,164,497</u>	<u>\$ 41,642</u>	<u>\$ 2,322</u>	<u>\$ 1,166,819</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, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ 720,000	\$ 720,000	\$ 24,721	\$ (695,279)	\$ -	\$ 24,721
Charges for services	258,391	258,391	246,445	(11,946)	-	246,445
Use of money and property	35,255	35,255	19,216	(16,039)	(3,391)	15,825
Miscellaneous receipts	-	1,513	1,513	-	-	1,513
Total revenues	<u>1,013,646</u>	<u>1,015,159</u>	<u>291,895</u>	<u>(723,264)</u>	<u>(3,391)</u>	<u>288,504</u>
Expenditures:						
Capital projects	<u>1,296,639</u>	<u>1,626,959</u>	<u>564,717</u>	<u>1,062,242</u>	<u>-</u>	<u>564,717</u>
Excess of revenues over (under) expenditures	<u>(282,993)</u>	<u>(611,800)</u>	<u>(272,822)</u>	<u>338,978</u>	<u>(3,391)</u>	<u>(276,213)</u>
Other financing sources (uses):						
Interfund loan repayments	315,100	315,100	367,390	52,290	(367,390)	-
Interfund loans issued	(906,000)	(906,000)	(508,000)	398,000	508,000	-
Transfer in	50,000	52,987	52,987	-	367,390	420,377
Transfer out	<u>(83,000)</u>	<u>(104,888)</u>	<u>(104,887)</u>	<u>1</u>	<u>(508,000)</u>	<u>(612,887)</u>
Total other financing sources (uses)	<u>(623,900)</u>	<u>(642,801)</u>	<u>(192,510)</u>	<u>450,291</u>	<u>-</u>	<u>(192,510)</u>
Net change in fund balances	(906,893)	(1,254,601)	(465,332)	789,269	(3,391)	(468,723)
Fund balance, beginning of year	<u>3,043,958</u>	<u>3,558,883</u>	<u>3,558,882</u>	<u>(1)</u>	<u>9,905</u>	<u>3,568,787</u>
Fund balance, end of year	<u>\$ 2,137,065</u>	<u>\$ 2,304,282</u>	<u>\$ 3,093,550</u>	<u>\$ 789,268</u>	<u>\$ 6,514</u>	<u>\$ 3,100,064</u>

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

Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ -	\$ -	\$ 884	\$ 884	\$ -	\$ 884
Expenditures:						
Capital projects	-	200,237	47,043	153,194	-	47,043
Net change in fund balances	-	(200,237)	(46,159)	154,078	-	(46,159)
Fund balance, beginning of year	-	200,237	200,237	-	-	200,237
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154,078</u>	<u>\$ 154,078</u>	<u>\$ -</u>	<u>\$ 154,078</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, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 300,000	\$ 300,000	\$ -	\$ (300,000)	\$ -	\$ -
Expenditures:						
Capital projects	200,000	200,000	-	200,000	-	-
Excess of revenues over (under) expenditures	100,000	100,000	-	(100,000)	-	-
Other financing sources (uses):						
Transfer out	(100,000)	(100,000)	(42,068)	57,932	-	(42,068)
Net change in fund balances	-	-	(42,068)	(42,068)	-	(42,068)
Fund balance, beginning of year	879	42,068	42,068	-	-	42,068
Fund balance, end of year	\$ 879	\$ 42,068	\$ -	\$ (42,068)	\$ -	\$ -

City of Springfield, Oregon
 SEDA DOWNTOWN CAPITAL PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Expenditures:						
Capital projects	\$ 450,000	\$ 450,000	\$ -	\$ 450,000	\$ -	\$ -
Other financing sources (uses):						
Transfer in	450,000	450,000	-	(450,000)	-	-
Net change in fund balances	-	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Springfield, Oregon
STREET CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 3,000	\$ 3,000	\$ 1,135	\$ (1,865)	\$ (469)	\$ 666
Expenditures:						
Capital projects	21,000	51,000	7,702	43,298	-	7,702
Excess of revenues over (under) expenditures	(18,000)	(48,000)	(6,567)	41,433	(469)	(7,036)
Other financing sources (uses):						
Transfer in	-	350,000	350,000	-	-	350,000
Net change in fund balances	(18,000)	302,000	343,433	41,433	(469)	342,964
Fund balance, beginning of year	242,223	242,051	242,051	-	940	242,991
Fund balance, end of year	<u>\$ 224,223</u>	<u>\$ 544,051</u>	<u>\$ 585,484</u>	<u>\$ 41,433</u>	<u>\$ 471</u>	<u>\$ 585,955</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, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 125,000	\$ 125,000	\$ 95,196	\$ (29,804)	\$ -	\$ 95,196
Use of money and property	4,000	4,000	2,692	(1,308)	(696)	1,996
Total revenues	<u>129,000</u>	<u>129,000</u>	<u>97,888</u>	<u>(31,112)</u>	<u>(696)</u>	<u>97,192</u>
Expenditures:						
Current operating:						
Public works	63,588	45,686	45,683	3	-	45,683
Capital projects	466,000	361,000	26,987	334,013	-	26,987
Total expenditures	<u>529,588</u>	<u>406,686</u>	<u>72,670</u>	<u>334,016</u>	<u>-</u>	<u>72,670</u>
Excess of revenues over (under) expenditures	(400,588)	(277,686)	25,218	302,904	(696)	24,522
Other financing sources (uses):						
Transfer out	(10,374)	(10,374)	(10,374)	-	-	(10,374)
Net change in fund balances	(410,962)	(288,060)	14,844	302,904	(696)	14,148
Fund balance, beginning of year	414,012	359,532	359,532	-	1,444	360,976
Fund balance, end of year	<u>\$ 3,050</u>	<u>\$ 71,472</u>	<u>\$ 374,376</u>	<u>\$ 302,904</u>	<u>\$ 748</u>	<u>\$ 375,124</u>

City of Springfield, Oregon
SDC TRANSPORTATION IMPROVEMENT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 400,000	\$ 400,000	\$ 347,130	\$ (52,870)	\$ -	\$ 347,130
Use of money and property	27,000	27,000	14,273	(12,727)	(4,368)	9,905
Total revenues	<u>427,000</u>	<u>427,000</u>	<u>361,403</u>	<u>(65,597)</u>	<u>(4,368)</u>	<u>357,035</u>
Expenditures:						
Current operating:						
Public works	185,084	83,877	83,874	3	-	83,874
Capital projects	<u>1,840,544</u>	<u>1,156,027</u>	<u>109,019</u>	<u>1,047,008</u>	<u>(2,578)</u>	<u>106,441</u>
Total expenditures	<u>2,025,628</u>	<u>1,239,904</u>	<u>192,893</u>	<u>1,047,011</u>	<u>(2,578)</u>	<u>190,315</u>
Excess of revenues over (under) expenditures	(1,598,628)	(812,904)	168,510	981,414	(1,790)	166,720
Other financing sources (uses):						
Transfer in	<u>-</u>	<u>21,888</u>	<u>21,887</u>	<u>(1)</u>	<u>-</u>	<u>21,887</u>
Net change in fund balances	(1,598,628)	(791,016)	190,397	981,413	(1,790)	188,607
Fund balance, beginning of year	<u>1,605,007</u>	<u>1,213,820</u>	<u>1,213,820</u>	<u>-</u>	<u>4,492</u>	<u>1,218,312</u>
Fund balance, end of year	<u>\$ 6,379</u>	<u>\$ 422,804</u>	<u>\$ 1,404,217</u>	<u>\$ 981,413</u>	<u>\$ 2,702</u>	<u>\$ 1,406,919</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 assets – budget and actual are presented here for each individual enterprise fund.

Major Enterprise Funds:

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

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

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

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

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

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

Nonmajor Enterprise Funds:

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

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

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

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

SPRINGFIELD



OREGON

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

June 30, 2012

	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	\$ 42,453	\$ 1,715,150	\$ 1,106,175	\$ 362,128	\$ 3,225,906
Accounts receivable, net of allowance for estimated uncollectibles	-	-	8,575	4,526	13,101
Accrued interest	110	6,818	4,205	1,366	12,499
Total current assets	<u>42,563</u>	<u>1,721,968</u>	<u>1,118,955</u>	<u>368,020</u>	<u>3,251,506</u>
LIABILITIES					
Current liabilities:					
Accounts payable	-	15,052	-	-	15,052
NET ASSETS					
Restricted	<u>42,563</u>	<u>1,706,916</u>	<u>1,118,955</u>	<u>368,020</u>	<u>3,236,454</u>
Total net assets	<u>\$ 42,563</u>	<u>\$ 1,706,916</u>	<u>\$ 1,118,955</u>	<u>\$ 368,020</u>	<u>\$ 3,236,454</u>

City of Springfield, Oregon
NONMAJOR ENTERPRISE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
Year Ended June 30, 2012

	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	\$ 49,203	\$ 72,134	\$ 302,639	\$ 143,206	\$ 567,182
Expenses:					
Operating expenses:					
Public works	21,173	49,791	189,086	91,592	351,642
Operating income (loss)	28,030	22,343	113,553	51,614	215,540
Nonoperating revenues (expenses):					
Interest on investments	38	9,119	5,000	1,756	15,913
Income (loss) before contributions and transfers	28,068	31,462	118,553	53,370	231,453
Transfers out	-	(40,760)	-	(45,662)	(86,422)
Change in net assets	28,068	(9,298)	118,553	7,708	145,031
Net assets, beginning of year	14,495	1,716,214	1,000,402	360,312	3,091,423
Net assets, end of year	<u>\$ 42,563</u>	<u>\$ 1,706,916</u>	<u>\$ 1,118,955</u>	<u>\$ 368,020</u>	<u>\$ 3,236,454</u>

City of Springfield, Oregon
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2012

	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	\$ 49,203	\$ 72,134	\$ 297,626	\$ 140,716	\$ 559,679
Cash paid to suppliers for goods and services	<u>(21,212)</u>	<u>(34,796)</u>	<u>(189,086)</u>	<u>(91,592)</u>	<u>(336,686)</u>
Net cash provided by (used in) operating activities	<u>27,991</u>	<u>37,338</u>	<u>108,540</u>	<u>49,124</u>	<u>222,993</u>
Cash flows from noncapital financing activities:					
Transfers to other funds	<u>-</u>	<u>(40,760)</u>	<u>-</u>	<u>(45,662)</u>	<u>(86,422)</u>
Cash flows from investing activities:					
Interest received	<u>(33)</u>	<u>10,485</u>	<u>5,130</u>	<u>1,849</u>	<u>17,431</u>
Net change in cash and investments	27,958	7,063	113,670	5,311	154,002
Cash and investments, beginning of year	<u>14,495</u>	<u>1,708,087</u>	<u>992,505</u>	<u>356,817</u>	<u>3,071,904</u>
Cash and investments, end of year	<u>\$ 42,453</u>	<u>\$ 1,715,150</u>	<u>\$ 1,106,175</u>	<u>\$ 362,128</u>	<u>\$ 3,225,906</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 28,030	\$ 22,343	\$ 113,553	\$ 51,614	\$ 215,540
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Changes in assets and liabilities:					
Accounts receivable	-	-	(5,013)	(2,490)	(7,503)
Accounts payable	<u>(39)</u>	<u>14,995</u>	<u>-</u>	<u>-</u>	<u>14,956</u>
Net cash provided by (used in) operating activities	<u>\$ 27,991</u>	<u>\$ 37,338</u>	<u>\$ 108,540</u>	<u>\$ 49,124</u>	<u>\$ 222,993</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
SEWER OPERATIONS FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 6,560,513	\$ 6,560,513	\$ 6,812,436	\$ 251,923	\$ 3,034	\$ 6,815,470
Use of money and property	56,400	56,400	36,768	(19,632)	(10,287)	26,481
Miscellaneous receipts	-	-	66	66	-	66
Total revenues	6,616,913	6,616,913	6,849,270	232,357	(7,253)	6,842,017
Expenses:						
Current operating:						
Public works	2,945,720	3,161,576	2,972,038	189,538	11,485	2,983,523
Development services	19,311	19,311	19,312	(1)	-	19,312
Finance	10,766	10,766	10,742	24	-	10,742
Debt service:						
Principal	1,266,882	1,266,882	1,266,882	-	(1,266,882)	-
Interest	897,936	898,659	898,658	1	(872,110)	26,548
Depreciation	-	-	-	-	1,775,259	1,775,259
Amortization	-	-	-	-	46,017	46,017
Total expenses	5,140,615	5,357,194	5,167,632	189,562	(306,231)	4,861,401
Excess of revenues over (under) expenses	1,476,298	1,259,719	1,681,638	421,919	298,978	1,980,616
Other financing sources (uses):						
Capital contributions	-	-	-	-	1,447,955	1,447,955
Transfers out	(2,250,000)	(2,270,771)	(2,270,771)	-	(520,000)	(2,790,771)
Total other financing sources (uses)	(2,250,000)	(2,270,771)	(2,270,771)	-	927,955	(1,342,816)
Change in net assets	(773,702)	(1,011,052)	(589,133)	421,919	1,226,933	637,800
Net assets, beginning of year as originally stated	5,552,617	5,918,886	5,918,886	-	49,409,495	55,328,381
Prior period adjustment (Note Q)	-	-	-	-	(4,468,817)	(4,468,817)
Net assets, beginning of year, as restated	-	-	-	-	44,940,678	50,859,564
Net assets, end of year	\$ 4,778,915	\$ 4,907,834	\$ 5,329,753	\$ 421,919	\$ 46,167,611	\$ 51,497,364

