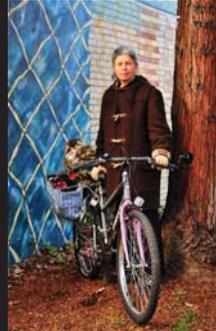


City of Springfield, Oregon



Comprehensive Annual Financial Report Fiscal Year 2009/2010

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CITY OF SPRINGFIELD, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2010

Prepared by:

Finance Department
Accounting Division

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City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2010

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Introductory Section

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

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December 3, 2010

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, 2010.

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, 2010, 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, 2010, 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, 2010, indicated no instances of material weaknesses in the internal control structure nor significant violations of applicable laws and regulations. The independent auditor's reports related specifically to the Single Audit and OMB Circular A-133 are included in the Government Auditing Standards Section.

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

Profile of the Government

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

Home to approximately 58,575 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. 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, 2010, the amount of the tax levy for general obligation bonded debt was \$0.95 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 12.1% in July of 2009 to 10.6% in June 2010. In July 2010, Lane County's unemployment rate was just above the statewide figure of 10.5% and above the United States rate of 9.5%. Lane County's non-farm not-seasonally-adjusted employment in June 2010 was 163,655 compared to 161,416 the previous year, an annualized gain of 1.4 percent.

Over the past year, most sectors of the local economy have had relatively small changes: June-to-June in manufacturing all sectors held steady; Construction (-200); Wholesale Trade (-100); Accommodation and Food Services (no change); Professional & Business Services (+400);

Health Care (+200); Retail Trade (+100); and Government (+300). While not at historical 'normal' levels, Single Family Residential construction was up over 50% from FY08-09 to FY09-10 while average unit value was down about 6.8% from the previous fiscal year.

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

- **PeaceHealth** has completed work on its new **Nurse Midwifery Birth Center** for expecting mothers wanting a home-like setting, but with ready access to the state-of-the-art medical services offered by **PeaceHealth Hospital at RiverBend**. The construction on the \$1.2 million facility was completed for Mother's Day 2010 and expanded a Gateway residence to include two birthing suites.
- **Gateway Hospitality, LLC** of Corvallis is continuing construction on a \$9.7 million **Hilton Garden Inn**, a 5-story, full service hotel with approximately 152 rooms northwest of the Beltline-Gateway intersection. The hotel ground floor will include a swimming pool, restaurant, lounges, and 5 meeting rooms that replace a 90-room hotel built in the 1960s.
- **Sycan B** added the **Travel Lane County Adventure Center** to its growing commercial center that is anchored by Best Buy in the Gateway area. The new 5,000 square-foot visitors' center was completed in the fall of 2009 at a cost of about \$450,000. Three employees provide visitors and convention goers answers to their travel questions, and provide an important marketing effort to reach travelers from Interstate 5 stopping in North Springfield. Knowledgeable staff provides marketing materials to tourists so they lengthen their stay in Lane County, link them to additional activities and spending opportunities throughout Lane County, and sell Oregon-made products and goods. To date, TLC Adventure Center visitors are increasing their stays in the area and seeing more local attractions than before.
- **Mookie's Restaurant** opened as the first of several support services expected in the **Hawes Financial Center** on International Way with a 2,200 square-foot facility seating over 70 diners. The new operation relocated the long-popular restaurant from its original location from Springfield's central Mohawk area to the International Way area. The Hawes facilities also include additional supportive activities for the Hawes employees and others workers from nearby firms in the International Way area (such as small restaurants, space for small meetings, coffee shop, ATM, etc.).
- **Yogi Tea**, formerly part of Eugene based organic cereal and tea maker Golden Temple, invested \$2 million in an expansion of its new Yogi Tea tea-packing plant in Springfield's Gateway area industrial park. The 30,000 square foot facility allowed the firm to consolidate tea-related operations (like storage, packaging, and shipping) and focus on its brand expanding world-wide.
- **Turtle Mountain, LLC** and **McKay Commercial** have submitted plans for modifying a 7,500 square-foot building leased by Turtle Mountain for a new truck dock, new

refrigeration equipment and other improvements to expand its manufacturing of dairy-free frozen treats at its Shelley Street facilities.

- **Springfield Dialysis, LLC** completed construction on its \$2 million medical office building on Q Street to allow **Fresenius Medical Care** to provide dialysis services to patients needing out-of-hospital treatment. The clinic, on 1.2 acres, operates with 15-18 staff (including doctors, nurses, technicians, dieticians, etc.) with tenant build-out within the 10,300 square foot building.
- **Oregon Department of Transportation**; Springfield-based **Hamilton Construction**; and **Cameron McCarthy Gilbert & Scheibe** submitted plans to construct Phase II of the Interstate 5 Willamette River Bridge replacement in essentially the same location as the original I-5 Bridge across the Willamette River that was demolished several years ago and replaced with a \$38 million temporary bridge. The new arched-below-deck six-lane bridge and the related improvements will cost approximately \$175 million and is expected to be completed in 2013. In addition to extensive improvements to the bridge and highway sections there will be extensive habitat restoration, a new bicycle viaduct connecting the Eugene and Springfield bikeways, and storm water management improvements.
- **Brethren Community Services**, long-term lessee **Afiya Apartments, Inc.** and **ShelterCare, Inc.** has begun more than \$3 million in construction that will expand low-income housing in Springfield Downtown by 16 units for low-income homeless and the chronically mentally ill. The five-story mixed-use Afiya expansion will include four floors of residential over a community center coupled with 4,000 square foot retail area to help create transitional work opportunities for residents in a supportive environment.
- The **Springfield Justice Center**, a \$22 million, three-story combined courts & police facility, with standard steel construction was completed and occupied several months ahead of schedule allowing efficient relocation of the Police and Municipal Court activities. With construction complete, the companion 100-bed municipal jail facility underwent its ‘operational shakedown’ after hiring and training jail personnel. Opened in early 2010, the jail facility, for misdemeanor offenders, has been operating at about 70% occupancy since opening.
- The **Armed Forces Reserve Center (AFRC)**, located on about 20 acres off Pierce Parkway, was completed, occupied, and dedicated in spring 2010. The 145,000 square-foot building and an 11,000 square foot storage building provides readiness facilities for the Army, Navy and Marines recently deployed to Iraq and Afghanistan. The facility also provides office and meeting space, parking, security, and secure public access to offices of the region’s US Forest Service and federal Bureau of Land Management (BLM). All agencies have co-located from outdated individual facilities each organization had previously in Eugene. The new facility includes jointly used public parking, public reception, and security services as well as secure parking for every-day staff of the building and those variable numbers of armed forces personnel training or readying for deployment as well as parking for the range of federal vehicles on the 18-

acre site. When not used by staff and personnel, the facilities are open for booking by the public for events and meetings. To make the joint operations feasible, the City of Springfield financed construction of a portion of the facilities, leases that space to BLM, and after ten years will transfer City ownership to the Oregon Military Department.

- The **Springfield School District** completed not only construction of two new replacement schools in east and mid-Springfield, but also the expansion of its **Academy of Arts and Academics (A3)** in Downtown to meet increased demand from students to be in this high school's integrated arts and academic curriculum. A3 construction was completed and facilities outfitted with new classroom equipment for the start of the fall 2009 school year.
- The **Jerry's Home Improvement Center** also expanded and relocated its lumber and contractors' warehouse to a new larger, enclosed facility built in the former K-Mart parking lot immediately adjacent its 140,000 retail operations. Together the changes and additions are valued at \$1.7 million. Neighboring property owner **Olympic Spring, LLC** completed extensive building and site modifications to the former K-Mart building in mid-Springfield to allow additional indoor storage for not only expanded Jerry's operations, but also the new retail outlet for **Wilco**, a farm-and-ranch supply store. Wilco's retail operations occupy 38,000 square feet of the 68,000 square-foot building.
- **A Storage Place** located in **Pierce Parkway Industrial Park** has completed construction of a 100,000 square foot storage facility that include 5 warehouses, 4 mini-storage buildings, and a manager's office/residence.
- The Kit and Karen **Chan Family** have nearly finished an 11,000 square foot warehouse/retail commercial space at 18th and Main Street on a former auto dealership property. The facility has up to 10 units for lease individually or in combinations on the long-vacant .7-acre site.

Long-term Financial Planning

Continued slowdowns in the national, state and regional economic recoveries have had an impact on the revenue forecasts for the City as several major resources continue to under-realize the City's budgeted estimates. In particular, for the past two years of the recession, this has negatively impacted property taxes, fuel taxes and fees associated with building and development activities. The City implemented a major response during FY09 and early in FY10 by identifying and eliminating the funding for 26 positions and administering caps on material & service spending. Financial planning during FY10 for the subsequent year anticipated a bottoming out of the recession with a chance of modest recovery, but as FY11 begins, the major economic indicators relied upon by the City do not appear to rise to these projections. As FY11 begins, falling housing prices continue to generate lower expected property tax revenues and limit the ability of the overall housing and timber markets to experience much recovery. This has prompted the City to look at mid-year reductions, particularly in the General Fund and Street Fund, that will equal the lowered revenue expectations.

The General Fund still meets all Council adopted policies for maintaining adequate contingency and working capital.

Public Safety Services:

In February of 2010, the City opened its newly constructed 100-bed municipal jail. This facility, with funding authorized by a November 1994 general obligation bond election, was constructed and connected as a single facility to the new Springfield Justice Center. The Springfield Justice Center was constructed from the same general obligation bond proceeds and opened in the summer of 2008. The Council's goal in seeking voter support for a municipal jail was to reduce overall crime statistics in our community while helping to provide a feeling of safety and security to our residents. As of to date, with only a partial year of operation, there is not yet available a source of reliable statistics.

In a subsequent event, at the November 2010 election, the City asked voters to renew an existing special operating levy for additional fire services that was set to expire on June 30, 2011. This levy, authorized since FY04, allows the City to operate a fifth full-time fire engine. This fifth engine is critical to the overall fire service by providing the additional staffing required to meet service response times identified in the municipal code.

The City's Ambulance Fund, an enterprise fund, continues experiencing financial stress as its primary revenue sources have not kept pace with expenses. Reductions by the federal government in payments to providers of ambulance service for Medicare and Medicaid patients have placed providers of ambulance service in the position of subsidizing this major federal program at the local level. The City has worked towards increasing locally controlled revenue sources for the Ambulance Fund by aggressively recruiting additional clients for its ambulance billing service, increasing the local market share for its FireMed program, and increasing local rates. The fund has been stabilized over the past two years, but has still not returned to a self supported enterprise fund as of the end of FY10.

The Cities of Springfield and Eugene are currently studying the feasibility of merging some or all of the fire and ambulance services for the two communities. In a partial step during calendar year 2010, the two cities are sharing certain key administrative positions to study the ability of the two cities to adjust policies and practices into a single operation. Currently the primary shared positions are that of the Fire Chief, Fire Marshal, and Battalion Chief for Training. The current study will continue into calendar year 2011, with the two City Council's scheduled to discuss continuing the merger at that time.

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 tentatively funded for construction in the next five years. These projects are aimed at improving neighborhoods, providing for economic growth, improving traffic safety, and maintaining the existing City infrastructure and facilities. Some of the major projects in each of these program areas include the following:

Transportation and Streets:

- ◆ As a result of lost revenues from Lane County, insufficient revenues from state and local fuel taxes, and increasing costs, the funding for this program has been significantly reduced in FY10 and is again being reduced in FY11. The FY10 budget was used for street seal and overlay projects on only arterial and collector streets throughout the City. Projections for the next five years show continued insufficient revenues to fund the program's needs, which will result in an increasing backlog of streets needing repair and preservation. One additional revenue source that is being programmed beginning in FY11 is an increase in the state fuel tax that will have shares prorated to local cities and counties. Effective in January 2011, with revenues being realized a couple of months later, the City will expect to receive an additional \$150,000 during FY11.
- ◆ The Gateway/Beltline intersection has been identified as needing major transportation improvements, including the construction of a two-phase project. Phase 1 includes design and construction of an expanded intersection along with the purchase of right-of-way. Construction of Phase 1 will begin in 2010 as part of an ODOT project to improve the I-5/Beltline Interchange. Phase 2 will be constructed in the future and will include construction of a one-way couplet. The project is needed for improving the level of service at the intersection and for maintaining proper function of the intersection in relationship to the I-5/Beltline Interchange. Current project estimates are \$10 million for Phase 1 and \$20 million for Phase 2.
- ◆ The City was unsuccessful in its application of a \$49.5 million TIGER grant for design, right-of-way acquisition, and construction of a multi-way boulevard on Franklin Boulevard through Glenwood. This project is located in the Glenwood Urban Renewal District. Work will continue on this Council high priority project by completing all necessary environmental studies and immediate infrastructure necessary to encourage future development.

Wastewater:

- ◆ In 2008, the City adopted its *Wastewater Master Plan*. This plan identified additional wastewater system needs to address, in part, excessive infiltration and inflow. The WWFMP is a regional plan adopted in 2001 that identifies priority areas for rehabilitating wastewater pipes to reduce infiltration and inflow. The completion of the rehabilitation projects on the local waste water collection systems that are identified in the two mentioned plans will reduce the cost of transporting the effluent through pipes as well as the treatment costs at the plant.
- ◆ In March 2009, the City sold \$22.8 million in revenue bonds to fund wastewater system projects that would provide both improvements to the existing system as well as increased capacity for growth. During this past year and as a result of the current economy, the City has determined that the emphasis for the wastewater capital

expenditures should be focused more on improvements to the existing system and are concentrating on the projects identified in the Wet Weather Flow Management Plan.

- ◆ The City is currently considering another revenue bond sale in FY13 to address some or all of the following projects: Basin 22 – \$6.2 million; 10th & N parallel trunk – \$3.9 million; 58th Street By-pass sewer – \$2.2 million; 7th & 8th sewer main replacement - \$0.5 million; Main St. sewer main improvements – \$2.1 million; and Nugget Way lift station upgrade – \$1.4 million.

Stormwater:

- ◆ The City's master plan for stormwater improvements are both driven by federal and state clean water mandates and development growth within the City. Completion of the Stormwater Facilities Master Plan has allowed the City to proceed with securing funding for implementation of necessary improvements to the existing system to meet federal requirements and to provide additional capacity to the system. In the spring of 2010, staff began planning for a \$10 million revenue bond sale for stormwater improvements. This sale was completed in October 2010 and many of the projects are currently underway.
- ◆ Drainage improvements for the Springfield Mill Race are underway and are expected to continue for several years. At completion, the project will improve water quality and stabilize year round flows, restoring the aquatic ecosystem from Clearwater Park to the 7th Street Bridge. The entire project is anticipated to cost about \$9 million, with \$5 million coming from a federal grant and the remaining balance coming from the City in donated land, in-kind services, and additional funding. This project not only re-opens an historic open waterway through Springfield, but helps the City meet its obligation for clean water through natural filtration instead of treatment.

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:

To Offer Financially Responsible and Stable Government Services

- There is adequate land supply to meet development needs
- Infrastructure enterprise funds meet operating and capital requirements
- New information technology infrastructure meets expectations
- Enhancements and customizations to existing applications will meet customer expectations

To Encourage Community and Economic Development Revitalization

- There is growth in the level of Glenwood Urban Renewal investment

- There is growth in the level of Downtown Urban Renewal investment
- Room tax recipients are meeting their set outcome measure
- The infrastructure needed for growth is identified and planned
- Target areas are planned and zoned for redevelopment
- Opportunities for affordable and decent housing are increased

To Effectively Create a Positive Environment That Values Diversity and Encourages Inclusion

- City supports and encourages the participation of disadvantage, minority-owned, or women-owned businesses in the public contracting process for public improvements
- 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

To Enhance Public Safety

- 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

To Maintain and Improve Infrastructure and Facilities

- All planned infrastructure preservation and maintenance is performed
- Infrastructure systems are in fair or better condition
- Infrastructure systems meet regulatory performance requirements
- Capital projects are constructed to meet expanding needs

To Preserve the Hometown Feel, Livability and Environmental Quality

- Student success and community literacy is supported library
- Access to library services and collections is improved
- Trash is reduced and community recycling is increased
- Drainage ways are improved and enhanced
- Wastewater infrastructure systems meet regulatory performance
- Revitalization of low-income neighborhoods is supported
- Citizen requests and inquiries are given timely attention
- Residents perception of Springfield is positive

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, 2009. This was the twenty-ninth 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.

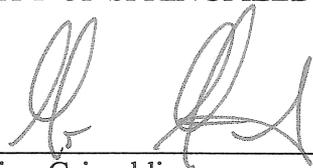
Acknowledgments

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.

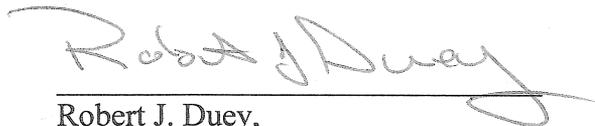
In closing, without the leadership and support of the Mayor and City Council, preparation of this report would not have been possible.

Respectfully submitted,

CITY OF SPRINGFIELD, OREGON



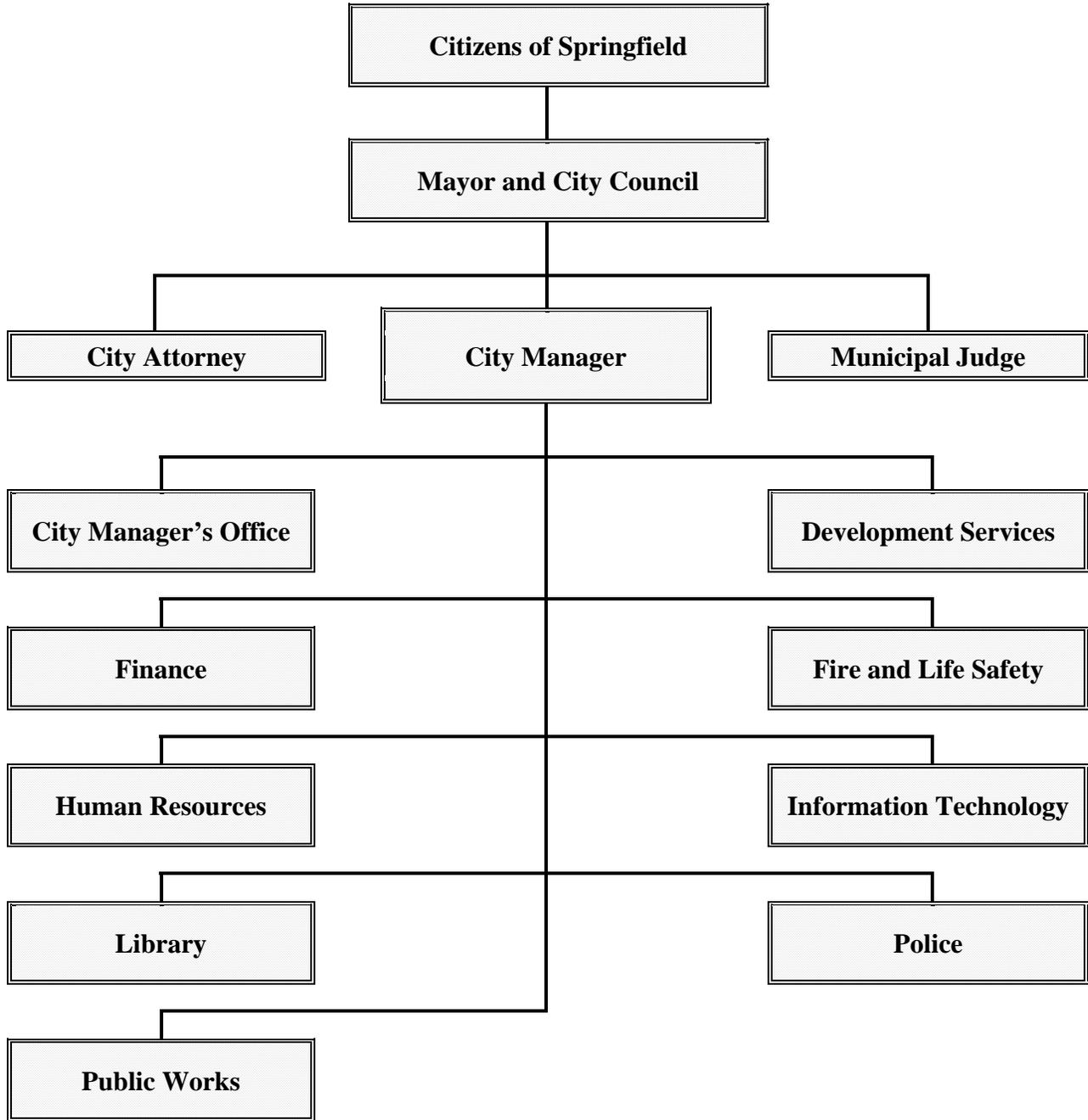
Gino Grimaldi,
City Manager



Robert J. Duey,
Finance Director

CITY OF SPRINGFIELD

Organization Chart



City of Springfield, Oregon

Principal City Officials June 30, 2010

Elected Officials

Mayor

Sidney W. Leiken
6856 Holly Street
Springfield, OR 97478

Term Expiration

December 31, 2012

Council Members

Christine Lundberg
2031 2nd Street
Springfield, OR 97477

Ward 1

December 31, 2010

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

Ward 2

December 31, 2010

Terri Leezer
555 16th Street
Springfield, OR 97477

Ward 3

December 31, 2012

David Ralston
2114 "L" Street
Springfield, OR 97477

Ward 4

December 31, 2012

Fred Simmons
312 S 52nd Place
Springfield, OR 97477

Ward 5

December 31, 2010

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, 2009

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



President

Executive Director

Financial Section

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Independent Auditor's Report

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GROVE, MUELLER & SWANK, P.C.

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

INDEPENDENT AUDITOR'S REPORT

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

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, 2010, 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, 2010, 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 3, 2010 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 management's discussion and analysis 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 required supplementary information 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Springfield, Oregon's financial statements as a whole. The introductory section, combining and individual fund financial statements, other supplementary information, and statistical section are presented for purposes of additional analysis and are not required parts of the financial statements. The supplementary 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 Organizations*, and is not a required part of the basic financial statements. The combining and individual fund financial statements and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory, other supplementary information 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: 
Charles A. Swank, A Shareholder
December 3, 2010

Management's Discussion and Analysis

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of 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, 2010. 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, 2010 increased \$4.1 million from \$280.1 million to \$284.2 million, or 1.5% from the prior year. This increase was primarily due to capital contributions of \$7.2 million.
- The City's total liabilities decreased by \$5.3 million from \$78.6 million to \$73.3 million. This decrease was primarily due to a \$2.8 million decrease in bonded debt, a \$1.1 decrease in notes payable and a \$3.4 million decrease in current liabilities offset by a \$1.1 million increase in capital leases and .9 million increase in the City's OPEB obligation.
- The net assets of the City (assets less liabilities) at June 30, 2010 increased \$9.4 million from \$201.5 million to \$210.9 from the prior year.
- At June 30, 2010, the City's governmental funds reported a combined ending fund balance of \$22.1 million, a decrease of \$11.2 million from the prior year that can be primarily attributed to capital project expenditures. Approximately \$17.6 million of this is unreserved and available for spending at the government's discretion, subject to reporting fund-type limitations.
- At the end of fiscal year 2010, the unreserved fund balance in the General Fund was \$7.8 million which was 26.3% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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
- Police
- Fire
- Public Works
- Library
- 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 20 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for those funds that are considered significant (major) to the City taken as a whole. These financial statements report three funds: General Fund, Housing and Community Development Fund, and Development Projects 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 building. 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 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 65-120.

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 \$210,921,736 at the close of the most recent fiscal year.

The largest portion of the City's net assets, \$160,519,752, or 76%, 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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 42,039,117	\$ 54,938,861	\$ 33,840,958	\$ 37,263,406	\$ 75,880,075	\$ 92,202,267
Capital assets, net, where applicable, of accumulated depreciation	<u>141,454,758</u>	<u>128,634,578</u>	<u>66,904,526</u>	<u>59,315,987</u>	<u>208,359,284</u>	<u>187,950,565</u>
Total assets	<u>183,493,875</u>	<u>183,573,439</u>	<u>100,745,484</u>	<u>96,579,393</u>	<u>284,239,359</u>	<u>280,152,832</u>
Noncurrent liabilities	37,066,694	37,435,634	30,826,218	32,343,440	67,892,912	69,779,074
Other liabilities	<u>3,865,039</u>	<u>6,826,411</u>	<u>1,559,672</u>	<u>1,996,753</u>	<u>5,424,711</u>	<u>8,823,164</u>
Total liabilities	<u>40,931,733</u>	<u>44,262,045</u>	<u>32,385,890</u>	<u>34,340,193</u>	<u>73,317,623</u>	<u>78,602,238</u>
Net assets:						
Invested in capital assets, net of related debt	107,712,593	99,380,714	52,807,159	49,313,676	160,519,752	148,694,390
Restricted	5,268,152	5,956,816	2,989,453	3,447,456	8,257,605	9,404,272
Unrestricted	<u>29,581,397</u>	<u>33,973,864</u>	<u>12,562,982</u>	<u>9,478,068</u>	<u>42,144,379</u>	<u>43,451,932</u>
Total net assets	<u>\$ 142,562,142</u>	<u>\$ 139,311,394</u>	<u>\$ 68,359,594</u>	<u>\$ 62,239,200</u>	<u>\$ 210,921,736</u>	<u>\$ 201,550,594</u>

A portion of the City's net assets, \$8,257,605, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$42,144,379 or 20%, 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>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues:						
Program revenues:						
Charges for services	\$ 6,174,848	\$ 8,275,078	\$ 17,526,400	\$ 15,516,425	\$ 23,701,248	\$ 23,791,503
Operating grants and contributions	6,436,204	4,161,206	-	-	6,436,204	4,161,206
Capital grants and contributions	3,994,233	155,634	3,161,477	1,367,790	7,155,710	1,523,424
General revenues:						
Taxes	30,384,602	29,051,652	-	-	30,384,602	29,051,652
In lieu of tax payments	2,346,889	2,275,036	-	-	2,346,889	2,275,036
Shared revenue	1,247,546	1,377,642	-	-	1,247,546	1,377,642
Interest and investment earnings	664,423	1,727,120	409,360	559,713	1,073,783	2,286,833
Miscellaneous receipts	201,184	379,635	186,763	120,051	387,947	499,686
Gain (loss) on disposal of assets	<u>(57,355)</u>	<u>19,810</u>	<u>-</u>	<u>-</u>	<u>(57,355)</u>	<u>19,810</u>
Total revenues	<u>51,392,574</u>	<u>47,422,813</u>	<u>21,284,000</u>	<u>17,563,979</u>	<u>72,676,574</u>	<u>64,986,792</u>
Expenses:						
General government	3,560,757	4,791,069	-	-	3,560,757	4,791,069
Development services	5,919,093	4,601,270	-	-	5,919,093	4,601,270
Fire	10,691,161	10,858,907	-	-	10,691,161	10,858,907
Library	1,382,782	1,400,056	-	-	1,382,782	1,400,056
Police	17,259,569	13,974,177	-	-	17,259,569	13,974,177
Public works	7,641,190	10,295,174	-	-	7,641,190	10,295,174
Unallocated depreciation & amortization	283,227	313,042	-	-	283,227	313,042
Interest on debt	1,373,371	1,406,144	-	-	1,373,371	1,406,144
Sewer	-	-	4,803,431	6,619,628	4,803,431	6,619,628
Drainage	-	-	3,956,135	3,894,947	3,956,135	3,894,947
Booth Kelly	-	-	1,433,965	779,773	1,433,965	779,773
Ambulance	<u>-</u>	<u>-</u>	<u>5,000,748</u>	<u>4,939,277</u>	<u>5,000,748</u>	<u>4,939,277</u>
Total expenses	<u>48,111,150</u>	<u>47,639,839</u>	<u>15,194,279</u>	<u>16,233,625</u>	<u>63,305,429</u>	<u>63,873,464</u>
Increase in net assets before transfers	3,281,424	(217,026)	6,089,721	1,330,354	9,371,145	1,113,328
Transfers	<u>(30,673)</u>	<u>593,130</u>	<u>30,673</u>	<u>(593,130)</u>	<u>-</u>	<u>-</u>
Increase in net assets	3,250,751	376,104	6,120,394	737,224	9,371,145	1,113,328
Net assets – beginning	<u>139,311,391</u>	<u>138,935,290</u>	<u>62,239,200</u>	<u>61,501,976</u>	<u>201,550,591</u>	<u>200,437,266</u>
Net assets ending	<u>\$ 142,562,142</u>	<u>\$ 139,311,394</u>	<u>\$ 68,359,594</u>	<u>\$ 62,239,200</u>	<u>\$ 210,921,736</u>	<u>\$ 201,550,594</u>

Entity-wide change in net assets: Entity-wide net assets increased by \$9.4 million in the current fiscal year compared to an increase of \$1.1 million in the prior year. This represents a significant increase from the prior year and can be attributed to the completion of some large private development projects and resulting capital contributions in the current year as well as a 14% increase in local sewer and drainage user fees and a significant decrease in sanitary sewer expenses.

