

SPRINGFIELD

**Comprehensive Annual
Financial Report
Fiscal Year Ended June 30, 2016**

City of Springfield, Oregon



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SPRINGFIELD



OREGON

CITY OF SPRINGFIELD, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2016

Prepared by:

Finance Department
Accounting Division

SPRINGFIELD



OREGON

City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2016

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Introductory Section

SPRINGFIELD



OREGON



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

December 28, 2016

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, 2016.

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, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Springfield's financial statements for the fiscal year ended June 30, 2016, 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.

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

Profile of the Government

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

Home to approximately 60,140 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, such as 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 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. 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 2010, Springfield voters renewed a special purpose five-year property tax levy for fire and life-safety services at a rate of \$0.36 per thousand beginning July 1, 2011. Subsequently, in November 2015, Springfield voters re-authorized that levy for another five years at the same rate. In November 2012, voters re-authorized the levy for police, municipal court, and jail services at a rate of \$1.28 per thousand for five years beginning July 1, 2013. Springfield still has the authority to levy an additional dollar value property tax levy for the retirement of its voter-approved general obligation bond debt. For the fiscal year ended June 30, 2016, the amount of the tax levy for general obligation bonded debt was \$0.49 per thousand.

Local Economy

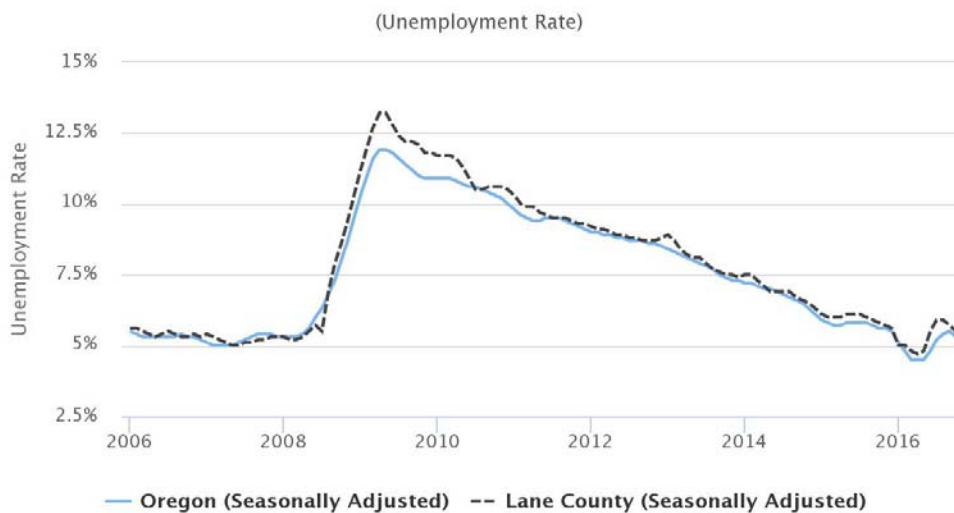
Springfield is located in the southern Willamette Valley of Western Oregon, in close proximity to the Pacific Ocean and Cascade Mountain Range. Springfield is Oregon’s ninth-largest city and the second-largest city in Lane County. Springfield is located immediately east of Eugene and separated only by Interstate 5, which connects Springfield to the Portland metropolitan area and Washington state to the north and California to the south.

The City of Springfield, much like the rest of the region, continued to see signs of slow recovery from past years of economic downturn. Area businesses continue to lead this recovery by taking intentional steps to invest in Springfield facilities and Springfield employees, positively impacting property values, unemployment rates, quality of life and, ultimately, the Springfield hometown feel. Springfield is a community focused on framing initiatives in the shared experience of being “accepting [of] people, working hard, improving our neighborhoods, and making each other better...As we grow as a city and the families that call Springfield home continue to change- it is these shared experiences and our work together that will maintain our hometown feel” (Mayor Christine Lundberg, 2016 State of the City Address).

Unemployment Trends:

Similar to that of Lane County, the City of Springfield unemployment rate saw a small decrease during the year from a seasonally adjusted 5.8% in July of 2015 to 5.5% in June of 2016. Statewide unemployment saw slightly lower rates with a seasonally adjusted unemployment rate of 4.8% in June of 2016. Overall, the City of Springfield and Lane County unemployment rates maintain similar trends to those captured state-wide. While the continued decline in unemployment within the City of Springfield and greater Lane County is both significant and promising, employment change for the region over the last 10 years (2005-2015) has averaged only 0.4%, a slower recovery than the 8.8% employment change seen statewide. For this reason, the City of Springfield led significant initiatives within the community during fiscal year 2015, focusing on support of key target industries.

Local Area Unemployment Statistics

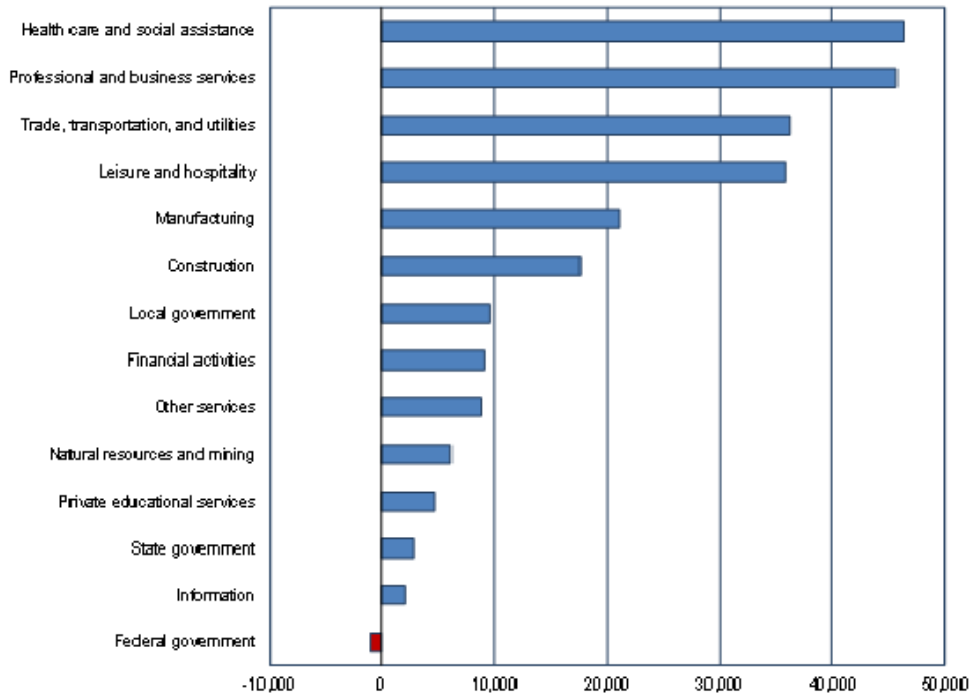


Source: Oregon Employment Department QualityInfo.org

Springfield Industry:

Springfield continues to see industry growth and opportunity in target industry areas like manufacturing/timber manufacturing and health care, among others. An early 2016 snapshot of Springfield industry identified over 26,100 jobs and over \$1 billion in total payroll with health care and social assistance, information and finance, and manufacturing generating nearly 50% of the total wages. This is approximately 22% of the total Lane County payroll, with an average wage of \$41,306, 5% higher than the County average wage. Generally, Lane County continues to trail behind the state at 82.2% of the statewide average wage. It is of note the significant health care and manufacturing industry presence seen in Springfield is forecasted by the State of Oregon Employment Department to continue adding jobs in Lane County over the next 10 years.

All Private Industries Expected to Add Jobs by 2024



Over the past year, economic development took the form of major investments in renovations and upgrades by established companies to existing sites. These investments are significant as the community continues to promote existing business expansion, maintaining and growing the labor force, and the creation of a vibrant community and hometown feel.

Manufacturing:

- **Swanson Lumber Mill Rebuild.** Towards the end of 2015, **Swanson Lumber Group** began construction on the first new mill development to be completed in Oregon in over 40 years. The new mill development, following the devastating fire which completely destroyed the existing mill and all equipment in July of 2014, is anticipated to reflect an investment of approximately \$55 million in facility and equipment. Following the complete rebuild of a new 330,000-square-foot veneer plywood layup operation during the summer of 2016, Swanson hired back approximately 190 millworkers and is beginning early test runs of the first plywood products manufactured onsite since the fire. The rebuild effort was funded and incentivized in part by the City of Springfield and State of Oregon.

- **International Paper.** In early fiscal year 2016, the City of Springfield and Lane County authorized a five-year enterprise zone property tax abatement to International Paper. This authorization came after a request to support the proposed \$101.6 million facility upgrade, including significant equipment replacements, at their 42nd Street area paper mill. The improvements began shortly thereafter.



The decision to replace two nearly nonfunctional yet key components of its ongoing Springfield plant operations, a head box and boiler floor (current value approximately \$3 to \$4 million), allows the facility to continue operations, increase efficiency, and help maintain quality for critical world markets. The plant manufactures kraft liner/containerboard, supplying key customers around the world (Pacific Northwest, California, Japan, Korea, and China). The replacements and site investments also indicate a desire to maintain a strong presence in the City of Springfield, bringing value as both an employer and a significant property tax payer. The upgrades began in late 2015 and, in addition to the almost 250 regular full-time employees at the mill, include the temporary employment of nearly 400 contractors to complete. It is expected to be completed by the end of 2016.