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

Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 5,538,455	\$ 5,538,455	\$ 5,669,775	\$ 131,320	\$ (2,032)	\$ 5,667,743
Use of money and property	25,000	25,000	24,946	(54)	(7,566)	17,380
Miscellaneous receipts	25,000	25,000	1,294	(23,706)	-	1,294
Total revenues	<u>5,588,455</u>	<u>5,588,455</u>	<u>5,696,015</u>	<u>107,560</u>	<u>(9,598)</u>	<u>5,686,417</u>
Expenses:						
Current operating:						
Public works	4,200,464	4,401,124	3,573,004	828,120	7,631	3,580,635
Development services	43,939	43,939	43,939	-	-	43,939
Finance	10,766	10,766	10,742	24	-	10,742
Debt service:						
Debt service principal	365,000	365,000	365,000	-	(365,000)	-
Interest	341,963	341,963	341,962	1	(340,091)	1,871
Total expenses	<u>4,962,132</u>	<u>5,162,792</u>	<u>4,334,647</u>	<u>828,145</u>	<u>(697,460)</u>	<u>3,637,187</u>
Excess of revenues over (under) expenses	626,323	425,663	1,361,368	935,705	687,862	2,049,230
Other financing sources (uses):						
Transfers out	<u>(2,106,000)</u>	<u>(2,120,297)</u>	<u>(2,120,297)</u>	<u>-</u>	<u>(365,000)</u>	<u>(2,485,297)</u>
Change in net assets	(1,479,677)	(1,694,634)	(758,929)	935,705	322,862	(436,067)
Net assets, beginning of year	<u>3,682,190</u>	<u>4,230,179</u>	<u>4,230,179</u>	<u>-</u>	<u>(152,357)</u>	<u>4,077,822</u>
Net assets, end of year	<u>\$ 2,202,513</u>	<u>\$ 2,535,545</u>	<u>\$ 3,471,250</u>	<u>\$ 935,705</u>	<u>\$ 170,505</u>	<u>\$ 3,641,755</u>

City of Springfield, Oregon
 SEWER CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Miscellaneous receipts	\$ -	\$ -	\$ 436	\$ 436	\$ -	\$ 436
Use of money and property	125,000	125,000	130,614	5,614	(35,240)	95,374
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>131,050</u>	<u>6,050</u>	<u>(35,240)</u>	<u>95,810</u>
Expenses:						
Capital projects	12,541,898	12,406,302	3,094,217	9,312,085	(3,094,217)	-
Excess of revenues over (under) expenses	(12,416,898)	(12,281,302)	(2,963,167)	9,318,135	3,058,977	95,810
Other financing sources (uses):						
Transfers in	2,250,000	2,250,000	2,250,000	-	520,000	2,770,000
Change in net assets	(10,166,898)	(10,031,302)	(713,167)	9,318,135	3,578,977	2,865,810
Net assets, beginning of year	<u>16,952,922</u>	<u>17,172,821</u>	<u>17,172,821</u>	<u>-</u>	<u>(13,953,813)</u>	<u>3,219,008</u>
Net assets, end of year	<u>\$ 6,786,024</u>	<u>\$ 7,141,519</u>	<u>\$ 16,459,654</u>	<u>\$ 9,318,135</u>	<u>\$ (10,374,836)</u>	<u>\$ 6,084,818</u>

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

Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 50,000	\$ 50,000	\$ 47,902	\$ (2,098)	\$ 20,095	\$ 67,997
Expenses:						
Current operating:						
Public works	-	-	-	-	10,144	10,144
Capital projects	8,688,553	9,638,704	281,954	9,356,750	(281,954)	-
Total expenses	8,688,553	9,638,704	281,954	9,356,750	(271,810)	10,144
Excess of revenues over (under) expenses	(8,638,553)	(9,588,704)	(234,052)	9,354,652	291,905	57,853
Other financing sources (uses):						
Transfers in	2,106,000	2,106,000	2,106,000	-	380,111	2,486,111
Capital contributions	-	-	-	-	405	405
Total other financing sources (uses)	2,106,000	2,106,000	2,106,000	-	380,516	2,486,516
Change in net assets	(6,532,553)	(7,482,704)	1,871,948	9,354,652	672,421	2,544,369
Net assets, beginning of year	10,698,839	11,746,927	11,746,927	-	(9,725,706)	2,021,221
Net assets, end of year	<u>\$ 4,166,286</u>	<u>\$ 4,264,223</u>	<u>\$ 13,618,875</u>	<u>\$ 9,354,652</u>	<u>\$ (9,053,285)</u>	<u>\$ 4,565,590</u>

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

Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 5,045,629	\$ 5,045,629	\$ 4,798,376	\$ (247,253)	\$ 6,615,675	\$ 11,414,051
Less: Contractual adjustments	-	-	-	-	(6,564,157)	(6,564,157)
Intergovernmental revenues	-	-	8,733	8,733	-	8,733
Use of money and property	-	-	8,274	8,274	(846)	7,428
Miscellaneous receipts	5,000	5,000	6,461	1,461	-	6,461
Total revenues	<u>5,050,629</u>	<u>5,050,629</u>	<u>4,821,844</u>	<u>(228,785)</u>	<u>50,672</u>	<u>4,872,516</u>
Expenses:						
Current operating:						
Fire	5,077,594	5,077,594	5,005,353	72,241	39,150	5,044,503
Depreciation	-	-	-	-	10,496	10,496
Total expenses	<u>5,077,594</u>	<u>5,077,594</u>	<u>5,005,353</u>	<u>72,241</u>	<u>49,646</u>	<u>5,054,999</u>
Change in net assets	(26,965)	(26,965)	(183,509)	(156,544)	1,026	(182,483)
Net assets, beginning of year	<u>130,659</u>	<u>251,606</u>	<u>251,606</u>	<u>-</u>	<u>(328,656)</u>	<u>(77,050)</u>
Net assets, end of year	<u>\$ 103,694</u>	<u>\$ 224,641</u>	<u>\$ 68,097</u>	<u>\$ (156,544)</u>	<u>\$ (327,630)</u>	<u>\$ (259,533)</u>

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

Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,389,687	\$ 1,389,687	\$ 1,435,125	\$ 45,438	\$ (20,070)	\$ 1,415,055
Use of money	9,000	9,000	5,411	(3,589)	(1,107)	4,304
Total revenues	<u>1,398,687</u>	<u>1,398,687</u>	<u>1,440,536</u>	<u>41,849</u>	<u>(21,177)</u>	<u>1,419,359</u>
Expenses:						
Current operating:						
Public works	16,317	21,766	21,751	15	28,084	49,835
Development services	345,861	347,332	263,208	84,124	(483)	262,725
Capital projects	439,000	467,083	28,488	438,595	(28,488)	-
Debt service:						
Principal	554,629	554,629	554,587	42	(554,587)	-
Interest	364,688	364,738	364,753	(15)	(2,889)	361,864
Depreciation	-	-	-	-	718,954	718,954
Total expenses	<u>1,720,495</u>	<u>1,755,548</u>	<u>1,232,787</u>	<u>522,761</u>	<u>160,591</u>	<u>1,393,378</u>
Excess of revenues over (under) expenses	<u>(321,808)</u>	<u>(356,861)</u>	<u>207,749</u>	<u>564,610</u>	<u>(181,768)</u>	<u>25,981</u>
Other financing sources (uses):						
Transfers out	-	(35,736)	(35,736)	-	-	(35,736)
Change in net assets	<u>(321,808)</u>	<u>(392,597)</u>	<u>172,013</u>	<u>564,610</u>	<u>(181,768)</u>	<u>(9,755)</u>
Net assets, beginning of year	<u>867,184</u>	<u>976,816</u>	<u>976,816</u>	<u>-</u>	<u>4,689,976</u>	<u>5,666,792</u>
Net assets, end of year	<u>\$ 545,376</u>	<u>\$ 584,219</u>	<u>\$ 1,148,829</u>	<u>\$ 564,610</u>	<u>\$ 4,508,208</u>	<u>\$ 5,657,037</u>

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

Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 90,000	\$ 100,000	\$ 49,203	\$ (50,797)	\$ -	\$ 49,203
Use of money and property	75	75	16	(59)	22	38
Total revenues	90,075	100,075	49,219	(50,856)	22	49,241
Expenses:						
Current operating:						
Public works	22,709	25,382	21,173	4,209	-	21,173
Capital projects	21,000	21,000	-	21,000	-	-
Total expenses	43,709	46,382	21,173	25,209	-	21,173
Change in net assets	46,366	53,693	28,046	(25,647)	22	28,068
Net assets, beginning of year	39,574	14,462	14,462	-	33	14,495
Net assets, end of year	<u>\$ 85,940</u>	<u>\$ 68,155</u>	<u>\$ 42,508</u>	<u>\$ (25,647)</u>	<u>\$ 55</u>	<u>\$ 42,563</u>

City of Springfield, Oregon
 STORM IMPROVEMENT SYSTEM DEVELOPMENT CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 150,000	\$ 165,000	\$ 72,134	\$ (92,866)	\$ -	\$ 72,134
Use of money and property	15,000	15,000	12,524	(2,476)	(3,405)	9,119
Total revenues	<u>165,000</u>	<u>180,000</u>	<u>84,658</u>	<u>(95,342)</u>	<u>(3,405)</u>	<u>81,253</u>
Expenses:						
Current operating:						
Public works	51,098	56,367	49,791	6,576	-	49,791
Capital projects	1,234,266	1,264,805	15,109	1,249,696	(15,109)	-
Total expenses	<u>1,285,364</u>	<u>1,321,172</u>	<u>64,900</u>	<u>1,256,272</u>	<u>(15,109)</u>	<u>49,791</u>
Excess of revenues over (under) expenses	(1,120,364)	(1,141,172)	19,758	1,160,930	11,704	31,462
Other financing sources (uses):						
Transfers out	<u>(25,649)</u>	<u>(25,649)</u>	<u>(25,649)</u>	<u>-</u>	<u>(15,111)</u>	<u>(40,760)</u>
Change in net assets	(1,146,013)	(1,166,821)	(5,891)	1,160,930	(3,407)	(9,298)
Net assets, beginning of year	<u>1,710,087</u>	<u>1,709,432</u>	<u>1,709,432</u>	<u>-</u>	<u>6,782</u>	<u>1,716,214</u>
Net assets, end of year	<u>\$ 564,074</u>	<u>\$ 542,611</u>	<u>\$ 1,703,541</u>	<u>\$ 1,160,930</u>	<u>\$ 3,375</u>	<u>\$ 1,706,916</u>