Governmental Activities. The change in governmental activities before transfers increased from a deficit of \$217,000 in the prior year to a surplus of \$3.3 million in the current year. This increase of \$3.5 million can be explained by the following highlights:

- Capital grants and contributions increased by \$3.8 million from the prior year, representing the primary factor in explaining the changes in government activities. This was primarily due to an increase in development activity, however, it should be noted that development still remains depressed due to the economic downturn.
- Operating grants and contributions increased by \$2.3 million from the prior year due to an increase of \$1.7 million in Home Investment Partnerships Program grants as well as \$.5 million in American Recovery and Reinvestment Act (ARRA) grants the City received as part of the federal stimulus program.
- Charges for services decreased by \$2.1 million from the prior year, partially due to a \$.8 million decrease of planning fees that can be attributed to the completion of a large private development project in the prior year that generated \$.8 million in planning fee revenue offset by equivalent contractual services expense.
- Taxes increased by \$1.3 million (5%) from the prior year, primarily due to a \$1.7 million (7%) increase in property tax receipts.
- Interest and investment earnings decreased by \$1.1 million (62%) from the prior year due to a decrease in the return on the City's cash and investments as well smaller investment balances resulting from capital project expenditures of \$12 million.
- Expenses for the Police Department increased by \$3.3 million (24%) from the prior year, of which \$1.9 million can be attributed to the opening of the municipal jail in January of the current year and \$1.2 million in depreciation expense on the recently constructed Justice Center.
- Expenses for the Development Services Department increased by \$1.3 million (29%) from the prior year and can be attributed to the increase in Home Investment Partnership Programs grants discussed earlier.
- Expenses for the Public Works Department decreased by \$2.6 million from the prior year and can be attributed to a reduction in Street Fund expenses in the current year resulting from declining revenues as well as the completion of a large private development project in the prior year that generated \$.8 million in contractual services expense.

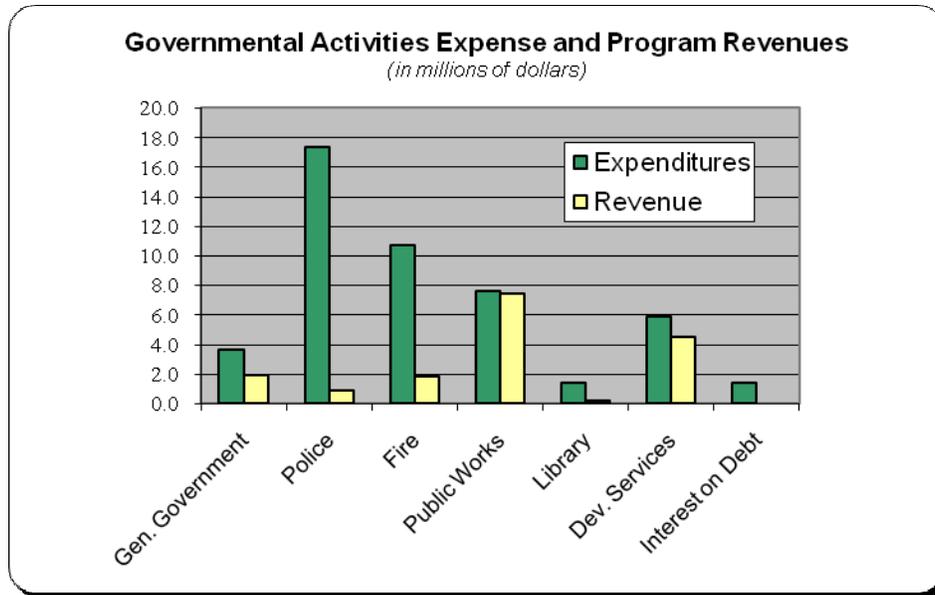


Chart 1

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

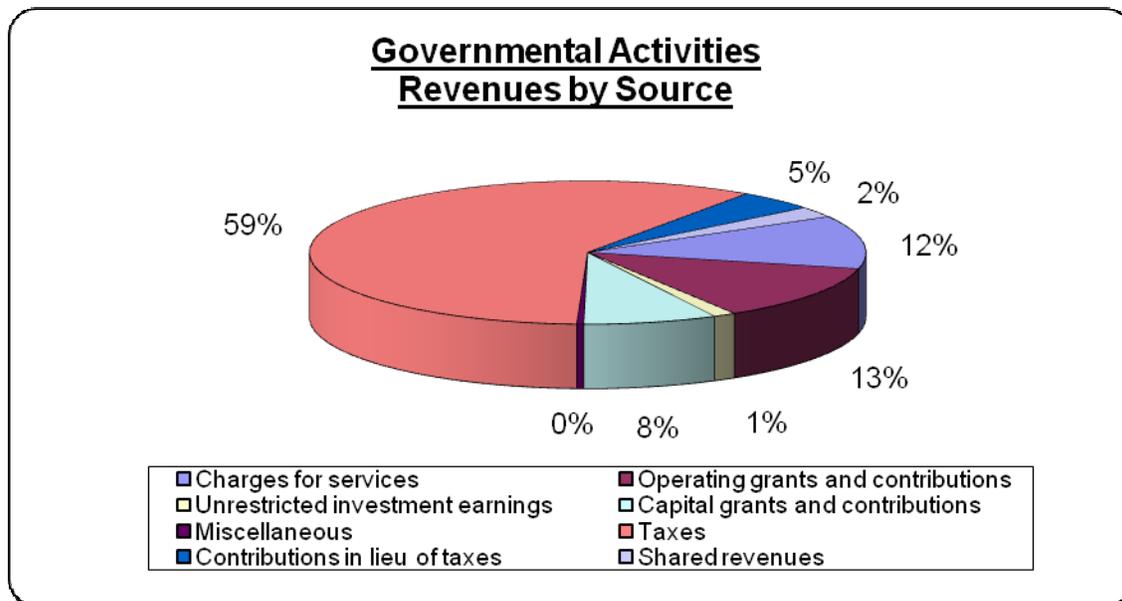


Chart 2

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

Business-type Activities. The change in business-type activities before transfers increased from \$1.3 million in the prior year to \$6.1 million in the current year. This increase of \$4.8 million can be explained by the following highlights.

- Charges for services increased by \$2 million (13%) from the prior year, primarily due to a 14% increase in local sewer and drainage user fees.
- Capital grant and contributions increased by \$1.8 million from the prior year as a result of a small increase in development activity in the current year.
- Sanitary Sewer expenses decreased by \$1.8 million (27%). In the prior year, the City had experienced a significant increase in local sewer infrastructure repair and maintenance expenditures as a result of a large backlog of deferred repair and maintenance from prior years. The current year expenditures represent a return back to the minimum average expenditure of earlier years.

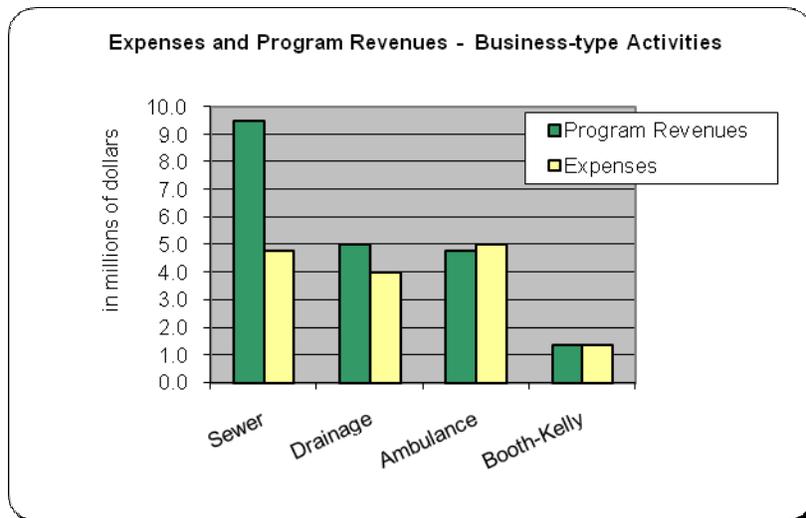


Chart 3

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

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

The Ambulance Fund continues a trend of expenses exceeding revenues. 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. Both of these programs are meant to contribute to the fund balance. The City is actively working towards growing its ambulance billing services and the FireMed program.

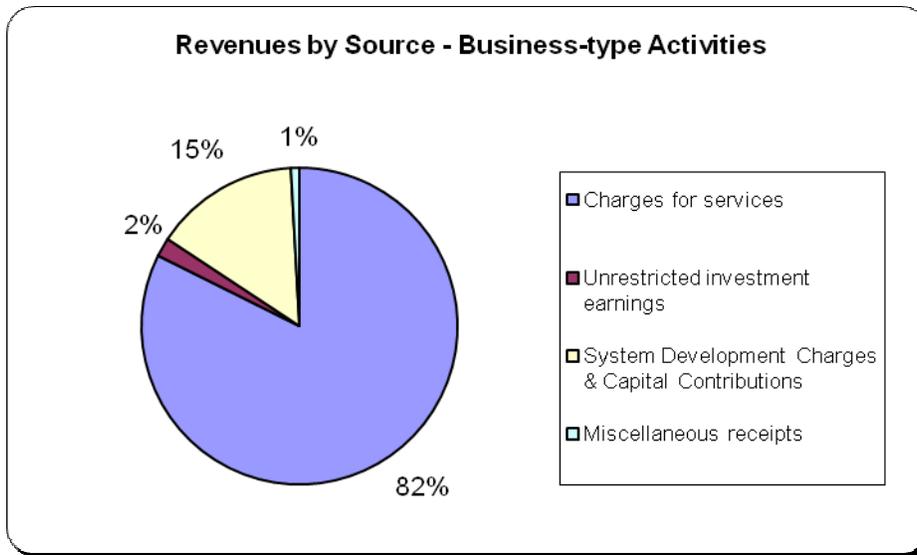


Chart 4

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, *unreserved 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 \$22.1 million. Of this total amount, \$17.6 million (80%) constitutes unreserved fund balance which is available for spending at the government's discretion, subject to reporting fund-type limitations. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for a variety of purposes.

The General Fund is the chief operating fund of the City of Springfield. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$7.8 million, while the total fund

balance was \$7.9 million. As measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Both unreserved fund balance and total fund balance represent roughly 26 percent of total General Fund expenditures.

The fund balance of the City's General Fund increased by \$.5 million during the current fiscal year compared to an decrease of \$1.9 million in the prior year. This increase of \$2.4 million can be explained by the following highlights:

- Revenues increased by \$.6 million (2%) from the prior year. This can be attributed to an increase of property tax receipts of \$1.1 million (7%) and municipal court revenues of \$.3 million (28%) offset by a general decline across the board in other revenues. The economic downturn continues to exert downward pressure on most revenue sources and we expect that influence to start impacting property tax receipts in the coming year.
- Operating expenditures decreased by \$1.4 million (4.5%) from the prior year. This can be attributed to holding some open positions vacant as well as targeted reductions in material and services expenditures across all departments. The City implemented a Continuous Process Improvement program in the previous year and continues working towards a goal of matching expenditure growth with revenue growth.
- Interfund transfers out decreased by \$.8 million offset by a \$.4 million decrease in interfund transfer in. This decline in General Fund interfund transfer activity represents a growing trend at the City of scarcer resources across all City funded services, resulting in the General Fund providing less support to other funds as well as receiving less support.

The fund balance of the Development Capital Projects Fund decreased by \$6.1 million during the current fiscal year, with an ending fund balance of \$2.3 million. This was primarily due to \$7 million in current year capital outlay expenditures that were funded primarily by prior year's resources.

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 \$68.4 million. Of this amount, \$12.6 million (18%) constitutes unrestricted net assets. Proprietary fund highlights are as follows:

The Sanitary Sewer Operations Fund reported a \$4.5 million increase in net assets. This increase can be largely attributed to capital contributions of \$3.2 million as well as a 14% increase in local sewer user fees.

The Storm Drainage Operations Fund reported a \$1.3 million increase in net assets, primarily due to a 14% increase in local drainage user fees.

The Sanitary Sewer Capital Projects Fund reported a \$1.5 million increase in net assets, primarily due to transfers from other funds for anticipated projects in the coming year.

The Ambulance Fund reported a loss of \$229,000 before transfers. As discussed earlier, this has been a continuing trend resulting from the reduction in Medicare reimbursement for ambulance services compounded by an increase in expenses. The City has determined that this is an important service for the community and decided to subsidize ambulance services out of the General Fund.

The Booth Kelly Fund reported a \$185,000 decrease in net assets. This decrease was due to a \$200,000 transfer to the City's General Fund in support of general government activities.

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 \$339,943.

- \$119,900 increase to General Government
- \$148,059 increase to Fire
- \$3,030 increase to Police
- \$30,532 increase to Library
- \$2,500 increase to Public Works
- \$9,961 increase to Development Services
- \$0 increase to Non-Departmental transfers
- \$25,961 increase in the City reserves

For actual expenditures the City under spent the amended budget by \$1,173,439.

The impact of the economic recession, primarily on revenues, became apparent soon after the fiscal year began and the City saw revenue shortfalls occur in almost every major revenue category this past year. The exception to that was property taxes as the City had taken a very conservative approach to projecting taxes to be received for FY10. These differences in actual revenue received compared to the amended budget are as follows:

- \$775,713 increase in property taxes
- \$459,638 decrease in licenses, permits and fees
- \$280,637 decrease in intergovernmental revenues
- \$362,114 decrease in interest and investment earnings
- \$28,081 increase in charges for service
- \$282,728 decrease in fines and forfeitures
- \$13,111 Increase in miscellaneous revenues
- \$222,738 increase in beginning cash (amended over adopted budget)

For the year ended June 30, 2010, the total variance between the final amended budgeted revenue and the actual budget-basis revenue amounts in the General Fund was -1.6%, where actual revenues were less than budgeted revenues. Actual property tax revenues were 4.8% above budgeted amounts. Other revenue line items were generally below budget, with the aggregate difference representing the -6.4% variance. Beginning fund balance on July 1, 2009 was \$221,738 greater than budgeted (3.1%) while ending fund balance on June 30, 2010 was \$789,621 (11.2%) greater than was projected in the FY10 Amended Budget.

In response to the economic conditions, the City throughout the year required departments to establish expenditure targets for all operations that were less than legal authorities. The City did not require additional mid-year personnel cuts although some departments continued to hold vacant position unfilled to meet expenditure targets. Additional restrictions were put on other expenditures. As a result, expenditures were under budget in all General Fund operating departments in amounts ranging from 0.01% to 10.8%. In aggregate, operating expenditures in all General Fund departments were 3.8% under the revised budget amount. Personal services are the largest component of the General Fund's operating budget (80%) and as a result of the managing the timing of re-filling vacant positions, this category was under expended by \$1,004,923 (4.0%). Material & Services comprises 18.5% of the General Fund operating budget and was under expended by 4%. Overall departments under expended their General fund operating budgets by \$1,173,439 or 3.8% of their amended budgets.

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, 2010, amounts to \$208.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, sewer pipes, improvements, machinery and equipment and roads.

Major capital asset events and improvements during the current fiscal year included the following:

- Donated right of way during the year was recorded at an estimated cost of \$3.7 million, up from \$.5 million in the prior year.
- Property was purchased for Fire Station 14 for \$430,000.
- The Springfield Economic Development Agency purchased property for \$701,000.
- The Justice Center construction was completed at a cost of \$28.1 million, with expenditures of \$4.3 million in 2010.
- Beltline/Gateway Intersection improvements of \$5.6 million.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 53,114,066	\$ 48,301,844	\$ 4,689,631	\$ 4,698,289	\$ 57,803,697	\$ 53,000,133
Land improvements	-	-	25,791	49,440	25,791	49,440
Construction in progress	7,926,882	1,810,309	4,123,685	4,209,422	12,050,567	6,019,731
Buildings	36,490,096	33,973,234	56,471,576	49,897,033	92,961,672	83,870,267
Infrastructure	35,715,671	37,215,727	-	-	35,715,671	37,215,727
Machinery & equipment	7,284,898	6,340,195	178,987	111,085	7,463,885	6,451,280
Library books	546,075	551,743	-	-	546,075	551,743
Studies	<u>377,070</u>	<u>441,526</u>	<u>1,414,856</u>	<u>350,718</u>	<u>1,791,926</u>	<u>792,244</u>
Total	<u>\$ 141,454,758</u>	<u>\$ 128,634,578</u>	<u>\$ 66,904,526</u>	<u>\$ 59,315,987</u>	<u>\$ 208,359,284</u>	<u>\$ 187,950,565</u>

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

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of \$53.2 million. Of this amount, \$30 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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
General obligation bonds – 2005	\$ 7,915,000	\$ 8,925,000	\$ -	\$ -	\$ 7,915,000	\$ 8,925,000
General obligation bonds - 2007	22,060,000	23,015,000	-	-	22,060,000	23,015,000
Revenue bonds series 2005	-	-	1,080,000	1,280,000	1,080,000	1,280,000
Revenue Bonds series 2009	<u>-</u>	<u>-</u>	<u>22,155,000</u>	<u>22,815,000</u>	<u>22,155,000</u>	<u>22,815,000</u>
Total	<u>\$ 29,975,000</u>	<u>\$ 31,940,000</u>	<u>\$23,235,000</u>	<u>\$24,095,000</u>	<u>\$53,210,000</u>	<u>\$56,035,000</u>

The City's total bonded debt decreased by \$2.8 million during the current fiscal year. For additional information on the City's long-term debt, see Note I in the Basic Financial Statement section of this report.

Economic Factors and Next Year's Budgets and Rates

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The following are the major assumptions used in developing the FY2011 budget:

- Assessed (taxable) value for the City will stabilize at 3%, with residential receiving an increase of 3% under the guidelines established by Measures 49 & 50. New added value will be minimal while industrial and commercial will remain relatively flat.
- Interest rates will be slightly below 1%.
- Inflation will be a factor during the next fiscal year but it appears that federal intent is to maintain some control over the overall inflation rate.
- Wages will increase by 2.1% for Springfield Police Association employees.
- Wages for International Association of Fire Fighters will remain flat for the 2010/11 fiscal year but a change in the vacation scheduling process will increase fire department overtime by an estimated \$300,000 annually.
- For General Service employees, the City is anticipating the completion of comprehensive classification and compensation study. Wages for July 1 will likely remain flat while anticipating mid-year adjustments at the completion of the compensation study. A factor of 3% will be anticipated for mid-year adjustments.
- Health insurance is being projected to rise by 9%.
- PERS rates are bi-annual and remain unchanged on July 2010. A significant increase is anticipated for July 2011.
- The City will complete an updated actuarial study on its City Retirement Plan during the fall of 2010, establishing adjusted contribution rates for the next two years.
- The City's special operating levy for fire services, a rate of \$0.40 per thousand, will expire on June 30, 2010. It is expected that the City will ask the voters for a renewal of the levy at the November 2010 general election.
- An increase in the State gas tax will go into effect in January 2011 with a prorated share coming to cities.
- The economic response towards building and construction activity is expected to remain slow for next year, resulting in continued low collection of fees related to planning and building.
- The City has planned a revenue bond sale in the fall for the purpose of improvements to the City's storm water program. Estimated amount is \$10M.
- Monthly rates for both the City's local sanitary sewer program and storm water program will increase on July 1 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.

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

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City of Springfield, Oregon

Statement Of Net Assets

June 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Metropolitan Wastewater
ASSETS				
Cash and investments	\$ 32,560,377	\$ 31,453,689	\$ 64,014,066	\$ 74,737,621
Receivables, net of allowance for uncollectable receivables	8,704,449	1,654,494	10,358,943	5,017,274
Internal balances	(181,914)	181,914	-	-
Due to/from component unit	(29,643)	-	(29,643)	29,643
Due to/from other governments	36,445	-	36,445	-
Inventory	69,843	-	69,843	-
Investment in foreclosed properties	1,970	-	1,970	-
Prepaid items	5,458	21,906	27,364	36,487
Deposits	119,000	958	119,958	700,000
Deferred charges	536,822	353,642	890,464	-
Restricted assets - cash and investments	-	-	-	4,391,548
Restricted assets - accounts receivables	-	-	-	121,594
Accrued interest	216,310	174,355	390,665	288,617
Capital assets				
Land and construction in progress	61,040,948	8,813,315	69,854,263	16,242,622
Other capital assets net of accumulated depreciation	80,413,810	58,091,211	138,505,021	118,974,617
Total assets and other debits	183,493,875	100,745,484	284,239,359	220,540,023
LIABILITIES				
Current liabilities				
Accounts payable	1,194,169	486,865	1,681,034	2,788,947
Accrued payroll and other liabilities	2,502,567	412,630	2,915,197	106,523
Unearned revenue	-	542,690	542,690	9,033
Accrued interest payable	168,303	87,809	256,112	745,621
Deposits	-	29,678	29,678	-
Noncurrent liabilities				
Due within one year				
Notes payable	221,618	868,911	1,090,529	184,464
Revenue bonds payable	-	1,025,000	1,025,000	3,350,000
Capital lease	260,495	-	260,495	-
General long-term debt	2,030,000	-	2,030,000	-
Due in more than one year				
Accrued absence payable	2,144,612	325,404	2,470,016	79,968
Accrued interest payable	-	32,141	32,141	-
General long-term debt	28,198,892	-	28,198,892	-
Revenue bonds payable (net of unamortized discount)	-	22,454,507	22,454,507	91,186,587
Notes and contracts payable	1,909,344	5,829,054	7,738,398	6,110,605
Capital lease	1,121,816	-	1,121,816	-
Net OPEB obligation	1,179,917	291,201	1,471,118	54,084
Total liabilities	40,931,733	32,385,890	73,317,623	104,615,832
NET ASSETS				
Invested in capital assets, net of related debt	107,712,593	52,807,159	160,519,752	59,046,507
Restricted for:				
SDC projects	123,642	2,989,453	3,113,095	-
Transportation	3,760,010	-	3,760,010	-
Regional sanitary sewer	-	-	-	4,513,142
Debt service	764,704	-	764,704	-
Other purposes	619,796	-	619,796	-
Unrestricted	29,581,397	12,562,982	42,144,379	52,364,542
Total net assets	\$ 142,562,142	\$ 68,359,594	\$ 210,921,736	\$ 115,924,191

The accompanying notes are an integral part of this statement.

CITY OF SPRINGFIELD
Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit	
					Total Governmental Activities	Total Business-type Activities	Total	Metropolitan Wastewater Mgmt Commission	
Primary government									
Governmental activities:									
General government	\$ 3,560,757	\$ 1,940,273	\$ 5,305	\$ -	\$ (1,615,179)	\$ -	\$ (1,615,179)	\$ -	
Fire	10,691,161	1,716,417	68,702	-	(8,906,042)	-	(8,906,042)	-	
Police	17,259,569	246,682	624,463	-	(16,388,424)	-	(16,388,424)	-	
Library	1,382,782	103,475	66,242	-	(1,213,065)	-	(1,213,065)	-	
Public works	7,641,190	883,252	2,494,797	3,994,233	(268,908)	-	(268,908)	-	
Development services	5,919,093	1,284,749	3,176,695	-	(1,457,649)	-	(1,457,649)	-	
Depreciation & amortization, unallocated	283,227	-	-	-	(283,227)	-	(283,227)	-	
Interest on long-term debt	1,373,371	-	-	-	(1,373,371)	-	(1,373,371)	-	
Total governmental activities	<u>48,111,150</u>	<u>6,174,848</u>	<u>6,436,204</u>	<u>3,994,233</u>	<u>(31,505,865)</u>	<u>-</u>	<u>(31,505,865)</u>	<u>-</u>	
Business-type activities:									
Sanitary sewer	4,803,431	6,325,688	-	3,161,477	-	4,683,734	4,683,734	-	
Storm drainage	3,956,135	4,984,732	-	-	-	1,028,597	1,028,597	-	
Booth Kelly	1,433,965	1,381,649	-	-	-	(52,316)	(52,316)	-	
Ambulance	5,000,748	4,834,330	-	-	-	(166,418)	(166,418)	-	
Total business-type activities	<u>15,194,279</u>	<u>17,526,399</u>	<u>-</u>	<u>3,161,477</u>	<u>-</u>	<u>5,493,597</u>	<u>5,493,597</u>	<u>-</u>	
Total primary government	<u>\$ 63,305,429</u>	<u>\$ 23,701,247</u>	<u>\$ 6,436,204</u>	<u>\$ 7,155,710</u>	<u>(31,505,865)</u>	<u>5,493,597</u>	<u>(26,012,268)</u>	<u>-</u>	
Component unit									
Metropolitan Wastewater Management Commission	<u>\$ 22,462,669</u>	<u>\$ 26,415,997</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,953,328</u>	
General revenues:									
Taxes									
					26,616,211	-	26,616,211	-	
					2,346,889	-	2,346,889	-	
					1,787,916	-	1,787,916	-	
					1,002,858	-	1,002,858	-	
					679,566	-	679,566	-	
					298,051	-	298,051	-	
					664,423	409,361	1,073,784	1,478,880	
					201,184	186,763	387,947	2,010,280	
					(57,355)	-	(57,355)	-	
					1,247,546	-	1,247,546	-	
					(30,673)	30,673	-	-	
							-	-	
					<u>34,756,616</u>	<u>626,797</u>	<u>35,383,413</u>	<u>3,489,160</u>	
					Change in net assets	3,250,751	6,120,394	9,371,145	7,442,488
					Net assets, beginning	139,311,391	62,239,200	201,550,591	108,481,703
					Net assets, ending	<u>\$ 142,562,142</u>	<u>\$ 68,359,594</u>	<u>\$ 210,921,736</u>	<u>\$ 115,924,191</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010

	General	Housing and Community Development	Development Projects	Nonmajor Governmental	Total Governmental
ASSETS					
Cash and investments	\$ 7,670,488	\$ -	\$ 2,211,006	\$ 11,560,527	\$ 21,442,021
Receivables:					
Accounts	925,705	-	258,954	529,952	1,714,611
Taxes	1,180,161	-	-	755,234	1,935,395
Grants	-	848,230	41,261	274,553	1,164,044
Accrued interest	58,011	-	29,095	67,078	154,184
Assessments and liens	-	-	-	52,464	52,464
Mortgage notes	-	3,816,946	-	8,409	3,825,355
Inventory	3,118	-	-	66,725	69,843
Investment in foreclosed property	1,970	-	-	-	1,970
Due from other governments	36,445	-	-	-	36,445
Due from other funds	636,884	-	-	-	636,884
Prepaid items	5,458	-	-	-	5,458
Deposits	423	-	-	118,577	119,000
	<u>\$ 10,518,663</u>	<u>\$ 4,665,176</u>	<u>\$ 2,540,316</u>	<u>\$ 13,433,519</u>	<u>\$ 31,157,674</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 339,356	\$ 62,188	\$ 184,758	\$ 411,543	\$ 997,845
Accrued payroll and other liabilities	924,045	14,208	-	320,501	1,258,754
Deferred revenue	1,401,447	3,816,946	83,954	867,533	6,169,880
Due to other funds	-	636,884	-	-	636,884
	<u>2,664,848</u>	<u>4,530,226</u>	<u>268,712</u>	<u>1,599,577</u>	<u>9,063,363</u>
Fund balances:					
Reserved					
Inventory	3,118	-	-	66,725	69,843
Bicycle trails	-	-	-	64,233	64,233
Library	-	-	-	66,160	66,160
Prepays	5,458	-	-	-	5,458
Deposits	423	-	-	118,577	119,000
Police forfeitures	-	-	-	293,132	293,132
Transportation	-	-	-	3,760,010	3,760,010
Property held for resale	1,970	-	-	-	1,970
SDC projects	-	-	123,642	-	123,642
Unreserved, reported in:					
General fund	7,842,846	-	-	-	7,842,846
Special revenue funds	-	134,950	-	4,324,810	4,459,760
Capital projects funds	-	-	2,147,962	1,882,674	4,030,636
Debt service funds	-	-	-	1,257,621	1,257,621
	<u>7,853,815</u>	<u>134,950</u>	<u>2,271,604</u>	<u>11,833,942</u>	<u>22,094,311</u>
Total liabilities and fund balances	<u>\$ 10,518,663</u>	<u>\$ 4,665,176</u>	<u>\$ 2,540,316</u>	<u>\$ 13,433,519</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. 6,169,880

Capital assets are not financial resources in governmental funds, but are reported in the statement of net assets at their net depreciable value. 135,261,289

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. (36,318,710)