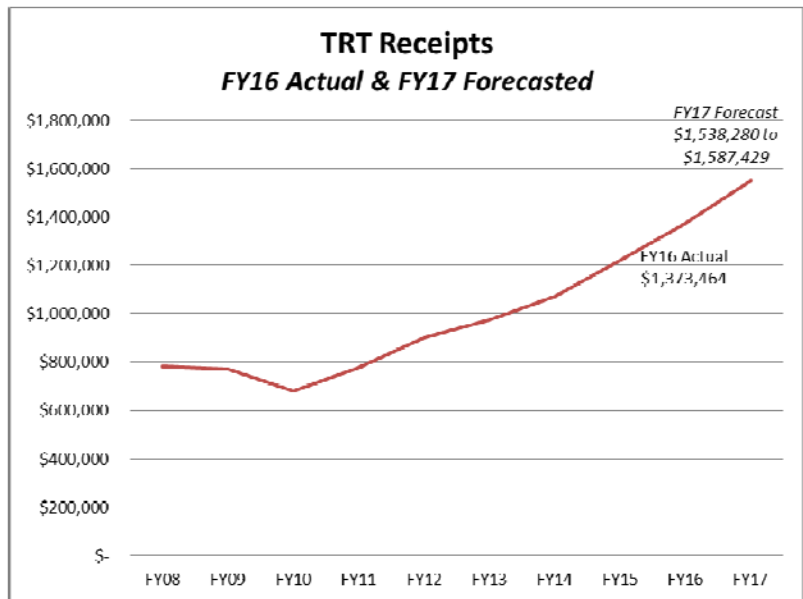
- **Cross Laminated Timber and Advanced Timber Manufacturing.** In 2015, the City partnered with the University of Oregon and Center for Advanced Wood Products Design and Manufacturing to explore the use of Cross Laminated Timber (CLT) in the construction of the Glenwood riverfront redevelopment area parking structure. The structure serves as one key piece to the larger riverfront redevelopment plan which includes a mix of infrastructure investments intended to generate redevelopment momentum. The parking garage strives to be an example of the vast potential and application for advanced wood products, supporting industry investments in manufacturing, construction industry confidence in use, and government capacity in permitting. The garage project, currently at 90% design, won the Oregon BEST Award and was identified as a Pacific Northwest Manufacturing Partnership (PNMP) catalytic project. The PNMP is a federal designation provided to the region by the U.S. Economic Development Administration and is intended to increase access to federal partnerships and opportunities. Over the coming years, the City of Springfield will continue to lead in promoting the manufacturing and use of advanced wood products within the community and broader region through the PNMP, partnerships with industry leaders, and the catalytic timber garage construction in the Glenwood riverfront redevelopment area.
- **Hyland High Banks Industrial Park.** In 2015, **John Hyland Construction** completed the High Banks Business Park located just north of High Banks Road and 52nd Street. The industrial park sits on 7.5 acres and offers approximately 164,000 square feet of office, warehouse, and manufacturing space. An indication of regional demand for industrial space, the buildings are quickly filling with tenants like **Swallowtail Spirits**, a local vodka and whiskey distiller focused on sourcing from local springs and farms. Hyland Construction has begun to look to other Springfield sites for additional industrial development opportunities.

Healthcare:

- **McKenzie-Willamette Medical Center.** The Mckenzie-Willamette Medical Center, located at 1460 G Street, has developed plans for major additions and renovations to its hospital facilities in the Springfield Mohawk area. Estimated to cost about \$80 million, the three-year project is well underway and expected to be completed in 2018. Adding nearly 153,000 square feet of space and an additional 56,000 square feet of renovations to the existing structure, it is the first facility expansion in nearly 30 years and will allow private rooms for patients, add private exam and trauma rooms in the Emergency Room, and add a new patient tower with a new entrance and lobby and housing a new four-bed level II neonatal intensive care unit, expanded surgical and cardiovascular units, and beds for medical and surgical patients. The cardiovascular program and chest pain center will double in size from eight to sixteen total beds. Additionally, McKenzie-Willamette Medical Center is undergoing organizational changes as the facility shifts to become a new publicly traded hospital company called **Quorum Health Corporation**.

Leisure, Hospitality and Mixed-Use:

- **Transient Room Tax Collections.** Beginning in fiscal year 2011 and with the addition of new hotel projects, new regional tourism events, and rising hotel rates, the City has seen consistent increases in generated Transient Room Tax (TRT) revenue. The City received almost \$1.4 million in the current year, a 13% increase in revenues over the prior year. Springfield hotel occupancies were up 4.5% and the average room rate rose by nearly 25%, resulting in an average



daily rate of \$94 (Smith Travel Research Hotel Data, Travel Lane County). These increases are forecasted to continue as future hotel projects are currently underway. Also during 2016, the City of Springfield partnered with the City of Eugene and Lane County to approve collection of transient room taxes from booking agents for short-term rentals like Airbnb. It is unknown at this time the impacts of these collections except that it will be a positive financial outcome for the Springfield TRT Fund beginning in fiscal year 2017.

Springfield TRT revenues have played the largest role in successfully funding the installation of significant art throughout Springfield. During the current year, the City of Springfield installed the TRT-funded **Ken Kesey Mural** in Downtown Springfield. The mural was designed and installed by **Old City Artists** with input from the **Kesey Family**. Additionally, the funds were catalytic in the commission of the tallest publically owned sculpture in Oregon, the **Springfield Flame**, which will be installed in the Gateway area in the following year. The Gateway area is located directly off Interstate 5 and includes the largest number of assembled hotel rooms in the region, with over 1,200 rooms within a quarter-mile of each other. The Springfield Flame is located on the prominent corner of Beltline Highway and Gateway Street.

- **Glenwood Candlewood Suites and Fairfield Inn & Suites.** The Candlewood Suites, completed in 2014 on property previously owned by the City of Springfield in the Glenwood area, includes 87 extended-stay hotel suites. Fiscal year 2016 provided the first full year of transient room tax collection from this new facility. While exact occupancies are not shared by facility owners, they have indicated numbers to be higher than projected, something reflected regionally in recent transient room tax receipts.

During fall of 2015, the City of Springfield sold an additional 1.3 acres of Glenwood property to the developer of the Candlewood Suites Hotel. The site is directly west of the Candlewood and will include a second hotel. Slated to open in June of 2017, the property will be a Marriott-branded Fairfield Inn and Suites with 81 rooms and an indoor/outdoor swimming pool.

These developments are early signs of the growing momentum in Glenwood redevelopment, capitalizing on the thoughtful land-use and proximity to the river, two downtowns, the University of Oregon, and Interstate 5. The developer, **Alko Investments, LLC**, has eluded to additional plans for a third Glenwood hotel development within the next three to five years.

- **The Franklin Boulevard Realignment** project continues to move forward with construction anticipated to begin in March of 2017. During 2016, a significant portion of the required right-of-way was acquired and initially prepped for expansion and major improvement to the corridor running through the mixed-use Glenwood redevelopment area. The \$10 million first phase is anticipated to conclude by late 2018 and will include significant realignment and upgrades to the street, including two roundabouts, stormwater facilities, sidewalks, bike facilities, and additional future capacity. The project will provide the first constructed access to the Glenwood riverfront mixed-use and hospitality redevelopment opportunity area. This project is funded in combination by the City of Springfield, Springfield Economic Development Agency, and the State of Oregon.
- In 2013, **Rouse Corporation** purchased **Gateway Mall**. Since that time, Rouse has invested over \$41 million into significant facility upgrades. While upgrades are not entirely completed, a significant number of major improvements have concluded, resulting in a rename of the retail shopping area from Gateway Mall to **The Shoppes at Gateway** and an increase in real market value of \$83 million in 2015 to nearly \$89 million in 2016. These investments provide restaurant and shopping offerings and improvements, like expansion of **Cabela's/Bass Pro Shop** and introduction of **Panera Bread, Hobby Lobby, Ulta Beauty, Firehouse Subs, Menchie's Yogurt,** and **Marshalls** to the region and a significant number of jobs at each. Marshalls alone is estimated to employ a seasonally adjusted 60 people.

Community Placemaking:

- **Millrace Restoration and Path.** **Willamalane Parks and Recreation District** passed a \$20 million bond in 2012, and among the many projects funded throughout the Park District, the bond's passage assists funding phase II of its \$4 million four-mile-long loop path, completing an eight-mile multi-use bicycle/pedestrian path from Clearwater Park west to Dorris Ranch along the Middle Fork of the Willamette River. The initial \$3 million first-phase of the 10-foot-wide asphalt path, completed in 2011, linked Clearwater Park with Quarry Creek and opens access to a recreational area of more than 30 acres of undeveloped land jointly owned by the District, City of Springfield, and Springfield Utility Board (SUB). The full project includes trailheads with vehicle parking, rest areas, two bridges, viewing areas, and water access points. The completion of phase II in the early fall of 2013 connected mid-Springfield to Downtown Springfield and the larger regional multi-use path system of the greater Springfield/Eugene area. The final phase, the three-mile Mill Race Path for walking and cycling, is under construction and includes improvements for a trailhead siting at Booth-Kelly Center along the former Booth-Kelly road in cooperation with the City of Springfield and SUB.

- In 2015, following voter approval of a \$71.5 million bond, **Springfield School District** began construction on the new Hamlin Middle School. The school was designed around programming for Science, Technology, Engineering, Arts, and Math (STEAM), focusing on flexible and advanced education spaces allowing students to learn both basics and skills for preparing to enter the workplace. The facility will include one of the first structural uses of cross-laminated timber (CLT) in the City of Springfield and is anticipated to be complete in 2017.

Long-term Financial Planning

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

Financial policies are central to a strategic, long-term approach to financial management. Currently, the City of Springfield has a three-page document representing the Financial Management Policies and recently initiated a project to review the fiscal health of our organization starting with a review and revision of outdated policies. The current City policies have three different update characteristics; these are: (1) policies that *conflict* with current practices; (2) policies that are simply *out-of-date*; and (3) policies that *require clarification*. Additionally, there are important policies that are not currently addressed, as well as policies that are better left to administrative process.

The Finance Department identified nine policies for potential revision. During fiscal year 2016, we completed the review and Council adopted three new policies for Reserves; Revenues; and Accounting, Auditing, and Financial Reporting. Our objective was to update these and other financial policies in order to develop a strategic, long-term approach to: (1) minimize the cost of government and reduce financial risk; (2) maintain appropriate financial capacity for present and future needs; and (3) ensure the legal use of financial resources through an effective system of internal controls.