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

Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 450,000	\$ 450,000	\$ 297,626	\$ (152,374)	\$ 5,013	\$ 302,639
Use of money and property	8,000	8,000	6,510	(1,490)	(1,510)	5,000
Total revenues	<u>458,000</u>	<u>458,000</u>	<u>304,136</u>	<u>(153,864)</u>	<u>3,503</u>	<u>307,639</u>
Expenses:						
Current operating:						
Public works	158,966	181,634	181,632	2	7,454	189,086
Capital projects	254,000	254,000	7,454	246,546	(7,454)	-
Total expenses	<u>412,966</u>	<u>435,634</u>	<u>189,086</u>	<u>246,548</u>	<u>-</u>	<u>189,086</u>
Change in net assets	45,034	22,366	115,050	92,684	3,503	118,553
Net assets, beginning of year	<u>1,014,779</u>	<u>993,248</u>	<u>993,248</u>	<u>-</u>	<u>7,154</u>	<u>1,000,402</u>
Net assets, end of year	<u>\$ 1,059,813</u>	<u>\$ 1,015,614</u>	<u>\$ 1,108,298</u>	<u>\$ 92,684</u>	<u>\$ 10,657</u>	<u>\$ 1,118,955</u>

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

Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 225,000	\$ 225,000	\$ 140,717	\$ (84,283)	\$ 2,489	\$ 143,206
Use of money and property	3,000	3,000	2,288	(712)	(532)	1,756
Total revenues	<u>228,000</u>	<u>228,000</u>	<u>143,005</u>	<u>(84,995)</u>	<u>1,957</u>	<u>144,962</u>
Expenses:						
Current operating:						
Public works	88,568	91,594	91,592	2	-	91,592
Capital projects	127,000	127,000	-	127,000	-	-
Total expenses	<u>215,568</u>	<u>218,594</u>	<u>91,592</u>	<u>127,002</u>	<u>-</u>	<u>91,592</u>
Excess of revenues over (under) expenses	12,432	9,406	51,413	42,007	1,957	53,370
Other financing sources (uses):						
Transfers out	(45,662)	(45,662)	(45,662)	-	-	(45,662)
Change in net assets	(33,230)	(36,256)	5,751	42,007	1,957	7,708
Net assets, beginning of year	<u>416,362</u>	<u>357,067</u>	<u>357,067</u>	<u>-</u>	<u>3,245</u>	<u>360,312</u>
Net assets, end of year	<u>\$ 383,132</u>	<u>\$ 320,811</u>	<u>\$ 362,818</u>	<u>\$ 42,007</u>	<u>\$ 5,202</u>	<u>\$ 368,020</u>

SPRINGFIELD



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Internal Service Funds

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

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

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

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

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

SPRINGFIELD



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City of Springfield, Oregon
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF FUND NET ASSETS
June 30, 2012

	<u>Vehicle and Equipment</u>	<u>Insurance</u>	<u>SDC Administration</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and investments	\$ 8,046,751	\$ 4,242,882	\$ 243,774	\$ 12,533,407
Accounts receivable	446	14,935	1,059	16,440
Accrued interest receivable	<u>30,924</u>	<u>19,256</u>	<u>912</u>	<u>51,092</u>
Total current assets	<u>8,078,121</u>	<u>4,277,073</u>	<u>245,745</u>	<u>12,600,939</u>
Capital assets:				
Machinery and equipment	15,599,425	-	-	15,599,425
Less accumulated depreciation	<u>10,492,848</u>	<u>-</u>	<u>-</u>	<u>10,492,848</u>
Total capital assets	<u>5,106,577</u>	<u>-</u>	<u>-</u>	<u>5,106,577</u>
Total assets	<u>13,184,698</u>	<u>4,277,073</u>	<u>245,745</u>	<u>17,707,516</u>
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	149,686	86,015	3,787	239,488
Accrued interest payable	24,186	-	-	24,186
Capital lease obligation, current portion	335,793	-	-	335,793
Accrued payroll and other related liabilities	<u>-</u>	<u>18,185</u>	<u>20,800</u>	<u>38,985</u>
Total current liabilities	<u>509,665</u>	<u>104,200</u>	<u>24,587</u>	<u>638,452</u>
Noncurrent liabilities:				
Capital lease obligation, less current portion	778,567	-	-	778,567
Net OPEB obligation payable	<u>-</u>	<u>10,508</u>	<u>17,102</u>	<u>27,610</u>
Total noncurrent liabilities	<u>778,567</u>	<u>10,508</u>	<u>17,102</u>	<u>806,177</u>
Total liabilities	<u>1,288,232</u>	<u>114,708</u>	<u>41,689</u>	<u>1,444,629</u>
NET ASSETS				
Invested in capital assets, net of related debt	3,992,217	-	-	3,992,217
Unrestricted	<u>7,904,249</u>	<u>4,162,365</u>	<u>204,056</u>	<u>12,270,670</u>
Total net assets	<u>\$ 11,896,466</u>	<u>\$ 4,162,365</u>	<u>\$ 204,056</u>	<u>\$ 16,262,887</u>

City of Springfield, Oregon
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
Year ended June 30, 2012

	Vehicle and Equipment	Insurance	SDC Administration	Total
Operating revenues:				
Charges for services	\$ 1,531,155	\$ 1,605,014	\$ 439,314	\$ 3,575,483
Licenses and permits	-	-	60,669	60,669
Intergovernmental revenue	-	26,436	-	26,436
Miscellaneous receipts	4,288	490,999	202	495,489
Total operating revenues	1,535,443	2,122,449	500,185	4,158,077
Operating expenses:				
Current operating:				
Court	974	-	-	974
Human resources	1,600	2,044,257	-	2,045,857
Finance	4,600	-	31,701	36,301
Information technology	69,821	-	-	69,821
Library	11,998	-	-	11,998
Fire	7,161	-	-	7,161
Police	17,009	-	-	17,009
Public works	46,988	-	416,871	463,859
Development services	14,525	-	63,307	77,832
Depreciation	1,060,650	-	-	1,060,650
Total operating expenses	1,235,326	2,044,257	511,879	3,791,462
Operating income (loss)	300,117	78,192	(11,694)	366,615
Nonoperating revenues(expenses):				
Interest income	36,251	23,755	1,208	61,214
Interest expense	(49,785)	-	-	(49,785)
Gain (loss) on disposition of equipment	(44,303)	-	-	(44,303)
Total nonoperating revenues (expenses)	(57,837)	23,755	1,208	(32,874)
Income (loss) before capital contributions and transfers	242,280	101,947	(10,486)	333,741
Transfers out	(102,820)	(713,618)	-	(816,438)
Change in net assets	139,460	(611,671)	(10,486)	(482,697)
Net assets, beginning of year	11,757,006	4,774,036	214,542	16,745,584
Net assets, end of year	\$ 11,896,466	\$ 4,162,365	\$ 204,056	\$ 16,262,887

City of Springfield, Oregon
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2012

	Vehicle and Equipment	Insurance	SDC Administration	Total
Cash flows from operating activities:				
Cash received from interfund services provided	\$ 1,530,709	\$ 1,817,691	\$ 438,957	\$ 3,787,357
Cash paid for employee services	-	(421,535)	(385,006)	(806,541)
Cash paid to suppliers for goods and services	(58,766)	(1,829,149)	(117,671)	(2,005,586)
Other operating receipts	4,288	517,435	60,871	582,594
	<u>1,476,231</u>	<u>84,442</u>	<u>(2,850)</u>	<u>1,557,823</u>
Cash flows from noncapital financing activities:				
Transfers to other funds	(102,820)	(713,618)	-	(816,438)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(463,510)	-	-	(463,510)
Disposition of capital assets	82,766	-	-	82,766
Principal paid on long-term debt	(324,757)	-	-	(324,757)
Interest paid	(49,785)	-	-	(49,785)
	<u>(755,286)</u>	<u>-</u>	<u>-</u>	<u>(755,286)</u>
Cash flows from investing activities:				
Interest received	38,134	25,926	1,387	65,447
	<u>656,259</u>	<u>(603,250)</u>	<u>(1,463)</u>	<u>51,546</u>
Cash and investments, beginning of year	7,390,492	4,846,132	245,237	12,481,861
Cash and investments, end of year	<u>\$ 8,046,751</u>	<u>\$ 4,242,882</u>	<u>\$ 243,774</u>	<u>\$ 12,533,407</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 300,117	\$ 78,192	\$ (11,694)	\$ 366,615
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,060,650	-	-	1,060,650
Changes in assets and liabilities:				
Accounts receivable	(446)	212,677	(357)	211,874
Accounts payable	117,625	(55,062)	2,467	65,030
Accrued interest payable	(1,715)	-	-	(1,715)
Accrued payroll and other liabilities	-	(154,417)	1,662	(152,755)
Net OPEB obligation payable	-	3,052	5,072	8,124
	<u>\$ 1,476,231</u>	<u>\$ 84,442</u>	<u>\$ (2,850)</u>	<u>\$ 1,557,823</u>
Noncash capital and related financing activities:				
Retirement and disposition of capital assets, net of accumulated depreciation	\$ (44,303)	\$ -	\$ -	\$ (44,303)
Vehicle acquired by capital lease	330,582	-	-	330,582

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

Year ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,533,628	\$ 1,533,628	\$ 1,531,155	\$ (2,473)	\$ -	\$ 1,531,155
Use of money and property	35,463	35,463	112,893	77,430	(76,642)	36,251
Miscellaneous receipts	-	-	4,288	4,288	-	4,288
Total revenues	1,569,091	1,569,091	1,648,336	79,245	(76,642)	1,571,694
Expenses:						
Current operating:						
City manager's office	7,000	7,000	-	7,000	-	-
Court	8,000	8,000	974	7,026	-	974
Human resources	1,600	1,600	1,600	-	-	1,600
Finance	7,500	7,500	4,600	2,900	-	4,600
Information technology	100,000	100,000	69,821	30,179	-	69,821
Library	20,400	20,400	11,998	8,402	-	11,998
Fire	41,500	41,500	35,855	5,645	(28,694)	7,161
Police	242,000	307,500	259,086	48,414	(242,077)	17,009
Public works	535,836	641,903	221,727	420,176	(174,739)	46,988
Development services	22,000	22,000	14,525	7,475	-	14,525
Debt service:						
Principal	324,758	324,758	324,757	1	(324,757)	-
Interest	51,500	51,500	51,499	1	(1,714)	49,785
Depreciation	-	-	-	-	1,060,650	1,060,650
Total expenses	1,362,094	1,533,661	996,442	537,219	288,669	1,285,111
Excess of revenues over (under) expenses	206,997	35,430	651,894	616,464	(365,311)	286,583
Other financing sources (uses):						
Gain (loss) on disposal of assets	-	-	-	-	(44,303)	(44,303)
Transfers out	(102,820)	(102,820)	(102,820)	-	-	(102,820)
Total other financing sources (uses)	(102,820)	(102,820)	(102,820)	-	(44,303)	(147,123)
Change in net assets	104,177	(67,390)	549,074	(616,464)	(409,614)	139,460
Net assets, beginning of year	7,020,454	7,364,050	7,364,050	-	4,392,956	11,757,006
Net assets, end of year	\$ 7,124,631	\$ 7,296,660	\$ 7,913,124	\$ (616,464)	\$ 3,983,342	\$ 11,896,466

City of Springfield, Oregon
INSURANCE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 17,828,116	\$ 17,828,116	\$ 15,587,582	\$ (2,240,534)	\$ (13,982,568)	\$ 1,605,014
Intergovernmental revenue	30,000	30,000	26,436	(3,564)	-	26,436
Use of money and property	55,000	55,000	31,977	(23,023)	(8,222)	23,755
Miscellaneous receipts	26,000	26,000	482,315	456,315	8,684	490,999
Total revenues	17,939,116	17,939,116	16,128,310	(1,810,806)	(13,982,106)	2,146,204
Expenses:						
Current operating:						
Human resources	803,017	818,217	704,551	113,666	1,339,706	2,044,257
Statutory payments	17,288,800	17,598,800	15,336,412	2,262,388	(15,336,412)	-
Total expenses	18,091,817	18,417,017	16,040,963	2,376,054	(13,996,706)	2,044,257
Excess of revenues over (under) expenses	(152,701)	(477,901)	87,347	565,248	14,600	101,947
Other financing sources (uses):						
Transfers out	(713,618)	(713,618)	(713,618)	-	-	(713,618)
Change in net assets	(866,319)	(1,191,519)	(626,271)	565,248	14,600	(611,671)
Net assets, beginning of year	4,476,430	4,775,427	4,775,427	-	(1,391)	4,774,036
Net assets, end of year	\$ 3,610,111	\$ 3,583,908	\$ 4,149,156	\$ 565,248	\$ 13,209	\$ 4,162,365

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

Year ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 570,000	\$ 420,000	\$ 439,314	\$ 19,314	\$ -	\$ 439,314
Licenses and permits	58,000	58,000	60,313	2,313	356	60,669
Use of money and property	1,200	1,200	1,662	462	(454)	1,208
Miscellaneous receipts	-	-	202	202	-	202
Total revenues	<u>629,200</u>	<u>479,200</u>	<u>501,491</u>	<u>22,291</u>	<u>(98)</u>	<u>501,393</u>
Expenses:						
Current operating:						
Finance	31,701	31,701	31,701	-	-	31,701
Public works	502,635	503,862	414,563	89,299	2,308	416,871
Development services	80,319	80,319	63,307	17,012	-	63,307
Total expenses	<u>614,655</u>	<u>615,882</u>	<u>509,571</u>	<u>106,311</u>	<u>2,308</u>	<u>511,879</u>
Change in net assets	14,545	(136,682)	(8,080)	128,602	(2,406)	(10,486)
Net assets, beginning of year	<u>101,555</u>	<u>230,116</u>	<u>230,116</u>	<u>-</u>	<u>(15,574)</u>	<u>214,542</u>
Net assets, end of year	<u>\$ 116,100</u>	<u>\$ 93,434</u>	<u>\$ 222,036</u>	<u>\$ 128,602</u>	<u>\$ (17,980)</u>	<u>\$ 204,056</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.