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. 15,355,372

Net assets of governmental activities \$ 142,562,142

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, 2010

	General	Housing and Community Development	Development Capital Projects	Nonmajor Governmental	Total Governmental
Revenues:					
Taxes	\$ 16,929,079	\$ -	\$ -	\$ 11,192,818	\$ 28,121,897
Licenses, permits and fees	2,337,074	-	-	246,107	2,583,181
Intergovernmental	3,760,045	2,714,637	187,597	3,195,292	9,857,571
Charges for services	5,013,634	-	322,900	1,704,722	7,041,256
Fines & forfeitures	1,407,755	-	-	29,857	1,437,612
Use of money & property	115,578	54,833	51,860	229,859	452,130
Special assessments	-	-	-	10,856	10,856
Miscellaneous revenues	147,141	-	-	120,239	267,380
Total revenues	29,710,306	2,769,470	562,357	16,729,750	49,771,883
Expenditures:					
Current operating:					
General government	4,939,650	17,523	-	579,580	5,536,753
Fire	9,399,839	-	-	1,251,747	10,651,586
Police	11,548,172	-	-	4,636,888	16,185,060
Library	1,261,500	-	-	98,964	1,360,464
Public works	937,190	-	-	5,180,950	6,118,140
Development services	1,522,393	2,683,075	-	1,761,484	5,966,952
Capital projects	-	62,624	6,945,309	5,111,851	12,119,784
Debt service					
Principal	150,000	-	-	2,023,240	2,173,240
Interest	82,688	-	-	1,282,254	1,364,942
Arbitrage	-	-	-	49,406	49,406
Total expenditures	29,841,432	2,763,222	6,945,309	21,976,364	61,526,327
Excess of revenues over (under) expenditures	(131,126)	6,248	(6,382,952)	(5,246,614)	(11,754,444)
Other financing sources (uses)					
Transfers in	1,295,689	-	746,809	2,604,543	4,647,041
Transfers out	(666,172)	-	(500,967)	(2,979,063)	(4,146,202)
Total other financing sources (uses)	629,517	-	245,842	(374,520)	500,839
Net change in fund balance	498,391	6,248	(6,137,110)	(5,621,134)	(11,253,605)
Fund balances, beginning	7,355,424	128,702	8,408,714	17,438,885	33,331,725
Change in reserve for inventories	-	-	-	16,191	16,191
Fund balances, ending	\$ 7,853,815	\$ 134,950	\$ 2,271,604	\$ 11,833,942	\$ 22,094,311

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, 2010

Net change in fund balances - total governmental funds	\$ (11,253,605)
The net revenue of certain activities of internal service funds is reported with governmental activities.	284,347
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements.	773,164
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. This is the amount by which capital outlays exceeded depreciation in the current period.	11,571,191
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.	(395,134)
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. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,254,597
Increases in inventory in governmental funds decrease expenses.	<u>16,191</u>
Change in net assets of governmental activities	\$ <u><u>3,250,751</u></u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS

June 30, 2010

	Business-type Activities - Enterprise Funds						Governmental	
	Sanitary Sewer Operations	Storm Drainage Operations	Sewer Capital Projects Fund	Ambulance	Booth Kelly	Other Nonmajor Proprietary	Total	Internal Service Funds
ASSETS								
Current assets:								
Cash and investments	\$ 4,067,769	\$ 2,766,155	\$ 19,092,838	\$ 485,125	\$ 761,936	\$ 4,279,866	\$ 31,453,689	\$ 11,118,356
Accounts receivable, net of allowance for estimated uncollectibles	484,971	623,712	47,401	441,151	23,228	34,031	1,654,494	12,580
Prepays	-	-	-	21,906	-	-	21,906	-
Deposits	958	-	-	-	-	-	958	-
Accrued interest	26,268	11,644	108,687	130	4,347	23,279	174,355	62,126
Total current assets	4,579,966	3,401,511	19,248,926	948,312	789,511	4,337,176	33,305,402	11,193,062
Noncurrent assets:								
Bond costs - net	353,642	-	-	-	-	-	353,642	-
Capital assets - net	45,572,923	-	4,169,383	90,319	8,258,586	-	58,091,211	6,193,468
Construction in progress	3,373,176	-	750,512	-	-	-	4,123,688	-
Land and land rights	2,048,070	-	-	-	2,641,557	-	4,689,627	-
Total noncurrent assets	51,347,811	-	4,919,895	90,319	10,900,143	-	67,258,168	6,193,468
Total assets	55,927,777	3,401,511	24,168,821	1,038,631	11,689,654	4,337,176	100,563,570	17,386,530
LIABILITIES								
Current liabilities:								
Accounts payable	90,441	18,364	258,859	102,853	1,293	15,055	486,865	196,324
Accrued payroll and other liabilities	62,492	101,654	-	246,079	2,405	-	412,630	171,666
Accrued interest payable	87,809	-	-	-	-	-	87,809	32,188
Deposits	-	-	-	-	29,678	-	29,678	-
Notes payable - current maturity	351,537	-	-	-	517,374	-	868,911	-
Capital lease payable - current maturity	-	-	-	-	-	-	-	260,495
Unearned revenues	-	-	-	542,690	-	-	542,690	-
Revenue bonds payable - current maturity	1,025,000	-	-	-	-	-	1,025,000	-
Total current liabilities	1,617,279	120,018	258,859	891,622	550,750	15,055	3,453,583	660,673
Noncurrent liabilities:								
Accrued absence payable	100,566	112,749	-	112,089	-	-	325,404	27,172
Accrued interest	-	-	-	-	32,141	-	32,141	-
Revenue bonds payable (net of unamortized discount)	1,454,507	-	21,000,000	-	-	-	22,454,507	-
Notes payable	347,461	-	-	-	5,481,593	-	5,829,054	-
Net OPEB obligation payable	58,788	87,343	-	145,070	-	-	291,201	9,940
Capital lease obligation	-	-	-	-	-	-	-	1,121,816
Total noncurrent liabilities	1,961,322	200,092	21,000,000	257,159	5,513,734	-	28,932,307	1,158,928
Total liabilities	3,578,601	320,110	21,258,859	1,148,781	6,064,484	15,055	32,385,890	1,819,601
NET ASSETS								
Invested in capital assets, net of related debt	47,815,664	-	-	90,319	4,901,176	-	52,807,159	4,811,157
Restricted for SDC projects	-	-	-	-	-	2,989,453	2,989,453	-
Unrestricted	4,533,512	3,081,401	2,909,962	(200,469)	723,994	1,332,668	12,381,068	10,755,772
Total net assets	\$ 52,349,176	\$ 3,081,401	\$ 2,909,962	\$ (110,150)	\$ 5,625,170	\$ 4,322,121	68,177,680	\$ 15,566,929
Adjustment to reflect consolidation of internal service fund activities							181,914	
Net assets of business-type activities							\$ 68,359,594	

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, 2010

	Sanitary Sewer Operations	Storm Drainage Operations	Sewer Capital Projects Fund	Ambulance	Booth Kelly	Other Nonmajor Proprietary	Total	Internal Service Funds
OPERATING REVENUES:								
Charges for services	\$ 6,055,760	\$ 4,832,825	\$ -	\$10,735,386	\$ 1,381,649	\$ 421,835	\$23,427,455	\$ 3,772,146
Less: Contractual adjustments	-	-	-	(5,901,056)	-	-	(5,901,056)	-
Licenses and permits	-	-	-	-	-	-	-	51,387
Intergovernmental revenues	-	-	-	-	-	-	-	47,172
Miscellaneous receipts	2,923	165,723	10,151	2,516	-	5,450	186,763	208,451
Total operating revenues	6,058,683	4,998,548	10,151	4,836,846	1,381,649	427,285	17,713,162	4,079,156
Operating expenses:								
City manager's office	-	-	-	-	-	-	-	3,750
Court	-	-	-	-	-	-	-	5,658
Human resources	-	-	-	-	-	-	-	1,874,682
Finance	9,635	9,633	-	-	-	-	19,268	26,574
Information technology	-	-	-	-	-	-	-	133,979
Fire	-	-	-	5,042,320	-	-	5,042,320	12,650
Police	-	-	-	-	-	-	-	10,810
Public works	2,823,141	3,524,801	-	-	22,657	510,087	6,880,686	482,436
Development services	22,588	47,416	-	-	270,729	-	340,733	97,820
Depreciation	1,657,784	-	-	24,563	697,259	-	2,379,606	949,735
Total operating expenses	4,513,148	3,581,850	-	5,066,883	990,645	510,087	14,662,613	3,598,094
Operating income (loss)	1,545,535	1,416,698	10,151	(230,037)	391,004	(82,802)	3,050,549	481,062
Nonoperating revenues (expenses):								
Interest on investments	71,644	26,697	257,104	1,347	9,202	43,367	409,361	129,209
Interest expense	(130,243)	-	-	-	(434,176)	-	(564,419)	(34,399)
Gain/(loss) on disposal of assets	-	-	-	-	-	-	-	(57,355)
Total nonoperating revenues	(58,599)	26,697	257,104	1,347	(424,974)	43,367	(155,058)	37,455
Income (loss) before contributions and transfers	1,486,936	1,443,395	267,255	(228,690)	(33,970)	(39,435)	2,895,491	518,517
Transfers in	1,249,903	217,799	1,253,000	182,883	49,383	250,000	3,202,968	-
Transfers out	(1,435,940)	(382,960)	(9,341)	-	(200,000)	(1,144,054)	(3,172,295)	(531,512)
Capital contributions	3,161,477	-	-	-	-	-	3,161,477	319,159
Change in net assets	4,462,376	1,278,234	1,510,914	(45,807)	(184,587)	(933,489)	6,087,641	306,164
Net assets, beginning	47,886,800	1,803,167	1,399,048	(64,343)	5,809,757	5,255,610		15,260,765
Net assets, end of year	\$ 52,349,176	\$ 3,081,401	\$ 2,909,962	\$ (110,150)	\$ 5,625,170	\$ 4,322,121		\$ 15,566,929
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							32,753	
Change in net assets of business-type activities							\$ 6,120,394	

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

Year Ended June 30, 2010

	Business type activities - Enterprise Funds						Governmental	
	Sanitary Sewer Operations	Storm Drainage Operations	Sanitary Sewer Capital	Ambulance	Booth Kelly	Other Nonmajor Proprietary	Total	Activities Internal Service Funds
Cash flows from operating activities:								
Cash received from customers	\$ 6,108,296	\$ 4,644,081	\$ (47,401)	\$ 4,838,080	\$ 1,369,061	\$ 408,227	\$ 17,320,344	\$ -
Cash received from interfund services provided	-	-	-	-	-	-	-	3,779,533
Cash paid for employee services	(1,689,056)	(2,263,165)	-	(3,327,513)	(68,711)	-	(7,348,445)	(1,553,225)
Cash paid to suppliers for goods and services	(1,059,442)	(1,268,645)	(468,072)	(1,526,574)	(232,051)	(547,409)	(5,102,193)	(1,537,852)
Other operating receipts	2,923	165,723	10,151	84,837	(500)	5,450	268,584	307,010
Net cash provided by (used in) operating activities	3,362,721	1,277,994	(505,322)	68,830	1,067,799	(133,732)	5,138,290	995,466
Cash flows from noncapital financing activities:								
Transfers from other funds	1,249,903	217,799	1,253,000	182,883	49,383	250,000	3,202,968	-
Transfers to other funds	(1,435,940)	(382,960)	(9,341)	-	(200,000)	(1,144,054)	(3,172,295)	(531,512)
Net cash provided (used) by noncapital financing activities	(186,037)	(165,161)	1,243,659	182,883	(150,617)	(894,054)	30,673	(531,512)
Cash flows from capital and related financing activities:								
Bond costs	42,837	-	-	-	-	-	42,837	-
Acquisition and construction of capital assets	(1,914,696)	-	(4,919,895)	-	-	-	(6,834,591)	(1,955,431)
Disposition of capital assets	-	-	-	-	-	-	-	18,510
Principal paid on bonds and notes	(1,221,318)	-	-	-	(485,137)	-	(1,706,455)	1,336,006
Interest paid on bonds and notes	(264,357)	-	-	-	(434,176)	-	(698,533)	(34,399)
Net cash used in capital and related financing activities	(3,357,534)	-	(4,919,895)	-	(919,313)	-	(9,196,742)	(635,314)
Cash flows from investing activities:								
Interest received	55,685	22,583	179,789	660	8,539	52,468	319,724	124,780
Net change in cash and investments	(125,165)	1,135,416	(4,001,769)	252,373	6,408	(975,318)	(3,708,055)	(46,580)
Cash and investments, beginning of year	4,192,934	1,630,739	23,094,607	232,752	755,528	5,255,184	35,161,744	11,164,936
Cash and investments, end of year	\$ 4,067,769	\$ 2,766,155	\$ 19,092,838	\$ 485,125	\$ 761,936	\$ 4,279,866	\$ 31,453,689	\$ 11,118,356
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities								
Operating income (loss)	\$ 1,545,535	\$ 1,416,698	\$ 10,151	\$ (230,037)	\$ 391,004	\$ (82,802)	\$ 3,050,549	\$ 481,062
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation & amortization	1,657,784	-	-	24,563	697,259	-	2,379,606	949,735
Changes in assets and liabilities:								
Accounts receivable	52,536	(188,744)	(47,401)	(446)	(12,588)	(13,608)	(210,251)	7,387
Prepaid expenses	-	-	-	4,196	-	-	4,196	289,858
Accounts payable	36,366	(4,425)	(468,072)	74,596	(513)	(37,322)	(399,370)	133,311
Accrued interest payable	-	-	-	-	-	-	-	32,188
Accrued payroll and other liabilities	41,987	13,306	-	19,702	(6,863)	-	68,132	(908,015)
Net OPEB obligation payable	28,513	41,159	-	93,935	-	-	163,607	9,940
Deposits	-	-	-	-	(500)	-	(500)	-
Unearned revenue	-	-	-	82,321	-	-	82,321	-
Net cash provided by (used in) operating activities	\$ 3,362,721	\$ 1,277,994	\$ (505,322)	\$ 68,830	\$ 1,067,799	\$ (133,732)	\$ 5,138,290	\$ 995,466
Noncash capital and related financing activities:								
Contributed capital assets	\$ 3,161,477	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,161,477	\$ 319,159
Retirement and disposition of capital assets, net of accumulated depreciation	-	-	-	-	-	-	-	(57,355)

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
Statement of Fiduciary Net Assets
Agency Fund
June 30, 2010

ASSETS	
Cash and investments	<u>\$ 2,849,741</u>
Total assets	<u><u>\$ 2,849,741</u></u>
LIABILITIES	
Amounts held in trust for other parties	<u>\$ 2,849,741</u>
Total liabilities	<u><u>\$ 2,849,741</u></u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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 ten member governments: eight cities and two 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, 2010

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, 2010

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 Development Capital Projects Fund is used to account for costs of constructing and improving city-owned buildings and also to account for construction projects with numerous funding sources, including system development charges, grants, intergovernmental revenues and contributions by private parties.

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 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.

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, 2010

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 nonoperating 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 Sewer Fund are sewer user 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 nonoperating 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, 2010

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, 2010, the City’s tax levy did not exceed the Oregon constitutional limitation. The total property tax levy was \$27,170,891. This includes general property taxes to support general obligation bond debt service of \$3,517,621.

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, 2010 are recorded as prepaid items.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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, 2010

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 Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

j. Indirect Expenses Allocation

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

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 \$36,318,710 difference are as follows:

Bonds payable, net of original issue discount	\$ 29,692,070
Notes payable	1,920,962
Due to developer	210,000
Accrued interest payable	136,115
Compensated absences	3,189,586
Net OPEB obligation	<u>1,169,977</u>
Total	<u>\$ 36,318,710</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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

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 \$135,261,289 are as follows:

Capital assets (net of accumulated depreciation) reported in the Statement of Net Assets – governmental activities column:	
Land and work in progress	\$ 61,040,947
Other capital assets (net of accumulated depreciation)	80,413,810
Total capital assets reported in internal service funds included in the Statement of Net Assets – governmental activities column (net of accumulated depreciation):	<u>(6,193,468)</u>
Net adjustment	<u>\$ 135,261,289</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 \$11,571,191 difference are as follows:

Capital outlay	\$ 11,967,006
Donated capital assets	3,680,800
Depreciation	<u>(4,076,615)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 11,571,191</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 \$2,254,597 difference are as follows:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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

Principal repayment of general obligation debt	\$ 1,965,000
Principal repayment of note payable	208,240
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	10,359
Decrease in rebatable arbitrage	<u>102,725</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 2,254,597</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 \$395,134 difference are as follows:

Decrease in accrued compensated absences	\$ 326,281
Increase in net OPEB obligation	<u>(721,415)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (395,134)</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 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,

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE C – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

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, 2010, the City Council approved several transfer resolutions and supplemental budgets increasing appropriations by \$20,539,151.

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, 2010, cash and investments are comprised of the following:

Cash on Hand	\$ 7,703
Cash with Fiscal Agent	5,500
Deposits	13,638,030
Local Government Investment Pool Accounts	47,466,121
Investments	<u>84,875,622</u>
	<u>\$ 145,992,976</u>

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

Governmental Funds	\$ 32,560,377
Business-type Funds	31,453,689
Component Units	
MWMC	74,737,621
MWMC Restricted	4,391,548
Not Appearing on Statement of Net Assets	
Fiduciary Fund	<u>2,849,741</u>
	<u>\$ 145,992,976</u>

Deposits

On June 30, 2010 the City of Springfield held \$13,638,030 in deposits. Of this total, \$561,421 is in commercial checking accounts with a bank balance of \$585,563. The difference is due to transactions in process. The remainder is invested in time certificates of deposit with local institutions. The Oregon legislature passed new public funds collateralization statutes effective July 1, 2008. The new 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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE D – CASH AND INVESTMENTS - Continued

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, 2010, the City had \$29,582,808 in the LGIP and \$17,883,313 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, 2010, that amount was \$42,788,459.

Investments

On June 30, 2010, the City of Springfield held \$84,875,622 of investments: Corporate indebtedness of \$33,230,330 and Government Agency securities totaling \$51,645,292.

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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE D – CASH AND INVESTMENTS - Continued

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, 2010, 100% of the total investments were considered short-term and had maturities less than 18 months. 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, 2010.

<u>Maturity</u>	<u>Amount</u>	<u>Actual %</u>	<u>Investment Policy %</u>
Under 30 days	\$ 61,780,485	42%	10 % minimum
Under 90 days	72,182,879	49	25 % minimum
Under 270 days	98,884,029	68	50 % minimum
Under one year	107,408,357	74	80 % minimum
Under 18 months	145,992,976	100	100 % minimum

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, 2010, all of the corporate debt in the City's portfolio is in compliance with the investment policy. The Local Government Investment Pool is not rated and is not registered with the U.S. Securities and Exchange Commission.

C. Custodial credit risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The City's investment policy requires that broker/dealers meet certain qualifications and that purchased investment securities will be delivered by FED book entry, DTC, or physical delivery, and held in third party safekeeping - registered to the City of Springfield - with a designated custodian. All of the City's investments at June 30, 2010 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, 2010.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE D – CASH AND INVESTMENTS – Continued

Diversification by Financial Institution:

<u>Financial Institution</u>	<u>Amount</u>	<u>% Invested</u>	<u>Maximum % of Portfolio</u>
State of Oregon Investment Pool	\$ 47,466,121	33%	100
Government Agencies	51,645,292	35	N/A
US Bank	561,421	1	15
Sterling Bank	2,008,644	1	15
Siuslaw Valley Bank	1,170,225	1	15
Umqua Bank	9,896,740	7	15
Bank of America	1,000	0	15
Corporate Indebtedness:			
CitiGroup Inc	5,040,750	3	5
Wells Fargo	6,578,040	4	5
General Elec Cap Corp	6,194,120	4	5
Countrywide Corp	5,091,200	4	5
JP Morgan Chase	4,047,160	3	5
Credit Suiss	6,279,060	4	5
Other	13,203	0	N/A
Totals	<u>\$ 145,992,976</u>	<u>100%</u>	

Diversification by Financial Instrument:

<u>Instrument</u>	<u>Amount</u>	<u>% Invested</u>	<u>Maximum% of Portfolio</u>
State of Oregon Investment Pool	\$ 47,466,121	33%	100 %
Interest Bearing Checking Account	561,421	1	50 %
Money Market Account	7,239,746	4	50 %
Time Certificates of Deposit	5,836,863	5	25 %
Corporate Indebtedness	33,230,330	22	25 %
Government Agencies	51,645,292	35	50 %
Other	13,203	0	0 %
Totals	<u>\$ 145,992,976</u>	<u>100 %</u>	

E. Foreign currency

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE E – RECEIVABLES AND DEFERRED REVENUE

Receivables at June 30, 2010 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	\$ 1,180,161	\$ 925,705	\$ -	\$ -	\$ 58,011	\$ -	\$ 2,163,877	\$ -	\$ 2,163,877
CDBG	-	-	-	848,230	-	3,816,946	4,665,176	-	4,665,176
Development Projects	-	258,954	-	41,261	29,095	-	329,310	-	329,310
Sewer	-	484,971	-	-	26,268	-	511,239	-	511,239
Storm Drainage	-	623,712	-	-	11,644	-	635,356	-	635,356
Ambulance	-	1,280,922	-	-	130	-	1,281,052	(839,771)	441,281
Sanitary Sewer Capital	-	47,401	-	-	108,687	-	156,088	-	156,088
Booth-Kelly	-	23,228	-	-	4,347	-	27,575	-	27,575
Nonmajor Gov	755,234	529,952	52,464	274,553	67,078	8,409	1,687,690	-	1,687,690
Nonmajor Prop	-	34,031	-	-	23,279	-	57,310	-	57,310
Internal Service Funds	-	12,580	-	-	62,126	-	74,706	-	74,706
	<u>\$ 1,935,395</u>	<u>\$ 4,221,456</u>	<u>\$ 52,464</u>	<u>\$ 1,164,044</u>	<u>\$ 390,665</u>	<u>\$ 3,825,355</u>	<u>\$ 11,589,379</u>	<u>\$ (839,771)</u>	<u>\$ 10,749,608</u>

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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE E – RECEIVABLES AND DEFERRED REVENUE - Continued

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, 2010, the various components of deferred revenue consist of the following:

<u>FUND BY TYPE</u>	<u>Deferred</u>
Property taxes receivable:	
General fund	\$ 1,148,345
Debt service funds	306,400
Special revenue funds	355,644
Fees and charges:	
General fund	250,787
Special revenue funds	114,755
Capital projects funds	22,678
Mortgage notes receivable:	
Special revenue funds	8,409
CDBG fund	3,816,946
Assessments:	
Debt service funds	15,388
Capital projects funds	37,076
Other:	
General fund	2,312
Development projects fund	83,954
Special revenue funds	7,186
Total deferred revenue	<u>\$ 6,169,880</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE F – CAPITAL ASSETS

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 48,301,844	\$ 4,812,222	\$ -	\$ 53,114,066
Work in progress	<u>1,810,309</u>	<u>6,116,573</u>	<u>-</u>	<u>7,926,882</u>
Total capital assets, not being depreciated	<u>50,112,153</u>	<u>10,928,795</u>	<u>-</u>	<u>61,040,948</u>
Capital assets, being depreciated:				
Buildings	41,953,325	4,306,087	-	46,259,412
Infrastructure	56,345,073	311,381	-	56,656,454
Machinery & equipment	16,813,730	2,274,590	(556,925)	18,531,395
Library books	2,102,879	101,542	(206,152)	1,998,269
Studies	<u>644,561</u>	<u>-</u>	<u>-</u>	<u>644,561</u>
Total capital assets, being depreciated	<u>117,859,568</u>	<u>6,993,600</u>	<u>(763,077)</u>	<u>124,090,091</u>
Less accumulated depreciation for :				
Buildings	(7,980,091)	(1,789,225)	-	(9,769,316)
Infrastructure	(19,129,346)	(1,811,437)	-	(20,940,783)
Machinery & equipment	(10,473,535)	(1,254,022)	481,060	(11,246,497)
Library books	(1,551,136)	(107,210)	206,152	(1,452,194)
Studies	<u>(203,035)</u>	<u>(64,456)</u>	<u>-</u>	<u>(267,491)</u>
Total depreciation	<u>(39,337,143)</u>	<u>(5,026,350)</u>	<u>687,212</u>	<u>(43,676,281)</u>
Total capital assets, being depreciated, net	<u>78,522,425</u>	<u>1,967,250</u>	<u>(75,865)</u>	<u>80,413,810</u>
Governmental activities capital assets, net	<u>\$ 128,634,578</u>	<u>\$ 12,896,045</u>	<u>\$ (75,865)</u>	<u>\$ 141,454,758</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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	\$ 4,698,289	\$ 174,282	\$ (182,940)	\$ 4,689,631
Construction in progress	<u>4,209,420</u>	<u>2,039,154</u>	<u>(2,124,889)</u>	<u>4,123,685</u>
Total capital assets, not being depreciated:	<u>8,907,709</u>	<u>2,213,436</u>	<u>(2,307,829)</u>	<u>8,813,316</u>
Capital assets, being depreciated:				
Buildings & structure	65,340,042	8,799,652	(3,181)	74,136,513
Land improvements	507,931	-	-	507,931
Equipment	1,114,104	109,748	-	1,223,852
Studies	<u>539,289</u>	<u>1,110,304</u>	<u>-</u>	<u>1,649,593</u>
Total capital assets, being depreciated	<u>67,501,366</u>	<u>10,019,704</u>	<u>(3,181)</u>	<u>77,517,889</u>
Less accumulated depreciation for:				
Land improvements	(458,491)	(23,649)	-	(482,140)
Buildings	(15,443,009)	(2,221,928)	-	(17,664,937)
Equipment	(1,003,019)	(41,846)	-	(1,044,865)
Studies	<u>(188,571)</u>	<u>(46,166)</u>	<u>-</u>	<u>(234,737)</u>
Total depreciation	<u>(17,093,090)</u>	<u>(2,333,589)</u>	<u>-</u>	<u>(19,426,679)</u>
Total capital assets, being depreciated, net	<u>50,408,276</u>	<u>7,686,115</u>	<u>(3,181)</u>	<u>58,091,210</u>
Business-type activities capital assets, net	<u>\$59,315,985</u>	<u>\$ 9,899,551</u>	<u>\$ (2,311,010)</u>	<u>\$ 66,904,526</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE F – CAPITAL ASSETS- Continued

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

Governmental activities:

General Government	\$ 326,833
Police	244,133
Fire	430,384
Public Works	3,597,786
Library	126,776
Development Services	64,550
Unallocated	<u>235,888</u>

Total depreciation expense – governmental activities \$5,026,350

Business-type activities:

Sewer	\$1,611,767
Booth-Kelly	697,259
Ambulance	<u>24,563</u>

Total depreciation expense – business type activities \$2,333,589

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

Business type activities depreciation	\$2,333,589
Amortization of bond issue costs	5,646
Amortization of original issue discount	<u>3,181</u>
Total depreciation and amortization expense	<u>\$2,342,416</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE F – CAPITAL ASSETS- Continued

Component unit:

Metropolitan Wastewater Management Commission

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases and Reclassifications</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 7,731,549	\$ -	\$ -	\$ 7,731,549
Construction in progress	<u>30,067,396</u>	<u>1,508,530</u>	<u>(23,064,853)</u>	<u>8,511,073</u>
Total capital assets, not being depreciated:	<u>37,798,945</u>	<u>1,508,530</u>	<u>(23,064,853)</u>	<u>16,242,622</u>
Capital assets, being depreciated:				
Buildings	61,220,817	29,555,594	22,798,455	113,574,866
Machinery & equipment	98,326,280	1,161,312	(318,697)	99,168,895
Other	<u>4,542,833</u>	<u>435,583</u>	<u>(32,955)</u>	<u>4,945,461</u>
Total capital assets, being depreciated	<u>164,089,930</u>	<u>31,152,489</u>	<u>22,446,803</u>	<u>217,689,222</u>
Less accumulated depreciation for:				
Buildings	(37,652,213)	(3,430,006)	-	(41,082,219)
Machinery & equipment	(51,982,937)	(3,986,210)	427,166	(55,541,981)
Other	<u>(1,986,713)</u>	<u>(103,692)</u>	<u>-</u>	<u>(2,090,405)</u>
Total depreciation	<u>(91,621,863)</u>	<u>(7,519,908)</u>	<u>427,166</u>	<u>(98,714,605)</u>
Total capital assets, being depreciated, net	<u>72,468,067</u>	<u>23,632,581</u>	<u>22,873,969</u>	<u>118,974,617</u>
Total capital assets, net	<u>\$ 110,267,012</u>	<u>\$ 25,141,111</u>	<u>\$ (190,884)</u>	<u>\$ 135,217,239</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE G - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions; injuries to employees, and natural disasters.

The City maintains a professional risk management program. Various risk control techniques, including employee accident prevention training, have been implemented to minimize accident-related losses. The City has third-party coverage for all lines of insurance. The liability program has an aggregate deductible of \$100,000, except for workers' compensation claims. No significant reductions in the levels of insurance coverage have been made in the past fiscal year. Settled claims have not exceeded insurance coverage in any of the past four fiscal years.

NOTE H - CAPITAL AND OPERATING LEASES

The City leases certain equipment under various operating leases which are not, in the aggregate, material.