Another objective of the policy reviews was to better understand how budget decisions impact the long-term stability of the City's financial position. A critical component is the make-up of the different accounting funds and how each has its own unique external forces that can impact its financial stability. The recent recession did not treat all funds equally and lessons can be learned about the early identification of stress signs and what can be done to be able to respond in a timely manner. A part of this exercise is to ensure that staff is providing adequate guidance for the Council and Budget Committee in these matters.

The City's major operating funds for General, Building, Sanitary Sewer, and Stormwater purposes all meet current Council adopted policies for maintaining adequate contingency and working capital. The City has two operating funds, the Street Fund and the Ambulance Fund, that do not fully meet the guidelines for maintaining adequate contingency and working capital at this time; however, City staff are making these two funds the top priority in its fiscal health exercise.

In conjunction with the fiscal health exercise, the City is also entering its fourth year of a program called 'priority-based budgeting' which attempts to help make stronger correlations between the Community and Council-desired results and the prioritization and use of available resources. With the combining of the

fiscal health and priority-based budgeting efforts, the City is attempting to expand its window of planned financial stability from the 1-3-5-year window to a 5-10-15-year window.

In the meantime, as the City continues looking at a shorter three-year window, the three main areas of focus are subsidy-required services, utility enterprise operations, and capital projects.

Many of the City services requiring additional resources through taxes are still seeing lackluster performances in both taxes and additional revenues generated through fees and charges. Local governments in Oregon, such as Springfield, depend on the health of the housing and construction segment of the economy to support sustained growth. At this time, the market value of existing housing stock has become more stable, but there has been only a moderate increase in construction of new housing. Major remodel/rebuilds for three large local commercial enterprises have shown an economic commitment to this area by three major employers. Lack of significant new construction has kept the City's estimates for property tax growth in the 2.5% to 3% range.

Utility enterprise operations such as sanitary sewer and stormwater, where there is the ability for the Council to make choices about raising monthly fees, have been better able to increase revenues to meet expenditure needs. Throughout this period, the combination of tempering expenditures with modest rate increases has allowed these enterprises to continue their vital maintenance needs.

Capital projects are feeling some of the greatest pressure to find or generate additional revenues to meet current demands. Much of the revenue needed for system expansion comes from the development industry in the form of system development fees or developer-provided capital or infrastructure. In the past several years, the City has used a large portion of its capital development reserves to complete or continue the planning of future expansions but has not seen the private sector active in this arena. New development pressures are beginning to occur with a need for infrastructure expansion, while the City finds itself now several years behind and without the necessary resources. Additional public/private partnerships are being explored as a way to narrow the gap between resources and project costs.

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

Public Safety Services:

In a significant move for two public agencies, the cities of Springfield and Eugene completed an operational merger of their two fire and life safety departments through an intergovernmental agreement in July of 2014. Although technically completed last fiscal year, the combined department for the two cities continues to look for continued operating efficiencies that benefit both cities. All employees are still employed by their respective city while the operation of the two departments is under the direction of a single command structure. Employees of either city can be and are assigned to any station within the metro area, and all equipment can be called upon to respond to any situation where needed. Hiring and training are conducted as a single organization. Many administrative positions are shared and only require a single individual in the role. These shared positions include the Fire Chief, Deputy Chief of

Operations, Deputy Chief of Strategic Services, Fire Marshal, and Deputy Chief of Training. Both cities are experiencing financial and service benefits for the communities that will continue for years to come.

The Police Department has completed six years of operating its own 100-bed jail separate from the Lane County facility. This new program was added to the City in 2010 and requires a minimum of 18 FTE to operate twenty-four hours a day, seven days a week. The addition of this program has had a great impact, both financially and operationally, on both the Police Department and the Municipal Court.

The City continues to have two special-purpose taxing levies approved by the voters. The citizens recently renewed a five-year Fire and Life Safety levy that will expire on June 30, 2021, and has a current five-year Police levy that will expire on June 30, 2018.

Urban Renewal:

Within the past nine years, the City has initiated the formation of two urban renewal districts within our community. One is for the core downtown area and the other is for the Glenwood area, located immediately adjacent to downtown and across the river. The formation of the two urban renewal districts is important to the City's strategy for attracting new or additional commercial and industrial businesses to our area. In the recent past, the City has adopted both a Glenwood Refinement Plan and a Downtown Revitalization Plan. For the Glenwood District, the City was awarded a \$6 million transportation grant from the State which will be matched by \$3.6 million from the City to complete Phase I of the planned improvement for Franklin Boulevard. Construction will begin in early 2017. For this District, the Council has recently prioritized the establishment of the boundaries for the Willamette Greenway setbacks and the installation of a riverfront path.

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

Capital Improvements:

The City of Springfield's Capital Improvement Program (CIP) is a five-year Community Reinvestment Plan which describes the funding and construction of City public facilities. The Council biennially approves a list of public projects, such as transportation and streets, wastewater, stormwater, and buildings and properties, which are programmed for planning, design, and construction in the next five years. Programming in the CIP is based upon the most-current estimates of available funding. Actual funding decisions are made during the City's annual budgeting process. These projects are aimed at improving neighborhoods, providing for economic growth, improving traffic safety, and maintaining the existing City infrastructure and facilities. Some of the major projects in each of these program areas include the following:

Transportation and Streets:

- Franklin Boulevard Reconstruction – The National Environmental Policy Act (NEPA) process is virtually complete, and with the Oregon Department of Transportation (ODOT) and Federal Highway Administration (FHWA) pending design approval, the project expects to receive a Documented Categorical Exclusion (DCE). The Franklin concept, endorsed by Council in 2008, envisions sections of improved arterial and sections of a multi-way boulevard treatment that includes access lanes and parking adjacent to the arterial. Project elements include roundabout

intersections, median control, relocated EmX station platforms, space preserved for future transit or roadway capacity, and provision of high quality bicycle and pedestrian facilities. The City received \$6 million through the Statewide Transportation Improvement Program (2015-2018 STIP) and will contribute a \$3.6 million pledged match to complete a phase I improvement from the Franklin/McVay intersection to a logical terminus to the west. Construction is anticipated to begin in the summer of 2016.

- Virginia-Daisy Bicycle Boulevard/Virginia-Daisy Preservation – The City of Springfield partnered with the University of Oregon's 2011-2012 Sustainable City Year Program to plan Virginia/Daisy corridor bike boulevard improvements. Safety treatments along the entirety of the corridor may include: increased signage to slow vehicles and identify the space as a bicycle boulevard, striping of bicycle lanes, sharrows, traffic calming infrastructure (e.g., bulb-outs), and intersection treatments (e.g., mini-roundabouts). In 2015, the City received a \$0.7 million State grant to implement this project. Additionally, the City has received \$0.5 million in Surface Transportation Preservation – Urban (STP-U) funds to facilitate a surface preservation project on the corridor that will be completed in advance of the bicycle boulevard project.
- South 42nd Street & Jasper Roundabout – Funding set aside from the State deposit for the jurisdictional transfer of Franklin Boulevard to the City will be utilized to implement this project. This money is set aside for future preservation activities on South 42nd Street. A surface preservation project will remove some of the existing asphalt surface in the roundabout and pave back with Portland Cement Concrete (PCC).

Wastewater:

- CMOM Planning and Implementation – The City continues to make the repair, rehabilitation, or replacement of older wastewater pipes throughout the City a high priority in the Capital Improvement Program in an effort to reduce leakage of ground water into the system. In 2010, the City completed rehabilitation of the basins identified in the Wet Weather Flow Management Plan (WWFMP) adopted in 2001 by the City and the Metropolitan Wastewater Management Commission (MWMC). Rather than update the WWFMP, the City, in conjunction with MWMC, is moving to a Capacity, Management, Operations, and Maintenance (CMOM) program to remain in line with both State and Federal regulations. This program will identify and implement future preservation needs.

Stormwater:

- Over-Under Channel Pipe Replacement – The Over-Under Channel is part of the City's stormwater system serving mid-Springfield from 5th to 28th Streets and from Main Street to Highway 126. The name of the Channel comes from the configuration of the system where stormwater is collected and conveyed in both an open channel and in a large pipe located under and adjacent to the channel. A portion of the piped system, from the east side of Silke Field to the outfall of the system into the Q Street Channel at Moffitt School, is a corrugated metal arch pipe (CMP) installed in the late 1950's and early 1960's. Staff has found that this CMP has reached the end of its useful life and is showing signs of corrosion and minor failures. In fiscal year 2011, the City Council approved funding to design a replacement pipe system and identify the amount of additional funds needed for construction. Investigative and hydraulic study work has been completed, and with design and citizen outreach efforts wrapping up, construction is anticipated to begin in late 2016.

- Mill Race Stormwater Facility – The Mill Race Stormwater Facility Project is a stormwater treatment facility on land immediately north of the present Mill Pond that was acquired from McKenzie Forest Products. The project will intercept and treat stormwater from the industrial/commercial sub-basin south of Main Street. The project will include open vegetative treatment for problematic pollutants to improve water quality in the Springfield Mill Race. It will also provide detention for stormwater and enhance planned public amenities in this area. This project will address water quality of stormwater flow entering the Mill Race. In addition, the City of Springfield is working with Willamalane to incorporate park and trail features as part of the design.
- In addition to the above major projects, several other projects are also already budgeted and scheduled, including: 5th Street Water Quality Project, 5th Street/EWEB Path Storm Pipe, and 19th Street Sewer Upgrade.