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City of Springfield, Oregon
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 Year Ended June 30, 2012

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
ASSETS				
Cash and investments	<u>\$ 3,009,377</u>	<u>\$ 13,800,986</u>	<u>\$ (13,239,982)</u>	<u>\$ 3,570,380</u>
 LIABILITIES				
Due to other agencies	<u>\$ 3,009,377</u>	<u>\$ 24,543,370</u>	<u>\$ (23,982,366)</u>	<u>\$ 3,570,380</u>

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Component Unit

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

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

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Metropolitan Wastewater Management Commission
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 Year Ended June 30, 2012

	Regional Wastewater Fund	Regional Capital Fund	Regional Capital Fund	Regional Bond Fund	Regional Wastewater Improve SDC Fund	Regional Wastewater Reimb SDC Fund	Regional Debt Service Fund	Eliminations	Total
Revenues:									
Charges for services	\$ 27,983,507	\$ 460	\$ -	\$ -	\$ 1,584,300	\$ 125,171	\$ -	\$ (1,034,135)	\$ 28,659,303
Use of money and property	105,617	188,980	160,506	21,026	8,027	-	-	-	484,156
Licenses and permits	11,531	-	-	-	-	-	-	-	11,531
Fines and forfeitures	300	-	-	-	-	-	-	-	300
Miscellaneous receipts	4,401	-	-	-	-	-	-	-	4,401
Total revenues	28,105,356	189,440	160,506	1,605,326	133,198	-	-	(1,034,135)	29,159,691
Expenses:									
Current operating:									
Finance	86,991	-	-	-	-	-	-	-	86,991
Public works	14,169,550	19,881	13,074	957	87	-	-	(1,034,135)	13,169,414
Debt service:									
Interest	243,755	(156,434)	(14,178)	-	-	-	1,994,534	-	2,067,677
Depreciation	8,289,955	-	-	-	-	-	-	-	8,289,955
Total expenses	22,790,251	(136,553)	(1,104)	957	87	-	1,994,534	(1,034,135)	23,614,037
Excess of revenues over (under) expenses	5,315,105	325,993	161,610	1,604,369	133,111	-	(1,994,534)	-	5,545,654
Transfers in	12,088,159	11,351,260	1,745,000	-	-	-	6,409,596	(31,594,015)	-
Transfers out	(14,010,857)	(7,204,797)	(2,668,669)	(2,000,000)	(16,884)	-	(5,692,808)	31,594,015	-
Loss on disposal of assets	(21,600)	-	-	-	-	-	-	-	(21,600)
Change in net assets	3,370,807	4,472,456	(762,059)	(395,631)	116,227	-	(1,277,746)	-	5,524,054
Net assets, beginning of year	144,414,814	(7,218,303)	(18,911,178)	2,611,467	46,288	-	587,275	-	121,530,363
Net assets, end of year	\$ 147,785,621	\$ (2,745,847)	\$ (19,673,237)	\$ 2,215,836	\$ 162,515	\$ -	\$ (690,471)	\$ -	\$ 127,054,417

Metropolitan Wastewater Management Commission
REGIONAL WASTEWATER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 28,158,427	\$ 28,158,427	\$ 28,225,745	\$ 67,318	\$ (242,238)	\$ 27,983,507
Use of money and property	125,000	125,000	116,741	(8,259)	(11,124)	105,617
Licenses and permits	7,500	7,500	9,937	2,437	1,594	11,531
Fines and forfeitures	1,500	1,500	300	(1,200)	-	300
Miscellaneous receipts	700,500	700,500	4,401	(696,099)	-	4,401
Total revenues	<u>28,992,927</u>	<u>28,992,927</u>	<u>28,357,124</u>	<u>(635,803)</u>	<u>(251,768)</u>	<u>28,105,356</u>
Expenses:						
Current operating:						
Finance	93,321	93,321	86,991	6,330	-	86,991
Public works	15,617,977	15,656,477	13,530,743	2,125,734	638,807	14,169,550
Debt service:						
Principal	545,202	552,942	464,092	88,850	(464,092)	-
Interest	260,778	267,523	217,411	50,112	26,344	243,755
Depreciation	-	-	-	-	8,289,955	8,289,955
Total expenses	<u>16,517,278</u>	<u>16,570,263</u>	<u>14,299,237</u>	<u>2,271,026</u>	<u>8,491,014</u>	<u>22,790,251</u>
Excess of revenues over (under) expenses	<u>12,475,649</u>	<u>12,422,664</u>	<u>14,057,887</u>	<u>1,635,223</u>	<u>(8,742,782)</u>	<u>5,315,105</u>
Other financing sources (uses):						
Transfers in	16,884	16,884	16,884	-	12,071,275	12,088,159
Transfers out	(13,546,764)	(13,546,764)	(13,546,765)	(1)	(464,092)	(14,010,857)
Gain (loss) on disposal of assets	-	-	-	-	(21,600)	(21,600)
Total other financing sources (uses)	<u>(13,529,880)</u>	<u>(13,529,880)</u>	<u>(13,529,881)</u>	<u>(1)</u>	<u>11,585,583</u>	<u>(1,944,298)</u>
Change in net assets	<u>(1,054,231)</u>	<u>(1,107,216)</u>	<u>528,006</u>	<u>1,635,222</u>	<u>2,842,801</u>	<u>3,370,807</u>
Net assets, beginning of year	<u>8,176,046</u>	<u>8,409,281</u>	<u>8,409,281</u>	<u>-</u>	<u>136,005,533</u>	<u>144,414,814</u>
Net assets, end of year	<u>\$ 7,121,815</u>	<u>\$ 7,302,065</u>	<u>\$ 8,937,287</u>	<u>\$ 1,635,222</u>	<u>\$ 138,848,334</u>	<u>\$ 147,785,621</u>

Metropolitan Wastewater Management Commission
REGIONAL WASTEWATER CAPITAL FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ -	\$ -	\$ 460	\$ 460	\$ -	\$ 460
Use of money and property	356,000	356,000	240,774	(115,226)	(51,794)	188,980
Total revenues	<u>356,000</u>	<u>356,000</u>	<u>241,234</u>	<u>(114,766)</u>	<u>(51,794)</u>	<u>189,440</u>
Expenses:						
Current operating:						
Public works	1,952,755	2,032,335	1,049,525	982,810	(1,029,644)	19,881
Capital projects	10,604,712	13,852,881	6,155,273	7,697,608	(6,155,273)	-
Debt service:						
Interest	-	-	-	-	(156,434)	(156,434)
Total expenses	<u>12,557,467</u>	<u>15,885,216</u>	<u>7,204,798</u>	<u>8,680,418</u>	<u>(7,341,351)</u>	<u>(136,553)</u>
Excess of revenues over (under) expenses	<u>(12,201,467)</u>	<u>(15,529,216)</u>	<u>(6,963,564)</u>	<u>8,565,652</u>	<u>7,289,557</u>	<u>325,993</u>
Other financing sources (uses):						
Transfers in	9,137,168	9,137,168	9,137,168	-	2,214,092	11,351,260
Transfers out	-	-	-	-	(7,204,797)	(7,204,797)
Intergovernmental	8,435,464	8,435,464	5,818,384	(2,617,080)	(5,818,384)	-
Total other financing sources (uses)	<u>17,572,632</u>	<u>17,572,632</u>	<u>14,955,552</u>	<u>(2,617,080)</u>	<u>(10,809,089)</u>	<u>4,146,463</u>
Change in net assets	5,371,165	2,043,416	7,991,988	5,948,572	(3,519,532)	4,472,456
Net assets, beginning of year	42,871,508	44,743,150	44,743,150	-	(51,961,453)	(7,218,303)
Net assets, end of year	<u>\$ 48,242,673</u>	<u>\$ 46,786,566</u>	<u>\$ 52,735,138</u>	<u>\$ 5,948,572</u>	<u>\$ (55,480,985)</u>	<u>\$ (2,745,847)</u>

Metropolitan Wastewater Management Commission
REGIONAL WASTEWATER BOND CAPITAL FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 115,000	\$ 115,000	\$ 190,643	\$ 75,643	\$ (30,137)	\$ 160,506
Expenses:						
Current operating:						
Public works	-	-	-	-	13,074	13,074
Capital projects	15,327,570	17,346,830	2,668,670	14,678,160	(2,668,670)	-
Debt service:						
Interest	-	-	-	-	(14,178)	(14,178)
Total expenses	<u>15,327,570</u>	<u>17,346,830</u>	<u>2,668,670</u>	<u>14,678,160</u>	<u>(2,669,774)</u>	<u>(1,104)</u>
Excess of revenues over (under) expenses	<u>(15,212,570)</u>	<u>(17,231,830)</u>	<u>(2,478,027)</u>	<u>14,753,803</u>	<u>2,639,637</u>	<u>161,610</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	1,745,000	1,745,000
Transfers out	-	-	-	-	(2,668,669)	(2,668,669)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(923,669)</u>	<u>(923,669)</u>
Change in net assets	(15,212,570)	(17,231,830)	(2,478,027)	14,753,803	1,715,968	(762,059)
Net assets, beginning of year	<u>25,131,805</u>	<u>28,492,024</u>	<u>28,492,024</u>	<u>-</u>	<u>(47,403,202)</u>	<u>(18,911,178)</u>
Net assets, end of year	<u>\$ 9,919,235</u>	<u>\$ 11,260,194</u>	<u>\$ 26,013,997</u>	<u>\$ 14,753,803</u>	<u>\$ (45,687,234)</u>	<u>\$ (19,673,237)</u>

Metropolitan Wastewater Management Commission
REGIONAL WASTEWATER IMPROVEMENT SDC FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 530,848	\$ 530,848	\$ 1,583,956	\$ 1,053,108	\$ 344	\$ 1,584,300
Use of money and property	20,000	20,000	31,179	11,179	(10,153)	21,026
Total revenues	<u>550,848</u>	<u>550,848</u>	<u>1,615,135</u>	<u>1,064,287</u>	<u>(9,809)</u>	<u>1,605,326</u>
Expenses:						
Current operating:						
Public works	4,000	4,000	957	3,043	-	957
Excess of revenues over (under) expenses	546,848	546,848	1,614,178	1,067,330	(9,809)	1,604,369
Other financing sources (uses):						
Transfers out	(2,000,000)	(2,000,000)	(2,000,000)	-	-	(2,000,000)
Change in net assets	(1,453,152)	(1,453,152)	(385,822)	1,067,330	(9,809)	(395,631)
Net assets, beginning of year	<u>2,465,792</u>	<u>2,592,474</u>	<u>2,592,474</u>	<u>-</u>	<u>18,993</u>	<u>2,611,467</u>
Net assets, end of year	<u>\$ 1,012,640</u>	<u>\$ 1,139,322</u>	<u>\$ 2,206,652</u>	<u>\$ 1,067,330</u>	<u>\$ 9,184</u>	<u>\$ 2,215,836</u>