The City purchased a fire engine in the fiscal year ending June 30, 2004 for \$227,501 with a down payment of \$5,563 and entered into a lease agreement for financing the remaining balance of \$221,938 over 6 years. The City purchased equipment in the fiscal year ending June 30, 2006 for \$32,296 with no down payment and monthly payments over 5 years. 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 \$1,376,865 with no down payment and entered into a lease agreement for financing in the amount of \$1,376,865 over 5 years with lease payments being made annually. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Machinery and equipment	\$1,642,793
Less: Accumulated depreciation	<u>(142,310)</u>
Total	<u>\$1,500,483</u>

The future minimum lease obligations as of June 30, 2010, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 260,495	\$ 51,280
2012	265,805	41,612
2013	275,008	31,758
2014	285,211	21,555
2015	<u>295,792</u>	<u>10,974</u>
Totals	<u>\$ 1,382,311</u>	<u>\$ 157,179</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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, 2010 are as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Effective Interest Rate</u>	<u>Outstanding July 1, 2009</u>	<u>Issued During Year</u>	<u>Matured During Year</u>	<u>Outstanding June 30, 2010</u>	<u>Due Within One Year</u>
Series 2007	3-09-07	2026	4.00%	<u>\$23,015,000</u>	<u>\$ -</u>	<u>\$(955,000)</u>	<u>\$22,060,000</u>	<u>\$ 995,000</u>
Series 2005	7-26-05	2025	3.48%	<u>\$ 8,925,000</u>	<u>\$ -</u>	<u>\$(1,010,000)</u>	<u>\$ 7,915,000</u>	<u>\$1,035,000</u>

Revenue Bonds

The City issues revenue bonds to finance major construction projects in business-type activities. Revenue bonds are secured and serviced by system revenues. The original amount of revenue bonds issued in prior years was \$24,800,000.

Revenue obligation bonds payable transactions for the year ended June 30, 2010 are as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Effective Interest Rate</u>	<u>Outstanding July 1, 2009</u>	<u>Issued During Year</u>	<u>Matured During Year</u>	<u>Outstanding June 30, 2010</u>	<u>Due Within One Year</u>
Series 2005	5-13-05	2015	3.700%	<u>\$ 1,280,000</u>	<u>\$ -</u>	<u>\$(200,000)</u>	<u>\$ 1,080,000</u>	<u>\$ 200,000</u>
Series 2009	4-02-09	2029	4.070%	<u>\$22,815,000</u>	<u>\$ -</u>	<u>\$(660,000)</u>	<u>\$22,155,000</u>	<u>\$ 825,000</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE I - LONG-TERM DEBT- Continued

Maturities of bond principal and interest are as follows:

Year	General Obligation Bonds		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2010-11	\$ 2,030,000	\$ 1,184,828	\$ 1,025,000	\$ 920,344	\$ 3,055,000	\$ 2,105,172
2011-12	2,100,000	1,110,993	1,055,000	889,344	3,155,000	2,000,337
2012-13	2,180,000	1,033,473	1,090,000	857,181	3,270,000	1,890,654
2013-14	2,255,000	951,283	1,130,000	823,675	3,385,000	1,774,958
2014-15	2,340,000	865,618	1,165,000	788,650	3,505,000	1,654,268
2015-16	1,435,000	773,133	970,000	742,931	2,405,000	1,516,064
2016-17	1,495,000	710,608	1,005,000	704,131	2,500,000	1,414,739
2017-18	1,560,000	645,117	1,045,000	663,931	2,605,000	1,309,048
2018-19	1,615,000	586,618	1,090,000	622,131	2,705,000	1,208,749
2019-20	1,680,000	525,830	1,135,000	578,531	2,815,000	1,104,361
2020-25	9,455,000	1,573,945	6,385,000	2,173,200	15,840,000	3,747,145
2025-29	1,830,000	77,772	6,140,000	699,825	7,970,000	777,597
	<u>\$ 29,975,000</u>	<u>\$10,039,218</u>	<u>\$ 23,235,000</u>	<u>\$ 10,463,874</u>	<u>\$ 53,210,000</u>	<u>\$ 20,503,092</u>

Notes Payable

At June 30, 2010 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	\$ 345,962
Bank of America (FS 16), payable in semi-annual installments Including interest at 4.9%, due 2018.	<u>1,575,000</u>
Total governmental activities	<u>\$ 1,920,962</u>

Business-type activities:

McKenzie Enterprises, Inc. note payable in monthly installments of \$7,024 including interest at 7%, due in 2020. Carter Building	\$ 465,419
Bank of the West (BLM), Note payable with monthly installments beginning June 2009 at 6.97%, due in May of 2019.	5,533,548

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE I - LONG-TERM DEBT - continued

Oregon Department of Environmental Quality (DEQ)
state Revolving Fund loan, payable in semiannual
installments of \$36,609 including interest at 3%, due 2014. \$ 274,040

Oregon Department of Environmental Quality (DEQ)
state Revolving Fund loan, payable in semiannual
installments of \$147,256 including interest at 3.93%,
due 2011. In addition, the City pays additional interest
annually based on the declining principal balance. 424,958

Total business-type activities \$ 6,697,965

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

Fiscal Year	Governmental Activities	Business-type Activities
2010-11	\$ 221,618	\$ 863,398
2011-12	230,192	766,510
2012-13	238,973	664,064
2013-14	252,973	708,961
2014-15	262,206	683,264
Thereafter	<u>715,000</u>	<u>3,011,768</u>
	<u>\$ 1,920,962</u>	<u>\$ 6,697,965</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, 2010

NOTE I - LONG-TERM DEBT - continued

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
General obligation bonds	\$ 31,940,000	\$ -	\$ (1,965,000)	\$ 29,975,000	\$ 2,030,000
Less deferred amounts					
For issuance premiums	277,115	-	(15,612)	261,503	-
For issuance discounts	<u>(8,118)</u>	<u>-</u>	<u>507</u>	<u>(7,611)</u>	<u>-</u>
Total bonds payable	32,208,997	-	(1,980,105)	30,228,892	2,030,000
Notes payable	2,129,202	-	(208,240)	1,920,962	221,618
Contracts payable	210,000	-	-	210,000	-
Capital leases	46,305	1,376,865	(40,859)	1,382,311	260,495
Rebatable arbitrage	102,726	-	(102,726)	-	-
Accrued absences	3,515,868	861,288	(1,187,569)	3,189,587	1,072,147
OPEB obligation	<u>448,562</u>	<u>731,355</u>	<u>-</u>	<u>1,179,917</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 38,661,660</u>	<u>\$ 2,969,508</u>	<u>\$ (3,519,499)</u>	<u>\$ 38,111,669</u>	<u>\$ 3,584,260</u>
<u>Business-type activities:</u>					
Bonds payable:					
Revenue bonds	\$24,095,000	\$ -	\$ (860,000)	\$23,235,000	\$ 1,025,000
Less deferred amounts					
For issuance discounts	(18,953)	-	3,181	(15,772)	-
For issuance premiums	<u>272,431</u>	<u>-</u>	<u>(27,924)</u>	<u>244,507</u>	<u>-</u>
Total bonds payable	24,348,478	-	(884,743)	23,463,735	1,025,000
Notes payable	7,513,982	-	(816,017)	6,697,965	863,398
Accrued absences	454,984	208,291	(183,470)	479,805	197,420
OPEB obligation	<u>127,594</u>	<u>163,607</u>	<u>-</u>	<u>291,201</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 32,445,038</u>	<u>\$ 371,898</u>	<u>\$ (1,884,230)</u>	<u>\$ 30,932,706</u>	<u>\$ 2,085,818</u>
<u>Discretely presented component unit:</u>					
MWMC					
Compensated absences	<u>\$ 107,479</u>	<u>\$ 54,745</u>	<u>\$ (41,035)</u>	<u>\$ 121,189</u>	<u>\$ 43,694</u>

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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	\$ 48,259
Sanitary Sewer	Internal service funds	2,716
Booth Kelly	Internal service funds	12,932
Ambulance	Internal service funds	<u>118,007</u>
Total due to/from other funds (different fund types)		<u>\$ 181,914</u>

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Community Development	\$ <u>636,884</u>
Total due/from other funds (similar fund types)		<u>\$ 636,884</u>

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

Amounts due to/from component units at June 30, 2010 are presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Metropolitan Wastewater	Internal service funds	<u>\$ 29,643</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE J – RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY - Continued

Interfund Transfers

Fund	General	Development Projects	Nonmajor Governmental Funds	Sewer	Storm Drainage	Sewer Capital	Ambulance	Booth Kelly	Nonmajor Enterprise Funds	Total Transfers Out
General	\$ -	\$ -	\$ 483,289	\$ -	\$ -	\$ -	\$ 182,883	\$ -	\$ -	\$ 666,172
Development Projects	66,467	-	434,500	-	-	-	-	-	-	500,967
Nonmajor Governmental	720,007	524,512	1,615,443	34,859	34,859	-	-	49,383	-	2,979,063
Sewer	-	-	-	-	182,940	1,253,000	-	-	-	1,435,940
Storm Drainage	-	-	-	-	-	-	-	-	250,000	250,000
Sewer Capital	-	-	-	4,929,235	-	-	-	-	-	4,929,235
Booth Kelly	200,000	-	-	-	-	-	-	-	-	200,000
Nonmajor Enterprise	-	-	71,311	1,072,743	-	-	-	-	-	1,144,054
Internal Service Funds	<u>309,215</u>	<u>222,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>531,512</u>
Total Transfers In	<u>\$ 1,295,689</u>	<u>\$ 746,809</u>	<u>\$ 2,604,543</u>	<u>\$ 6,036,837</u>	<u>\$ 217,799</u>	<u>\$ 1,253,000</u>	<u>\$ 182,883</u>	<u>\$ 49,383</u>	<u>\$ 250,000</u>	<u>\$ 12,636,943</u>

Transfers are routinely made for the following purposes:

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.

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 was estimated at \$102,726 for these two issues at the end of 2009. In 2010, \$49,606 was paid on the 2005 issue, and the liability on the 2007 issue was reduced to zero in the current year calculations due to unfavorable investment returns. 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, 2010.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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 contributes 6% of salaries as employee contributions. The City will also pay an employer contribution of 12.8% for public safety employees and employer contribution of 10% for police dispatchers and 7% for other union employees. 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’s contribution rate, through June 30, 2010, based upon the most current actuarial valuation as of July 1, 2008, was 45.08%.

The City’s contribution to the CRP was calculated using the covered base salary amount of \$2,874,372. The City’s total payroll was \$28,390,341.

Annual Pension Cost – For the fiscal year 2009-10, the City’s contribution of \$1,303,162 for the CRP was equal to the City’s required and actual contributions. The required contribution was determined as part of the July 2008 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 is open for the July 2008 valuation and is equal to 20 years.

The significant actuarial assumptions used in the 2008 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE L – CITY PENSION PLAN – Continued

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, 2003 actuarial valuation was used to determine the 2005-2006 ARC. The July 1, 2006 actuarial valuation was used to determine the 2006-2007 and the 2007-2008 ARC. The July 1, 2008 actuarial evaluation was used to determine the 2008-09 and the 2009-10 ARC. Below is a summary of the ARC by fiscal year:

<u>Fiscal Year Ending June 30,</u>	<u>Annual Recommended Contribution (percent of base salary)</u>
2006	41.72%
2007	41.72%
2008	41.72%
2009	45.08%
2010	45.08%

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE L – CITY PENSION PLAN - Continued

<u>Fiscal Year Ending</u>	<u>Annual Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2000	\$ 591,234	100%	\$ -
6/30/2001	902,199	100	-
6/30/2002	899,739	100	-
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	-

The following table presents a schedule of required contributions for the CRP:

<u>Actuarial Valuation for the Year Ended June 30,</u>	<u>Present Value of Projected Benefits</u>	<u>Less Actuarial Value of Assets</u>	<u>Value of Future Contributions</u>	<u>Value of Future Salaries</u>	<u>Total Valuation Rate</u>
2003	\$28,755,625	\$16,893,683	\$11,861,942	\$30,535,724	38.82%
2006	34,403,067	18,447,240	15,955,827	38,245,031	41.72%
2008	37,285,467	20,873,921	16,411,546	36,405,382	45.08%

Beginning July 1, 2006 the annual recommended contribution and annual pension cost was determined using the Individual Entry Age Actuarial Cost Method. 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. Below is the schedule of funding progress:

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%

More recent actuarial information is not available for the schedule of funding progress. A separate, audited GAAP-basis pension plan report for this plan is not available.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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 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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE M – PERS PENSION PLAN - Continued

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, 2010 was 7.43% 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 6.49% of covered payroll. For members of OPSRP General Service, the rate was 3.78% 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, 2010 was \$25,515,969. The City’s total payroll was \$28,390,341.

Annual Pension Cost – For the fiscal year 2009-10, the City’s annual pension cost of \$3,268,693 for OPERS was equal to the City’s required and actual contributions. Of this amount, \$1,737,735 was funded by the City and \$1,530,958 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	Annual Pension Cost	Percentage of APC	Net Pension
<u>Ending</u>	<u>(APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/08	3,139,398	100	\$ -
6/30/09	3,524,074	100	-
6/30/10	3,268,693	100	-

NOTE N – OTHER POSTEMPLOYMENT BENEFITS

The City administers a single-employer defined benefit healthcare plan as established through negotiations between the City and collective bargaining units. The healthcare plan provides post-retirement medical, dental, and vision coverage for eligible retirees, spouses, 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, 2010, 25 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, 2010 was \$42,338.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE N – OTHER POSTEMPLOYMENT BENEFITS - Continued

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

For these employees, the amount of the pension contribution is either 7%, 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, 2010, there were five employees receiving this benefit. No payments are sent to the plan for these employees, but their accounts are credited for the correct amount.

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, 2010, the amount actually contributed to the plans, and changes in the City’s net OPEB obligation:

Annual required contribution	\$ 1,310,737
Interest on net OPEB obligation	27,208
Adjustment to ARC	<u>(42,679)</u>
Annual OPEB cost (expense)	1,295,266
Contributions	<u>(374,695)</u>
Increase in net OPEB obligation	920,571
Net OPEB obligation, beginning of year	<u>604,632</u>
Net OPEB obligation, end of year	<u><u>\$ 1,525,203</u></u>

The City’s annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for 2010 and the preceding year were as follows:

<u>Fiscal year</u> <u>ending June 30</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Contribution</u>	<u>Percentage of annual</u> <u>OPEB cost</u> <u>contributed</u>	<u>Net OPEB</u> <u>obligation</u>
2009	\$ 963,449	\$ 358,817	37.24%	\$ 604,632
2010	1,295,266	374,695	28.93%	1,525,203

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

Funded Status and Funding Progress

As of July 1, 2008, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$8,929,996, and the actuarial value of assets was zero, resulting in an unfunded accrued liability of \$8,929,996.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE N – OTHER POSTEMPLOYMENT BENEFITS - Continued

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

Actuarial Methods and Assumptions

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

The July 1, 2008 actuarial valuations for the OPEB plan is based on the projected unit credit actuarial cost method. The actuarial assumptions include an investment return of 4.5%, a healthcare cost inflation trend rate of 16.9% for the 1st year, July 1, 2008 to July 1, 2009, 3.2% in the 2nd year, 7.5% in the third year, 6.5% in the fourth year, 6.0% for the fifth and sixth year, 5.5% for the 7th through 26th year, and 5.0% 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.

NOTE O - COMMITMENTS AND CONTINGENCIES

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, 2010, the Sick Leave Reserve Program bank contained 5,595 hours. The value of these hours are 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 be required as a result of the passage of statewide measure 56, passed on November 4, 2008.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE Q – NEW PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued a pronouncement that has a future effective date that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statement may have on future financial statements.

GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," issued February 2009 will be effective for the City beginning with its fiscal year ending June 30, 2011. The Statement establishes new classifications for fund equity and new definitions for governmental fund types.

NOTE R – SUBSEQUENT EVENTS

The City adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 165, "Subsequent Events" (ASC 855), as of June 30, 2009. ASC 855 establishes new accounting and disclosure requirements for subsequent events. Management has evaluated subsequent events through December 3, 2010, 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, 2010

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 16,153,366	\$ 16,153,366	\$ 16,929,079	\$ 775,713	\$ -	\$ 16,929,079
Licenses and permits	2,796,712	2,796,712	2,337,074	(459,638)	-	2,337,074
Intergovernmental revenues	4,015,099	4,040,682	3,760,045	(280,637)	-	3,760,045
Charges for services	4,968,961	4,985,553	5,013,634	28,081	-	5,013,634
Fines and forfeitures	1,610,983	1,690,483	1,407,755	(282,728)	-	1,407,755
Use of money and property	426,727	426,727	64,613	(362,114)	50,965	115,578
Miscellaneous receipts	126,500	134,030	147,141	13,111	-	147,141
Total revenues	30,098,348	30,227,553	29,659,341	(568,212)	50,965	29,710,306
Expenditures:						
Current operating						
City manager's office	1,289,603	1,290,003	1,203,112	86,891	-	1,203,112
Court	1,246,080	1,325,580	1,312,546	13,034	-	1,312,546
Human resources	409,564	449,564	404,440	45,124	-	404,440
Finance	895,208	895,208	798,546	96,662	-	798,546
Information technology	1,272,801	1,272,801	1,221,006	51,795	-	1,221,006
Fire	9,652,907	9,800,966	9,399,839	401,127	-	9,399,839
Police	11,926,879	11,929,909	11,548,172	381,737	-	11,548,172
Library	1,252,751	1,283,283	1,261,500	21,783	-	1,261,500
Public works	982,362	984,862	937,190	47,672	-	937,190
Development services	1,540,046	1,550,007	1,522,393	27,614	-	1,522,393
Contingency	600,000	600,000	-	600,000	-	-
Debt Service						
Principal	150,000	150,000	150,000	-	-	150,000
Interest	82,688	82,688	82,688	-	-	82,688
Total expenditures	31,300,889	31,614,871	29,841,432	1,773,439	-	29,841,432
Excess of revenues over (under) expenditures	(1,202,541)	(1,387,318)	(182,091)	1,205,227	50,965	(131,126)
Other financing sources (uses):						
Transfers in	1,372,481	1,360,481	1,295,689	(64,792)	-	1,295,689
Transfers out	(915,358)	(915,358)	(666,172)	249,186	-	(666,172)
Total other financing sources (uses)	457,123	445,123	629,517	184,394	-	629,517
Net change in fund balances	(745,418)	(942,195)	447,426	1,389,621	50,965	498,391
Fund balance, beginning of year	7,138,508	7,361,246	7,361,246	-	(5,822)	7,355,424
Fund balance, end of year	\$ 6,393,090	\$ 6,419,051	\$ 7,808,672	\$ 1,389,621	\$ 45,143	\$ 7,853,815

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, 2010

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenues	\$ 1,026,880	\$ 3,805,864	\$ 2,829,198	\$ (976,666)	\$ (114,561)	\$ 2,714,637
Use of money and property	-	1,611	54,833	53,222	-	54,833
Total revenues	1,026,880	3,807,475	2,884,031	(923,444)	(114,561)	2,769,470
Expenditures:						
Current operating						
Finance	17,523	17,523	17,523	-	-	17,523
Development services	1,009,357	3,723,047	2,677,075	1,045,972	6,000	2,683,075
Capital projects	-	66,905	62,624	4,281	-	62,624
Total expenditures	1,026,880	3,807,475	2,757,222	1,050,253	6,000	2,763,222
Net change in fund balances	-	-	126,809	126,809	(120,561)	6,248
Fund balance, beginning of year	-	14,141	14,141	-	114,561	128,702
Fund balance, end of year	\$ -	\$ 14,141	\$ 140,950	\$ 126,809	\$ (6,000)	\$ 134,950

City of Springfield, Oregon

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2010

SCHEDULE OF FUNDING PROGRESS

Schedule of OPEB Funding Progress

Other Post Employment Benefits schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2006	\$ -	\$ 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%

Schedule of CRP Funding Progress

City Retirement Plan schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2006	\$ 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%

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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, 2010

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 4,906,673	\$ 5,413,908	\$ 1,239,946	\$ 11,560,527
Receivables:				
Accounts	507,274	22,678	-	529,952
Taxes	442,977	-	312,257	755,234
Grants	274,553	-	-	274,553
Accrued interest	25,507	29,370	12,201	67,078
Assessments and liens	-	37,076	15,388	52,464
Mortgage notes	8,409	-	-	8,409
Inventory	66,725	-	-	66,725
Deposits	118,577	-	-	118,577
	<u>6,350,695</u>	<u>5,503,032</u>	<u>1,579,792</u>	<u>13,433,519</u>
Total assets	<u>\$ 6,350,695</u>	<u>\$ 5,503,032</u>	<u>\$ 1,579,792</u>	<u>\$ 13,433,519</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 317,953	\$ 93,590	\$ -	\$ 411,543
Accrued payroll and other liabilities	317,844	2,273	384	320,501
Deferred revenue	485,992	59,754	321,787	867,533
	<u>1,121,789</u>	<u>155,617</u>	<u>322,171</u>	<u>1,599,577</u>
Total liabilities	<u>1,121,789</u>	<u>155,617</u>	<u>322,171</u>	<u>1,599,577</u>
Fund Balances:				
Reserved for:				
Inventory	66,725	-	-	66,725
Bicycle trails	64,233	-	-	64,233
Library	66,160	-	-	66,160
Deposits	118,577	-	-	118,577
Police forfeitures	293,132	-	-	293,132
Transportation	295,269	3,464,741	-	3,760,010
Unreserved	4,324,810	1,882,674	1,257,621	7,465,105
	<u>5,228,906</u>	<u>5,347,415</u>	<u>1,257,621</u>	<u>11,833,942</u>
Total fund balances	<u>5,228,906</u>	<u>5,347,415</u>	<u>1,257,621</u>	<u>11,833,942</u>
Total liabilities and fund balances	<u>\$ 6,350,695</u>	<u>\$ 5,503,032</u>	<u>\$ 1,579,792</u>	<u>\$ 13,433,519</u>

City of Springfield, Oregon

NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year ended June 30, 2010

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 7,810,630	\$ -	\$ 3,382,188	\$ 11,192,818
Licenses, permits and fees	246,107	-	-	246,107
Intergovernmental revenues	3,195,292	-	-	3,195,292
Charges for services	1,343,830	360,892	-	1,704,722
Fines and forfeitures	29,857	-	-	29,857
Use of money and property	67,633	137,155	25,071	229,859
Special assessments	-	5,126	5,730	10,856
Miscellaneous receipts	115,889	4,350	-	120,239
Total revenues	12,809,238	507,523	3,412,989	16,729,750
Expenditures:				
Current operating:				
General government	499,756	65,755	14,069	579,580
Fire	1,251,747	-	-	1,251,747
Police	4,636,888	-	-	4,636,888
Library	98,964	-	-	98,964
Public works	4,782,449	398,501	-	5,180,950
Development services	1,761,484	-	-	1,761,484
Capital projects	-	5,111,851	-	5,111,851
Debt service				
Principal	-	-	2,023,240	2,023,240
Interest	2,618	-	1,279,636	1,282,254
Arbitrage	-	49,406	-	49,406
Total expenditures	13,033,906	5,625,513	3,316,945	21,976,364
Excess of revenues over (under) expenditures	(224,668)	(5,117,990)	96,044	(5,246,614)
Other financing sources (uses)				
Transfers in	2,504,789	4,000	95,754	2,604,543
Transfers out	(2,200,620)	(474,443)	(304,000)	(2,979,063)
Total other financing sources (uses)	304,169	(470,443)	(208,246)	(374,520)
Net change in fund balances	79,501	(5,588,433)	(112,202)	(5,621,134)
Fund balance, beginning of year	5,133,214	10,935,848	1,369,823	17,438,885
Change in reserve for inventory	16,191	-	-	16,191
Fund balance, end of year	\$ 5,228,906	\$ 5,347,415	\$ 1,257,621	\$ 11,833,942

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 4-year Fire Local Option Levy to restore staffing to Fire Station #3.

Police Local Option Levy – This fund accounts for revenue received from a 4-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, 2010

	Street	Special Revenue	Transient Room Tax	Building	SEDA Glenwood	SEDA Downtown	Fire Levy	Police Levy	Jail Operations	Total
ASSETS										
Cash and investments	\$ 41,302	\$ 292,732	\$ 58,510	\$ 1,072,950	\$ 24,778	\$ 59,604	\$ 912,255	\$ 1,335,927	\$ 1,108,615	\$ 4,906,673
Receivables:										
Accounts	398,604	7,187	70,893	30,590	-	-	-	-	-	507,274
Taxes	77,559	-	-	-	12,051	12,674	99,556	241,137	-	442,977
Grants	60,238	214,315	-	-	-	-	-	-	-	274,553
Accrued interest	-	-	542	7,232	-	-	4,918	9,145	3,670	25,507
Mortgage notes	-	8,409	-	-	-	-	-	-	-	8,409
Inventory	66,725	-	-	-	-	-	-	-	-	66,725
Deposits	-	118,577	-	-	-	-	-	-	-	118,577
Total assets	\$ 644,428	\$ 641,220	\$ 129,945	\$ 1,110,772	\$ 36,829	\$ 72,278	\$ 1,016,729	\$ 1,586,209	\$ 1,112,285	\$ 6,350,695
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 38,378	\$ 131,899	\$ 1,835	\$ 24,630	\$ 24,375	\$ 59,044	\$ 2,367	\$ 5,387	\$ 30,038	\$ 317,953
Accrued payroll and other liabilities	95,659	15,506	5,825	33,692	-	-	35,892	72,910	58,360	317,844
Deferred revenue	84,164	15,595	-	30,590	11,476	12,391	96,898	234,878	-	485,992
Total liabilities	218,201	163,000	7,660	88,912	35,851	71,435	135,157	313,175	88,398	1,121,789
Fund balances:										
Reserved for:										
Inventory	66,725	-	-	-	-	-	-	-	-	66,725
Bicycle trails	64,233	-	-	-	-	-	-	-	-	64,233
Library	-	66,160	-	-	-	-	-	-	-	66,160
Deposits	-	118,577	-	-	-	-	-	-	-	118,577
Police forfeitures	-	293,132	-	-	-	-	-	-	-	293,132
Unreserved	295,269	351	122,285	1,021,860	978	843	881,572	1,273,034	1,023,887	4,620,079
Total fund balances	426,227	478,220	122,285	1,021,860	978	843	881,572	1,273,034	1,023,887	5,228,906
Total liabilities and fund balances	\$ 644,428	\$ 641,220	\$ 129,945	\$ 1,110,772	\$ 36,829	\$ 72,278	\$ 1,016,729	\$ 1,586,209	\$ 1,112,285	\$ 6,350,695

City of Springfield, Oregon

Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

June 30, 2010

	Street	Special Revenue	Transient Room Tax	Building	SEDA Glenwood	SEDA Downtown	Fire Levy	Police Levy	Jail Operations	Total
Revenues:										
Taxes	\$ 1,002,858	\$ 298,051	\$ 679,566	\$ -	\$ 293,822	\$ 222,514	\$ 1,433,700	\$ 3,880,119	\$ -	\$ 7,810,630
Licenses and fees	169,082	-	-	-	-	-	-	-	77,025	246,107
Intergovernmental	2,595,037	600,061	-	-	137	57	-	-	-	3,195,292
Charges for services	518,081	-	-	824,232	-	-	-	-	1,517	1,343,830
Fines and forfeitures	-	29,857	-	-	-	-	-	-	-	29,857
Use of money and property	86	2,072	1,088	13,763	10,779	51	10,878	21,163	7,753	67,633
Miscellaneous receipts	32,203	79,396	56	524	-	-	-	-	3,710	115,889
Total revenues	4,317,347	1,009,437	680,710	838,519	304,738	222,622	1,444,578	3,901,282	90,005	12,809,238
Expenditures:										
Current operating:										
General government:										
City manager's office	1,881	-	158,194	-	122,785	52,343	-	-	-	335,203
Court	-	-	-	-	-	-	-	147,518	-	147,518
Finance	-	-	-	-	11,885	5,150	-	-	-	17,035
Fire	-	43,519	-	-	-	-	1,208,228	-	-	1,251,747
Police	-	799,968	-	-	-	-	-	1,889,429	1,947,491	4,636,888
Library	-	53,469	45,495	-	-	-	-	-	-	98,964
Public works	4,501,840	84,560	38,908	-	157,141	-	-	-	-	4,782,449
Development services	59,620	92,841	48,725	1,233,978	76,863	249,457	-	-	-	1,761,484
Debt Service										
Interest	-	-	-	-	2,575	43	-	-	-	2,618
Total expenditures	4,563,341	1,074,357	291,322	1,233,978	371,249	306,993	1,208,228	2,036,947	1,947,491	13,033,906
Excess of revenues over (under) expenditures	(245,994)	(64,920)	389,388	(395,459)	(66,511)	(84,371)	236,350	1,864,335	(1,857,486)	(224,668)
Other financing sources (uses):										
Transfers in	450,000	86,168	-	-	341,500	93,000	-	-	1,534,121	2,504,789
Transfers out	(69,718)	(239,087)	(415,650)	(53,740)	(277,425)	(8,000)	-	(1,137,000)	-	(2,200,620)
Total other financing sources (uses)	380,282	(152,919)	(415,650)	(53,740)	64,075	85,000	-	(1,137,000)	1,534,121	304,169
Net change in fund balances	134,288	(217,839)	(26,262)	(449,199)	(2,436)	629	236,350	727,335	(323,365)	79,501
Fund balances, beginning of year	275,748	696,059	148,547	1,471,059	3,414	214	645,222	545,699	1,347,252	5,133,214
Change in reserve for inventory	16,191	-	-	-	-	-	-	-	-	16,191
Fund balances, end of year	\$ 426,227	\$ 478,220	\$ 122,285	\$ 1,021,860	\$ 978	\$ 843	\$ 881,572	\$ 1,273,034	\$ 1,023,887	\$ 5,228,906