Major Initiatives

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

Provide Financially Responsible and Innovative Government Services

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

Encourage Economic Development and Revitalization through Community Partnerships

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

Foster an Environment that Values Diversity and Inclusion

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

Strengthen Public Safety by Leveraging Partnerships and Resources

- High priority calls are dispatched within 60 seconds of receipt
- Medium priority calls are dispatched within five 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 eight minutes
- Fire responses are within five minutes

Maintain and Improve Infrastructure and Facilities

- Planned infrastructure maintenance is performed
- Preservation projects are completed on schedule
- Out-of-service signalized intersection repaired within 48 hours of reporting
- Capital projects are constructed to meet expanding needs

Promote and Enhance Our Hometown Feel While Focusing on Livability and Environmental Quality

- Student success and community literacy is supported
- The quality of information services is improved
- Access to Library services and collections is improved
- Trash is reduced and community recycling is increased
- Increase percent of current Stormwater Management Plan activities in compliance with the six minimum measures
- Wastewater infrastructure systems meet regulatory performance requirements
- Revitalization of low-income neighborhoods is supported
- Citizen requests and inquiries are given timely attention
- Technology is used to make it easier for citizens to do business in Springfield through e-permitting and on-line access to information
- Residents perception of Springfield is positive
- Neighborhoods are healthy and active

Awards and Acknowledgements

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This was the thirty-fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

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

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

Respectfully submitted,

CITY OF SPRINGFIELD, OREGON

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

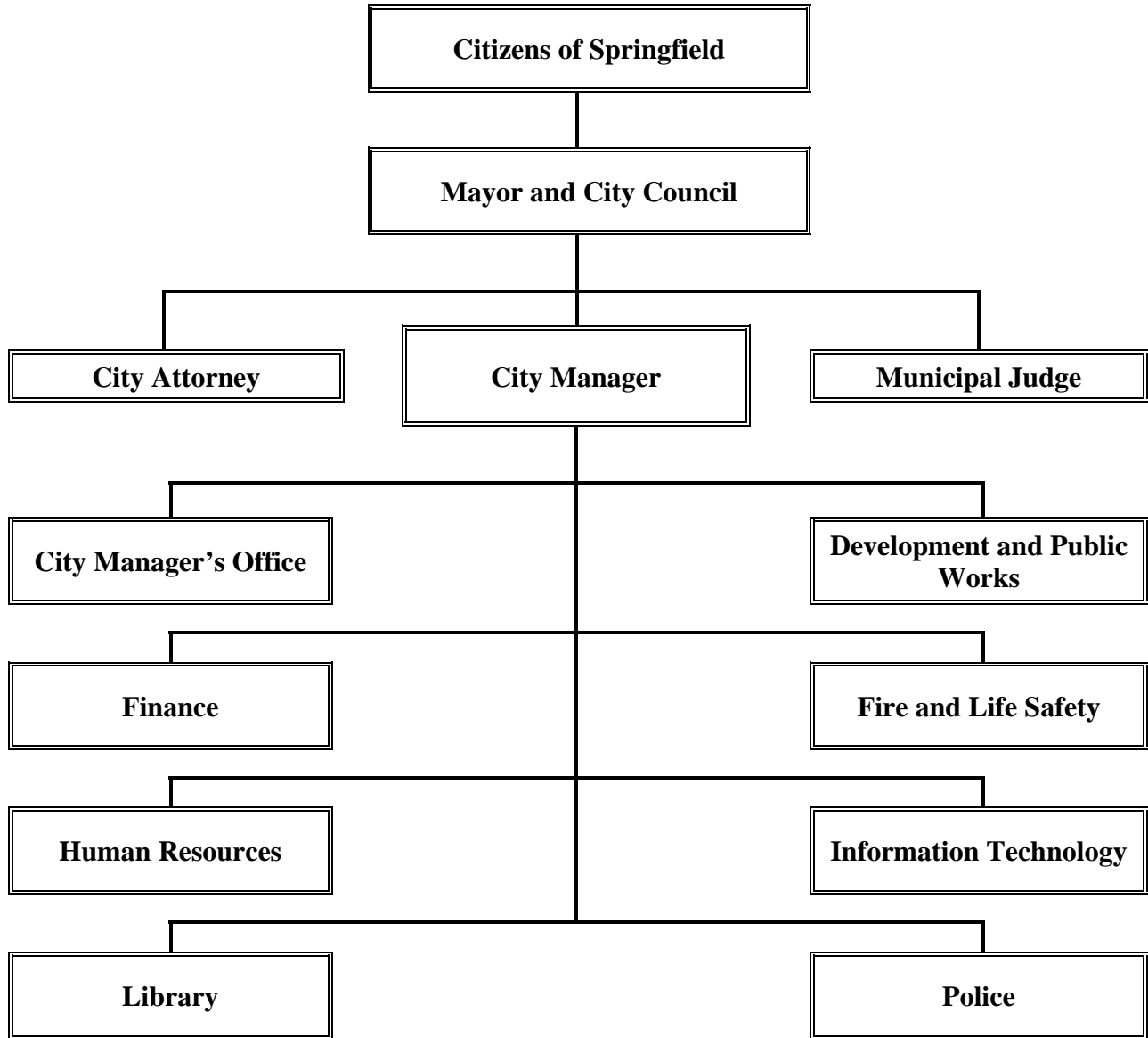
Gino Grimaldi,
City Manager

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

Robert J. Duey,
Finance Director

CITY OF SPRINGFIELD

Organization Chart



City of Springfield, Oregon

Principal City Officials

June 30, 2016

Elected Officials

Mayor

Christine Lundberg
2031 2nd Street
Springfield, OR 97477

Term Expiration

December 31, 2016

Council Members

Sean VanGordon
2327 Clear Vue Lane
Springfield, OR 97477

Ward 1

December 31, 2018

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

Ward 2

December 31, 2018

Sheri Moore
1955 16th Street
Springfield, OR 97477

Ward 3

December 31, 2016

David Ralston
2114 "L" Street
Springfield, OR 97477

Ward 4

December 31, 2016

Marilee Woodrow
1009 South 59th Street
Springfield, OR 97477

Ward 5

December 31, 2018

Joe Pishioneri
961 South 70th Street
Springfield, OR 97478

Ward 6

December 31, 2016

Administrative Officials

Gino Grimaldi
Jeff Towery
Robert J. Duey

City Manager
Assistant City Manager
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Springfield
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

SPRINGFIELD



OREGON

Financial Section



Independent Auditor's Report

SPRINGFIELD



OREGON



GROVE, MUELLER & SWANK, P.C.

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Springfield, Oregon (the City) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund,

and the aggregate remaining fund information of the City of Springfield, Oregon, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), schedule of revenues, expenditures, and changes in fund balance – budget to actual for the general fund and street fund, and the required supplementary information schedules for OPEB, CRP, and OPERS as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A and the required supplementary information schedules for OPEB, CRP, and OPERS in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The schedules of revenues, expenditures, and changes in fund balance – budget to actual for the general fund and street funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information, introductory section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.


The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 28, 2016, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

By: 

Ryan T. Pasquarella, A Shareholder
December 28, 2016

SPRINGFIELD



OREGON

Management's Discussion and Analysis



MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Springfield's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2016. 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, 2016 decreased \$2.0 million from \$311.0 million to \$309.0 million, or 0.7% from the prior year. This decrease in total assets was primarily due to the removal of a \$6.4 million net pension asset and a decrease of \$1.6 million in receivables offset by an increase of \$2.9 million in cash and investments, a \$0.5 million increase in due from other governments, and a \$2.7 million increase in capital assets.
- The City's total liabilities increased by \$15.7 million from \$81.7 million to \$97.4 million, or 19.2% from the prior year. This increase was primarily due to an \$18.7 million increase in the City's net pension liability and \$0.4 million increase in the City's OPEB obligation offset by a \$0.5 million decrease in accounts payable and a pay down in debt consisting of a \$2.4 million decrease in bonded debt and a \$1.0 million decrease in notes payable.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$212.9 million at the close of fiscal year 2016. Unrestricted net position totaled \$22.2 million with the remainder of the City's net position invested in capital assets (\$169.4 million) and restricted for capital projects, public safety, transportation, community development, debt service, and other purposes (\$21.3 million).
- At June 30, 2016, the City's governmental funds reported a combined ending fund balance of \$26.7 million, an increase of \$0.3 million (1.2%) from the prior year. Of this total amount, \$8.0 million (29.8%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$18.4 million (69.0%) constitutes either restricted, committed, or assigned fund balance which is not available for new spending because it has already been committed to another purpose, and the remainder of the fund balance, \$0.3 million (1.2%) is in a nonspendable form.
- At the end of fiscal year 2016, the unassigned fund balance in the General Fund was \$8.0 million which was 23% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Springfield's basic financial statements. The City's basic financial statements comprise three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements

The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

- General Government
- Fire and Life Safety
- Police
- Library
- Development and Public Works

The business-type activities of the City include:

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

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Urban Renewal Agency for which the City is financially accountable.

The Urban Renewal Agency, called the Springfield Economic Development Agency (SEDA), has a governing body that is substantively the same as the City's and City management is responsible for the Agency's operations. For these reasons, the SEDA special revenue and capital project funds are included as an integral part of the City.

The government-wide financial statements can be found on pages 57-58 of the basic financial statements.

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government activities. The reconciliations can be found on pages 59 and 61 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 two funds: General Fund and Street 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 107-108. Budgetary comparisons for all other governmental funds have been provided elsewhere in this report.

The governmental funds financial statements can be found at pages 59-61 in the basic financial statements.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in government-wide financial statements. The City uses enterprise funds to account for its Local Sewer operations, Storm Drainage operations, Ambulance Service, and Booth-Kelly operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its equipment, including its fleet of vehicles and its computer and telecommunication equipment, for employee benefits and risk management activities, and for administrative activities related to the System Development Charge program. Because all three of these services predominantly benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

The proprietary fund financial statements can be found on pages 62-64 in the basic financial statements.

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

The fiduciary fund financial statement of net position can be found on page 65 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 66-104 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 107-111 of this report.

Other supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds, budgetary comparisons for proprietary funds, and the statement of changes in assets and liabilities of the agency fund are included in this report and can be found on pages 117-177.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$212.9 million at the close of the most recent fiscal year.