Metropolitan Wastewater Management Commission
REGIONAL WASTEWATER REIMBURSEMENT SDC FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 60,433	\$ 60,433	\$ 124,863	\$ 64,430	\$ 308	\$ 125,171
Use of money and property	1,000	1,000	11,996	10,996	(3,969)	8,027
Total revenues	<u>61,433</u>	<u>61,433</u>	<u>136,859</u>	<u>75,426</u>	<u>(3,661)</u>	<u>133,198</u>
Expenses:						
Current operating:						
Public works	7,500	7,500	87	7,413	-	87
Excess of revenues over (under) expenses	53,933	53,933	136,772	82,839	(3,661)	133,111
Other financing sources (uses):						
Transfers out	(16,884)	(16,884)	(16,884)	-	-	(16,884)
Change in net assets	37,049	37,049	119,888	-	(3,661)	116,227
Net assets, beginning of year	39,391	40,104	40,104	-	6,184	46,288
Net assets, end of year	<u>\$ 76,440</u>	<u>\$ 77,153</u>	<u>\$ 159,992</u>	<u>\$ 82,839</u>	<u>\$ 2,523</u>	<u>\$ 162,515</u>

Metropolitan Wastewater Management Commission
REGIONAL WASTEWATER DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Expenses:						
Debt service:						
Principal	\$ 3,495,000	\$ 3,495,000	\$ 3,495,000	\$ -	\$ (3,495,000)	\$ -
Interest	4,217,100	4,217,100	4,217,100	-	(2,222,566)	1,994,534
Total expenses	<u>7,712,100</u>	<u>7,712,100</u>	<u>7,712,100</u>	<u>-</u>	<u>(5,717,566)</u>	<u>1,994,534</u>
Other financing sources (uses):						
Transfers in	6,409,596	6,409,596	6,409,596	-	-	6,409,596
Transfers out	-	-	-	-	(5,692,808)	(5,692,808)
Total other financing sources (uses)	<u>6,409,596</u>	<u>6,409,596</u>	<u>6,409,596</u>	<u>-</u>	<u>(5,692,808)</u>	<u>716,788</u>
Change in net assets	(1,302,504)	(1,302,504)	(1,302,504)	-	24,758	(1,277,746)
Net assets, beginning of year	<u>1,302,504</u>	<u>1,302,504</u>	<u>1,302,504</u>	<u>-</u>	<u>(715,229)</u>	<u>587,275</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (690,471)</u>	<u>\$ (690,471)</u>

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Supplemental Schedules

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City of Springfield, Oregon
SCHEDULE OF PROPERTY TAX TRANSACTIONS - ALL FUNDS
Year Ended June 30, 2012

	Taxes Receivable 7/1/2011	Tax Levy	(Adjustments) Interest and (Discounts)	(Deduct) Collections	Taxes Receivable 6/30/2012
Prior Years	\$ 89,375	\$ -	\$ (9,323)	\$ (3,285)	\$ 76,767
2002-03	11,231	-	(51)	(380)	10,800
2003-04	11,764	-	(120)	(386)	11,258
2004-05	12,301	-	(1,394)	465	11,372
2005-06	13,980	-	(2,048)	257	12,189
2006-07	21,526	-	(1,800)	(4,547)	15,179
2007-08	64,152	-	8,984	(46,715)	26,421
2008-09	208,443	-	19,899	(137,803)	90,539
2009-10	413,444	-	3,971	(70,915)	346,500
2010-11	782,894	-	(7,730)	(261,752)	513,412
2011-12	-	27,667,002	(624,799)	(26,127,844)	914,359
	<u>\$ 1,629,110</u>	<u>\$ 27,667,002</u>	<u>\$ (614,411)</u>	<u>\$ (26,652,905)</u>	<u>\$ 2,028,796</u>

Summary by fund:

General Fund	\$ (17,648,630)	\$ 1,285,335
Fire Levy Fund	(1,348,805)	104,632
Police Levy Fund	(4,066,522)	291,417
SEDA Glenwood General Fund	(285,369)	20,942
SEDA Downtown General Fund	(174,047)	13,044
Debt Service Funds:		
Bancroft Redemption	(14)	518
General Obligation	(3,129,516)	312,909
	<u>\$ (26,652,905)</u>	<u>\$ 2,028,796</u>

SCHEDULE OF OTHER TAX REVENUES RECEIVED

Special Revenue Funds:

Transient room taxes	\$ 901,665
Gas Tax	991,535
	<u>\$ 1,893,200</u>

City of Springfield, Oregon

SCHEDULE OF BONDED DEBT TRANSACTIONS

Year Ended June 30, 2012

	Principal Transactions							Interest Transactions				
	Issue Date	Effective Interest Rate	Original Issue	Outstanding July 1, 2011	Issued	Bonds Matures/ Called	Bonds Paid	Outstanding June 30, 2012	Outstanding July 1, 2011	Matured 2011-12	Paid in 2011-12	Outstanding June 30, 2012
General Obligation Bonds												
General issue bonds:												
Series 2007	3/9/2007	4.00%	\$ 24,650,000	\$ 21,065,000	\$ -	\$ 1,035,000	\$ 1,035,000	\$ 20,030,000	\$ -	\$ 870,585	\$ 870,585	\$ -
Series 2005	7/26/2005	3.48%	12,425,000	6,880,000	-	1,065,000	1,065,000	5,815,000	-	240,408	240,408	-
Total general obligation bonds			\$ 27,945,000	\$ 27,945,000	\$ -	\$ 2,100,000	\$ 2,100,000	\$ 25,845,000	\$ -	\$ 1,110,993	\$ 1,110,993	\$ -
Revenue Bonds												
Revenue Bonds:												
Series 2005	5/13/2005	3.70%	\$ 1,985,000	\$ 880,000	\$ -	\$ 205,000	\$ 205,000	\$ 675,000	\$ -	\$ 30,313	\$ 30,313	\$ -
Series 2009	4/2/2009	4.07%	22,815,000	21,350,000	-	850,000	850,000	20,480,000	-	859,031	859,031	-
Series 2010	9/22/2010	3.15%	10,000,000	10,000,000	-	365,000	365,000	9,635,000	-	341,963	341,963	-
Total City revenue bonds			\$ 32,210,000	\$ 32,210,000	\$ -	\$ 1,420,000	\$ 1,420,000	\$ 30,790,000	\$ -	\$ 1,231,307	\$ 1,231,307	\$ -
Component Unit												
MWMC Revenue Bonds:												
Series 2006	11/15/2006	3.97%	\$ 47,270,000	\$ 40,950,000	\$ -	\$ 1,750,000	\$ 1,750,000	\$ 39,180,000	\$ -	\$ 1,952,087	\$ 1,952,087	\$ -
Series 2008	11/20/2008	4.91%	50,730,000	47,435,000	-	1,745,000	1,745,000	45,690,000	-	2,265,013	2,265,013	-
Total MWMC revenue bonds			\$ 88,365,000	\$ 88,365,000	\$ -	\$ 3,495,000	\$ 3,495,000	\$ 84,870,000	\$ -	\$ 4,217,100	\$ 4,217,100	\$ -

City of Springfield, Oregon

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

June 30, 2012

	Series 2005 Bonds		Series 2007 Bonds		Total Interest	Total Principal	Total Interest	Total Principal	Total Interest	Total Debt Service
	Principal	Interest	Principal	Interest						
2012-13	\$ 1,100,000	\$ 207,393	\$ 1,080,000	\$ 826,080	\$ 1,033,473	\$ 2,180,000	\$ 3,213,473		\$ 3,213,473	
2013-14	1,130,000	171,643	1,125,000	779,640	951,283	2,255,000	3,206,283		3,206,283	
2014-15	1,165,000	134,352	1,175,000	731,266	865,618	2,340,000	3,205,618		3,205,618	
2015-16	205,000	94,743	1,230,000	678,390	773,133	1,435,000	2,208,133		2,208,133	
2016-17	210,000	87,568	1,285,000	623,040	710,608	1,495,000	2,205,608		2,205,608	
2017-18	220,000	79,902	1,340,000	565,215	645,117	1,560,000	2,205,117		2,205,117	
2018-19	225,000	71,653	1,390,000	514,965	586,618	1,615,000	2,201,618		2,201,618	
2019-20	235,000	62,990	1,445,000	462,840	525,830	1,680,000	2,205,830		2,205,830	
2020-21	245,000	53,825	1,500,000	406,485	460,310	1,745,000	2,205,310		2,205,310	
2021-22	255,000	44,025	1,560,000	346,485	390,510	1,815,000	2,205,510		2,205,510	
2022-23	265,000	33,825	1,625,000	284,085	317,910	1,890,000	2,207,910		2,207,910	
2023-24	275,000	22,960	1,690,000	219,085	242,045	1,965,000	2,207,045		2,207,045	
2024-25	285,000	11,685	1,755,000	151,485	163,170	2,040,000	2,203,170		2,203,170	
2025-26	-	-	1,830,000	77,772	77,772	1,830,000	1,907,772		1,907,772	
	\$ 5,815,000	\$ 1,076,564	\$ 20,030,000	\$ 6,666,833	\$ 7,743,397	\$ 25,845,000	\$ 33,588,397		\$ 33,588,397	

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Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	122-126
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	127-130
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.	131-135
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.	136-137
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.	138-140

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

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Financial Trend Information

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 64,575,366	\$ 67,293,340	\$ 69,745,316	\$ 73,775,040	\$ 82,593,165	\$ 97,072,830	\$ 99,380,714	\$ 107,712,593	\$ 109,751,002	\$ 108,631,529
Restricted	4,575,250	8,827,375	8,616,435	6,709,199	8,109,950	7,347,374	5,956,816	5,268,152	12,102,762	11,424,559
Unrestricted	22,032,997	23,520,828	29,931,254	32,344,595	31,810,532	35,138,340	33,973,864	29,581,397	20,196,736	21,514,015
Total governmental activities net assets	\$ 91,183,613	\$ 99,641,543	\$ 108,293,005	\$ 112,828,834	\$ 122,513,647	\$ 139,358,544	\$ 139,311,394	\$ 142,562,142	\$ 142,050,500	\$ 141,570,103
Business-type activities										
Invested in capital assets, net of related debt	\$ 27,984,816	\$ 24,282,731	\$ 33,409,080	\$ 35,353,061	\$ 37,856,666	\$ 46,982,723	\$ 47,004,701	\$ 48,338,342	\$ 51,248,289	\$ 57,872,702
Restricted	5,226,609	5,509,851	4,260,230	5,011,183	5,522,505	4,433,871	3,447,456	2,989,453	3,091,423	3,236,454
Unrestricted	10,377,605	15,130,205	8,971,858	8,554,956	9,583,199	8,759,032	9,478,068	12,562,982	15,019,532	13,474,770
Total business-type activities net assets	\$ 43,589,030	\$ 44,922,787	\$ 46,641,168	\$ 48,919,200	\$ 52,962,370	\$ 60,175,626	\$ 59,930,225	\$ 63,890,777	\$ 69,359,244	\$ 74,583,926
Primary government										
Invested in capital assets, net of related debt	\$ 92,559,182	\$ 91,576,071	\$ 103,154,396	\$ 109,128,101	\$ 120,449,831	\$ 144,055,553	\$ 146,385,415	\$ 156,050,935	\$ 165,468,108	\$ 166,504,231
Restricted	9,801,859	14,337,226	12,876,665	11,720,382	13,632,455	11,781,245	9,404,272	8,257,605	15,194,185	14,661,013
Unrestricted	32,410,603	38,651,033	38,903,112	40,899,551	41,593,731	43,897,372	43,451,932	42,144,379	35,216,268	34,988,785
Total primary government net assets	\$ 134,771,644	\$ 144,564,330	\$ 154,934,173	\$ 161,748,034	\$ 175,476,017	\$ 199,734,170	\$ 199,241,619	\$ 206,452,919	\$ 215,878,561	\$ 216,154,029