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, 2010

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,634,000	\$ 1,264,225	\$ 1,002,858	\$ (261,367)	\$ -	\$ 1,002,858
Licenses and permits	168,800	168,800	169,082	282	-	169,082
Intergovernmental revenue	3,366,000	2,771,620	2,595,037	(176,583)	-	2,595,037
Charges for services	434,600	347,200	518,081	170,881	-	518,081
Use of money and property	15,400	15,400	-	(15,400)	86	86
Miscellaneous receipts	91,100	63,500	32,203	(31,297)	-	32,203
Total revenues	5,709,900	4,630,745	4,317,261	(313,484)	86	4,317,347
Expenditures:						
Current operating:						
City manager's office	1,881	1,881	1,881	-	-	1,881
Public works	5,745,525	5,059,135	4,501,840	557,295	-	4,501,840
Development services	59,620	59,620	59,620	-	-	59,620
Total expenditures	5,807,026	5,120,636	4,563,341	557,295	-	4,563,341
Excess of revenues over (under) expenditures	(97,126)	(489,891)	(246,080)	243,811	86	(245,994)
Other financing sources (uses):						
Transfers in	85,000	450,000	450,000	-	-	450,000
Transfers out	-	(83,734)	(69,718)	14,016	-	(69,718)
Total other financing sources (uses)	85,000	366,266	380,282	14,016	-	380,282
Net change in fund balances	(12,126)	(123,625)	134,202	257,827	86	134,288
Fund balance, beginning of year	21,696	225,299	225,299	-	50,449	275,748
Change in reserve for inventory	-	-	-	-	16,191	16,191
Fund balance, end of year	\$ 9,570	\$ 101,674	\$ 359,501	\$ 257,827	\$ 66,726	\$ 426,227

City of Springfield, Oregon

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

Year Ended June 30, 2010

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 350,000	\$ 350,000	\$ 298,051	\$ (51,949)	\$ -	\$ 298,051
Intergovernmental revenue	430,711	1,371,413	600,061	(771,352)	-	600,061
Fines and forfeitures	-	-	29,857	29,857	-	29,857
Use of money and property	-	-	2,072	2,072	-	2,072
Miscellaneous receipts	44,220	67,788	79,396	11,608	-	79,396
Total revenues	824,931	1,789,201	1,009,437	(779,764)	-	1,009,437
Expenditures:						
Current operating						
City manager's office	18,166	18,166	-	18,166	-	-
Fire	126,448	126,448	43,519	82,929	-	43,519
Police	618,759	1,191,284	799,968	391,316	-	799,968
Library	48,574	64,142	53,469	10,673	-	53,469
Public works	35,065	574,465	84,560	489,905	-	84,560
Development services	115,665	128,148	92,841	35,307	-	92,841
Total expenditures	962,677	2,102,653	1,074,357	1,028,296	-	1,074,357
Excess of revenues over (under) expenditures	(137,746)	(313,452)	(64,920)	248,532	-	(64,920)
Other financing sources (uses):						
Transfers in	147,730	147,730	86,168	(61,562)	-	86,168
Transfers out	(239,087)	(239,087)	(239,087)	-	-	(239,087)
Total other financing sources (uses)	(91,357)	(91,357)	(152,919)	(61,562)	-	(152,919)
Net change in fund balances	(229,103)	(404,809)	(217,839)	186,970	-	(217,839)
Fund balance, beginning of year	678,549	696,059	696,059	-	-	696,059
Fund balance, end of year	\$ 449,446	\$ 291,250	\$ 478,220	\$ 186,970	\$ -	\$ 478,220

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, 2010

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 743,802	\$ 743,802	\$ 679,566	\$ (64,236)	\$ -	\$ 679,566
Use of money and property	3,000	3,000	610	(2,390)	478	1,088
Miscellaneous receipts	-	-	56	56	-	56
Total revenues	746,802	746,802	680,232	(66,570)	478	680,710
Expenditures:						
Current operating						
City managers office	165,183	165,183	158,194	6,989	-	158,194
Library	51,934	55,387	45,495	9,892	-	45,495
Public works	38,908	38,908	38,908	-	-	38,908
Development services	49,260	49,260	48,725	535	-	48,725
Total expenditures	305,285	308,738	291,322	17,416	-	291,322
Excess of revenues over (under) expenditures	441,517	438,064	388,910	(49,154)	478	389,388
Other financing sources (uses):						
Transfers out	(413,223)	(462,606)	(415,650)	46,956	-	(415,650)
Net change in fund balances	28,294	(24,542)	(26,740)	(2,198)	478	(26,262)
Fund balance, beginning of year	40,168	148,604	148,604	-	(57)	148,547
Fund balance, end of year	\$ 68,462	\$ 124,062	\$ 121,864	\$ (2,198)	\$ 421	\$ 122,285

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, 2010

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,020,000	\$ 1,020,000	\$ 824,232	\$ (195,768)	\$ -	\$ 824,232
Use of money & property	32,000	32,000	7,230	(24,770)	6,533	13,763
Miscellaneous receipts	-	-	524	524	-	524
Total revenues	<u>1,052,000</u>	<u>1,052,000</u>	<u>831,986</u>	<u>(220,014)</u>	<u>6,533</u>	<u>838,519</u>
Expenditures:						
Current operating:						
Development services	<u>1,418,413</u>	<u>1,418,413</u>	<u>1,233,978</u>	<u>184,435</u>	<u>-</u>	<u>1,233,978</u>
Excess of revenues over (under) expenditures	(366,413)	(366,413)	(401,992)	(35,579)	6,533	(395,459)
Other financing sources (uses):						
Transfer out	<u>(56,187)</u>	<u>(56,187)</u>	<u>(53,740)</u>	<u>2,447</u>	<u>-</u>	<u>(53,740)</u>
Net change in fund balances	(422,600)	(422,600)	(455,732)	(33,132)	6,533	(449,199)
Fund balance, beginning of year	<u>1,041,655</u>	<u>1,471,972</u>	<u>1,471,972</u>	<u>-</u>	<u>(913)</u>	<u>1,471,059</u>
Fund balance, end of year	<u>\$ 619,055</u>	<u>\$ 1,049,372</u>	<u>\$ 1,016,240</u>	<u>\$ (33,132)</u>	<u>\$ 5,620</u>	<u>\$ 1,021,860</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, 2010

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 320,904	\$ 320,904	\$ 293,822	\$ (27,082)	\$ -	\$ 293,822
Intergovernmental revenue	-	-	137	137	-	137
Use of money and property	-	-	10,779	10,779	-	10,779
Total revenues	320,904	320,904	304,738	(16,166)	-	304,738
Expenditures:						
Current operating:						
City manager's office	309,100	240,100	122,785	117,315	-	122,785
Finance	12,350	12,350	11,885	465	-	11,885
Public works	210,000	239,000	157,141	81,859	-	157,141
Development services	40,000	80,000	76,863	3,137	-	76,863
Debt service						
Interest	3,000	3,500	2,575	925	-	2,575
Total expenditures	574,450	574,950	371,249	203,701	-	371,249
Excess of revenues over (under) expenditures	(253,546)	(254,046)	(66,511)	187,535	-	(66,511)
Other financing sources (uses):						
Interfund loan proceeds	575,000	575,000	341,500	(233,500)	(341,500)	-
Interfund loan repaid	(317,000)	(316,500)	(277,425)	39,075	277,425	-
Transfers in	-	-	-	-	341,500	341,500
Transfers out	-	-	-	-	(277,425)	(277,425)
Total other financing sources (uses)	258,000	258,500	64,075	(194,425)	-	64,075
Net change in fund balances	4,454	4,454	(2,436)	(6,890)	-	(2,436)
Fund balance, beginning of year	-	3,414	3,414	-	-	3,414
Fund balance, end of year	\$ 4,454	\$ 7,868	\$ 978	\$ (6,890)	\$ -	\$ 978

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, 2010

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 129,019	\$ 129,019	\$ 222,514	\$ 93,495	\$ -	\$ 222,514
Intergovernmental revenue	-	-	57	57	-	57
Use of money and property	-	-	28	28	23	51
Total revenues	129,019	129,019	222,599	93,580	23	222,622
Expenditures:						
Current operating:						
City manager's office	268,850	207,697	52,343	155,354	-	52,343
Finance	6,150	6,150	5,150	1,000	-	5,150
DSD	202,000	263,153	249,457	13,696	-	249,457
Debt service						
Interest	1,000	1,000	43	957	-	43
Total expenditures	478,000	478,000	306,993	171,007	-	306,993
Excess of revenues over (under) expenditures	(348,981)	(348,981)	(84,394)	264,587	23	(84,371)
Other financing sources (uses):						
Interfund loan proceeds	450,000	450,000	93,000	(357,000)	(93,000)	-
Interfund loan repaid	(100,000)	(100,000)	(8,000)	92,000	8,000	-
Transfers in	-	-	-	-	93,000	93,000
Transfers out	-	-	-	-	(8,000)	(8,000)
Total other financing sources (uses)	350,000	350,000	85,000	(265,000)	-	85,000
Net change in fund balances	1,019	1,019	606	(413)	23	629
Fund balance, beginning of year	200	237	237	-	(23)	214
Fund balance, end of year	\$ 1,219	\$ 1,256	\$ 843	\$ (413)	\$ -	\$ 843

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, 2010

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,372,268	\$ 1,372,268	\$ 1,433,700	\$ 61,432	\$ -	\$ 1,433,700
Use of money and property	11,800	11,800	6,750	(5,050)	4,128	10,878
Total revenues	<u>1,384,068</u>	<u>1,384,068</u>	<u>1,440,450</u>	<u>56,382</u>	<u>4,128</u>	<u>1,444,578</u>
Expenditures:						
Current operating:						
Fire	1,344,961	1,344,961	1,208,228	136,733	-	1,208,228
Net change in fund balances	39,107	39,107	232,222	193,115	4,128	236,350
Fund balance, beginning of year	<u>457,320</u>	<u>645,528</u>	<u>645,528</u>	<u>-</u>	<u>(306)</u>	<u>645,222</u>
Fund balance, end of year	<u>\$ 496,427</u>	<u>\$ 684,635</u>	<u>\$ 877,750</u>	<u>\$ 193,115</u>	<u>\$ 3,822</u>	<u>\$ 881,572</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, 2010

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 3,690,081	\$ 3,690,081	\$ 3,880,119	\$ 190,038	\$ -	\$ 3,880,119
Use of money and property	18,100	18,100	13,680	(4,420)	7,483	21,163
Total revenues	3,708,181	3,708,181	3,893,799	185,618	7,483	3,901,282
Expenditures:						
Current operating:						
Court	218,580	243,580	147,518	96,062	-	147,518
Police	2,130,690	2,130,690	1,889,429	241,261	-	1,889,429
Total expenditures	2,349,270	2,374,270	2,036,947	337,323	-	2,036,947
Excess of revenues over (under) expenditures	1,358,911	1,333,911	1,856,852	522,941	7,483	1,864,335
Other financing sources (uses):						
Transfers out	(1,137,000)	(1,137,000)	(1,137,000)	-	-	(1,137,000)
Net change in fund balances	221,911	196,911	719,852	522,941	7,483	727,335
Fund balance, beginning of year	612,900	546,075	546,075	-	(376)	545,699
Fund balance, end of year	\$ 834,811	\$ 742,986	\$ 1,265,927	\$ 522,941	\$ 7,107	\$ 1,273,034

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, 2010

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Licenses and fees	\$ 62,000	\$ 62,000	\$ 77,025	\$ 15,025	\$ -	\$ 77,025
Charges for services	-	-	1,517	1,517	-	1,517
Use of money & property	22,500	22,500	4,598	(17,902)	3,155	7,753
Miscellaneous receipts	-	2,475	3,710	1,235	-	3,710
Total revenues	84,500	86,975	86,850	(125)	3,155	90,005
Expenditures:						
Current operating						
Police	2,462,762	2,465,237	1,947,491	517,746	-	1,947,491
Excess of revenues over (under) expenditures	(2,378,262)	(2,378,262)	(1,860,641)	517,621	3,155	(1,857,486)
Other financing sources (uses):						
Transfers in	1,599,121	1,599,121	1,534,121	(65,000)	-	1,534,121
Net change in fund balance	(779,141)	(779,141)	(326,520)	452,621	3,155	(323,365)
Fund balance, beginning of year	1,278,746	1,347,555	1,347,555	-	(303)	1,347,252
Fund balance, end of year	\$ 499,605	\$ 568,414	\$ 1,021,035	\$ 452,621	\$ 2,852	\$ 1,023,887

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Debt Service Funds

Combining statements for all individual nonmajor debt service funds are reported here. The combined totals are reported in the combining nonmajor governmental fund statements. The city has no major debt service funds.

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

Nonmajor Debt Service Funds:

General Obligation Debt Service Fund – This fund is used to account for payments on all general obligation debt, except for debt secured by assessment liens. Ad Valorem property taxes are levied to make the debt service payments.

Bancroft Redemption Fund – This fund is used to account for all assessments financed at the election of property owners under the State Bancroft Bonding act.

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City of Springfield, Oregon

NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET

June 30, 2010

	General Obligation Debt Service	Bancroft Redemption	Total
ASSETS			
Cash and investments	\$ 750,860	\$ 489,086	\$ 1,239,946
Receivables:			
Property taxes	310,613	1,644	312,257
Accrued interest	7,986	4,215	12,201
Assessments and liens	-	15,388	15,388
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,069,459</u>	<u>\$ 510,333</u>	<u>\$ 1,579,792</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued payroll and related liabilities	\$ -	\$ 384	\$ 384
Deferred revenues	304,755	17,032	321,787
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>304,755</u>	<u>17,416</u>	<u>322,171</u>
Fund balances:			
Unreserved	764,704	492,917	1,257,621
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 1,069,459</u>	<u>\$ 510,333</u>	<u>\$ 1,579,792</u>

City of Springfield, Oregon

NONMAJOR DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended June 30, 2010

	General Obligation Debt Service	Bancroft Redemption	Total
Revenues:			
Taxes	\$ 3,382,114	\$ 74	\$ 3,382,188
Use of money and property	16,386	8,685	25,071
Special assessments	-	5,730	5,730
	<u>3,398,500</u>	<u>14,489</u>	<u>3,412,989</u>
Total revenues			
Expenditures:			
Current operating:			
Finance	-	14,069	14,069
Debt service:			
Principal	2,023,240	-	2,023,240
Interest	1,279,636	-	1,279,636
	<u>3,302,876</u>	<u>14,069</u>	<u>3,316,945</u>
Total expenditures			
Excess of revenues over (under) expenditures	<u>95,624</u>	<u>420</u>	<u>96,044</u>
Other financing sources (uses):			
Transfers in	81,685	14,069	95,754
Transfers out	-	(304,000)	(304,000)
	<u>81,685</u>	<u>(289,931)</u>	<u>(208,246)</u>
Total other financing sources (uses)			
Net change in fund balances	177,309	(289,511)	(112,202)
Fund balances, beginning of year	<u>587,395</u>	<u>782,428</u>	<u>1,369,823</u>
Fund balances, end of year	<u>\$ 764,704</u>	<u>\$ 492,917</u>	<u>\$ 1,257,621</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, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 3,301,940	\$ 3,301,940	\$ 3,382,113	\$ 80,173	\$ -	\$ 3,382,114
Use of money and property	20,000	20,000	9,419	(10,581)	6,967	16,386
Total revenues	<u>3,321,940</u>	<u>3,321,940</u>	<u>3,391,532</u>	<u>69,592</u>	<u>6,968</u>	<u>3,398,500</u>
Expenditures:						
Debt service:						
Principal	2,668,240	2,023,240	2,023,240	-	-	2,023,240
Interest	2,477,871	1,279,637	1,279,636	1	-	1,279,636
Total expenditures	<u>5,146,111</u>	<u>3,302,877</u>	<u>3,302,876</u>	<u>1</u>	<u>-</u>	<u>3,302,876</u>
Excess of revenues over (under) expenditures	<u>(1,824,171)</u>	<u>19,063</u>	<u>88,656</u>	<u>69,593</u>	<u>6,968</u>	<u>95,624</u>
Other financing sources (uses):						
Transfers in	<u>1,924,919</u>	<u>81,685</u>	<u>81,685</u>	<u>-</u>	<u>-</u>	<u>81,685</u>
Net change in fund balances	<u>100,748</u>	<u>100,748</u>	<u>170,341</u>	<u>69,593</u>	<u>6,968</u>	<u>177,309</u>
Fund balance, beginning of year	<u>527,348</u>	<u>588,157</u>	<u>588,157</u>	<u>-</u>	<u>(762)</u>	<u>587,395</u>
Fund balance, end of year	<u>\$ 628,096</u>	<u>\$ 688,905</u>	<u>\$ 758,498</u>	<u>\$ 69,593</u>	<u>\$ 6,206</u>	<u>\$ 764,704</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, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ -	\$ -	\$ 74	\$ 74	\$ -	\$ 74
Use of money and property	45,000	45,000	4,829	(40,171)	3,856	8,685
Special assessments	4,000	4,000	5,730	1,730	-	5,730
Total revenues	<u>49,000</u>	<u>49,000</u>	<u>10,633</u>	<u>(38,367)</u>	<u>3,856</u>	<u>14,489</u>
Expenditures:						
Current operating:						
Finance	<u>15,772</u>	<u>15,772</u>	<u>14,069</u>	<u>1,703</u>	<u>-</u>	<u>14,069</u>
Excess of revenues over (under) expenditures	<u>33,228</u>	<u>33,228</u>	<u>(3,436)</u>	<u>(36,664)</u>	<u>3,856</u>	<u>420</u>
Other financing sources (uses):						
Transfers in	15,772	15,772	14,069	(1,703)	-	14,069
Transfers out	<u>(304,000)</u>	<u>(304,000)</u>	<u>(304,000)</u>	<u>-</u>	<u>-</u>	<u>(304,000)</u>
Total other financing sources (uses)	<u>(288,228)</u>	<u>(288,228)</u>	<u>(289,931)</u>	<u>(1,703)</u>	<u>-</u>	<u>(289,931)</u>
Net change in fund balances	<u>(255,000)</u>	<u>(255,000)</u>	<u>(293,367)</u>	<u>(38,367)</u>	<u>3,856</u>	<u>(289,511)</u>
Fund balance, beginning of year	<u>791,379</u>	<u>783,009</u>	<u>783,009</u>	<u>-</u>	<u>(581)</u>	<u>782,428</u>
Fund balance, end of year	<u>\$ 536,379</u>	<u>\$ 528,009</u>	<u>\$ 489,642</u>	<u>\$ (38,367)</u>	<u>\$ 3,275</u>	<u>\$ 492,917</u>

Capital Projects Funds

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

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

Major Capital Projects Fund:

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.

Non major Capital Projects Funds:

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.

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.

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

Springfield Economic Development Agency 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.

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City of Springfield, Oregon
 Nonmajor Capital Projects Funds
 BALANCE SHEET

June 30, 2010

	Street Capital	Transportation Reimbursement SDC	Transportation Improvement SDC	Development Assessments Capital Projects	Police Building Bond Capital Projects	SEDA Glenwood Capital Projects	Total
ASSETS							
Cash and investments	\$ 238,730	\$ 366,623	\$ 2,840,699	\$ 1,469,500	\$ 457,668	\$ 40,688	\$ 5,413,908
Receivables:							
Accounts	-	4,208	18,470	-	-	-	22,678
Accrued interest	2,208	2,312	15,812	8,185	-	853	29,370
Assessments and liens	-	-	-	37,076	-	-	37,076
	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,076</u>	<u>-</u>	<u>-</u>	<u>37,076</u>
Total assets	<u>\$ 240,938</u>	<u>\$ 373,143</u>	<u>\$ 2,874,981</u>	<u>\$ 1,514,761</u>	<u>\$ 457,668</u>	<u>\$ 41,541</u>	<u>\$ 5,503,032</u>
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts and contracts payable	\$ -	\$ 1,216	\$ 427	\$ -	\$ 91,947	\$ -	\$ 93,590
Accrued payroll and payroll taxes	-	-	-	2,266	7	-	2,273
Deferred revenue	-	4,208	18,470	37,076	-	-	59,754
	<u>-</u>	<u>4,208</u>	<u>18,470</u>	<u>37,076</u>	<u>-</u>	<u>-</u>	<u>59,754</u>
Total liabilities	<u>-</u>	<u>5,424</u>	<u>18,897</u>	<u>39,342</u>	<u>91,954</u>	<u>-</u>	<u>155,617</u>
Fund balances:							
Unreserved	<u>240,938</u>	<u>367,719</u>	<u>2,856,084</u>	<u>1,475,419</u>	<u>365,714</u>	<u>41,541</u>	<u>5,347,415</u>
Total liabilities and fund balances	<u>\$ 240,938</u>	<u>\$ 373,143</u>	<u>\$ 2,874,981</u>	<u>\$ 1,514,761</u>	<u>\$ 457,668</u>	<u>\$ 41,541</u>	<u>\$ 5,503,032</u>

City of Springfield, Oregon

Nonmajor Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2010

	Street Capital	Transportation Reimbursement SDC	Transportation Improvement SDC	Development Assessments Capital Projects	Police Building Bond Capital Project	SEDA Glenwood Capital Projects	Total
Revenues:							
Charges for services	\$ -	\$ 84,316	\$ 276,576	\$ -	\$ -	\$ -	\$ 360,892
Use of money and property	2,307	4,499	32,721	18,127	78,119	1,382	137,155
Special assessments	-	-	-	5,126	-	-	5,126
Miscellaneous receipts	4,350	-	-	-	-	-	4,350
Total revenues	6,657	88,815	309,297	23,253	78,119	1,382	507,523
Expenditures:							
Current operating:							
General government	-	-	-	65,755	-	-	65,755
Public works	-	40,088	168,984	-	189,429	-	398,501
Capital projects	66,612	138,542	292,304	9,341	3,903,630	701,422	5,111,851
Debt service:							
Arbitrage	-	-	-	-	49,406	-	49,406
Total expenditures	66,612	178,630	461,288	75,096	4,142,465	701,422	5,625,513
Excess of revenues over (under) expenditures	(59,955)	(89,815)	(151,991)	(51,843)	(4,064,346)	(700,040)	(5,117,990)
Other financing sources (uses):							
Transfer in	-	-	-	4,000	-	-	4,000
Transfer out	(450,000)	(10,374)	-	(14,069)	-	-	(474,443)
Total other financing sources (uses)	(450,000)	(10,374)	-	(10,069)	-	-	(470,443)
Net change in fund balances	(509,955)	(100,189)	(151,991)	(61,912)	(4,064,346)	(700,040)	(5,588,433)
Fund balance, beginning of year	750,893	467,908	3,008,075	1,537,331	4,430,060	741,581	10,935,848
Fund balance, end of year	\$ 240,938	\$ 367,719	\$ 2,856,084	\$ 1,475,419	\$ 365,714	\$ 41,541	\$ 5,347,415

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, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ 2,130,160	\$ 634,000	\$ 187,597	\$ (446,403)	\$ -	\$ 187,597
Charges for services	1,395,000	1,322,064	147,900	(1,174,164)	175,000	322,900
Use of money and property	114,000	114,000	24,362	(89,638)	27,498	51,860
Miscellaneous receipts	-	-	-	-	-	-
Total revenues	<u>3,639,160</u>	<u>2,070,064</u>	<u>359,859</u>	<u>(1,710,205)</u>	<u>202,498</u>	<u>562,357</u>
Expenditures:						
Capital projects	<u>6,715,116</u>	<u>7,810,608</u>	<u>6,932,909</u>	<u>877,699</u>	<u>12,400</u>	<u>6,945,309</u>
Excess of revenues over (under) expenditures	<u>(3,075,956)</u>	<u>(5,740,544)</u>	<u>(6,573,050)</u>	<u>(832,506)</u>	<u>190,098</u>	<u>(6,382,952)</u>
Other financing sources (uses):						
Interfund loan repayments	417,000	417,000	285,425	(131,575)	(285,425)	-
Interfund loans issued	(1,025,000)	(1,025,000)	(434,500)	590,500	434,500	-
Transfer in	474,083	474,083	461,384	(12,699)	285,425	746,809
Transfer out	<u>(76,176)</u>	<u>(79,728)</u>	<u>(66,467)</u>	<u>13,261</u>	<u>(434,500)</u>	<u>(500,967)</u>
Total other financing sources (uses)	<u>(210,093)</u>	<u>(213,645)</u>	<u>245,842</u>	<u>459,487</u>	<u>-</u>	<u>245,842</u>
Net change in fund balances	(3,286,049)	(5,954,189)	(6,327,208)	(373,019)	190,098	(6,137,110)
Fund balance, beginning of year	<u>6,606,209</u>	<u>8,401,204</u>	<u>8,401,204</u>	<u>-</u>	<u>7,510</u>	<u>8,408,714</u>
Fund balance, end of year	<u>\$ 3,320,160</u>	<u>\$ 2,447,015</u>	<u>\$ 2,073,996</u>	<u>\$ (373,019)</u>	<u>\$ 197,608</u>	<u>\$ 2,271,604</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, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 11,900	\$ 11,900	\$ -	\$ (11,900)	\$ 2,307	\$ 2,307
Miscellaneous receipts	-	4,350	4,350	-	-	4,350
Total revenues	<u>11,900</u>	<u>16,250</u>	<u>4,350</u>	<u>(11,900)</u>	<u>2,307</u>	<u>6,657</u>
Expenditures:						
Capital projects	<u>113,580</u>	<u>129,930</u>	<u>66,612</u>	<u>63,318</u>	<u>-</u>	<u>66,612</u>
Excess of revenues over (under) expenditures	(101,680)	(113,680)	(62,262)	51,418	2,307	(59,955)
Other financing sources (uses):						
Transfer out	<u>-</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>-</u>	<u>-</u>	<u>(450,000)</u>
Net change in fund balances	(101,680)	(563,680)	(512,262)	51,418	2,307	(509,955)
Fund balance, beginning of year	<u>877,100</u>	<u>751,485</u>	<u>751,485</u>	<u>-</u>	<u>(592)</u>	<u>750,893</u>
Fund balance, end of year	<u>\$ 775,420</u>	<u>\$ 187,805</u>	<u>\$ 239,223</u>	<u>\$ 51,418</u>	<u>\$ 1,715</u>	<u>\$ 240,938</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, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 258,500	\$ 258,500	\$ 84,316	\$ (174,184)	\$ -	\$ 84,316
Use of money and property	5,800	5,800	2,421	(3,379)	2,078	4,499
Total revenues	<u>264,300</u>	<u>264,300</u>	<u>86,737</u>	<u>(177,563)</u>	<u>2,078</u>	<u>88,815</u>
Expenditures:						
Current operating:						
Public works	60,802	60,802	40,088	20,714	-	40,088
Capital projects	<u>652,743</u>	<u>652,743</u>	<u>138,542</u>	<u>514,201</u>	<u>-</u>	<u>138,542</u>
Total expenditures	<u>713,545</u>	<u>713,545</u>	<u>178,630</u>	<u>534,915</u>	<u>-</u>	<u>178,630</u>
Excess of revenues over (under) expenditures	(449,245)	(449,245)	(91,893)	357,352	2,078	(89,815)
Other financing sources (uses):						
Transfer out	<u>(10,374)</u>	<u>(10,374)</u>	<u>(10,374)</u>	<u>-</u>	<u>-</u>	<u>(10,374)</u>
Net change in fund balances	(459,619)	(459,619)	(102,267)	357,352	2,078	(100,189)
Fund balance, beginning of year	<u>459,620</u>	<u>468,190</u>	<u>468,190</u>	<u>-</u>	<u>(282)</u>	<u>467,908</u>
Fund balance, end of year	<u>\$ 1</u>	<u>\$ 8,571</u>	<u>\$ 365,923</u>	<u>\$ 357,352</u>	<u>\$ 1,796</u>	<u>\$ 367,719</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, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 976,300	\$ 1,017,741	\$ 281,404	\$ (736,337)	\$ (4,828)	\$ 276,576
Use of money and property	50,900	50,900	18,936	(31,964)	13,785	32,721
Total revenues	<u>1,027,200</u>	<u>1,068,641</u>	<u>300,340</u>	<u>(768,301)</u>	<u>8,957</u>	<u>309,297</u>
Expenditures:						
Current operating:						
Public works	277,990	319,431	168,984	150,447	-	168,984
Capital projects	<u>2,564,687</u>	<u>3,009,674</u>	<u>292,304</u>	<u>2,717,370</u>	<u>-</u>	<u>292,304</u>
Total expenditures	<u>2,842,677</u>	<u>3,329,105</u>	<u>461,288</u>	<u>2,867,817</u>	<u>-</u>	<u>461,288</u>
Net change in fund balances	(1,815,477)	(2,260,464)	(160,948)	2,099,516	8,957	(151,991)
Fund balance, beginning of year	<u>3,001,778</u>	<u>3,004,745</u>	<u>3,004,745</u>	<u>-</u>	<u>3,330</u>	<u>3,008,075</u>
Fund balance, end of year	<u>\$ 1,186,301</u>	<u>\$ 744,281</u>	<u>\$ 2,843,797</u>	<u>\$ 2,099,516</u>	<u>\$ 12,287</u>	<u>\$ 2,856,084</u>

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, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 35,500	\$ 35,500	\$ 10,984	\$ (24,516)	\$ 7,143	\$ 18,127
Special assessments	2,000	2,000	5,126	3,126	-	5,126
Total revenues	<u>37,500</u>	<u>37,500</u>	<u>16,110</u>	<u>(21,390)</u>	<u>7,143</u>	<u>23,253</u>
Expenditures:						
Current operating:						
Finance	87,506	87,506	65,755	21,751	-	65,755
Capital projects	-	300,000	9,341	290,659	-	9,341
Total expenditures	<u>87,506</u>	<u>387,506</u>	<u>75,096</u>	<u>312,410</u>	<u>-</u>	<u>75,096</u>
Excess of revenues over (under) expenditures	<u>(50,006)</u>	<u>(350,006)</u>	<u>(58,986)</u>	<u>291,020</u>	<u>7,143</u>	<u>(51,843)</u>
Other financing sources (uses):						
Transfer in	4,000	4,000	4,000	-	-	4,000
Transfer out	(15,772)	(15,772)	(14,069)	1,703	-	(14,069)
Total other financing sources (uses)	<u>(11,772)</u>	<u>(11,772)</u>	<u>(10,069)</u>	<u>1,703</u>	<u>-</u>	<u>(10,069)</u>
Net change in fund balances	(61,778)	(361,778)	(69,055)	292,723	7,143	(61,912)
Fund balance, beginning of year	<u>1,516,342</u>	<u>1,538,114</u>	<u>1,538,114</u>	<u>-</u>	<u>(783)</u>	<u>1,537,331</u>
Fund balance, end of year	<u>\$ 1,454,564</u>	<u>\$ 1,176,336</u>	<u>\$ 1,469,059</u>	<u>\$ 292,723</u>	<u>\$ 6,360</u>	<u>\$ 1,475,419</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, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ -	\$ 19,000	\$ 18,331	\$ (669)	\$ 59,788	\$ 78,119
Expenditures:						
Current operating:						
Public works	157,445	207,445	189,429	18,016	-	189,429
Capital projects	5,473,013	4,238,403	3,903,630	334,773	-	3,903,630
Debt service:						
Arbitrage	-	63,000	49,406	13,594	-	49,406
Total expenditures	5,630,458	4,508,848	4,142,465	366,383	-	4,142,465
Net change in fund balances	(5,630,458)	(4,489,848)	(4,124,134)	365,714	59,788	(4,064,346)
Fund balance, beginning of year	5,630,458	4,489,848	4,489,848	-	(59,788)	4,430,060
Fund balance, end of year	\$ -	\$ -	\$ 365,714	\$ 365,714	\$ -	\$ 365,714

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, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 897,500	\$ 897,500	\$ 556	\$ (896,944)	\$ 826	\$ 1,382
Expenditures:						
Capital projects	350,000	860,000	701,422	158,578	-	701,422
Net change in fund balances	547,500	37,500	(700,866)	(738,366)	826	(700,040)
Fund balance, beginning of year	-	741,744	741,744	-	(163)	741,581
Fund balance, end of year	<u>\$ 547,500</u>	<u>\$ 779,244</u>	<u>\$ 40,878</u>	<u>\$ (738,366)</u>	<u>\$ 663</u>	<u>\$ 41,541</u>

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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.