The largest portion of the City's net position, \$169.4 million (79.5%) 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 Statement of Net Position

	Governmental <u>Activities</u>		Business-type <u>Activities</u>		<u>Total</u>	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 52,934,352	\$ 57,818,703	\$ 44,405,334	\$ 44,223,060	\$ 97,339,686	\$ 102,041,763
Capital assets, net, where applicable, of accumulated depreciation	134,355,391	133,482,409	77,265,653	75,487,411	211,621,044	208,969,820
Total assets	187,289,743	191,301,112	121,670,987	119,710,471	308,960,730	311,011,583
Deferred outflows of resources	5,049,951	2,364,891	935,122	529,372	5,985,073	2,894,263
Noncurrent liabilities	56,583,048	42,707,409	33,596,074	31,587,343	90,179,122	74,294,752
Other liabilities	5,527,241	5,273,733	1,660,964	2,128,349	7,188,205	7,402,082
Total liabilities	62,110,289	47,981,142	35,257,038	33,715,692	97,367,327	81,696,834
Deferred inflows of resources	3,683,551	9,680,196	1,013,855	2,748,370	4,697,406	12,428,566
Net position:						
Net investment in capital assets	115,176,581	112,632,832	54,212,835	52,836,347	169,389,416	165,469,179
Restricted	17,357,721	18,977,155	3,976,909	3,348,526	21,334,630	22,325,681
Unrestricted	(5,988,448)	4,394,678	28,145,472	27,590,908	22,157,024	31,985,586
Total net position	\$ 126,545,854	\$ 136,004,665	\$ 86,335,216	\$ 83,775,781	\$ 212,881,070	\$ 219,780,446

A portion of the City's net position, \$21.3 million (10.0%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$22.2 million (10.5%) may be used to meet the government's ongoing obligations to citizens and creditors.

City of Springfield's Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 9,683,312	\$ 8,362,689	\$ 22,249,418	\$ 21,192,292	\$ 31,932,730	\$ 29,554,981
Operating grants and contributions	4,184,978	4,444,185	-	-	4,184,978	4,444,185
Capital grants and contributions	4,841,296	10,494,898	2,088,254	891,358	6,929,550	11,386,256
General revenues:						
Taxes	34,210,461	35,005,526	-	-	34,210,461	35,005,526
In lieu of tax payments	2,392,729	2,404,859	-	-	2,392,729	2,404,859
Shared revenue	1,584,743	1,579,978	-	-	1,584,743	1,579,978
Investment earnings	416,909	305,267	227,641	162,671	644,550	467,938
Miscellaneous receipts	1,017,476	857,657	180,329	446,106	1,197,805	1,303,763
Total revenues	<u>58,331,904</u>	<u>63,455,059</u>	<u>24,745,642</u>	<u>22,692,427</u>	<u>83,077,546</u>	<u>86,147,486</u>
Expenses:						
General government	8,055,900	5,194,119	-	-	8,055,900	5,194,119
Fire and life safety	14,789,977	9,905,694	-	-	14,789,977	9,905,694
Police	26,060,501	18,007,975	-	-	26,060,501	18,007,975
Library	2,131,183	1,477,854	-	-	2,131,183	1,477,854
Development & public works	15,857,538	10,605,607	-	-	15,857,538	10,605,607
Unallocated depreciation and amortization	250,942	270,619	-	-	250,942	270,619
Interest on debt	744,674	909,122	-	-	744,674	909,122
Sewer	-	-	7,523,149	6,340,495	7,523,149	6,340,495
Drainage	-	-	5,982,172	4,259,913	5,982,172	4,259,913
Booth Kelly	-	-	1,507,253	1,649,088	1,507,253	1,649,088
Ambulance	-	-	7,073,633	5,082,272	7,073,633	5,082,272
Total expenses	<u>67,890,715</u>	<u>46,370,990</u>	<u>22,086,207</u>	<u>17,331,768</u>	<u>89,976,922</u>	<u>63,702,758</u>
Increase (decrease) in net position before transfers	(9,558,811)	17,084,069	2,659,435	5,360,659	(6,899,376)	22,444,728
Transfers	<u>100,000</u>	<u>71,311</u>	<u>(100,000)</u>	<u>(71,311)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>(9,458,811)</u>	<u>17,155,380</u>	<u>2,559,435</u>	<u>5,289,348</u>	<u>(6,899,376)</u>	<u>22,444,728</u>
Net position - beginning, previously reported	136,004,665	141,604,041	83,775,781	80,700,508	219,780,446	222,304,549
Restatement per GASB 68 implementation	<u>-</u>	<u>(22,754,756)</u>	<u>-</u>	<u>(2,214,075)</u>	<u>-</u>	<u>(24,968,831)</u>
Net position - beginning, as restated	<u>136,004,665</u>	<u>118,849,285</u>	<u>83,775,781</u>	<u>78,486,433</u>	<u>219,780,446</u>	<u>197,335,718</u>
Net position - ending	<u>\$ 126,545,854</u>	<u>\$ 136,004,665</u>	<u>\$ 86,335,216</u>	<u>\$ 83,775,781</u>	<u>\$ 212,881,070</u>	<u>\$ 219,780,446</u>

Entity-wide change in net position: Entity-wide net position decreased by \$6.9 million in the current fiscal year compared to an increase of \$22.4 million in the prior year. This \$29.3 million year-to-year decrease in the change in entity-wide net position can be attributed to some significant one-time events in both the previous and current year, the details of which are provided below.

Governmental Activities. The change in governmental activities before transfers decreased from a surplus of \$17.1 million in the prior year to a deficit of \$9.6 million in the current year. This decrease of \$26.7 million can be explained by the following highlights:

- Capital grants and contributions decreased by \$5.7 million (54%) from the prior year. This is a significant decrease and can be primarily attributed to a large increase in the prior year from a one-time jurisdictional transfer of Franklin Boulevard in Springfield's Glenwood area from the State to the City. The total value of the transfer was \$6.7 million. Excluding the impact of the transfer, The City actually experienced a modest increase in capital grants and contributions of approximately \$1.6 million resulting from \$3.7 million in donated infrastructure and \$1.0 million in SDC revenue, both having increased over the prior year and indicating a modest increase in development activity in the City.
- Charges for services increased by \$1.3 million (15.8%) from the prior year. This can be primarily attributed to a \$1.0 million increase in building fee revenue resulting from a modest increase in development activity in the City.
- Taxes decreased by \$0.8 million (2.3%) from the prior year and can be primarily attributed to a \$1.0 million reduction in the City's levy for bonded debt as well as the prior year's property tax value being inflated by a one-time \$0.5 million upward adjustment to correct a clerical error at the County that resulted from a large industrial customer being undercharged in an earlier year and the undercharge being added to the prior year. Excluding this impact, the City would have seen an increase in taxes of approximately \$0.7 million, which can be attributed to increasing revenues across the City's entire tax base, signaling a strengthening local economy. In particular, the City has experienced appreciation in property values and a continued increase in transient room taxes resulting from the opening of an 85-room hotel in Springfield's West Glenwood area in the prior year as well as continued growth in demand for overnight stays for regional special events and tourism.
- General government expenses increased by \$2.9 million (55.1%) from the prior year. While a significant increase, \$2.2 million of the increase can be attributed to pension activity. In the prior year, the City implemented a new accounting and reporting standard for pensions that resulted in the recognition of a \$22.5 million prior period adjustment for the City's two pension plans. To further complicate matters, the State's Legislature had passed pension reforms in October 2013 that resulted in the City's PERS net pension liability becoming a net pension asset in fiscal year 2015. The reduction of pension expenses in fiscal year 2015 that resulted from this legislation was allocated across all government functions and resulted in significant decreases in expenses as compared to prior years. This was a temporary decrease in the City's PERS pension liability as the PERS legislation was subsequently challenged in the courts and overturned in April 2015. This resulted in the City's net pension asset again becoming a net pension liability and resulted in a significant increase in pension expense in the current year. Excluding the impact of the pension activity, general government would have seen a more modest increase of expenses of approximately \$0.7 million which can be primarily attributed to normal inflationary pressures as well as a \$0.3 million increase in personnel costs in the Information Technology Department (IT) that resulted from a restructuring that merged the Geographic Information Systems Division (GIS) with the IT. GIS was previously located within the Development and Public Works Department.
- Expenses for the Fire and Life Safety Department (FL&S) increased by \$4.9 million (49.3%) from the prior year. \$4.5 million of this increase can be attributed to the PERS legislation

explained above. Excluding the impact of the pension activity, FL&S would have experienced a more modest increase in expenses of approximately \$0.4 million which can be primarily attributed to normal inflationary pressures.

- Expenses for the Police Department increased by \$8.1 million (44.7%) from the prior year. \$7.0 million of this increase can be attributed to the PERS legislation explained above. Excluding the impact of the pension activity, the Police Department would have experienced an increase in expenses of approximately \$1.1 million which can be primarily attributed an increase in personnel costs that resulted from vacant positions in the prior year being filled in the current year as well as over-hiring in the current year to avoid future vacancies in needed positions.
- Expenses for the Library Department increased by \$0.7 million (44.2%) from the prior year. \$0.6 million can be attributed to the PERS legislation explained above. Excluding the impact of the pension activity, the Library Department would have experienced a more modest increase in expenses of approximately \$0.1 million which can be primarily attributed to a one-time expenditure to implement a self-checkout system.
- Expenses for the Development and Public Works Department (DPW) increased by \$5.3 million (49.5%) from the prior year. \$2.9 million of this increase can be attributed to the PERS legislation explained above. Excluding the impact of the pension activity, DPW would have experienced an increase in expenses of approximately \$2.4 million which can be primarily attributed to \$0.8 million in land vacations and the write-off of \$1.9 million in HOME loans that resulted from the City turning over the administration of the Federal HOME Program to the City of Eugene offset by a \$0.1 million decrease in depreciation expense and a one-time \$0.2 million equipment purchase in the prior year. Personnel expenses remained flat due to a decrease in personnel costs resulting from the restructuring described above offset by normal inflationary pressures.