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	\$ 4,552,975	\$ 4,840,651	\$ 5,088,042	\$ 5,452,865	\$ 5,512,588	\$ 3,929,091	\$ 4,791,069	\$ 3,560,757	\$ 5,386,231	\$ 4,724,454
Fire	6,230,207	7,833,341	8,394,509	8,714,544	9,713,840	10,354,699	10,858,907	10,691,161	11,760,498	11,847,128
Police	9,219,461	10,454,210	11,652,431	12,040,291	12,619,083	13,116,023	13,974,177	17,259,569	18,444,853	19,694,617
Library	1,415,560	1,330,856	1,278,006	1,298,373	1,269,704	1,309,218	1,400,056	1,382,782	1,513,148	1,519,866
Public works	5,704,476	6,239,200	9,125,560	10,869,437	10,006,943	9,711,960	10,295,174	7,641,190	8,446,669	7,899,474
Development services	4,720,587	6,515,102	5,410,298	4,791,592	6,326,538	5,566,714	4,601,270	5,919,093	4,358,054	3,485,221
Depreciation,unallocated	235,888	235,888	235,888	255,614	259,908	273,239	313,042	283,227	283,227	284,439
Interest on long-term debt	571,376	538,563	516,454	381,657	706,762	1,394,478	1,406,144	1,373,371	1,301,309	1,220,457
Total governmental activities expense	\$ 32,650,530	\$ 37,987,811	\$ 41,701,188	\$ 43,804,373	\$ 46,415,366	\$ 45,655,422	\$ 47,639,839	\$ 48,111,150	\$ 51,493,989	\$ 50,675,656
Sewer	6,505,305	6,677,105	6,918,423	7,653,331	7,854,400	7,745,843	6,619,628	4,803,431	4,886,099	5,190,475
Storm drainage	-	-	-	-	-	-	3,894,947	3,956,135	4,031,641	3,843,225
Booth-Kelly	496,460	438,049	502,163	520,007	589,313	660,713	779,773	1,433,965	1,334,099	1,430,803
Ambulance	4,467,552	4,654,840	5,018,686	4,785,189	4,865,158	4,602,490	4,939,277	5,000,748	5,202,146	5,184,271
Business-type activities expenses	11,469,317	11,769,994	12,439,272	12,958,527	13,308,871	13,009,046	16,233,625	15,194,279	15,433,985	15,648,774
Total primary government expenses	\$ 44,119,847	\$ 49,757,805	\$ 54,140,460	\$ 56,762,900	\$ 59,724,237	\$ 58,664,468	\$ 63,873,464	\$ 63,303,429	\$ 66,947,974	\$ 66,324,430
Program Revenue										
Governmental activities:										
Charges for services:										
General government	\$ 2,622,159	\$ 2,900,208	\$ 3,865,736	\$ 3,442,133	\$ 3,749,720	\$ 2,078,657	\$ 2,403,988	\$ 1,940,273	\$ 3,360,519	\$ 3,759,347
Fire	1,065,802	919,655	1,679,977	1,423,906	1,587,419	1,659,654	1,677,216	1,716,417	1,725,642	1,764,798
Police	170,630	150,892	156,735	250,968	232,563	274,968	490,731	246,682	513,759	529,998
Library	108,720	100,226	94,313	79,534	88,338	91,273	89,853	103,475	97,718	99,186
Public works	2,831,343	2,664,605	8,071,249	4,627,601	4,487,753	4,424,937	1,494,678	883,252	518,971	806,305
Development services	1,617,568	2,807,175	3,565,487	4,483,247	3,804,598	4,370,602	2,118,612	1,284,749	1,025,667	943,208
Operating grants and contributions	7,453,464	4,320,643	5,632,824	4,679,550	6,106,694	4,527,430	4,161,206	6,436,204	5,616,572	5,514,649
Capital grants and contributions	814,064	8,862,192	2,894,691	2,019,869	6,003,405	16,101,592	155,634	3,994,233	3,661,254	1,109,866
Total governmental activities program revenues	\$ 16,683,750	\$ 22,725,596	\$ 25,961,012	\$ 21,006,808	\$ 26,060,490	\$ 30,529,113	\$ 12,591,918	\$ 16,608,285	\$ 16,520,102	\$ 14,527,357
Business-type activities:										
Charges for services:										
Sewer	5,887,097	7,476,531	6,933,656	7,687,885	8,967,919	9,116,078	5,590,002	6,325,689	6,927,642	7,261,314
Storm drainage	-	-	-	-	-	-	4,475,347	4,984,732	5,694,208	5,789,080
Booth-Kelly	563,247	537,199	593,937	600,968	634,721	664,398	788,095	1,381,649	1,443,802	1,412,841
Ambulance	4,248,020	3,753,519	4,266,972	4,194,871	4,436,801	4,260,912	4,662,981	4,834,330	5,173,527	4,849,894
Operating grants and contributions	1,932,085	926,308	2,249,946	2,578,981	2,376,975	5,620,276	385,165	1,001,635	-	-
Capital grants and contributions	12,630,449	12,693,557	14,045,186	15,068,773	16,418,710	19,661,664	15,901,590	18,528,035	20,368,949	20,761,489
Total business-type activities program revenues	\$ 29,314,199	\$ 35,419,153	\$ 40,006,198	\$ 36,075,581	\$ 42,479,200	\$ 50,190,777	\$ 28,493,508	\$ 35,133,320	\$ 36,889,051	\$ 35,288,846
Net (Expense) Revenue										
Governmental activities	\$ (15,966,780)	\$ (15,262,215)	\$ (15,740,176)	\$ (22,797,565)	\$ (20,354,876)	\$ (15,126,309)	\$ (35,047,921)	\$ (31,505,865)	\$ (34,973,887)	\$ (36,148,299)
Business-type activities	1,161,132	923,563	1,605,914	2,110,246	3,109,839	6,652,618	(332,035)	3,333,756	4,914,964	5,112,715
Total primary government net expense	\$ (14,805,648)	\$ (14,338,652)	\$ (14,134,262)	\$ (20,687,319)	\$ (17,245,037)	\$ (8,473,691)	\$ (35,379,956)	\$ (28,172,109)	\$ (30,058,923)	\$ (31,035,584)

Continued

Continued

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes	\$ 13,711,384	\$ 16,778,830	\$ 16,542,797	\$ 17,978,830	\$ 19,023,927	\$ 20,761,839	\$ 24,888,500	\$ 26,616,211	\$ 25,890,066	\$ 27,056,405
Room taxes	822,279	524,726	586,748	678,594	819,206	783,767	771,994	679,566	777,085	901,665
Other taxes	1,203,474	2,441,620	2,756,003	2,960,673	2,943,197	3,650,019	3,391,158	3,088,825	3,018,549	2,744,424
Payment in lieu of taxes	1,950,145	2,148,012	2,208,008	2,258,956	2,307,909	2,288,217	2,275,036	2,346,889	2,373,660	2,358,273
Investment earnings	629,891	295,382	814,959	1,702,251	2,758,907	2,945,365	1,727,120	664,423	421,956	337,514
Miscellaneous	258,703	253,878	151,033	206,256	385,310	323,133	379,635	201,184	486,358	727,049
Gain (loss) on disposition of capital assets	5,401,456	(108,614)	-	49,900	(35,598)	-	19,810	(57,355)	-	-
Shared revenue	880,291	927,259	1,000,195	1,090,631	1,193,858	1,146,172	1,377,642	1,247,546	1,387,527	1,400,459
Transfer to a separate entity	-	-	(100,454)	-	-	-	-	-	-	-
Transfers	(4,109,189)	455,019	454,999	416,552	643,168	272,692	593,130	(30,673)	107,047	142,115
Total governmental activities	20,748,434	23,716,046	24,414,288	27,342,643	30,039,884	32,171,204	35,424,025	34,756,616	34,462,248	35,667,904
Business-type activities:										
Investment earnings	350,104	141,853	328,840	441,688	868,946	821,733	559,713	409,360	292,416	237,091
Miscellaneous	42,882	165,850	238,626	142,650	707,548	11,597	120,051	186,763	368,134	16,990
Gain on disposition of capital assets	-	557,509	-	-	-	-	-	-	-	-
Transfers	4,109,189	(455,019)	(454,999)	(416,552)	(643,168)	(272,692)	(593,130)	30,673	(107,047)	(142,115)
Total business-type activities	4,502,175	410,193	112,467	167,786	933,326	560,638	86,634	626,796	553,503	111,966
Total primary government	\$ 25,250,609	\$ 24,126,239	\$ 24,526,755	\$ 27,510,429	\$ 30,973,210	\$ 32,731,842	\$ 35,510,659	\$ 35,383,412	\$ 35,015,751	\$ 35,779,870
Change In Net Assets										
Governmental activities	\$ 4,781,654	\$ 8,453,831	\$ 8,674,112	\$ 4,545,078	\$ 9,685,008	\$ 17,044,895	\$ 376,104	\$ 3,250,751	\$ (511,639)	\$ (480,395)
Business-type activities	5,663,307	1,333,755	1,718,381	2,278,032	4,043,165	7,213,256	(245,401)	3,960,552	5,468,467	5,224,681
Total primary government	\$ 10,444,961	\$ 9,787,586	\$ 10,392,493	\$ 6,823,110	\$ 13,728,173	\$ 24,258,151	\$ 130,703	\$ 7,211,303	\$ 4,956,828	\$ 4,744,286

- 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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 289,211	\$ 288,075	\$ 293,103	\$ 494,395	\$ 391,918	\$ 926,688	\$ 388,528	\$ 10,546	\$ -	\$ -
Unreserved	4,620,032	5,679,318	6,437,254	6,896,167	7,874,253	8,350,863	6,966,896	7,843,269	-	-
Nonspendable	-	-	-	-	-	-	-	-	5,420	5,589
Restricted	-	-	-	-	-	-	-	-	600,000	632
Committed	-	-	-	-	-	-	-	-	65,721	37,863
Assigned	-	-	-	-	-	-	-	-	39,224	600,000
Unassigned	-	-	-	-	-	-	-	-	6,872,613	7,134,387
Total general fund	\$ 4,909,243	\$ 5,967,393	\$ 6,730,357	\$ 7,390,562	\$ 8,266,171	\$ 9,277,551	\$ 7,355,424	\$ 7,853,815	\$ 7,582,978	\$ 7,778,471
All Other Governmental Funds										
Reserved	\$ 4,398,131	\$ 8,766,419	\$ 8,556,200	\$ 4,835,844	\$ 6,104,214	\$ 6,868,556	\$ 5,339,010	\$ 4,492,479	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	1,340,937	3,147,625	4,514,516	8,118,406	8,487,980	3,137,842	4,329,775	4,459,760	-	-
Capital projects funds	7,018,212	3,574,657	8,275,997	11,029,365	30,228,095	24,023,946	14,937,692	4,030,636	-	-
Debt service funds	3,551,441	3,187,568	2,561,169	2,433,530	2,036,894	1,718,922	1,369,823	1,257,621	-	-
Nonspendable	-	-	-	-	-	-	-	-	179,198	160,531
Restricted	-	-	-	-	-	-	-	-	7,022,919	10,598,658
Committed	-	-	-	-	-	-	-	-	4,546,915	1,445,853
Assigned	-	-	-	-	-	-	-	-	1,009,473	426,016
Total all other governmental funds	\$ 16,308,721	\$ 18,676,269	\$ 23,907,882	\$ 26,417,145	\$ 46,857,183	\$ 35,749,266	\$ 25,976,300	\$ 14,240,496	\$ 12,758,505	\$ 12,631,058