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

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.

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City of Springfield, Oregon

COMBINING BALANCE SHEET
Nonmajor Enterprise Funds

June 30, 2010

	Storm Drainage Capital Projects Fund	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	\$ 1,340,013	\$ 3,975	\$ 1,785,644	\$ 842,997	\$ 307,237	\$ 4,279,866
Accounts receivable, net of allowance for estimated uncollectibles	-	2,687	10,759	11,807	8,778	34,031
Accrued interest	7,710	-	9,757	4,167	1,645	23,279
Total current assets	1,347,723	6,662	1,806,160	858,971	317,660	4,337,176
LIABILITIES						
Current liabilities:						
Accounts payable	15,055	-	-	-	-	15,055
NET ASSETS						
Restricted	-	6,662	1,806,160	858,971	317,660	2,989,453
Unrestricted	1,332,668	-	-	-	-	1,332,668
Total net assets	\$ 1,332,668	\$ 6,662	\$ 1,806,160	\$ 858,971	\$ 317,660	\$ 4,322,121

City of Springfield, Oregon

Nonmajor Enterprise Funds

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

Year Ended June 30, 2010

	Storm Drainage Capital Projects Fund	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	\$ -	\$ 10,965	\$ 140,942	\$ 166,303	\$ 103,625	\$ 421,835
Miscellaneous receipts	-	-	5,450	-	-	5,450
Total revenues	-	10,965	146,392	166,303	103,625	427,285
Operating expenses:						
Public works	279,410	4,306	90,370	82,865	53,136	510,087
Operating income (loss)	(279,410)	6,659	56,022	83,438	50,489	(82,802)
Nonoperating revenues (expenses):						
Interest on investments	14,666	3	16,641	8,711	3,346	43,367
Income (loss) before contributions	(264,744)	6,662	72,663	92,149	53,835	(39,435)
Other financing sources (uses):						
Transfers in	250,000	-	-	-	-	250,000
Transfers out	(460,743)	-	(637,649)	-	(45,662)	(1,144,054)
Total other financing sources (uses)	(210,743)	-	(637,649)	-	(45,662)	(894,054)
Change in net assets	(475,487)	6,662	(564,986)	92,149	8,173	(933,489)
Net assets, beginning of year	1,808,155	-	2,371,146	766,822	309,487	5,255,610
Net assets, end of year	\$ 1,332,668	\$ 6,662	\$ 1,806,160	\$ 858,971	\$ 317,660	\$ 4,322,121

City of Springfield, Oregon

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS

Year Ended June 30, 2010

	Storm Drainage Capital Projects Fund	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	\$ -	\$ 8,278	\$ 135,864	\$ 159,310	\$ 104,775	\$ 408,227
Cash received from interfund						
Cash paid to suppliers for goods and services	(294,613)	(4,306)	(112,489)	(82,865)	(53,136)	(547,409)
Other operating receipts	-	-	5,450	-	-	5,450
Net cash provided by (used in) operating activities	<u>(294,613)</u>	<u>3,972</u>	<u>28,825</u>	<u>76,445</u>	<u>51,639</u>	<u>(133,732)</u>
Cash flows from noncapital financing activities:						
Operating transfers from other funds	250,000	-	-	-	-	250,000
Operating transfers to other funds	(460,743)	-	(637,649)	-	(45,662)	(1,144,054)
Net cash provided (used) by noncapital financing activities	<u>(210,743)</u>	<u>-</u>	<u>(637,649)</u>	<u>-</u>	<u>(45,662)</u>	<u>(894,054)</u>
Cash flows from investing activities:						
Interest received	16,962	3	23,776	8,327	3,400	52,468
Net change in cash and investments	<u>(488,394)</u>	<u>3,975</u>	<u>(585,048)</u>	<u>84,772</u>	<u>9,377</u>	<u>(975,318)</u>
Cash and investments, beginning of year	1,828,407	-	2,370,692	758,225	297,860	5,255,184
Cash and investments, end of year	<u>\$ 1,340,013</u>	<u>\$ 3,975</u>	<u>\$ 1,785,644</u>	<u>\$ 842,997</u>	<u>\$ 307,237</u>	<u>\$ 4,279,866</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ (279,410)	\$ 6,659	\$ 56,022	\$ 83,438	\$ 50,489	\$ (82,802)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Changes in assets and liabilities:						
Accounts receivable	-	(2,687)	(5,078)	(6,993)	1,150	(13,608)
Accounts payable	(15,203)	-	(22,119)	-	-	(37,322)
Net cash provided by (used in) operating activities	<u>\$ (294,613)</u>	<u>\$ 3,972</u>	<u>\$ 28,825</u>	<u>\$ 76,445</u>	<u>\$ 51,639</u>	<u>\$ (133,732)</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 NET ASSETS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 5,443,734	\$ 5,850,384	\$ 6,172,817	\$ 322,433	\$ (117,057)	\$ 6,055,760
Use of money and property	78,579	78,579	50,236	(28,343)	21,408	71,644
Miscellaneous receipts	300	300	2,923	2,623	-	2,923
Total revenues	5,522,613	5,929,263	6,225,976	296,713	(95,649)	6,130,327
Expenses:						
Current operating:						
Public works	3,032,270	2,988,578	2,756,153	232,425	66,988	2,823,141
Development services	23,088	23,088	22,588	500	-	22,588
Finance	9,721	9,721	9,635	86	-	9,635
Debt service						
Principal	533,595	1,193,595	1,193,394	201	(1,193,394)	-
Interest	80,372	1,132,041	1,129,252	2,789	(999,009)	130,243
Depreciation	-	-	-	-	1,657,784	1,657,784
Total expenses	3,679,046	5,347,023	5,111,022	236,001	(467,631)	4,643,391
Excess of revenues over (under) expenses	1,843,567	582,240	1,114,954	532,714	371,982	1,486,936
Other financing sources (uses):						
Capital contributions	-	-	-	-	3,161,477	3,161,477
Transfers in	-	34,859	34,859	-	1,215,044	1,249,903
Transfers out	(3,106,234)	(1,253,000)	(1,253,000)	-	(182,940)	(1,435,940)
Total other financing sources (uses)	(3,106,234)	(1,218,141)	(1,218,141)	-	4,193,581	2,975,440
Change in net assets	(1,262,667)	(635,901)	(103,187)	532,714	4,565,563	4,462,376
Net assets, beginning of year	2,017,981	4,467,674	4,467,674	-	43,419,126	47,886,800
Net assets, end of year	\$ 755,314	\$ 3,831,773	\$ 4,364,487	\$ 532,714	\$ 47,984,689	\$ 52,349,176

City of Springfield, Oregon

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

Year Ended June 30, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 4,687,369	\$ 4,726,347	\$ 4,914,047	\$ 187,700	\$ (81,222)	\$ 4,832,825
Use of money and property	45,000	45,000	232,621	187,621	(205,924)	26,697
Miscellaneous receipts	25,500	25,500	3	(25,497)	165,720	165,723
Total revenues	4,757,869	4,796,847	5,146,671	349,824	(121,426)	5,025,245
Expenses:						
Current operating						
Public works	4,023,758	4,120,936	3,489,588	631,348	35,213	3,524,801
Development services	48,728	48,728	47,416	1,312	-	47,416
Finance	9,719	9,719	9,633	86	-	9,633
Total expenses	4,082,205	4,179,383	3,546,637	632,746	35,213	3,581,850
Excess of revenues over (under) expenses	675,664	617,464	1,600,034	982,570	(156,639)	1,443,395
Other financing sources (uses):						
Transfers in	-	34,859	34,859	-	182,940	217,799
Transfers out	(250,000)	(250,000)	(250,000)	-	(132,960)	(382,960)
Total other financing sources/(uses)	(250,000)	(215,141)	(215,141)	-	49,980	(165,161)
Change in net assets	425,664	402,323	1,384,893	982,570	(106,659)	1,278,234
Net assets, beginning of year	1,319,318	1,854,210	1,854,210	-	(51,043)	1,803,167
Net assets, end of year	\$ 1,744,982	\$ 2,256,533	\$ 3,239,103	\$ 982,570	\$ (157,702)	\$ 3,081,401

City of Springfield, Oregon

SEWER CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 80,000	\$ 80,000	\$ 169,617	\$ 89,617	\$ 87,487	\$ 257,104
Miscellaneous receipts	-	810	810	-	9,341	10,151
Total revenues	<u>80,000</u>	<u>80,810</u>	<u>170,427</u>	<u>89,617</u>	<u>96,828</u>	<u>267,255</u>
Expenses:						
Capital projects	<u>19,435,526</u>	<u>21,722,121</u>	<u>4,919,896</u>	<u>16,802,225</u>	<u>(4,919,896)</u>	<u>-</u>
Excess of revenues over (under) expenses	<u>(19,355,526)</u>	<u>(21,641,311)</u>	<u>(4,749,469)</u>	<u>16,891,842</u>	<u>5,016,724</u>	<u>267,255</u>
Other financing sources (uses):						
Transfers out	-	-	-	-	(9,341)	(9,341)
Transfers in	<u>1,263,000</u>	<u>1,253,000</u>	<u>1,253,000</u>	<u>-</u>	<u>-</u>	<u>1,253,000</u>
Total other financing sources (uses)	<u>1,263,000</u>	<u>1,253,000</u>	<u>1,253,000</u>	<u>-</u>	<u>(9,341)</u>	<u>1,243,659</u>
Change in net assets	<u>(18,092,526)</u>	<u>(20,388,311)</u>	<u>(3,496,469)</u>	<u>16,891,842</u>	<u>5,007,383</u>	<u>1,510,914</u>
Net assets, beginning of year	<u>19,363,077</u>	<u>22,402,079</u>	<u>22,402,079</u>	<u>-</u>	<u>(21,003,031)</u>	<u>1,399,048</u>
Net assets, end of year	<u>\$ 1,270,551</u>	<u>\$ 2,013,768</u>	<u>\$ 18,905,610</u>	<u>\$ 16,891,842</u>	<u>\$ (15,995,648)</u>	<u>\$ 2,909,962</u>

City of Springfield, Oregon

AMBULANCE FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 4,713,000	\$ 4,713,000	\$ 4,756,123	\$ 43,123	\$ 5,979,263	\$ 10,735,386
Less: Contractual adjustments	-	-	-	-	(5,901,056)	(5,901,056)
Use of money and property	1,000	1,000	1,300	300	47	1,347
Miscellaneous receipts	5,000	5,000	2,516	(2,484)	-	2,516
Total revenues	4,719,000	4,719,000	4,759,939	40,939	78,254	4,838,193
Expenses:						
Current operating:						
Fire	5,024,507	5,024,507	4,942,827	81,680	99,493	5,042,320
Depreciation	-	-	-	-	24,563	24,563
Total expenses	5,024,507	5,024,507	4,942,827	81,680	124,056	5,066,883
Excess of revenues over (under) expenses	(305,507)	(305,507)	(182,888)	122,619	(45,802)	(228,690)
Other financing sources (uses):						
Transfers in	305,507	305,507	182,883	(122,624)	-	182,883
Change in net assets	-	-	(5)	(5)	(45,802)	(45,807)
Net assets, beginning of year	-	5	5	-	(64,348)	(64,343)
Net assets, end of year	\$ -	\$ 5	\$ -	\$ (5)	\$ (110,150)	\$ (110,150)

City of Springfield, Oregon

BOOTH-KELLY FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,531,364	\$ 1,531,364	\$ 1,381,649	\$ (149,715)	\$ -	\$ 1,381,649
Use of money	10,000	10,000	5,469	(4,531)	3,733	9,202
Total revenues	<u>1,541,364</u>	<u>1,541,364</u>	<u>1,387,118</u>	<u>(154,246)</u>	<u>3,733</u>	<u>1,390,851</u>
Expenses:						
Current operating:						
Public works	14,139	27,471	22,657	4,814	-	22,657
Development services	394,095	380,817	277,259	103,558	(6,530)	270,729
Capital projects	505,000	535,281	-	535,281	-	-
Debt service						
Principal	482,663	482,663	482,623	40	(482,623)	-
Interest	436,652	436,652	436,690	(38)	(2,514)	434,176
Depreciation	-	-	-	-	697,259	697,259
Total expenses	<u>1,832,549</u>	<u>1,862,884</u>	<u>1,219,229</u>	<u>643,655</u>	<u>205,592</u>	<u>1,424,821</u>
Excess of revenues over (under) expenses	<u>(291,185)</u>	<u>(321,520)</u>	<u>167,889</u>	<u>489,409</u>	<u>(201,859)</u>	<u>(33,970)</u>
Other financing sources (uses):						
Transfers out	(200,000)	(200,000)	(200,000)	-	-	(200,000)
Transfers in	-	49,383	49,383	-	-	49,383
Total other financing sources (uses)	<u>(200,000)</u>	<u>(150,617)</u>	<u>(150,617)</u>	<u>-</u>	<u>-</u>	<u>(150,617)</u>
Change in net assets	<u>(491,185)</u>	<u>(472,137)</u>	<u>17,272</u>	<u>489,409</u>	<u>(201,859)</u>	<u>(184,587)</u>
Net assets, beginning of year	<u>652,133</u>	<u>735,485</u>	<u>735,485</u>	<u>-</u>	<u>5,074,272</u>	<u>5,809,757</u>
Net assets, end of year	<u>\$ 160,948</u>	<u>\$ 263,348</u>	<u>\$ 752,757</u>	<u>\$ 489,409</u>	<u>\$ 4,872,413</u>	<u>\$ 5,625,170</u>

City of Springfield, Oregon

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

Year Ended June 30, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 71,000	\$ 71,000	\$ 7,708	\$ (63,292)	\$ 6,958	\$ 14,666
Expenses:						
Current operating:						
Public works	-	-	-	-	279,410	279,410
Capital projects	1,350,675	1,550,675	740,153	810,522	(740,153)	-
Total expenses	1,350,675	1,550,675	740,153	810,522	(460,743)	279,410
Excess of revenues over (under) expenses	(1,279,675)	(1,479,675)	(732,445)	747,230	467,701	(264,744)
Other financing sources:						
Transfers out	-	-	-	-	(460,743)	(460,743)
Transfers in	250,000	250,000	250,000	-	-	250,000
Total other financing sources (uses)	250,000	250,000	250,000	-	(460,743)	(210,743)
Change in net assets	(1,029,675)	(1,229,675)	(482,445)	747,230	6,958	(475,487)
Net assets, beginning of year	1,644,063	1,809,122	1,809,122	-	(967)	1,808,155
Net assets, end of year	\$ 614,388	\$ 579,447	\$ 1,326,677	\$ 747,230	\$ 5,991	\$ 1,332,668

City of Springfield, Oregon

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

Year Ended June 30, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ -	\$ 25,000	\$ 8,278	\$ (16,722)	\$ 2,687	\$ 10,965
Use of money and property	-	-	2	2	1	3
Total revenues	-	25,000	8,280	(16,720)	2,688	10,968
Expenses:						
Current operating:						
Public works	-	5,000	4,306	694	-	4,306
Change in net assets	-	20,000	3,974	(16,026)	2,688	6,662
Net assets, beginning of year	-	-	-	-	-	-
Net assets, end of year	\$ -	\$ 20,000	\$ 3,974	\$ (16,026)	\$ 2,688	\$ 6,662

City of Springfield, Oregon

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

Year Ended June 30, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 280,000	\$ 307,786	\$ 135,865	\$ (171,921)	\$ 5,077	\$ 140,942
Use of money and property	80,000	80,000	7,426	(72,574)	9,215	16,641
Miscellaneous receipts	-	-	5,450	5,450		5,450
Total revenues	<u>360,000</u>	<u>387,786</u>	<u>148,741</u>	<u>(239,045)</u>	<u>14,292</u>	<u>163,033</u>
Expenses:						
Current operating:						
Public works	26,062	111,828	90,370	21,458	-	90,370
Capital projects	<u>1,056,726</u>	<u>1,824,965</u>	<u>612,000</u>	<u>1,212,965</u>	<u>(612,000)</u>	<u>-</u>
Total expenses	<u>1,082,788</u>	<u>1,936,793</u>	<u>702,370</u>	<u>1,234,423</u>	<u>(612,000)</u>	<u>90,370</u>
Excess of revenues over (under) expenses	(722,788)	(1,549,007)	(553,629)	995,378	626,292	72,663
Other financing sources (uses):						
Transfers out	<u>(25,649)</u>	<u>(25,649)</u>	<u>(25,649)</u>	<u>-</u>	<u>(612,000)</u>	<u>(637,649)</u>
Change in net assets	(748,437)	(1,574,656)	(579,278)	995,378	14,292	(564,986)
Net assets, beginning of year	<u>3,293,837</u>	<u>2,367,097</u>	<u>2,367,097</u>	<u>-</u>	<u>4,049</u>	<u>2,371,146</u>
Net assets, end of year	<u>\$ 2,545,400</u>	<u>\$ 792,441</u>	<u>\$ 1,787,819</u>	<u>\$ 995,378</u>	<u>\$ 18,341</u>	<u>\$ 1,806,160</u>

City of Springfield, Oregon

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

Year Ended June 30, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 125,000	\$ 125,000	\$ 159,309	\$ 34,309	\$ 6,994	\$ 166,303
Use of money and property	20,000	20,000	5,107	(14,893)	3,604	8,711
Total revenues	145,000	145,000	164,416	19,416	10,598	175,014
Expenses:						
Current operating:						
Public works	111,842	111,842	82,865	28,977	-	82,865
Capital projects	190,000	190,000	-	190,000	-	-
Total expenses	301,842	301,842	82,865	218,977	-	82,865
Change in net assets	(156,842)	(156,842)	81,551	238,393	10,598	92,149
Net assets, beginning of year	692,580	762,374	762,374	-	4,448	766,822
Net assets, end of year	\$ 535,738	\$ 605,532	\$ 843,925	\$ 238,393	\$ 15,046	\$ 858,971

City of Springfield, Oregon

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

Year Ended June 30, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 75,000	\$ 75,000	\$ 104,776	\$ 29,776	\$ (1,151)	\$ 103,625
Use of money and property	12,000	12,000	1,902	(10,098)	1,444	3,346
Total revenues	87,000	87,000	106,678	19,678	293	106,971
Expenses:						
Current operating						
Public works	66,242	66,242	53,136	13,106	-	53,136
Capital projects	45,000	45,000	-	45,000	-	-
Total expenses	111,242	111,242	53,136	58,106	-	53,136
Excess of revenues over (under) expenses	(24,242)	(24,242)	53,542	77,784	293	53,835
Other financing sources (uses):						
Transfers out	(45,662)	(45,662)	(45,662)	-	-	(45,662)
Change in net assets	(69,904)	(69,904)	7,880	77,784	293	8,173
Net assets, beginning of year	282,082	299,724	299,724	-	9,763	309,487
Net assets, end of year	\$ 212,178	\$ 229,820	\$ 307,604	\$ 77,784	\$ 10,056	\$ 317,660

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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.

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City of Springfield, Oregon

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS

June 30, 2010

	Vehicle and Equipment	Insurance	SDC Administration	Total
ASSETS				
Current assets:				
Cash and investments	\$ 6,497,220	\$ 4,398,220	\$ 222,916	\$ 11,118,356
Accounts receivable	-	-	12,580	12,580
Accrued interest receivable	33,510	26,759	1,857	62,126
Total current assets	<u>6,530,730</u>	<u>4,424,979</u>	<u>237,353</u>	<u>11,193,062</u>
Capital assets:				
Machinery and equipment	15,435,209	-	-	15,435,209
Less accumulated depreciation	<u>9,241,741</u>	<u>-</u>	<u>-</u>	<u>9,241,741</u>
Total capital assets	<u>6,193,468</u>	<u>-</u>	<u>-</u>	<u>6,193,468</u>
Total assets	<u>12,724,198</u>	<u>4,424,979</u>	<u>237,353</u>	<u>17,386,530</u>
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	9,698	183,378	3,248	196,324
Accrued interest payable	32,188	-	-	32,188
Capital lease obligation, current portion	260,495	-	-	260,495
Accrued payroll and other related liabilities	<u>-</u>	<u>147,498</u>	<u>24,168</u>	<u>171,666</u>
Total current liabilities	<u>302,381</u>	<u>330,876</u>	<u>27,416</u>	<u>660,673</u>
Noncurrent liabilities:				
Accrued absence payable	-	-	27,172	27,172
Capital lease obligation, less current portion	1,121,816	-	-	1,121,816
Net OPEB obligation payable	<u>-</u>	<u>3,894</u>	<u>6,046</u>	<u>9,940</u>
Total noncurrent liabilities	<u>1,121,816</u>	<u>3,894</u>	<u>33,218</u>	<u>1,158,928</u>
Total liabilities	<u>1,424,197</u>	<u>334,770</u>	<u>60,634</u>	<u>1,819,601</u>
NET ASSETS				
Invested in capital assets, net of related debt	4,811,157	-	-	4,811,157
Unrestricted	<u>6,488,844</u>	<u>4,090,209</u>	<u>176,719</u>	<u>10,755,772</u>
Total net assets	<u>\$ 11,300,001</u>	<u>\$ 4,090,209</u>	<u>\$ 176,719</u>	<u>\$ 15,566,929</u>

City of Springfield, Oregon

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS

Year ended June 30, 2010

	Vehicle and Equipment	Insurance	SDC Administration	Total
Operating revenues:				
Charges for services	\$ 1,396,999	\$ 1,963,861	\$ 411,286	\$ 3,772,146
Licenses & permits	-	-	51,387	51,387
Intergovernmental revenue	-	47,172	-	47,172
Miscellaneous receipts	1,926	206,525	-	208,451
Total operating revenues	1,398,925	2,217,558	462,673	4,079,156
Operating expenses:				
Current operating:				
City manager's office	3,750	-	-	3,750
Court	5,658	-	-	5,658
Human resources	7,593	1,867,089	-	1,874,682
Finance	975	-	25,599	26,574
Information technology	133,979	-	-	133,979
Fire	12,650	-	-	12,650
Police	10,810	-	-	10,810
Public works	13,326	-	469,110	482,436
Development services	5,677	-	92,143	97,820
Depreciation	949,735	-	-	949,735
Total operating expenses	1,144,153	1,867,089	586,852	3,598,094
Operating income (loss)	254,772	350,469	(124,179)	481,062
Nonoperating revenues(expenses):				
Interest income	69,802	55,625	3,782	129,209
Interest expense	(34,399)	-	-	(34,399)
Gain (loss) on disposition of equipment	(57,355)	-	-	(57,355)
Total nonoperating revenues (expenses)	(21,952)	55,625	3,782	37,455
Income (loss) before capital contributions and transfers	232,820	406,094	(120,397)	518,517
Transfers out	-	(531,512)	-	(531,512)
Capital contributions	319,159	-	-	319,159
Change in net assets	551,979	(125,418)	(120,397)	306,164
Net assets, beginning of year	10,748,022	4,215,627	297,116	15,260,765
Net assets, end of year	\$ 11,300,001	\$ 4,090,209	\$ 176,719	\$ 15,566,929

City of Springfield, Oregon

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS

Year Ended June 30, 2010

	Vehicle and Equipment	Insurance	SDC Administration	Total
Cash flows from operating activities:				
Cash received from interfund services provided	\$ 1,396,999	\$ 1,963,861	\$ 418,673	\$ 3,779,533
Cash paid for employee services	-	(1,129,118)	(424,107)	(1,553,225)
Cash paid to suppliers for goods and services	(177,551)	(1,193,961)	(166,340)	(1,537,852)
Other operating receipts	1,926	253,697	51,387	307,010
	<u>1,221,374</u>	<u>(105,521)</u>	<u>(120,387)</u>	<u>995,466</u>
Net cash provided by (used in) operating activities				
Cash flows from noncapital financing activities:				
Operating transfers to other funds	-	(531,512)	-	(531,512)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(1,955,431)	-	-	(1,955,431)
Disposition of capital assets	18,510	-	-	18,510
Capital lease principal paid	1,336,006	-	-	1,336,006
Interest paid	(34,399)	-	-	(34,399)
	<u>(635,314)</u>	<u>-</u>	<u>-</u>	<u>(635,314)</u>
Net cash used in capital and related financing activities				
Cash flows from investing activities:				
Interest received	67,165	53,764	3,851	124,780
	<u>67,165</u>	<u>53,764</u>	<u>3,851</u>	<u>124,780</u>
Net change in cash and investments				
	653,225	(583,269)	(116,536)	(46,580)
Cash and investments, beginning of year	5,843,995	4,981,489	339,452	11,164,936
Cash and investments, end of year	<u>\$ 6,497,220</u>	<u>\$ 4,398,220</u>	<u>\$ 222,916</u>	<u>\$ 11,118,356</u>
Reconciliation of Operating Loss to Net Cash Provided by (used in) Operating Activities				
Operating income (loss)	\$ 254,772	\$ 350,469	\$ (124,179)	\$ 481,062
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	949,735	-	-	949,735
Changes in assets and liabilities:				
Prepaid insurance	-	289,858	-	289,858
Accounts receivable	-	-	7,387	7,387
Accounts payable	(15,321)	154,091	(5,459)	133,311
Accrued interest payable	32,188	-	-	32,188
Accrued payroll and other liabilities	-	(903,833)	(4,182)	(908,015)
Net OPEB obligation payable	-	3,894	6,046	9,940
	<u>1,221,374</u>	<u>(105,521)</u>	<u>(120,387)</u>	<u>995,466</u>
Net cash provided by (used in) operating activities				
Noncash capital and related financing activities:				
Contributed capital assets	\$ 319,159	\$ -	\$ -	\$ 319,159
Retirement and disposition of capital assets, net of accumulated depreciation	(57,355)	-	-	(57,355)