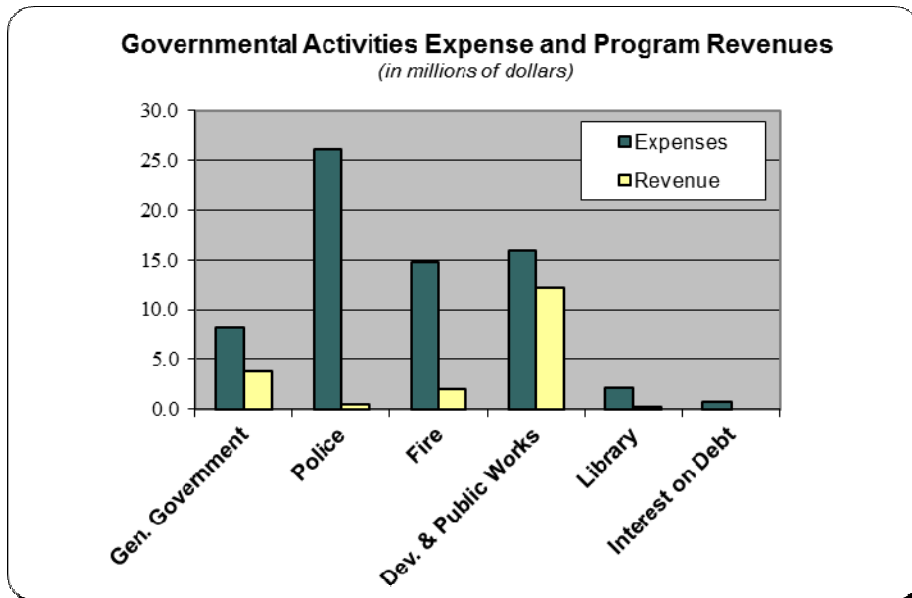


Chart 1

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

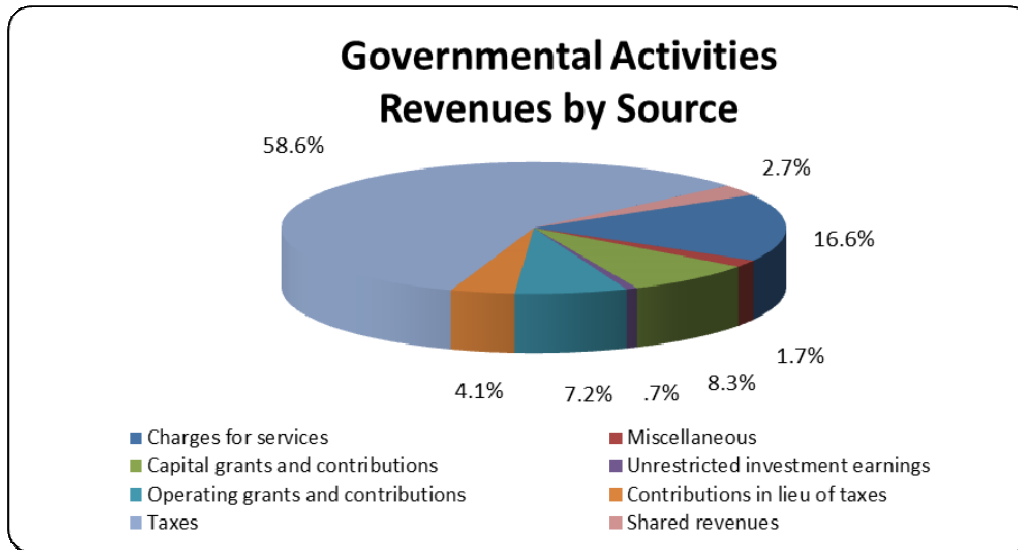


Chart 2

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

Business-type Activities. The change in business-type activities before transfers decreased from \$5.4 million in the prior year to \$2.7 million in the current year. This decrease of \$2.7 million can be explained by the following highlights:

- Total operating expenses for all business-type activities increased by \$4.8 million (27.4%) from the prior year. \$4.3 million of this increase can be attributed to the PERS legislation as explained above. Excluding the impact of the pension activity, operating expenses increased by \$0.5 million (2.6%) which can be attributed to normal inflationary pressures.
- Charges for services increased by \$1.1 million (4.8%) from the prior year and can be primarily attributed to a 2.5% rate increase in sewer fees, a 3.7% rate increase in stormwater fees, an 8% increase in Booth Kelly rents, and an 8% increase in net ambulance billings.
- Sanitary Sewer expenses increased by \$1.2 million (18.7%) from the prior year. Excluding the impact of the pension activity, operating expenses increased by \$0.15 million (2.3%). The sanitary sewer fund experienced the same inflationary pressures as other funds. Sewer revenues increased 2% which is consistent with the rate increase partially offset by a major sewer customer who has not completely recovered full business capacity after suffering a fire in the previous year.
- Storm drainage expenses increased by \$1.7 million (40.4%) from the prior year. Excluding the impact of the pension activity, expenses increased \$0.3 million (5.5%) resulting from inflation as well as some staff reassignment from the sewer funds.
- Ambulance expenses increased by \$2 million (39%) from the prior year. Excluding the impact of the pension activity, expenses increased by \$0.3 million (5.1%). This can be attributed to a \$0.2 million increase in personnel costs resulting from an increase in EMS staffing and inflationary costs.

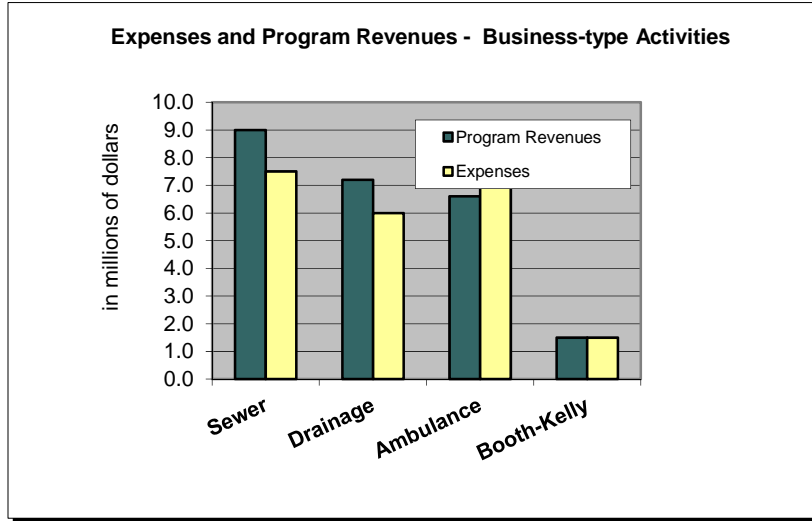


Chart 3

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

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

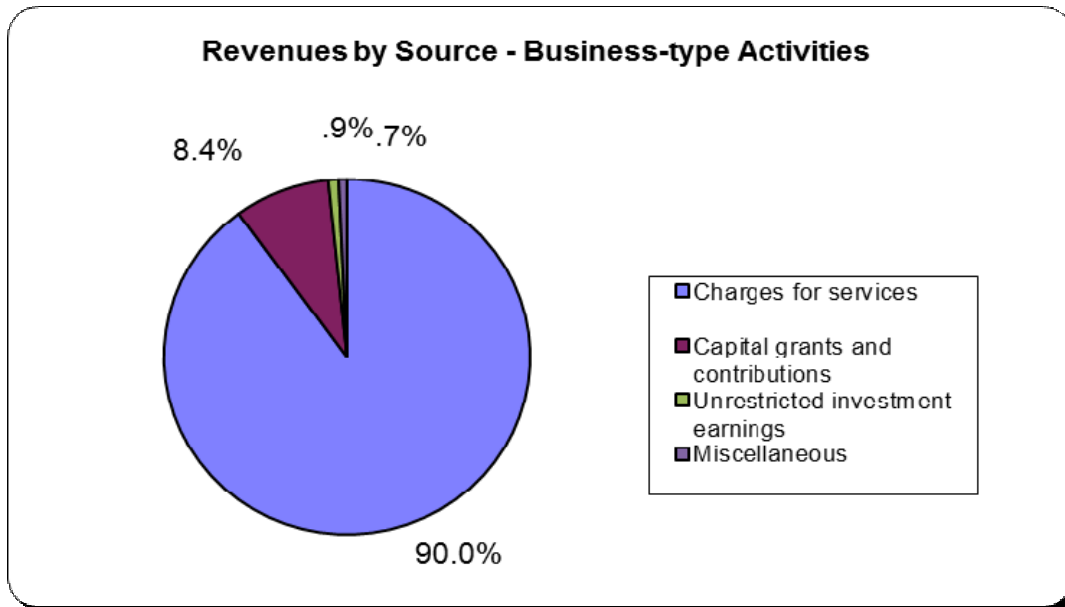


Chart 4

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

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$26.7 million. Of this total amount, \$8.0 million (29.8%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$18.4 million (69.0%) constitutes either restricted, committed, or assigned fund balance which is not available for new spending because it has already been committed to another purpose, and the remainder of the fund balance, \$0.3 million (1.2%) is in a nonspendable form.

The General Fund is the chief operating fund of the City of Springfield. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8.0 million, while the total fund balance was \$8.9 million. As measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 22.9% of total General Fund expenditures, while total fund balance represents 25.3% of that same amount.

The fund balance of the City's General Fund decreased by \$0.5 million during the current fiscal year compared to an increase of \$1.0 million in the prior year. This year-to-year decrease of \$1.5 million can be explained by the following highlights:

- Property taxes decreased by \$0.2 million (1.2%) from the prior year. This decrease can be attributed to the prior year's value being inflated by a one-time \$0.5 million upward adjustment to correct a clerical error at the County as described earlier. Excluding the impact of this adjustment, the City would have experienced an increase of approximately \$0.3 million which can be attributed to normal growth resulting from the strengthening of property values in the City.
- Licenses, permits, and fees increased by \$0.3 million (10.2%) from the prior year and can be attributed to a general increase across all City license, permit, and fee revenue. This is another sign that suggests the local economy is strengthening.
- Miscellaneous receipts increased by \$0.1 million (43.4%) from the prior year and can be primarily attributed to a negotiated fee from a large industrial taxpayer that was granted a five-year enterprise zone exemption on facility upgrades it was making. The fee was meant to soften the impact of older equipment removed from the tax rolls and the resulting decrease in tax receipts.
- General government expenditures increased by \$0.7 million (11.8%) from the prior year and can be primarily attributed to an increase in personnel costs resulting from the addition of staff in the Information Technology, Finance, and Human Resource Departments as well as an increase in costs relating to contracts for the City Prosecutor, City Attorney, and indigent representation.