Notes

This schedule was modified with the implementation of GASBS4, effective FY11

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenue:										
Taxes	\$ 13,785,136	\$ 18,091,192	\$ 18,762,676	\$ 19,907,659	\$ 21,201,934	\$ 22,756,676	\$ 26,796,400	\$ 28,121,897	\$ 28,169,922	\$ 28,838,941
Licenses and permits	2,941,609	3,440,031	2,685,926	2,799,900	3,357,236	3,975,361	3,147,467	2,583,181	2,538,309	2,300,827
Intergovernmental	7,399,782	11,785,002	9,480,359	9,136,228	10,481,742	8,053,038	8,051,131	9,405,123	9,405,123	8,974,691
Charges for services	4,329,354	5,195,554	14,260,750	10,477,114	9,745,427	16,598,189	7,660,854	7,041,256	7,417,478	6,958,019
Fines & forfeitures	959,806	804,953	975,892	1,058,271	1,216,083	1,162,425	1,285,427	1,437,612	1,807,580	1,736,722
Use of money & property	1,138,208	1,158,436	1,317,205	1,800,266	2,489,523	2,821,836	1,159,664	452,130	263,317	170,279
Special assessments	171,544	59,444	88,103	138,754	53,236	38,011	11,684	10,856	25,625	48,934
Miscellaneous receipts	830,924	416,801	149,089	167,044	525,944	312,154	464,200	267,380	664,045	648,988
Total Revenues	31,556,363	40,951,413	47,720,000	45,485,236	49,071,125	55,717,690	48,576,827	49,771,883	50,291,399	49,677,401
Expenditures:										
Current Operating:										
General government	4,339,989	4,635,351	4,517,243	5,118,518	5,338,050	5,815,636	6,460,455	5,536,753	5,825,159	6,083,214
Public safety	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fire	6,146,043	7,721,591	8,532,848	8,733,057	9,881,752	10,486,561	10,988,771	10,651,586	11,373,445	11,514,553
Police	9,078,155	10,279,002	11,319,761	12,136,134	13,038,101	13,267,724	14,138,500	16,185,060	16,757,981	17,744,329
Library	1,254,486	1,198,034	1,222,631	1,279,663	1,260,454	1,263,439	1,354,548	1,360,464	1,375,033	1,426,083
Community development	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Public works	4,073,602	4,852,380	5,525,541	6,572,644	7,973,446	6,991,568	8,096,133	6,118,140	6,646,990	5,768,370
Development services	4,051,355	3,950,812	4,061,002	4,291,759	4,539,636	4,814,244	4,584,530	5,966,952	4,278,380	3,515,451
Capital Projects	3,270,813	4,321,051	5,697,868	7,409,155	9,570,207	20,164,161	13,773,261	12,119,784	2,845,047	1,001,890
Debt service:										
Principal	681,894	641,285	673,046	668,462	984,177	1,732,030	2,030,047	2,173,240	2,251,618	2,330,192
Interest	571,377	538,562	507,382	372,870	413,956	1,572,382	1,390,816	1,364,942	1,283,376	1,197,635
Bond issue costs	-	-	-	63,112	355,501	-	-	-	-	-
Arbitrage	-	-	-	-	-	-	-	49,406	-	-
Total expenditures	33,467,714	38,138,068	42,057,322	46,645,374	53,355,280	66,107,745	62,817,061	61,526,327	52,637,029	50,581,717
Excess of revenues over (under) expenditures	(1,911,351)	2,813,345	5,662,678	(1,160,138)	(4,284,155)	(10,390,055)	(14,240,234)	(11,754,444)	(2,345,630)	(904,316)
Other financing sources (uses):										
Proceeds of sale of capital assets	5,401,455	-	-	-	-	-	-	-	-	-
Capital contributions	-	105,237	-	-	-	-	-	-	-	-
Transfers in	4,397,447	1,733,278	2,660,992	1,651,223	1,772,318	2,523,359	6,070,182	4,647,041	4,050,527	5,079,050
Transfers out	(8,308,247)	(1,231,260)	(2,205,993)	(1,300,957)	(1,129,150)	(2,248,737)	(5,287,262)	(4,146,202)	(3,458,750)	(4,120,498)
Bond proceeds	-	-	(100,454)	12,290,353	24,962,242	-	-	-	-	-
Proceeds of debt issuance	-	-	-	-	-	-	1,800,000	-	-	-
Payment to refunded bond escrow agent	-	-	-	(8,301,763)	-	-	-	-	-	-
Total other financing sources (uses)	1,490,655	607,255	354,545	4,338,856	25,605,410	274,622	2,582,920	500,839	591,777	958,552
Net changes in fund balances	(420,696)	3,420,600	6,017,223	3,178,718	21,321,255	(10,115,433)	(11,657,314)	(11,253,605)	(1,753,853)	54,236
Debt services as a percentage of non-capital expenditures	3.98%	3.23%	2.95%	2.45%	3.00%	6.96%	6.96%	7.14%	8.69%	9.14%

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Revenue Capacity Information

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City of Springfield, Oregon

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

<u>Fiscal year ended June 30,</u>	<u>Residential Property *</u>	<u>Commercial Property *</u>	<u>Industrial Property *</u>	<u>Less: Tax-Exempt Property *</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2003	-	-	-	-	\$ 2,559,245,219	5.15	\$ 3,170,223,788	80.73%
2004	-	-	-	-	2,736,470,045	6.17	3,410,483,722	80.24%
2005	-	-	-	-	2,805,856,167	6.15	3,682,479,200	76.19%
2006	-	-	-	-	2,983,283,348	6.10	4,247,810,785	70.23%
2007	-	-	-	-	3,149,357,159	6.12	5,566,220,630	56.58%
2008	-	-	-	-	3,436,084,339	6.13	6,655,887,099	51.62%
2009	-	-	-	-	3,502,295,304	7.19	7,205,559,254	48.61%
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%

Source: Lane County Department of Assessment and Taxation

* Breakdown of assessed value into categories is not available

City of Springfield, Oregon

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

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

Source: Lane County Department of Assessment & Taxation

City of Springfield, Oregon

PRINCIPAL PROPERTY TAX PAYERS

Current Year and Nine Years Ago

Taxpayer	2012			2003		
	Taxable Assessed	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed	Rank	Percentage of Total City Taxable Assessed Value
	Value			Value		
PeaceHealth	\$ 359,271,157	1	9.25%	\$ -		
IP Eat Three LLC	221,235,262	2	5.70%	-		
Symantec Corporation	77,845,836	3	2.00%	24,976,723	5	0.98%
Gateway Mall Partners	61,378,057	4	1.58%	42,424,088	2	1.66%
Comcast Corporation	34,133,300	5	0.88%	-		
Rosboro Lumber Company	27,459,771	6	0.71%	20,655,320	6	0.81%
RC Springfield 2007 LLC	23,431,266	7	0.60%	-		
McKenzie Willamette Regional Medical Ctr.	23,156,243	8	0.60%	-		
NCS Properties LLC	23,773,954	9	0.61%	-		
Kingsford Manufacturing	21,836,613	10	0.56%	17,911,480	7	0.70%
Weyerhaeuser Company	-			223,461,278	1	8.73%
Qwest Corp	-			34,048,524	3	1.33%
Shorewood Packaging Corp	-			25,316,209	4	0.99%
Dunea USA Inc	-			15,761,206	8	0.62%
KRC Rolls	-			13,520,150	9	0.62%
Sierra Pine	-			13,703,810	10	0.50%
Total	\$ 293,015,040		13.24%	\$ 431,778,788		16.94%

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		Total Collections and Adjustments to Date		
		Amount	Percentage of Levy	Collections & Adjustments	Amount	Percentage of Levy
2003	\$ 12,892,396	\$ 12,409,499	96.3%	\$ 472,097	\$ 12,881,596	99.9%
2004	16,625,557	16,012,967	96.3%	601,332	16,614,299	99.9%
2005	17,372,713	16,362,478	94.2%	998,863	17,361,341	99.9%
2006	18,347,448	17,394,011	94.8%	941,248	18,335,259	99.9%
2007	19,665,050	18,611,955	94.6%	1,037,916	19,649,871	99.9%
2008	21,473,863	20,128,824	93.7%	1,318,618	21,447,442	99.9%
2009	25,639,015	24,092,260	94.0%	1,456,216	25,548,476	99.6%
2010	27,170,891	25,473,655	93.8%	508,992	26,824,391	98.7%
2011	26,956,427	25,339,490	94.0%	834,043	26,443,015	98.1%
2012	27,667,002	26,127,844	94.4%	624,799	26,752,643	96.7%

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

Debt Capacity Information

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City of Springfield, Oregon

RATIO OF OUTSTANDING DEBT, BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Notes Payable	Revenue Bonds	Notes Payable	Revenue Bonds	Notes Payable			
2003	\$ 9,315,000	\$ -	\$ -	\$ 713,249	\$ 2,495,000	\$ 2,686,629	\$ 15,209,878	\$ 15,209,878	0.17%	\$ 278	
2004	8,725,000	-	-	661,964	2,345,000	2,525,606	14,257,570	14,257,570	0.15%	258	
2005	8,105,000	-	-	608,918	1,985,000	2,248,720	12,947,638	12,947,638	0.13%	232	
2006	11,805,000	-	157,584	560,456	1,815,000	1,842,482	16,180,522	16,180,522	0.15%	284	
2007	35,520,000	-	126,629	511,278	1,645,000	8,690,632	46,493,539	46,493,539	0.41%	811	
2008	33,840,000	-	87,507	459,249	1,470,000	8,861,225	44,717,981	44,717,981	0.38%	771	
2009	31,940,000	-	46,305	2,129,202	24,095,000	7,513,982	65,724,489	65,724,489	0.56%	1,132	
2010	29,975,000	-	1,382,311	1,920,962	23,235,000	6,697,965	63,211,238	63,211,238	0.53%	1,079	
2011	27,945,000	-	1,108,535	1,699,344	32,210,000	5,834,566	68,797,445	68,797,445	*	1,158	
2012	25,845,000	-	1,114,360	1,469,152	30,790,000	5,068,098	64,286,610	64,286,610	*	1,077	

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>
2003	\$ 9,315,000	0.36%	\$ 170
2004	8,725,000	0.32%	158
2005	8,105,000	0.29%	145
2006	11,805,000	0.40%	207
2007	35,520,000	1.13%	620
2008	33,840,000	0.98%	583
2009	31,940,000	0.91%	550
2010	29,975,000	0.80%	512
2011	27,945,000	0.75%	470
2012	25,845,000	0.67%	433

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

City of Springfield, Oregon

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT

June 30, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Overlapping Debt</u>
City of Springfield - direct debt	\$ 25,845,000	100.00%	\$ 25,845,000
Lane Community College	93,542,592	15.94%	14,911,905
Lane County	109,387,506	16.16%	17,678,224
Schoold District 19	110,888,543	75.68%	83,925,329
School District 4J	185,787,258	6.77%	12,575,011
Lane Education Service District	7,645,000	16.20%	1,238,758
Willamalane Park & Recreation District	3,750,000	94.17%	<u>3,531,338</u>
			<u><u>\$ 159,705,565</u></u>

Source: Municipal Bond Division of the State Treasury Department

City of Springfield, Oregon

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

June 30, 2012	
\$ 6,716,253,056	
\$ 201,487,592	
25,845,000	
\$ 175,642,592	

Real market value

Debt limit 3% of real market value

Amount of debt applicable to debt limit:

Total debt margin

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 95,106,714	\$ 102,314,512	\$ 110,474,376	\$ 127,434,324	\$ 166,986,619	\$ 199,676,613	\$ 216,166,778	\$ 219,284,929	\$ 202,512,840	\$ 201,487,592
Total net debt applicable to limit	8,994,773	8,373,242	7,753,964	11,432,921	35,257,315	33,421,463	31,352,605	29,210,296	27,242,807	25,845,000
Legal debt margin	\$ 86,111,941	\$ 93,941,270	\$ 102,720,412	\$ 116,001,403	\$ 131,729,304	\$ 166,255,150	\$ 184,814,173	\$ 190,074,633	\$ 175,270,033	\$ 175,642,592
Total net debt applicable to the limit as a percentage of debt limit	9.46%	8.18%	7.02%	8.97%	21.11%	16.74%	14.50%	13.32%	13.45%	12.83%

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	
2003	\$ 6,724,729	\$ 5,504,014	\$ 1,220,715	\$ 140,000	\$ 138,105	4.39
2004	7,647,413	5,742,853	1,904,560	150,000	131,525	6.77
2005	7,833,983	5,972,810	1,861,173	160,000	124,325	6.55
2006	9,504,855	6,853,225	2,651,630	170,000	66,898	11.19
2007	11,249,237	6,963,177	4,286,060	170,000	58,613	18.75
2008	10,426,775	6,567,949	3,858,826	175,000	53,513	16.89
2009	10,548,809	6,866,205	3,682,604	190,000	48,263	15.46
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

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

SPRINGFIELD



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Demographic and Economic Information

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

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment	Unemployment Rate
2003	54,720	\$ 8,727,000	\$ 26,445	11,013	7.7%
2004	55,350	9,415,000	28,416	10,539	7.0%
2005	55,861	9,812,000	29,909	10,634	6.7%
2006	57,055	10,483,000	30,825	10,477	5.9%
2007	57,320	11,353,000	32,924	10,609	5.6%
2008	58,005	11,882,000	34,126	10,608	5.7%
2009	58,085	11,784,000	33,587	10,526	12.7%
2010	58,575	12,021,000	34,151	10,221	11.0%
2011	59,425	*	*	10,204	9.9%
2012	59,695	*	*	10,600	8.9%

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

Note: 2011 & 2012 Personal Income and Per Capita Personal Income not yet available.
 Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at
 the end of the school year.