City of Springfield, Oregon

VEHICLE AND EQUIPMENT FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year ended June 30, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,344,619	\$ 1,344,619	\$ 1,396,999	\$ 52,380	\$ -	\$ 1,396,999
Use of money and property	140,000	140,000	59,290	(80,710)	10,512	69,802
Miscellaneous receipts	-	-	1,926	1,926	-	1,926
Total revenues	1,484,619	1,484,619	1,458,215	(26,404)	10,512	1,468,727
Expenses:						
Current operating:						
City manager's office	3,900	3,900	3,750	150	-	3,750
Court	5,150	12,334	10,682	1,652	(5,024)	5,658
Human resources	8,000	8,000	7,593	407	-	7,593
Finance	3,600	3,600	975	2,625	-	975
Information technology	207,500	207,500	175,680	31,820	(41,701)	133,979
Fire	320,200	320,200	12,650	307,550	-	12,650
Police	242,100	242,100	126,635	115,465	(115,825)	10,810
Public works	479,313	641,238	429,342	211,896	(416,016)	13,326
Development services	600	5,770	5,677	93	-	5,677
Debt service						
Principal	40,859	40,859	40,859	-	(40,859)	-
Interest	2,211	2,211	2,211	-	32,188	34,399
Depreciation	-	-	-	-	949,735	949,735
Total expenses	1,313,433	1,487,712	816,054	671,658	362,498	1,178,552
Excess of revenues over (under) expenses	171,186	(3,093)	642,161	645,254	(351,986)	290,175
Other financing sources (uses):						
Gain (loss) on disposal of assets	-	-	-	-	(57,355)	(57,355)
Assets contributed by other funds	-	-	-	-	319,159	319,159
Total other financing sources (uses)	-	-	-	-	261,804	261,804
Change in net assets	171,186	(3,093)	642,161	645,254	(90,182)	551,979
Net assets, beginning of year	5,637,383	5,889,253	5,889,253	-	4,858,769	10,748,022
Net assets, end of year	<u>\$ 5,808,569</u>	<u>\$ 5,886,160</u>	<u>\$ 6,531,414</u>	<u>\$ 645,254</u>	<u>\$ 4,768,587</u>	<u>\$ 11,300,001</u>

City of Springfield, Oregon

INSURANCE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year ended June 30, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 16,500,406	\$ 16,500,406	\$ 14,057,824	\$ (2,442,582)	\$ (12,093,963)	\$ 1,963,861
Intergovernmental revenue	30,000	51,540	47,172	(4,368)	-	47,172
Use of money and property	160,000	160,000	32,426	(127,574)	23,199	55,625
Miscellaneous receipts	13,000	23,000	206,525	183,525	-	206,525
Total revenues	16,703,406	16,734,946	14,343,947	(2,390,999)	(12,070,764)	2,273,183
Expenses:						
Current operating:						
Human resources	708,596	915,896	865,960	49,936	1,001,129	1,867,089
Statutory payments	15,379,406	15,379,406	13,078,197	2,301,209	(13,078,197)	-
Total expenses	16,088,002	16,295,302	13,944,157	2,351,145	(12,077,068)	1,867,089
Excess of revenues over (under) expenses	615,404	439,644	399,790	(39,854)	6,304	406,094
Other financing sources (uses):						
Transfers out	(544,211)	(544,211)	(531,512)	12,699	-	(531,512)
Change in net assets	71,193	(104,567)	(131,722)	(27,155)	6,304	(125,418)
Net assets, beginning of year	4,112,198	4,212,533	4,212,533	-	3,094	4,215,627
Net assets, end of year	<u>\$ 4,183,391</u>	<u>\$ 4,107,966</u>	<u>\$ 4,080,811</u>	<u>\$ (27,155)</u>	<u>\$ 9,398</u>	<u>\$ 4,090,209</u>

City of Springfield, Oregon

SDC ADMINISTRATION FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year ended June 30, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 542,928	\$ 542,928	\$ 421,671	\$ (121,257)	\$ (10,385)	\$ 411,286
Licenses and permits	59,000	59,000	48,389	(10,611)	2,998	51,387
Use of money and property	1,600	1,600	2,153	553	1,629	3,782
Total revenues	603,528	603,528	472,213	(131,315)	(5,758)	466,455
Expenses:						
Current operating:						
Finance	25,599	25,599	25,599	-	-	25,599
Public works	490,945	507,357	469,802	37,555	(692)	469,110
Development services	97,080	97,080	92,143	4,937	-	92,143
Total expenses	613,624	630,036	587,544	42,492	(692)	586,852
Excess of revenues over (under) expenses	(10,096)	(26,508)	(115,331)	(88,823)	(5,066)	(120,397)
Other financing sources (uses):						
Transfers in	-	14,016	-	(14,016)	-	-
Change in net assets	(10,096)	(12,492)	(115,331)	(102,839)	(5,066)	(120,397)
Net assets, beginning of year	66,269	319,000	319,000	-	(21,884)	297,116
Net assets, end of year	\$ 56,173	\$ 306,508	\$ 203,669	\$ (102,839)	\$ (26,950)	\$ 176,719

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, 2010

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Assets				
Cash and investments	<u>\$ 1,886,066</u>	<u>\$ 14,219,564</u>	<u>\$ (13,255,890)</u>	<u>\$ 2,849,741</u>
Liabilities				
Due to other agencies	<u>\$ 1,886,066</u>	<u>\$ 24,623,069</u>	<u>\$ (23,659,395)</u>	<u>\$ 2,849,741</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 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Year Ended June 30, 2010

	Regional Wastewater Fund	Regional Capital Fund	Regional Bond Capital Fund	Regional Wastewater Improve SDC Fund	Regional Wastewater Reimb SDC Fund	Regional Debt Service Fund	Eliminations	Total
Revenues:								
Charges for services	\$ 26,362,688	\$ 80,000	\$ 437,286	\$ 584,816	\$ 55,412	\$ -	\$ (1,115,410)	\$ 26,404,792
Use of money and property	159,961	374,166	873,165	58,119	13,469	-	-	1,478,880
Licenses and permits	10,005	-	-	-	-	-	-	10,005
Fines and forfeitures	1,200	-	-	-	-	-	-	1,200
Miscellaneous receipts	280	10,000	-	-	-	-	-	10,280
Total revenues	26,534,134	464,166	1,310,451	642,935	68,881	-	(1,115,410)	27,905,157
Expenses:								
Current operating:								
Finance	77,602	-	-	-	-	-	-	77,602
Public works	13,428,729	19,882	13,074	360	3,705	-	(1,115,410)	12,350,340
Debt service:								
Interest	8,059	(156,434)	(14,178)	-	-	2,519,444	-	2,356,891
Depreciation	7,519,908	-	-	-	-	-	-	7,519,908
Total expenses	21,034,298	(136,552)	(1,104)	360	3,705	2,519,444	(1,115,410)	22,304,741
Excess of revenues over (under) expenses	5,499,836	600,718	1,311,555	642,575	65,176	(2,519,444)	-	5,600,416
Other financing sources (uses):								
Transfers in	32,387,034	9,028,743	2,410,427	-	-	8,389,933	(52,216,137)	-
Transfers out	(10,294,700)	(8,017,194)	(23,219,295)	(2,505,013)	(3,003,963)	(5,175,973)	52,216,137	(1)
Loss on disposal of assets	(157,927)	2,000,000	-	-	-	-	-	1,842,073
Total other financing sources (uses)	21,934,407	3,011,549	(20,808,868)	(2,505,013)	(3,003,963)	3,213,960	-	1,842,072
Change in net assets	27,434,243	3,612,267	(19,497,313)	(1,862,438)	(2,938,787)	694,516	-	7,442,488
Net assets, beginning of year	118,487,909	(19,254,046)	252,884	6,296,602	2,970,842	(272,488)	-	108,481,703
Net assets, end of year	\$ 145,922,152	\$ (15,641,779)	\$ (19,244,429)	\$ 4,434,164	\$ 32,055	\$ 422,028	\$ -	\$ 115,924,191

METROPOLITAN WASTEWATER MANAGEMENT COMMISSION
REGIONAL WASTEWATER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 24,214,505	\$ 25,566,551	\$ 26,278,697	\$ 712,146	\$ 83,991	\$ 26,362,688
Use of money and property	360,000	360,000	105,668	(254,332)	54,293	159,961
Licenses and permits	7,500	7,500	10,005	2,505	-	10,005
Fines and forfeitures	1,500	1,500	1,200	(300)	-	1,200
Miscellaneous receipts	700,500	700,500	280	(700,220)	-	280
Total revenues	25,284,005	26,636,051	26,395,850	(240,201)	138,284	26,534,134
Expenses:						
Current operating:						
Finance	87,172	87,172	77,602	9,570	-	77,602
Public works	15,145,200	15,207,200	13,367,417	1,839,783	61,312	13,428,729
Debt service						
Interest	-	-	-	-	8,059	8,059
Depreciation	-	-	-	-	7,519,908	7,519,908
Total expenses	15,232,372	15,294,372	13,445,019	1,849,353	7,589,279	21,034,298
Excess of revenues over (under) expenses	10,051,633	11,341,679	12,950,831	1,609,152	(7,450,995)	5,499,836
Other financing sources (uses):						
Transfers in	-	-	-	-	32,387,034	32,387,034
Transfers out	(7,078,932)	(10,294,700)	(10,294,700)	-	-	(10,294,700)
Gain (loss) on disposal of assets	-	-	-	-	(157,927)	(157,927)
Total other financing sources (uses)	(7,078,932)	(10,294,700)	(10,294,700)	-	32,229,107	21,934,407
Change in net assets	2,972,701	1,046,979	2,656,131	1,609,152	24,778,112	27,434,243
Net assets, beginning of year	6,894,154	8,303,485	8,303,485	-	110,184,424	118,487,909
Net assets, end of year	<u>\$ 9,866,855</u>	<u>\$ 9,350,464</u>	<u>\$ 10,959,616</u>	<u>\$ 1,609,152</u>	<u>\$ 134,962,536</u>	<u>\$ 145,922,152</u>

METROPOLITAN WASTEWATER MANAGEMENT COMMISSION
REGIONAL WASTEWATER CAPITAL FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ 80,000	\$ 80,000	\$ 80,000	\$ -	\$ -	\$ 80,000
Use of money and property	750,000	750,000	201,247	(548,753)	172,919	374,166
Miscellaneous receipts	-	10,000	10,000	-	-	10,000
Total revenues	<u>830,000</u>	<u>840,000</u>	<u>291,247</u>	<u>(548,753)</u>	<u>172,919</u>	<u>464,166</u>
Expenses:						
Current operating:						
Public works	417,410	704,779	345,718	359,061	(325,836)	19,882
Debt service:						
Interest	-	-	-	-	(156,434)	(156,434)
Capital projects	362,000	21,640,375	6,881,050	14,759,325	(6,881,050)	-
Total expenses	<u>779,410</u>	<u>22,345,154</u>	<u>7,226,768</u>	<u>15,118,386</u>	<u>(7,363,320)</u>	<u>(136,552)</u>
Excess of revenues over (under) expenses	<u>50,590</u>	<u>(21,505,154)</u>	<u>(6,935,521)</u>	<u>14,569,633</u>	<u>7,536,239</u>	<u>600,718</u>
Other financing sources (uses):						
Transfers in	4,994,700	7,413,743	7,413,743	-	1,615,000	9,028,743
Transfers out	-	(790,427)	(790,427)	-	(7,226,767)	(8,017,194)
Intergovernmental	-	7,279,700	7,888,838	609,138	(5,888,838)	2,000,000
Total other financing sources (uses)	<u>4,994,700</u>	<u>13,903,016</u>	<u>14,512,154</u>	<u>609,138</u>	<u>(11,500,605)</u>	<u>3,011,549</u>
Change in net assets	5,045,290	(7,602,138)	7,576,633	15,178,771	(3,964,366)	3,612,267
Net assets, beginning of year	<u>29,872,618</u>	<u>27,561,446</u>	<u>27,561,446</u>	<u>-</u>	<u>(46,815,492)</u>	<u>(19,254,046)</u>
Net assets, end of year	<u>\$ 34,917,908</u>	<u>\$ 19,959,308</u>	<u>\$ 35,138,079</u>	<u>\$ 15,178,771</u>	<u>\$ (50,779,858)</u>	<u>\$ (15,641,779)</u>

METROPOLITAN WASTEWATER MANAGEMENT COMMISSION
REGIONAL WASTEWATER BOND CAPITAL FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Project reimbursements	\$ -	\$ 437,286	\$ 437,286	\$ -	\$ -	\$ 437,286
Use of money and property	860,000	860,000	296,216	(563,784)	576,949	873,165
Miscellaneous receipts	7,000	7,000	-	(7,000)	-	-
Total revenues	867,000	1,304,286	733,502	(570,784)	576,949	1,310,451
Expenses:						
Current operating						
Public works	-	-	-	-	13,074	13,074
Debt service:						
Interest	-	-	-	-	(14,178)	(14,178)
Arbitrage	200,000	200,000	-	200,000	-	-
Issuance costs	454,939	454,939	-	454,939	-	-
Capital projects	64,654,782	56,953,256	23,219,295	33,733,961	(23,219,295)	-
Total expenses	65,309,721	57,608,195	23,219,295	34,388,900	(23,220,399)	(1,104)
Excess of revenues over (under) expenses	(64,442,721)	(56,303,909)	(22,485,793)	33,818,116	23,797,348	1,311,555
Other financing sources (uses):						
Transfers in	-	790,427	790,427	-	1,620,000	2,410,427
Transfers out	-	-	-	-	(23,219,295)	(23,219,295)
Proceeds of revenue bond sale	34,750,000	20,000,000	-	(20,000,000)	-	-
Total other financing sources (uses)	34,750,000	20,790,427	790,427	(20,000,000)	(21,599,295)	(20,808,868)
Change in net assets	(29,692,721)	(35,513,482)	(21,695,366)	13,818,116	2,198,053	(19,497,313)
Net assets, beginning of year	37,799,448	51,555,059	51,555,059	-	(51,302,175)	252,884
Net assets, end of year	\$ 8,106,727	\$ 16,041,577	\$ 29,859,693	\$ 13,818,116	\$ (49,104,122)	\$ (19,244,429)

METROPOLITAN WASTEWATER MANAGEMENT COMMISSION
REGIONAL WASTEWATER IMPROVEMENT SDC FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 605,625	\$ 605,625	\$ 586,472	\$ (19,153)	\$ (1,656)	\$ 584,816
Use of money and property	300,000	300,000	31,386	(268,614)	26,733	58,119
Total revenues	<u>905,625</u>	<u>905,625</u>	<u>617,858</u>	<u>(287,767)</u>	<u>25,077</u>	<u>642,935</u>
Expenses:						
Current operating:						
Public works	4,000	4,000	360	3,640	-	360
Excess of revenues over (under) expenses	901,625	901,625	617,498	(284,127)	25,077	642,575
Other financing sources (uses):						
Transfers out	(2,505,013)	(2,505,013)	(2,505,013)	-	-	(2,505,013)
Change in net assets	(1,603,388)	(1,603,388)	(1,887,515)	(284,127)	25,077	(1,862,438)
Net assets, beginning of year	6,310,160	6,298,460	6,298,460	-	(1,858)	6,296,602
Net assets, end of year	<u>\$ 4,706,772</u>	<u>\$ 4,695,072</u>	<u>\$ 4,410,945</u>	<u>\$ (284,127)</u>	<u>\$ 23,219</u>	<u>\$ 4,434,164</u>

METROPOLITAN WASTEWATER MANAGEMENT COMMISSION
REGIONAL WASTEWATER REIMBURSEMENT SDC FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 58,125	\$ 58,125	\$ 55,604	\$ (2,521)	\$ (192)	\$ 55,412
Use of money and property	175,000	175,000	4,409	(170,591)	9,060	13,469
Total revenues	<u>233,125</u>	<u>233,125</u>	<u>60,013</u>	<u>(173,112)</u>	<u>8,868</u>	<u>68,881</u>
Expenses:						
Current operating:						
Public works	7,500	7,500	3,705	3,795	-	3,705
Excess of revenues over (under) expenses	225,625	225,625	56,308	(169,317)	8,868	65,176
Other financing sources (uses):						
Transfers out	(3,003,963)	(3,003,963)	(3,003,963)	-	-	(3,003,963)
Change in net assets	(2,778,338)	(2,778,338)	(2,947,655)	-	8,868	(2,938,787)
Net assets, beginning of year	2,985,046	2,972,613	2,972,613	-	(1,771)	2,970,842
Net assets, end of year	<u>\$ 206,708</u>	<u>\$ 194,275</u>	<u>\$ 24,958</u>	<u>\$ (169,317)</u>	<u>\$ 7,097</u>	<u>\$ 32,055</u>

METROPOLITAN WASTEWATER MANAGEMENT COMMISSION
REGIONAL WASTEWATER DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2010

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Expenses:						
Debt service:						
Principal	\$ 3,235,000	\$ 3,539,143	\$ 3,235,000	\$ 304,143	\$ (3,235,000)	\$ -
Interest	4,477,938	4,970,520	4,477,938	492,582	(1,958,494)	2,519,444
Total expenses	<u>7,712,938</u>	<u>8,509,663</u>	<u>7,712,938</u>	<u>796,725</u>	<u>(5,193,494)</u>	<u>2,519,444</u>
Excess of revenues over (under) expenses	<u>(7,712,938)</u>	<u>(8,509,663)</u>	<u>(7,712,938)</u>	<u>796,725</u>	<u>5,193,494</u>	<u>(2,519,444)</u>
Other financing sources (uses)						
Transfers in	7,593,208	8,389,933	8,389,933	-	-	8,389,933
Transfers out	-	-	-	-	(5,175,973)	(5,175,973)
Total other financing sources (uses)	<u>7,593,208</u>	<u>8,389,933</u>	<u>8,389,933</u>	<u>-</u>	<u>(5,175,973)</u>	<u>3,213,960</u>
Change in net assets	(119,730)	(119,730)	676,995	-	17,521	694,516
Net assets, beginning of year	<u>119,730</u>	<u>482,595</u>	<u>482,595</u>	<u>-</u>	<u>(755,083)</u>	<u>(272,488)</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 362,865</u>	<u>\$ 1,159,590</u>	<u>\$ 796,725</u>	<u>\$ (737,562)</u>	<u>\$ 422,028</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, 2010

	Taxes Receivable 7/1/2009	Tax Levy	(Adjustments) Interest and (Discounts)	(Deduct) Collections	Taxes Receivable 6/30/2010
Prior Years	\$ 80,462	-	\$ (11,490)	\$ (1,288)	\$ 67,684
2000-01	12,973	-	68	(394)	12,648
2001-02	11,707	-	17	(737)	10,987
2002-03	12,096	-	81	(501)	11,675
2003-04	14,524	-	(1,677)	(508)	12,339
2004-05	18,382	-	(1,915)	(2,357)	14,110
2005-06	47,999	-	(1,765)	(28,913)	17,321
2006-07	116,150	-	3,035	(74,163)	45,022
2007-08	272,082	-	(2,612)	(129,151)	140,319
2008-09	801,138	-	(33,772)	(429,755)	337,611
2009-10	-	27,170,891	(508,992)	(25,473,655)	1,188,244
	<u>\$ 1,387,514</u>	<u>\$ 27,170,891</u>	<u>\$ (559,023)</u>	<u>\$ (26,141,422)</u>	<u>\$ 1,857,961</u>
Summary by Fund:					
General Fund				\$ (16,904,275)	\$ 1,180,283
Fire Levy Fund				(1,438,444)	99,556
Police Levy Fund				(3,891,234)	241,137
SEDA Glenwood General Fund				(293,822)	12,053
SEDA Downtown General Fund				(222,514)	12,675
Debt Service Funds:					
Bancroft Redemption				(74)	1,644
General Obligation				(3,391,059)	310,613
				<u>\$ (26,141,422)</u>	<u>\$ 1,857,961</u>

SCHEDULE OF OTHER TAX REVENUES RECEIVED

Special Revenue Funds	
Transient room taxes	\$ 679,566
Gas Tax	1,002,858
911 Tax	298,051
	<u>\$ 1,980,475</u>

City of Springfield, Oregon

SCHEDULE OF BONDED DEBT TRANSACTIONS

Year Ended June 30, 2010

	Issue Date	Effective Interest Rate	Original Issue	Principal Transactions				Interest Transactions				
				Outstanding July 1, 2009	Issued	Bonds Matured/ Called	Bonds Paid	Outstanding June 30, 2010	Outstanding July 1, 2009	Matured 2009-10	Paid in 2009-10	Outstanding June 30, 2010
<u>General Obligation Bonds</u>												
General issue bonds:												
Series 2007	3/9/2007	4.00%	\$ 24,650,000	\$ 23,015,000	\$ -	\$ 955,000	\$ 955,000	\$ 22,060,000	\$ -	\$ 954,435	\$ 954,435	\$ -
Series 2005	7/26/2005	3.48%	12,425,000	<u>8,925,000</u>	<u>-</u>	<u>1,010,000</u>	<u>1,010,000</u>	<u>7,915,000</u>		<u>301,758</u>	<u>301,758</u>	<u>-</u>
Total general obligation bonds				<u>\$ 31,940,000</u>	<u>\$ -</u>	<u>\$ 1,965,000</u>	<u>\$ 1,965,000</u>	<u>\$ 29,975,000</u>	<u>\$ -</u>	<u>\$ 1,256,193</u>	<u>\$ 1,256,193</u>	<u>\$ -</u>
<u>Revenue Bonds</u>												
Revenue Bonds:												
Series 2005	5/13/2005	3.70%	\$ 1,985,000	\$ 1,280,000	\$ -	\$ 200,000	\$ 200,000	\$ 1,080,000	\$ -	\$ 42,563	\$ 42,563	\$ -
Series 2009	4/2/2009	4.07%	22,815,000	<u>22,815,000</u>	<u>-</u>	<u>660,000</u>	<u>660,000</u>	<u>22,155,000</u>		<u>1,051,668</u>	<u>1,051,668</u>	<u>-</u>
Total City revenue bonds				<u>\$ 24,095,000</u>	<u>\$ -</u>	<u>\$ 860,000</u>	<u>\$ 860,000</u>	<u>\$ 23,235,000</u>	<u>\$ -</u>	<u>\$ 1,094,231</u>	<u>\$ 1,094,231</u>	<u>\$ -</u>
<u>Component Unit</u>												
MWMC Revenue Bonds:												
Series 2006	11/15/2006	3.97%	\$ 47,270,000	\$ 44,220,000	\$ -	\$ 1,615,000	\$ 1,615,000	\$ 42,605,000	\$ -	\$ 2,086,725	\$ 2,086,725	\$ -
Series 2008	11/20/2008	4.91%	50,730,000	<u>50,730,000</u>	<u>-</u>	<u>1,620,000</u>	<u>1,620,000</u>	<u>49,110,000</u>		<u>2,391,213</u>	<u>2,391,213</u>	<u>-</u>
Total MWMC revenue bonds				<u>\$ 94,950,000</u>	<u>\$ -</u>	<u>\$ 3,235,000</u>	<u>\$ 3,235,000</u>	<u>\$ 91,715,000</u>	<u>\$ -</u>	<u>\$ 4,477,938</u>	<u>\$ 4,477,938</u>	<u>\$ -</u>

City of Springfield, Oregon

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

June 30, 2010

	<u>Series 2005 Bonds</u>		<u>Series 2007 Bonds</u>		<u>Total</u>		<u>Total</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	
2010-11	\$ 1,035,000	\$ 271,458	\$ 995,000	\$ 913,370	\$ 2,030,000	\$ 1,184,828	\$ 3,214,828	
2011-12	1,065,000	240,408	1,035,000	870,585	2,100,000	1,110,993	3,210,993	
2012-13	1,100,000	207,393	1,080,000	826,080	2,180,000	1,033,473	3,213,473	
2013-14	1,130,000	171,643	1,125,000	779,640	2,255,000	951,283	3,206,283	
2014-15	1,165,000	134,352	1,175,000	731,266	2,340,000	865,618	3,205,618	
2015-16	205,000	94,743	1,230,000	678,390	1,435,000	773,133	2,208,133	
2016-17	210,000	87,568	1,285,000	623,040	1,495,000	710,608	2,205,608	
2017-18	220,000	79,902	1,340,000	565,215	1,560,000	645,117	2,205,117	
2018-19	225,000	71,653	1,390,000	514,965	1,615,000	586,618	2,201,618	
2019-20	235,000	62,990	1,445,000	462,840	1,680,000	525,830	2,205,830	
2020-21	245,000	53,825	1,500,000	406,485	1,745,000	460,310	2,205,310	
2021-22	255,000	44,025	1,560,000	346,485	1,815,000	390,510	2,205,510	
2022-23	265,000	33,825	1,625,000	284,085	1,890,000	317,910	2,207,910	
2023-24	275,000	22,960	1,690,000	219,085	1,965,000	242,045	2,207,045	
2024-25	285,000	11,685	1,755,000	151,485	2,040,000	163,170	2,203,170	
2025-26	-	-	1,830,000	77,772	1,830,000	77,772	1,907,772	
	<u>\$ 7,915,000</u>	<u>\$ 1,588,430</u>	<u>\$ 22,060,000</u>	<u>\$ 8,450,788</u>	<u>\$ 29,975,000</u>	<u>\$ 10,039,218</u>	<u>\$ 40,014,218</u>	

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Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	121-125
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	126-129
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.	130-134
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.	135-136
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.	137-139

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 Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
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
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
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
Total governmental activities net assets	<u>\$ 91,183,613</u>	<u>\$ 99,641,543</u>	<u>\$ 108,293,005</u>	<u>\$ 112,828,834</u>	<u>\$ 122,513,647</u>	<u>\$ 139,558,544</u>	<u>\$ 139,311,394</u>	<u>\$ 142,562,142</u>
Business-type activities								
Invested in capital assets, net of related debt	\$ 27,984,816	\$ 24,282,731	\$ 33,842,248	\$ 36,211,661	\$ 37,602,170	\$ 48,309,073	\$ 49,313,676	\$ 52,807,159
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
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
Total business-type activities net assets	<u>\$ 43,589,030</u>	<u>\$ 44,922,787</u>	<u>\$ 47,074,336</u>	<u>\$ 49,777,800</u>	<u>\$ 52,707,874</u>	<u>\$ 61,501,976</u>	<u>\$ 62,239,200</u>	<u>\$ 68,359,594</u>
Primary government								
Invested in capital assets, net of related debt	\$ 92,559,182	\$ 91,576,071	\$ 103,587,564	\$ 109,986,701	\$ 120,195,335	\$ 145,381,903	\$ 148,694,390	\$ 160,519,752
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
Unrestricted	32,410,603	38,651,033	38,903,112	40,899,551	41,393,731	43,897,372	43,451,932	42,144,379
Total primary government net assets	<u>\$ 134,771,644</u>	<u>\$ 144,564,330</u>	<u>\$ 155,367,341</u>	<u>\$ 162,606,634</u>	<u>\$ 175,221,521</u>	<u>\$ 201,060,520</u>	<u>\$ 201,550,594</u>	<u>\$ 210,921,736</u>

(1) The City implemented GASB 34, the new reporting standard, in fiscal year 2003. Therefore, ten years of data is not available but will be accumulated over time.