- Fire and Life Safety expenditures increased by \$0.5 million (5.2%) from the prior year and can be primarily attributed to a \$0.2 million increase in overtime costs as well as normal inflationary pressures.
- Police expenditures increased by \$0.6 million (4.3%) from the prior year and can be primarily attributed to an increase in personnel costs that resulted from vacant positions in the prior year being filled in the current year as well as over-hiring in the current year to avoid future vacancies in needed positions.
- Library expenditures increased by \$0.1 million (7.1%) from the prior year and can be primarily attributed to a one-time expenditure to implement a self-checkout system.
- Development and Public Works expenditures increased by \$0.1 million (3.7%) from the prior year and can be primarily attributed to normal inflationary pressures.

The fund balance of the Street Fund decreased by \$62,064 in the current fiscal year compared to an increase of \$6,500 in the prior year. The main reason for the swing in expenses is again related to the PERS adjustment which also affects the Street fund. This year-to-year decrease of \$68,564 is negligible and indicative of a fund whose revenues have plateaued. With a large back-log of street maintenance needs, the City is looking at alternative revenue sources to meet those needs.

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

As of the end of the current fiscal year, the City's proprietary funds reported a combined ending net position of \$86.3 million. Of this amount, \$27.7 million (32.0%) constitutes unrestricted net position. Proprietary fund highlights are as follows:

The Sanitary Sewer Operations Fund reported a \$0.4 million decrease in net position. This decrease can be primarily attributed to the increased payroll expenses related to the PERS adjustment offset by a 2.5% user fee rate increase.

The Storm Drainage Capital Projects Fund reported a \$1.5 million increase in net position primarily due to a transfer of cash from the Storm Drainage Operations Fund.

The Storm Drainage Operations Fund reported a \$0.1 million decrease in net position primarily due to the increased payroll costs associated with the PERS adjustments, offset by 3.7% storm water rate increase.

The Ambulance Fund reported a \$0.5 million decrease in net position. This decrease was the result of a \$1.1 million increase in pension expense resulting from the PERS legislation as explained in an earlier section of this report. Excluding the impact of the pension activity, the Ambulance Fund would have experienced an increase in net position of approximately \$0.6 million, which can be primarily attributed to a \$0.5 million increase in Ambulance revenues resulting from a continued focus on collecting accounts receivable and a sustained high volume of calls for transport. Combined, this has continued a positive trend in revenue growth in business-type activities, such as ambulance billing services and the FireMed program and is continuing to compensate for the loss in Medicare reimbursements.

Other Nonmajor enterprise funds reported a \$1.9 million increase in net position that was primarily driven by the Sanitary Sewer Capital Projects Fund. That increase \$1.4 million was the result of a capital transfer from the Sanitary Sewer Operations fund to support the capital program.

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

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was a net increase of \$866,592. Details of this increase are as follows:

- \$ 407,630 increase to General Government
- 88,548 increase to Library
- 32,558 decrease to Development Services
- 44,254 decrease in Fire & Life Safety
- 163,709 increase in Police
- 283,517 increase in the City reserves

For actual expenditures, the City under spent the amended budget by \$445,061.

The continuation of the impacts of the economic recession is still noticeable in the trending of two significant revenue sources for the City: charges for service and licenses, permits, and fees. While seeing some improvement, both of these categories remain below the pre-recession levels and are good indicators that economic activity has not fully rebounded. Property tax revenues trending for this same period indicate that all segments of property classification, i.e. residential, commercial and industrial, are still experiencing depressed values and having an impact on those revenues. These differences in actual revenue received compared to the amended budget are as follows:

- \$ 315,142 decrease in property taxes
- 210,942 increase in licenses, permits and fees
- 11,806 decrease in intergovernmental revenues
- 42,056 decrease in interest and investment earnings
- 8,825 decrease in charges for service
- 272,067 decrease in fines and forfeitures
- 58,696 increase in miscellaneous revenues
- 24,690 increase in internal transfers
- 608,445 increase in beginning cash (amended over adopted budget)

For the year ended June 30, 2016, the total variance between the final amended budgeted revenue and the actual budget-basis revenue amounts in the General Fund (both less beginning cash) was .010%, where actual revenues were less than budgeted revenues. The combined actual current and delinquent property tax revenues were below the budgeted amounts by 1.6% as the City adjusted its tax base for the loss by fire of a lumber mill and major employer within the City. Licenses and permits are seeing a stronger rebound as the economy improves, but they are still low overall compared to pre-recession numbers. Fines and forfeitures were lower as municipal court revenue continues to experience delinquent accounts combined with efforts to offer alternative sentencing options. Beginning fund balance on July 1, 2015 was \$608,445 greater than budgeted (+7.0%) while ending fund balance on June 30, 2016 was \$352,787 (+4.2%) greater than was projected in the FY17 adopted budget.

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, 2016, amounts to \$212 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 land and right of way were recorded at an estimated cost of \$3.7 million.
- Street seal overlays were completed for \$0.5 million (\$0.1 million in the current year), The South bank path extension and the 58th Street pedestrian crossing were completed at a cost of \$0.1 million each with expenditures of \$0.1 million in the current fiscal year.
- Property was purchased on Brooklyn Street in Glenwood for \$0.7 million in the current fiscal year for redevelopment purposes.
- The City Hall Plaza upgrade was completed with expenditures of \$0.2 million in the current fiscal year.
- An additional \$4.3 million was added to construction in progress for sewer projects such as Millrace Stormwater facility, Franklin Boulevard sewer extension, and the over/under channel. Other City projects in process this year where the SEDA parking garage, Franklin Boulevard Reconstruction, Phase I and the Gateway Flame.

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

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 63,773,329	\$ 60,765,378	\$ 4,758,858	\$ 4,758,858	\$ 68,532,187	\$ 65,524,236
Land improvements	-	-	24,046	24,046	24,046	24,046
Work in progress	2,038,651	1,024,979	8,188,281	4,858,218	10,226,932	5,883,197
Buildings	24,885,733	26,924,120	62,797,118	64,902,599	87,682,851	91,826,719
Infrastructure	36,692,918	38,296,576	-	-	36,692,918	38,296,576
Machinery & equipment	6,314,391	5,748,837	615,925	86,785	6,930,316	5,835,622
Library books	21,763	107,358	-	-	21,763	107,358
Studies	628,606	615,161	881,426	856,905	1,510,032	1,472,066
Total	\$134,355,391	\$133,482,409	\$ 77,265,654	\$ 75,487,411	\$211,621,045	\$208,969,820

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 \$40.8 million. Of this amount, \$16 million comprises debt backed by the full faith and credit of the City. The remainder of the City's debt represents bonds secured solely by specified revenue sources.

City of Springfield's Outstanding Debt
General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation bonds - 2005	\$ -	\$ 2,420,000	\$ -	\$ -	\$ -	\$ 2,420,000
General obligation bonds - 2007	1,285,000	16,650,000	-	-	1,285,000	16,650,000
General obligation bonds - 2016	14,690,000	-	-	-	14,690,000	-
Revenue bonds series 2009	-	-	16,800,000	17,770,000	16,800,000	17,770,000
Revenue bonds series 2010	-	-	8,070,000	8,480,000	8,070,000	8,480,000
Total	\$ 15,975,000	\$ 19,070,000	\$ 24,870,000	\$ 26,250,000	\$ 40,845,000	\$ 45,320,000

The City's total bonded debt decreased by \$4.5 million during the current fiscal year. For additional information on the City's long-term debt, see Note I in the Basic Financial Statement section of this report.

Economic Factors and Next Year's Budgets and Rates

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The following are the major assumptions used in developing the FY17 budget:

- Assessed (taxable) value for the City is projected to increase by 3.0%. Residential should receive an increase of 3.0% under the guidelines established by Measures 49 and 50, industrial is likely to remain flat and expectations are for a downward trend to impact commercial property values. A major mill fire in the community in July 2014 will continue to have an impact on the City's real market and assessed valuation for several more years.
- Interest rates may reach 1.0% with short-term rates for government bonds staying below 0.8%.
- Inflation will not be a major factor during the next fiscal year as it appears that federal intent is to start slowly raising rates.
- AFSCME employees, the City's smallest employee group, will receive a 2.0% cost of living adjustment on July 1, 2016. SEIU employees received market pay adjustments in October of 2015 and no additional increases are expected in FY17. Non-union employees will not receive any increase in the FY17 year.
- Springfield Police Association (SPA) employees will be in the third year of a three-year agreement that was settled in July 2014. The new contract for SPA reflects a new performance pay plan that expands the available steps for members to advance through merit increases and increases certification pay for qualified officers. Also, certification pay is now computed as a percentage increase to base pay. For FY17, SPA employees will receive a COLA tied to the CPI with a minimum set at 2.0%.