* Not yet available

City of Springfield, Oregon

Principal Employers,

Current Year and Nine Years Ago

<u>Employer</u>	2012			2003		
	<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	3,430	1	14.13%	-		-
Symantic	1,442	2	5.94%	787	3	3.19%
Springfield School District #19	1,258	3	5.18%	1,400	1	5.67%
McKenzie Willamette Hospital	863	4	3.55%	1,096	2	4.44%
Royal Caribbean Cruise Lines	650	5	2.68%	-		-
Peace Health Medical Laboratories	419	6	1.73%	-		-
City of Springfield	415	7	1.71%	383	6	1.55%
Wal-Mart	375	8	1.54%	-		-
Willamalane Park and Recreation District	348	9	1.43%	237	10	0.96%
Rosboro Lumber Company	320	10	1.32%	385	5	1.56%
Weyerhaeuser	-		-	525	4	2.13%
McKenzie Forest Products	-		-	300	7	1.23%
U.S. Postal Service	-		-	275	8	1.11%
Sony	-		-	270	9	1.09%
Total	<u>4,648</u>		<u>19.15%</u>	<u>4,871</u>		<u>19.74%</u>

Source: City Economic Development Division

Operating Information

SPRINGFIELD



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City of Springfield, Oregon

Full-time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30*									
Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
City management	5.00	5.00	6.00	7.00	7.00	7.50	8.00	8.00	8.00	7.00
Finance	11.70	10.50	11.50	11.50	11.30	11.30	11.30	10.30	10.30	9.80
Human resources	8.20	7.50	7.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00
Information technology	10.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Legal/Judicial services	6.55	7.55	7.55	7.55	7.55	7.55	8.55	8.55	8.55	8.85
Development services	36.25	36.00	35.75	33.00	35.25	37.25	39.75	34.75	33.25	30.25
Police										
Officers	62.00	69.00	70.00	70.00	70.00	70.00	70.00	66.00	69.00	69.16
Civilians	31.00	40.00	38.50	40.00	40.00	40.00	41.00	57.00	57.00	55.00
Fire										
Firefighters and officers	80.00	89.00	89.00	87.00	89.00	89.00	90.25	91.00	88.00	88.00
Civilians	17.55	18.55	14.05	14.55	16.05	21.25	21.00	17.00	18.00	15.00
Other public works										
Engineers	9.00	9.00	15.00	14.00	17.00	16.00	19.00	20.00	15.00	15.00
Other	84.50	83.50	93.50	97.50	100.50	106.60	110.00	101.00	101.00	95.50
Library	14.20	14.20	13.40	13.60	13.60	13.60	13.60	13.20	13.40	12.40
Total	375.95	398.80	410.25	412.70	424.25	437.05	449.45	442.80	437.50	421.96

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Physical arrests	7,486	6,841	7,192	10,993	9,044	8,523	7,054	7,107	7,527	7,148
Parking violations	1,397	1,452	1,114	939	941	457	395	354	***	237
Traffic violations	8,913	7,938	8,693	9,182	10,879	10,091	9,964	9,423	10,299	10,122
Fire										
Number of fire stations	5	5	5	5	5	5	5	5	5	5
Emergency responses	11,497	12,177	14,097	16,129	16,345	18,190	18,413	17,382	19,096	19,398
Fires extinguished	276	302	240	283	257	216	238	165	180	206
Inspections	2,642	3,024	3,016	3,540	3,719	3,374	3,329	2,103	1,670	2,214
Public works										
Crack sealing	20	53	27	33	28	18	41	12	9	3
Potholes repaired	1,463	934	1,094	1,343	989	1,142	722	1,569	1,062	1,364
Storm lines high velocity cleaning	378,623	383,778	251,249	231,891	132,637	215,683	32,584	7,810	9,452	3,835
Sanitary lines high velocity cleaning	527,637	954,912	781,234	518,889	664,822	657,295	932,839	965,853	653,641	652,069
Library										
Number of public computer log-ins	89,514	89,300	111,773	118,894	149,153	109,019	100,867	60,335	59,994	46,797
Total volumes loaned	323,450	314,371	306,946	309,277	293,068	297,982	326,235	344,809	344,586	354,120
Development services *										
Number of building permits	626	672	759	770	724	618	512	491	400	428
Building valuation (in thousands)	\$ 83,921	\$ 68,897	\$ 407,724	\$ 462,560	\$ 192,868	\$ 143,064	\$ 65,192	\$ 48,150	\$ 38,067	\$ 40,698

Sources: Various city departments

* Development services indicators are presented for calendar years

** Public computer provided beginning 2001

*** Data not available

City of Springfield, Oregon

Capital Asset Statistics by Function/Program,

Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
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)	381	385	387	390	392	398	401	412	420	423
Street lights	3,336	3,505	3,544	3,555	3,875	4,033	4,117	4,160	4,208	4,350
Traffic signals	-	-	-	72	70	68	68	69	68	73
Water										
Fire hydrants	1,213	1,273	1,302	1,500	1,516	1,553	1,552	1,552	1,552	1,559

Sources: Various city departments

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Compliance Section

SPRINGFIELD



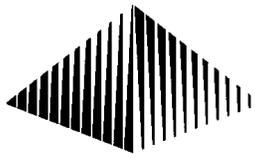
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Audit Comments

SPRINGFIELD



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GROVE, MUELLER & SWANK, P.C.

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

INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY STATE REGULATORS

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 the basic financial statements of the City of Springfield, Oregon as of and for the year ended June 30, 2012, and have issued our report thereon dated December 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City of Springfield, Oregon's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

1. The excess of revenues over expenditures for the second preceding year did not equal the beginning balance for the first preceding year for some funds.
2. Each debt issue did not have separately budgeted interest and principal payments.
3. The summary of indebtedness on Form LB-1 was inaccurate.

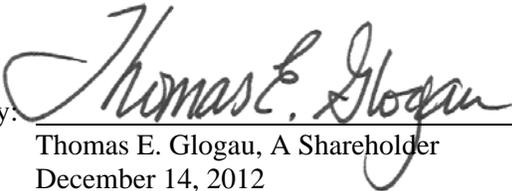
OAR 162-10-0230 Internal Control

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

See our 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*.

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

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

By: 
Thomas E. Glogau, A Shareholder
December 14, 2012

Governmental Auditing Standards

SPRINGFIELD



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GROVE, MUELLER & SWANK, P.C.

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

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

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

We have audited the financial statements of City of Springfield, Oregon, as of and for the year ended June 30, 2012, and have issued our report thereon dated December 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Springfield's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the

determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of City of Springfield in a separate letter dated December 14, 2012.

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


CERTIFIED PUBLIC ACCOUNTANTS
December 14, 2012

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

SPRINGFIELD



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GROVE, MUELLER & SWANK, P.C.

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

***INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133***

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

Compliance

We have audited the City of Springfield, Oregon's compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the City of Springfield's major federal programs for the year ended June 30, 2012. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of City of Springfield is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered City of Springfield's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness

of City of Springfield's internal control over compliance.

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

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

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


CERTIFIED PUBLIC ACCOUNTANTS
December 14, 2012

CITY OF SPRINGFIELD, OREGON, FEDERAL GRANT COMPLIANCE REPORT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal control over major programs:	
· Material weakness(es) identified?	No
· Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Identification of major program:

CFDA Numbers

Name of Federal Program or Cluster

14.703

Sustainable Communities Grant

16.710

Public Safety Partnership and Community Policing Grants

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

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

CITY OF SPRINGFIELD, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Federal Expenditures in Fiscal Year 2011-2012	Amount Provided to Subrecipients
<u>U.S. Department of Justice</u>				
Direct Programs:				
Justice Assistance Grant - Local	16.738	2009-DJ-BX-0401	\$ 11,419	
Justice Assistance Grant - Local	16.738	2010-DJ-BX-0112	21,729	
Justice Assistance Grant - Local	16.738	2011-DJ-BX-2757	15,965	
Justice Assistance Grant - Stimulus - ARRA	16.804	2009-SB-B9-2909	21,444	
COPS Hiring Recovery Program (CHRP) Grant - ARRA	16.710	2009-RK-WX-0707	311,782	
Secure Our Schools Grant	16.710	2010-CK-WX-0725	<u>51,412</u>	\$ 51,412
Total U.S. Department of Justice			<u>433,751</u>	
<u>U.S. Department of Homeland Security</u>				
Grants passed through State of Oregon:				
Assistance to Firefighters Grant	97.044	EMW-2010-FR-00404	28,694	
Assistance to Firefighters Grant	97.044	EMW-2011-FR-00236	5,072	
State Homeland Security Program	97.073	10-334	<u>22,455</u>	
Total U.S. Department of Homeland Security			<u>56,221</u>	
<u>U.S. Department of Energy</u>				
Direct Programs:				
Energy Efficiency Community Block Grant - ARRA	81.128	DE-SC0002787	<u>5,085</u>	
Total U.S. Department of Energy			<u>5,085</u>	
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
HOME Investment Partnership Programs	14.239	NA	285,543	
Community Development Block Grant-Section 108	14.248	NA	16,357	
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grant	14.218	NA	711,066	\$ 82,890
Community Development Block Grant Program Income	14.218	NA	<u>6,494</u>	
<i>Total CDBG - Entitlement Grants Cluster</i>			<u>717,560</u>	
Lane Council of Governments:				
Sustainable Communities Regional Planning Grant	14.703	ORRIP0031-10	<u>130,633</u>	
Total U.S. Department of Housing and Urban Development			<u>1,150,093</u>	
<u>U.S. Department of Transportation</u>				
<i>Highway Planning and Construction Cluster</i>				
Grants passed through State of Oregon:				
Highway Planning and Construction	20.205	NA	25,078	
Grants passed through Lane County Oregon:				
Highway Planning and Construction	20.205	NA	<u>40,000</u>	
<i>Total Highway Planning and Construction Cluster</i>			<u>65,078</u>	
<i>Highway Safety Cluster</i>				
Grants passed through State of Oregon:				
Safety Belt Traffic Safety Grant	20.601	69-8020-0-7-401	<u>5,260</u>	
<i>Total Highway Safety Cluster</i>			<u>5,260</u>	
Total U.S. Department of Transportation			<u>70,338</u>	
<u>U.S. Department of the Interior</u>				
Grants passed through State of Oregon:				
Historic Preservation Fund	15.904	HPF OR-10-17	154	
Historic Preservation Fund	15.904	HPF OR-12-19	<u>654</u>	
Total U.S. Department of the Interior			<u>808</u>	
Total Expenditures of Federal Awards			<u>\$ 1,716,296</u>	<u>\$ 134,302</u>

City of Springfield, Oregon

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS

June 30, 2012

NOTE A – BASIS OF PRESENTATION

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

NOTE B – LOANS RECEIVABLE OUTSTANDING

The City had the following loan balances outstanding at June 30, 2012

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
Community Development Block Grant	14.218	\$ 806,213
HUD HOME Grant	14.239	<u>2,772,134</u>
		<u>\$ 3,578,347</u>

NOTE C – LOANS PAYABLE OUTSTANDING

As of June 30, 2012, the City did not have any loan balances outstanding included in the Schedule of Expenditures of Federal Awards.

SPRINGFIELD



OREGON