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
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
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
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
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
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
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
Depreciation, unallocated	235,888	235,888	235,888	255,614	259,908	273,239	313,042	283,227
Interest on long-term debt	571,376	538,563	516,454	381,657	706,762	1,394,478	1,406,144	1,373,371
Total governmental activities expense	<u>32,650,530</u>	<u>37,987,811</u>	<u>41,701,188</u>	<u>43,804,373</u>	<u>46,415,366</u>	<u>45,655,422</u>	<u>47,639,839</u>	<u>48,111,150</u>
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
Storm drainage	-	-	-	-	-	-	3,894,947	3,956,135
Booth-Kelly	496,460	438,049	502,163	520,007	589,313	660,713	779,773	1,433,965
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
Business-type activities expenses	<u>11,469,317</u>	<u>11,769,994</u>	<u>12,439,272</u>	<u>12,958,527</u>	<u>13,308,871</u>	<u>13,009,046</u>	<u>16,233,625</u>	<u>15,194,279</u>
Total primary government expenses	<u>\$ 44,119,847</u>	<u>\$ 49,757,805</u>	<u>\$ 54,140,460</u>	<u>\$ 56,762,900</u>	<u>\$ 59,724,237</u>	<u>\$ 58,664,468</u>	<u>\$ 63,873,464</u>	<u>\$ 63,305,429</u>
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
Police	170,630	150,892	156,735	250,968	232,563	274,968	490,731	246,682
Fire	1,065,802	919,655	1,679,977	1,423,906	1,587,419	1,659,654	1,677,216	1,716,417
Public works	2,831,343	2,664,605	8,071,249	4,627,601	4,487,753	1,424,937	1,494,678	883,252
Library	108,720	100,226	94,313	79,534	88,338	91,273	89,853	103,475
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
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
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
Total governmental activities program revenues	<u>16,683,750</u>	<u>22,725,596</u>	<u>25,961,012</u>	<u>21,006,808</u>	<u>26,060,490</u>	<u>30,529,113</u>	<u>12,591,918</u>	<u>16,605,285</u>
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
Storm drainage	-	-	-	-	-	-	4,475,347	4,984,732
Booth-Kelly	563,247	537,199	593,937	600,968	634,721	664,398	788,095	1,381,649
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
Operating grants and contributions	-	-	675	6,068	2,294	-	-	-
Capital grants and contributions	1,932,085	926,308	2,683,114	3,004,413	1,263,879	7,201,122	1,367,790	3,161,477
Total business-type activities program revenues	<u>12,630,449</u>	<u>12,693,557</u>	<u>14,478,354</u>	<u>15,494,205</u>	<u>15,305,614</u>	<u>21,242,510</u>	<u>16,884,215</u>	<u>20,687,877</u>
Total primary government program revenues	<u>\$ 29,314,199</u>	<u>\$ 35,419,153</u>	<u>\$ 40,439,366</u>	<u>\$ 36,501,013</u>	<u>\$ 41,366,104</u>	<u>\$ 51,771,623</u>	<u>\$ 29,476,133</u>	<u>\$ 37,293,162</u>
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)
Business-type activities	1,161,132	923,563	2,039,082	2,535,678	1,996,743	8,233,464	650,590	5,493,598
Total primary government net expense	<u>\$ (14,805,648)</u>	<u>\$ (14,338,652)</u>	<u>\$ (13,701,094)</u>	<u>\$ (20,261,887)</u>	<u>\$ (18,358,133)</u>	<u>\$ (6,892,845)</u>	<u>\$ (34,397,331)</u>	<u>\$ (26,012,267)</u>

Continued

Continued

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property taxes	\$ 13,711,384	\$ 16,778,764	\$ 16,542,797	\$ 17,978,830	\$ 19,023,927	\$ 20,761,839	\$ 24,888,500	\$ 26,616,211
Room taxes	822,279	524,726	586,748	678,594	819,206	783,767	771,994	679,566
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
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
Investment earnings	629,891	295,382	814,959	1,702,251	2,758,907	2,945,365	1,727,120	664,423
Miscellaneous	258,703	253,878	151,033	206,256	385,310	323,133	379,635	201,184
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
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)
Total governmental activities	<u>20,748,434</u>	<u>23,716,046</u>	<u>24,414,288</u>	<u>27,342,643</u>	<u>30,039,884</u>	<u>32,171,204</u>	<u>35,424,025</u>	<u>34,756,616</u>
Business-type activities:								
Investment earnings	350,104	141,853	328,840	441,688	868,946	821,733	559,713	409,360
Miscellaneous	42,882	165,850	238,626	142,650	707,548	11,597	120,051	186,763
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
Total business-type activities	<u>4,502,175</u>	<u>410,193</u>	<u>112,467</u>	<u>167,786</u>	<u>933,326</u>	<u>560,638</u>	<u>86,634</u>	<u>626,796</u>
Total primary government	<u>\$ 25,250,609</u>	<u>\$ 24,126,239</u>	<u>\$ 24,526,755</u>	<u>\$ 27,510,429</u>	<u>\$ 30,973,210</u>	<u>\$ 32,731,842</u>	<u>\$ 35,510,659</u>	<u>\$ 35,383,412</u>
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
Business-type activities	<u>5,663,307</u>	<u>1,333,755</u>	<u>2,151,549</u>	<u>2,703,464</u>	<u>2,930,069</u>	<u>8,794,102</u>	<u>737,224</u>	<u>6,120,394</u>
Total primary government	<u>\$ 10,444,961</u>	<u>\$ 9,787,586</u>	<u>\$ 10,825,661</u>	<u>\$ 7,248,542</u>	<u>\$ 12,615,077</u>	<u>\$ 25,838,997</u>	<u>\$ 1,113,328</u>	<u>\$ 9,371,145</u>

1 This schedule reports using the accrual basis of accounting.

2 Expenses include allocated indirect expenses.

3 The City implemented GASB 34, the new reporting standard, in fiscal year 2003. Therefore, ten years of data is not available but will be accumulated over time.

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 360,759	\$ 281,390	\$ 289,211	\$ 288,075	\$ 293,103	\$ 494,395	\$ 391,918	\$ 926,688	\$ 388,528	\$ 10,546
Unreserved	3,706,208	3,802,111	4,620,032	5,679,318	6,437,254	6,896,167	7,874,253	8,350,863	6,966,896	7,843,269
Total general fund	<u>\$ 4,066,967</u>	<u>\$ 4,083,501</u>	<u>\$ 4,909,243</u>	<u>\$ 5,967,393</u>	<u>\$ 6,730,357</u>	<u>\$ 7,390,562</u>	<u>\$ 8,266,171</u>	<u>\$ 9,277,551</u>	<u>\$ 7,355,424</u>	<u>\$ 7,853,815</u>
All Other Governmental Funds										
Reserved	\$ 8,649,533	\$ 11,048,251	\$ 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	1,827,325	2,738,673	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	3,436,262	4,008,754	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	3,638,933	-	3,551,441	3,187,568	2,561,169	2,433,530	2,036,894	1,718,922	1,369,823	1,257,621
Total all other governmental funds	<u>\$ 17,552,053</u>	<u>\$ 17,795,678</u>	<u>\$ 16,308,721</u>	<u>\$ 18,676,269</u>	<u>\$ 23,907,882</u>	<u>\$ 26,417,145</u>	<u>\$ 46,857,183</u>	<u>\$ 35,749,266</u>	<u>\$ 25,976,300</u>	<u>\$ 14,240,496</u>

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenue:										
Taxes	\$ 13,220,134	\$ 12,258,721	\$ 13,785,136	\$ 18,091,192	\$ 18,762,676	\$ 19,907,659	\$ 21,201,934	\$ 22,756,676	\$ 26,796,400	\$ 28,121,897
Intergovernmental	7,706,304	7,645,630	7,399,782	11,785,002	9,480,359	9,136,228	10,481,742	8,053,038	8,051,131	9,857,571
Licenses and permits	2,851,558	2,054,215	2,941,609	3,440,031	2,685,926	2,799,900	3,357,236	3,975,361	3,147,467	2,583,181
Fines & forfeitures	901,205	813,991	959,806	804,953	975,892	1,058,271	1,216,083	1,162,425	1,285,427	1,437,612
Use of money & property	1,386,814	2,237,325	1,138,208	1,158,436	1,317,205	1,800,266	2,489,523	2,821,836	1,159,664	452,130
Miscellaneous receipts	487,893	698,554	830,924	416,801	149,089	167,044	525,944	312,154	464,200	267,380
Charges for services	5,429,470	3,571,736	4,329,354	5,195,554	14,260,750	10,477,114	9,745,427	16,598,189	7,660,854	7,041,256
Special assessments	157,374	363,647	171,544	59,444	88,103	138,754	53,236	38,011	11,684	10,856
Total Revenues	32,140,752	29,643,819	31,556,363	40,951,413	47,720,000	45,485,236	49,071,125	55,717,690	48,576,827	49,771,883
Expenditures:										
Current Operating:										
General government	4,956,910	4,368,236	4,339,989	4,635,351	4,517,243	5,118,518	5,338,050	5,815,636	6,460,455	5,536,753
Public safety	14,757,586	13,638,410	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fire	n/a	n/a	6,146,043	7,721,591	8,532,848	8,733,057	9,881,752	10,486,561	10,988,771	10,651,586
Police	n/a	n/a	9,078,155	10,279,002	11,319,761	12,136,134	13,038,101	13,267,724	14,138,500	16,185,060
Library	1,097,079	1,016,003	1,254,486	1,198,034	1,222,631	1,279,663	1,260,454	1,263,439	1,354,548	1,360,464
Community development	8,224,302	7,201,846	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Public works	n/a	n/a	4,073,602	4,852,380	5,525,541	6,572,644	7,973,446	6,991,568	8,096,133	6,118,140
Development services	n/a	n/a	4,051,355	3,950,812	4,061,002	4,291,759	4,539,636	4,814,244	4,584,530	5,966,952
Capital Projects	2,267,997	2,803,188	3,270,813	4,321,051	5,697,868	7,409,155	9,570,207	20,164,161	13,773,261	12,119,784
Debt service										
Principal	698,528	815,475	681,894	641,285	673,046	668,462	984,177	1,732,030	2,030,047	2,173,240
Interest	603,403	638,424	571,377	538,562	507,382	372,870	413,956	1,572,382	1,390,816	1,364,942
Bond issue costs	-	-	-	-	-	63,112	355,501	-	-	-
Arbitrage	-	-	-	-	-	-	-	-	-	49,406
Total expenditures	32,605,805	30,481,582	33,467,714	38,138,068	42,057,322	46,645,374	53,355,280	66,107,745	62,817,061	61,526,327
Excess of revenues over (under) expenditures	(465,053)	(837,763)	(1,911,351)	2,813,345	5,662,678	(1,160,138)	(4,284,155)	(10,390,055)	(14,240,234)	(11,754,444)
Other financing sources (Uses)										
Proceeds of sale of capital assets	-	-	5,401,455	-	-	-	-	-	-	-
Capital contributions	-	-	-	105,237	-	-	-	-	-	-
Transfers in	1,032,246	820,469	4,397,447	1,733,278	2,660,992	1,651,223	1,772,318	2,523,359	6,070,182	4,647,041
Transfers out	(820,286)	(581,445)	(8,308,247)	(1,231,260)	(2,205,993)	(1,300,957)	(1,129,150)	(2,248,737)	(5,287,262)	(4,146,202)
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)	211,960	239,024	1,490,655	607,255	354,545	4,338,856	25,605,410	274,622	2,582,920	500,839
Net changes in fund balances	\$ (253,093)	\$ (598,739)	\$ (420,696)	\$ 3,420,600	\$ 6,017,223	\$ 3,178,718	\$ 21,321,255	\$ (10,115,433)	\$ (11,657,314)	\$ (11,253,605)
Debt services as a percentage of non-capital expenditures	4.06%	4.93%	3.98%	3.23%	2.95%	2.45%	3.00%	6.96%	6.96%	7.14%

Notes

- a) Prior to fiscal year 2003, Fire and Police services were combined into a single reporting function titled Public Safety. Separate information was not available.
b) Prior to fiscal year 2003, Public Works and Development Services were combined into a single reporting function titled Community Development. Separate information was not available.

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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>
2001	-	-	-	-	2,254,884,249	5.18	2,950,815,480	76.42%
2002	-	-	-	-	2,496,155,203	5.17	3,156,227,240	79.09%
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%

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
2001	4.74	0.44	-	-	5.18	5.67	1.44	0.87	0.22	2.44	3.16	0.05	-
2002	4.74	0.43	-	-	5.17	5.69	1.44	0.86	0.22	2.38	3.12	0.05	-
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

Source: Lane County Department of Assessment & Taxation

City of Springfield, Oregon
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
IP Eat Three LLC	\$ 196,148,058	1	5.26%	\$ -		
Symantec Corporation	77,524,843	2	2.08%	-		
PeaceHealth	293,157,502	3	7.87%	-		
Gateway Mall Partners	57,854,704	4	1.55%	40,695,749	2	1.80%
Rosboro Lumber Company	31,085,137	5	0.83%	17,608,410	4	0.78%
Comcast Corporation	27,229,200	6	0.73%	-		
RC Springfield 2007 LLC	22,086,216	7	0.59%	-		
Kingsford Manufacturing	25,104,328	8	0.67%	16,998,680	5	0.75%
McKenzie Willamette Regional Medical Ctr.	21,669,902	9	0.58%	-		
Brentwood Estates LLC	18,375,885	10	0.49%	-		
Weyerhaeuser Company	-			256,682,177	1	11.38%
Qwest Corp	-			31,489,364	3	1.40%
Neste Resins Corporation	-			14,161,120	6	0.63%
Sierra Pine	-			13,305,710	7	0.59%
Servistar-Coast to Coast	-			11,102,510	8	0.49%
Farwest Steel Corporation	-			10,756,743	9	0.48%
Total	\$ 574,087,717		15.39%	\$ 412,800,463		18.30%

Source: Lane County Department of Assessment and Taxation

City of Springfield, Oregon

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections & Adjustments in Subsequent Years	Total Collections and Adjustments to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	11,560,318	11,026,764	95.4%	519,765	11,546,529	99.9%
2002	12,432,664	11,910,378	95.8%	509,660	12,420,038	99.9%
2003	12,892,396	12,409,499	96.3%	467,997	12,877,496	99.9%
2004	16,625,557	16,012,967	96.3%	591,987	16,604,954	99.9%
2005	17,372,713	16,362,478	94.2%	962,208	17,324,686	99.7%
2006	18,347,448	17,394,011	94.8%	852,041	18,246,052	99.4%
2007	19,665,050	18,611,955	94.6%	836,062	19,448,017	98.9%
2008	21,473,863	20,128,824	93.7%	720,379	20,849,203	97.1%
2009	25,639,015	24,092,260	94.0%	745,617	24,837,877	96.9%
2010	27,170,891	25,473,655	93.8%	508,992	24,054,298	88.5%

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			
2001	10,425,000	160,000	-	823,877	2,770,000	3,297,225	17,476,102	*	327
2002	9,880,000	60,000	-	771,035	2,635,000	3,049,496	16,395,531	*	309
2003	9,315,000	-	-	713,249	2,495,000	2,686,629	15,209,878	0.17%	278
2004	8,725,000	-	-	661,964	2,345,000	2,525,606	14,257,570	0.15%	258
2005	8,105,000	-	-	608,918	1,985,000	2,248,720	12,947,638	0.13%	232
2006	11,805,000	-	157,584	560,456	1,815,000	1,842,482	16,180,522	0.15%	284
2007	35,520,000	-	126,629	511,278	1,645,000	8,690,632	46,493,539	0.41%	811
2008	33,840,000	-	87,507	459,249	1,470,000	8,861,225	44,717,981	0.38%	771
2009	31,940,000	-	46,305	2,129,202	24,095,000	7,513,982	65,724,489	0.57%	1,132
2010	29,975,000	-	1,382,311	1,920,962	23,235,000	6,697,965	63,211,238	**	1,079

Source: Annual Financial Reports

* not available

** not yet available

City of Springfield, Oregon

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

	<u>General Bonded Debt Outstanding</u>		
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2001	10,425,000	0.46%	195
2002	9,880,000	0.40%	186
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

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

City of Springfield, Oregon

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT

June 30, 2010

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Willamalane Park and Recreation District	\$ -	93.8764%	\$ -
Lane County	12,940,000	15.7672%	2,040,276
Lane County School District No. 4J	121,695,000	6.4038%	7,793,104
Lane County School District No. 19	55,705,218	74.6018%	41,557,095
Lane Community College	41,015,000	15.5673%	6,384,928
Lane ESD	7,890,000	15.8105%	1,247,448
Other debt			
Lane Community College self supporting full faith and credit debt	45,453,927	15.5673%	7,075,949
Lane Council of Governments revenue bonds	497,730	-	-
Lane County self supporting full faith and credit debt	68,782,219	15.7672%	10,845,030
Lane County Housing Authority revenue bonds	755,000	-	-
Lane County School District No. 4J self supporting full faith and credit debt	52,410,000	6.4038%	3,356,232
Lane County School District No. 19 self supporting full faith and credit debt	60,570,000	74.6018%	45,186,310
Lane ESD appropriation credits	95,000	-	-
Metropolitan Wastewater Management Commission	91,715,000	-	-
Willamalane Park and Recreation District self supporting full faith and credit debt	1,455,000	93.8764%	1,365,902
Subtotal overlapping debt			126,852,274
City direct debt			
Debt repaid with property taxes			<u>29,975,000</u>
Total direct and overlapping debt			<u><u>\$ 156,827,274</u></u>

* For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value. This approach was also used for other debt. Lane County Housing Authority has only revenue backed debt and no methodology for estimating the percent of overlap has been developed.

Source: Municipal Bond Division of the State Treasury Department

City of Springfield, Oregon

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

		<u>June 30, 2010</u>
Real market value		<u>\$ 7,309,497,628</u>
Debt limit 3% of real market value		\$ 219,284,929
Amount of debt applicable to debt limit		
Total general issue debt	\$ 29,975,000	
Less		
Funds applicable to the payment of the principal thereof per ORS 287.004(2)	<u>764,704</u>	
Total amount of debt applicable to limit		<u>29,210,296</u>
Total debt margin		<u>\$ 190,074,633</u>

	Fiscal Year									
	<u>2001</u>	<u>2002</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>
Debt Limit	\$ 88,524,464	\$ 94,686,817	\$ 95,106,714	\$ 102,314,512	\$ 110,474,376	\$ 127,434,324	\$ 166,986,619	\$ 199,676,613	\$ 216,166,778	\$ 219,284,929
Total net debt applicable to limit	<u>10,055,448</u>	<u>9,506,042</u>	<u>8,994,773</u>	<u>8,373,242</u>	<u>7,753,964</u>	<u>11,432,921</u>	<u>35,257,315</u>	<u>33,421,463</u>	<u>31,352,605</u>	<u>29,210,296</u>
Legal debt margin	<u>\$ 78,469,016</u>	<u>\$ 85,180,775</u>	<u>\$ 86,111,941</u>	<u>\$ 93,941,270</u>	<u>\$ 102,720,412</u>	<u>\$ 116,001,403</u>	<u>\$ 131,729,304</u>	<u>\$ 166,255,150</u>	<u>\$ 184,814,173</u>	<u>\$ 190,074,633</u>
Total net debt applicable to the limit as a percentage of debt limit	11.36%	10.04%	9.46%	8.18%	7.02%	8.97%	21.11%	16.74%	14.50%	13.32%

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	
2001	5,478,574	3,987,590	1,490,984	130,000	150,165	5.32
2002	6,811,090	3,905,832	2,905,258	135,000	144,315	10.40
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	11,760,518	6,947,301	4,813,217	860,000	1,094,244	2.46

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

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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
2001	53,490	*	*	11,088	6.1%
2002	53,140	*	*	11,229	7.2%
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	11,680,000	33,522	10,608	5.7%
2009	58,085	11,526,000	32,826	10,526	12.7%
2010	58,575	**	**	10,221	11.0%

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

Note: 2010 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 available

** Not yet available

City of Springfield, Oregon

Principal Employers,

Current Year and Nine Years Ago

<u>Employer</u>	<u>2010</u>			<u>2001</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Peace Health Oregon Region	3,350	1	13.75%	-		-
Springfield School District #19	1,403	2	5.76%	1,500	1	6.07%
Symantic	1,253	3	5.14%	-		-
McKenzie Willamette Hospital	780	4	3.20%	1,070	2	4.33%
City of Springfield	454	5	1.86%	385	6	1.56%
Wal-Mart	425	6	1.74%	-		-
Willamalane Park and Recreation District	329	7	1.35%	-		-
Rosboro Lumber Company	320	8	1.31%	400	5	1.62%
Royal Caribbean Cruise Lines	307	9	1.26%	-		-
Lane Transit District	304	10	1.25%	-		-
U.S. Postal Service	-		-	280	8	1.13%
Weyerhaeuser	-		-	580	3	2.35%
Sony	-		-	430	4	1.74%
Service Star/Coast to Coast	-		-	350	7	1.42%
McKenzie Forest Products	-		-	272	9	1.10%
Albertson's	-		-	260	10	1.05%
Total	<u>5,575</u>		<u>22.87%</u>	<u>5,527</u>		<u>22.37%</u>

Source: City Economic Development Division

Operating Information

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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*

<u>Function/Program</u>	<u>2001</u>	<u>2002</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>
General government										
City management	6.00	5.00	5.00	5.00	6.00	7.00	7.00	7.50	8.00	8.00
Finance	11.70	11.70	11.70	10.50	11.50	11.50	11.30	11.30	11.30	10.30
Human resources	10.00	10.00	8.20	7.50	7.00	7.00	7.00	7.00	7.00	6.00
Information technology	10.00	10.00	10.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00
Legal/Judicial services	6.55	6.55	6.55	7.55	7.55	7.55	7.55	7.55	8.55	8.55
Development services	39.50	38.25	36.25	36.00	35.75	33.00	35.25	37.25	39.75	34.75
Police										
Officers	61.00	62.00	62.00	69.00	70.00	70.00	70.00	70.00	70.00	66.00
Civilians	32.45	32.50	31.00	40.00	38.50	40.00	40.00	40.00	41.00	57.00
Fire										
Firefighters and officers	79.00	79.00	80.00	89.00	89.00	87.00	89.00	89.00	90.25	91.00
Civilians	19.25	18.55	17.55	18.55	14.05	14.55	16.05	21.25	21.00	17.00
Other public works										
Engineers	10.00	9.00	9.00	9.00	15.00	14.00	17.00	16.00	19.00	20.00
Other	84.51	86.50	84.50	83.50	93.50	97.50	100.50	106.60	110.00	101.00
Library	15.00	14.20	14.20	14.20	13.40	13.60	13.60	13.60	13.60	13.20
Total	<u>384.96</u>	<u>383.25</u>	<u>375.95</u>	<u>398.80</u>	<u>410.25</u>	<u>412.70</u>	<u>424.25</u>	<u>437.05</u>	<u>449.45</u>	<u>442.80</u>

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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Physical arrests	7,385	6,539	7,486	6,841	7,192	10,993	9,044	8,523	7,054	7,107
Parking violations	1,329	1,426	1,397	1,452	1,114	939	941	457	395	354
Traffic violations	9,866	9,777	8,913	7,938	8,693	9,182	10,879	10,091	9,964	9,423
Fire										
Number of fire stations	5	5	5	5	5	5	5	5	5	5
Emergency responses	11,171	11,450	11,497	12,177	14,097	16,129	16,345	18,190	18,413	17,382
Fires extinguished	271	276	276	302	240	283	257	216	238	165
Inspections	2,754	2,951	2,642	3,024	3,016	3,540	3,719	3,374	3,329	2,103
Public works										
Crack sealing	11	19	20	53	27	33	28	18	41	12
Potholes repaired	605	782	1,463	934	1,094	1,343	989	1,142	722	1,569
Storm lines high velocity cleaning	168,648	349,955	378,623	383,778	251,249	231,891	132,637	215,683	32,584	7,810
Sanitary lines high velocity cleaning	609,367	580,982	527,637	954,912	781,234	518,889	664,822	657,295	932,839	965,853
Library										
Number of public computer log-ins	74,689	94,191	89,514	89,300	111,773	118,894	149,153	109,019	100,867	60,335
Total volumes loaned	323,488	324,424	323,450	314,371	306,946	309,277	293,068	297,982	326,235	344,809
Development services *										
Number of building permits	851	637	626	672	759	770	724	618	512	491
Building valuation (in thousands)	79,656	68,038	83,921	68,897	407,724	462,560	192,868	143,064	65,192	48,150

Sources: Various city departments

* Development services indicators are presented for calendar years

** Public computer provided beginning 2001

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2001</u>	<u>2002</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>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	17	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)	196	197	381	385	387	390	392	398	401	412
Street lights	3,071	3,236	3,336	3,505	3,544	3,555	3,875	4,033	4,117	4,160
Traffic signals	-	-	-	-	-	72	70	68	68	69
Water										
Fire hydrants	1,098	1,205	1,213	1,273	1,302	1,500	1,516	1,553	1,552	1,552

Sources: Various city departments

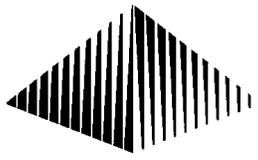
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Compliance Section

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Audit Comments

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GROVE, MUELLER & SWANK, P.C.

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

INDEPENDENT AUDITOR'S 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, 2010, and have issued our report thereon dated December 3, 2010. 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.

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.

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: 
Charles A. Swank, A Shareholder
December 3, 2010

Governmental Auditing Standards

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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, 2010, and have issued our report thereon dated December 3, 2010. 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

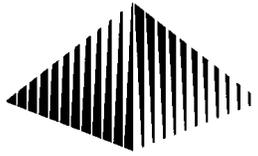
As part of obtaining reasonable assurance about whether City of Springfield's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material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

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 3, 2010

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

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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 COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND
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 compliance of City of Springfield, Oregon with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. 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 requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2010.

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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 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 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 3, 2010

CITY OF SPRINGFIELD, OREGON, FEDERAL GRANT COMPLIANCE REPORT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

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

14.218, 14.253	CDBG – Entitlement Grants Cluster
14.228	CDBG – State-Administered Small cities Program Cluster
14.248	CDBG – Section 108 Loan Guarantees
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, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Federal Expenditures in Fiscal Year 2009-2010	Amount Provid to Subreceptan
<u>U.S. Department of Justice</u>				
Direct Programs:				
Justice Assistance Grant - Local	16.738	2009-DJ-BX-0401	\$ 32,065	
Justice Assistance Grant - Stimulus - ARRA	16.804	2009-SB-B9-2909	121,349	
COPS Hiring Recovery Program (CHRP) Grant - ARRA	16.710	2009-RK-WX-0707	144,822	
Secure Our Schools Grant	16.710	2009-CD-WX-0747	<u>69,730</u>	\$ 69,730
Total U.S. Department of Justice			<u>367,966</u>	
<u>U.S. Department of Homeland Security</u>				
Grants passed through State of Oregon:				
State Homeland Security Program	97.073	07-232	22,929	
State Homeland Security Program	97.073	08-249	<u>20,580</u>	
Total U.S. Department of Homeland Security			<u>43,509</u>	
<u>U.S. Department of Energy</u>				
Direct Programs:				
Energy Efficiency Community Block Grant - ARRA	81.128	DE-SC0002787	<u>84,560</u>	
Total U.S. Department of Energy			<u>84,560</u>	
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
HOME Investment Partnership Programs	14.239	NA	1,126,129	
Community Development Block Grant-Section 108	14.248	NA	451,610	
<i>CDBG - State-Administered Small Cities Program Cluster</i>				
Community Development Block Grant-NSP	14.228	NA	<u>356,196</u>	
<i>Total CDBG - State-Administered Small Cities Program Cluster</i>				
			<u>356,196</u>	
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grant	14.218	NA	650,064	\$ 90,753
Community Development Block Grant Program Income	14.218	NA	53,223	
Community Development Block Grant-Recovery - ARRA	14.253	NA	<u>120,000</u>	
<i>Total CDBG - Entitlement Grants Cluster</i>				
			<u>823,286</u>	
Total U.S. Department of Housing and Urban Development			<u>2,757,222</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	28,362	
Highway Planning and Construction - ARRA	20.205	NA	139,808	
Grants passed through Lane County Oregon:				
Highway Planning and Construction	20.205	NA	<u>36,747</u>	
<i>Total Highway Planning and Construction Cluster</i>				
			<u>204,917</u>	
<i>Federal Transit Cluster</i>				
Grants passed through Lane Transit District:				
Capital Improvement Grant	20.500	OR-03-0122	<u>76,251</u>	
<i>Total Federal Transit Cluster</i>				
			<u>76,251</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>4,830</u>	
<i>Total Highway Safety Cluster</i>				
			<u>4,830</u>	
Total U.S. Department of Transportation			<u>285,998</u>	
<u>U.S. Department of the Interior</u>				
Grants passed through State of Oregon:				
Historic Preservation Fund	15.904	HPF OR-08-23	787	
Historic Preservation Fund	15.904	HPF OR-09-21	<u>2,389</u>	
Total U.S. Department of the Interior			<u>3,176</u>	
Total Expenditures of Federal Awards			<u>\$ 3,542,431</u>	<u>\$ 160,483</u>

City of Springfield, Oregon

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS

June 30, 2010

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, 2010

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
Community Development Block Grant	14.218	\$802,693
HUD HOME Grant	14.239	<u>2,690,349</u>
		<u>\$3,493,042</u>

NOTE C – LOANS PAYABLE OUTSTANDING

As of June 30, 2010, the City did not have any loan balances outstanding included in the Schedule of Expenditures of Federal Awards.

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