- The International Association of Fire Fighters' (IAFF) will be in the 2nd year of a 3 year contract that will expire on June 30, 2018. Members of the IAFF union will receive a cost of living increase on July 1, 2016 of 3.5%.
- The plan year for health insurance is the calendar year. Beginning January 2013, the City initiated a self-funded insurance program with the administration of the program contracted out to a private provider. The City's experience factors since becoming self-insured have been very positive. For January 1, 2017, the City will hold rates flat with no planned increase. For the second half of the fiscal year, the City is projecting a 5% increase in January 2018.
- Oregon PERS rates are bi-annual and rates are to be adjusted on July 1, 2017 and be in effect until June 30, 2019. Through Senate Bill 822 in 2013, the Oregon Legislature enacted several PERS reform measures that resulted in lower than expected rate increases for July 1, 2015. Subsequently, the Oregon Supreme Court overturned a majority of the reform measures and substantial increases are being seen for this next biennium. The City has 3 separate PERS retirement rates for its employees with the lowest % rate increase being 38% and the highest at 56% with an estimated dollar impact over the next 2 years of \$2.9 million. This relative impact is expected to be seen in each biennium for the next 6 to 10 years.
- The City schedules an updated actuarial study of its City Retirement Plan every two years. The next update is as of June 30, 2016 and will be completed in the fall of 2016 and implemented on July 1, 2017. The percentage of payroll contribution for members of this plan will remain the same, at 27.8%, for the next fiscal year.
- The economic response towards building and construction activity is expected to increase at a slow but consistent pace for the next year. Single large plats are not expected, but smaller clusters of new housing are being projected. The recently re-built lumber mill destroyed by fire is back in operation and adding workers, but will remain below pre-shutdown levels. The City has experience higher building permit revenue, although influenced by two one-time large remodel projects. Building permit revenue projections are more moderate in growth.
- Monthly rates for both the City's local sanitary sewer and storm water drainage programs increased on July 1, 2016 as a result of increased costs. The local storm water increase was 3.5% and the local wastewater increase was 2.5%.

Requests for Information

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

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

SPRINGFIELD



OREGON

City of Springfield, Oregon

Basic Financial Statements

SPRINGFIELD



OREGON

City of Springfield, Oregon
STATEMENT OF NET POSITION
June 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 46,022,208	\$ 40,642,703	\$ 86,664,911
Receivables, net of allowance for uncollectable receivables	6,596,286	2,188,343	8,784,629
Internal balances	(494,552)	494,552	-
Inventory	230,536	-	230,536
Investment in foreclosed properties	1,970	-	1,970
Prepaid items	168,941	14,899	183,840
Deposits	265,500	-	265,500
Accrued interest	143,463	104,754	248,217
Due from other governments	-	960,083	960,083
Capital assets:			
Land and work in progress	65,811,980	12,947,136	78,759,116
Other capital assets, net of accumulated depreciation	68,543,411	64,318,517	132,861,928
Total assets	<u>187,289,743</u>	<u>121,670,987</u>	<u>308,960,730</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension outflow	4,683,891	935,122	5,619,013
Deferred charge for debt refunding	366,060	-	366,060
Total deferred outflows of resources	<u>5,049,951</u>	<u>935,122</u>	<u>5,985,073</u>
LIABILITIES			
Current liabilities:			
Accounts payable	2,180,309	443,959	2,624,268
Accrued payroll and other liabilities	3,178,670	539,768	3,718,438
Unearned revenue	79,720	490,159	569,879
Accrued interest payable	26,431	144,057	170,488
Deposits	13,301	43,021	56,322
Due to other governments	48,810	-	48,810
Noncurrent liabilities:			
Due within one year:			
Accrued claims liabilities	176,201	-	176,201
General obligation long-term debt	1,510,000	-	1,510,000
Revenue bonds payable	-	1,425,000	1,425,000
Notes payable	200,000	704,020	904,020
Capital lease	226,262	-	226,262
Due in more than one year:			
Accrued absence payable	2,936,319	838,873	3,775,192
Accrued claims liabilities	388,799	-	388,799
General obligation long-term debt (net of unamortized premium)	16,769,808	-	16,769,808
Revenue bonds payable (net of unamortized discount)	-	23,893,704	23,893,704
Notes and contracts payable	530,000	1,494,105	2,024,105
Capital lease	308,800	-	308,800
Interfund loan payable	347,807	-	347,807
Net pension liability	28,313,270	3,998,993	32,312,263
Net OPEB obligation	4,875,782	1,241,379	6,117,161
Total liabilities	<u>62,110,289</u>	<u>35,257,038</u>	<u>97,367,327</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflow	3,683,551	1,013,855	4,697,406
NET POSITION			
Net investment in capital assets	115,176,581	54,212,835	169,389,416
Restricted for:			
Capital projects	1,606,051	3,976,909	5,582,960
Public safety	2,985,994	-	2,985,994
Transportation	7,462,532	-	7,462,532
Urban renewal	667,162	-	667,162
Community development	3,479,887	-	3,479,887
Debt service	719,684	-	719,684
Other purposes	436,411	-	436,411
Unrestricted	(5,988,448)	28,145,472	22,157,024
Total net position	<u>\$ 126,545,854</u>	<u>\$ 86,335,216</u>	<u>\$ 212,881,070</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Primary Government Total Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 8,055,900	\$ 3,888,018	\$ 7,742	\$ -	\$ (4,160,140)	\$ -	\$ (4,160,140)
Fire and life safety	14,789,977	1,921,748	57,099	-	(12,811,130)	-	(12,811,130)
Police	26,060,501	346,629	201,664	-	(25,512,208)	-	(25,512,208)
Library	2,131,183	106,200	117,984	-	(1,906,999)	-	(1,906,999)
Development and public works	15,857,538	3,420,717	3,800,489	4,841,296	(3,795,036)	-	(3,795,036)
Depreciation, unallocated	250,942	-	-	-	(250,942)	-	(250,942)
Interest on long-term debt	744,674	-	-	-	(744,674)	-	(744,674)
Total governmental activities	<u>67,890,715</u>	<u>9,683,312</u>	<u>4,184,978</u>	<u>4,841,296</u>	<u>(49,181,129)</u>	<u>-</u>	<u>(49,181,129)</u>
Business-type activities:							
Sanitary sewer	7,523,149	7,224,927	-	1,737,410	-	1,439,188	1,439,188
Storm drainage	5,982,172	6,892,114	-	350,844	-	1,260,786	1,260,786
Booth Kelly	1,507,253	1,532,687	-	-	-	25,434	25,434
Ambulance	7,073,633	6,599,690	-	-	-	(473,943)	(473,943)
Total business-type activities	<u>22,086,207</u>	<u>22,249,418</u>	<u>-</u>	<u>2,088,254</u>	<u>-</u>	<u>2,251,465</u>	<u>2,251,465</u>
Total primary government	<u>\$ 89,976,922</u>	<u>\$ 31,932,730</u>	<u>\$ 4,184,978</u>	<u>\$ 6,929,550</u>	<u>(49,181,129)</u>	<u>2,251,465</u>	<u>(46,929,664)</u>
General revenues:							
Property taxes					29,449,109	-	29,449,109
Payment in lieu of taxes					2,392,729	-	2,392,729
Franchise & utility taxes					2,298,063	-	2,298,063
Local fuel tax					1,089,825	-	1,089,825
Transient room tax					1,373,464	-	1,373,464
Shared revenue					1,584,743	-	1,584,743
Investment earnings					416,909	227,641	644,550
Miscellaneous					867,789	180,329	1,048,118
Gain on sale of capital assets					149,687	-	149,687
Transfers					100,000	(100,000)	-
Total general revenues and transfers					<u>39,722,318</u>	<u>307,970</u>	<u>40,030,288</u>
Change in net position					(9,458,811)	2,559,435	(6,899,376)
Net position, beginning					<u>136,004,665</u>	<u>83,775,781</u>	<u>219,780,446</u>
Net position, ending					<u>\$ 126,545,854</u>	<u>\$ 86,335,216</u>	<u>\$ 212,881,070</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	General	Street	Nonmajor Governmental	Total Governmental
ASSETS				
Cash and investments	\$ 9,763,337	\$ 539,556	\$ 17,685,957	\$ 27,988,850
Receivables:				
Accounts	972,665	568,468	293,631	1,834,764
Taxes	1,504,266	-	902,030	2,406,296
Grants	-	25,249	144,462	169,711
Accrued interest	38,545	1,370	58,264	98,179
Assessments and liens	-	-	109,848	109,848
Notes	1,233	-	2,022,146	2,023,379
Inventory	1,875	219,670	-	221,545
Investment in foreclosed property	1,970	-	-	1,970
Due from other funds	91,588	-	-	91,588
Prepaid items	94,447	-	3,591	98,038
	<u>\$ 12,469,926</u>	<u>\$ 1,354,313</u>	<u>\$ 21,219,929</u>	<u>\$ 35,044,168</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 488,482	\$ 137,977	\$ 767,349	\$ 1,393,808
Accrued payroll and other liabilities	1,279,881	149,187	305,787	1,734,855
Unearned revenue	79,720	-	-	79,720
Deposits	-	-	13,301	13,301
Due to other funds	-	-	91,588	91,588
	<u>1,848,083</u>	<u>287,164</u>	<u>1,178,025</u>	<u>3,313,272</u>
Deferred inflows of resources:				
Unavailable revenue	1,750,848	54,386	3,201,081	5,006,315
	<u>1,750,848</u>	<u>54,386</u>	<u>3,201,081</u>	<u>5,006,315</u>
Fund balances:				
Nonspendable	98,292	219,670	3,591	321,553
Restricted	-	793,093	13,401,377	14,194,470
Committed	172,840	-	1,980,130	2,152,970
Assigned	600,000	-	1,493,031	2,093,031
Unassigned	7,999,863	-	(37,306)	7,962,557
	<u>8,870,995</u>	<u>1,012,763</u>	<u>16,840,823</u>	<u>26,724,581</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,469,926</u>	<u>\$ 1,354,313</u>	<u>\$ 21,219,929</u>	

Reconciliation to the statement of net position

The statement of net position reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are deferred in governmental funds. 5,006,315

Capital assets are not financial resources in governmental funds, but are reported in the statement of net position at their net depreciable value. 128,570,316

All liabilities are reported in the statement of net position. However, if they are not due and payable in the current period, they are not recorded in the governmental funds. (54,897,979)

Internal service funds are proprietary-type funds and not reported with governmental funds. However, because internal service funds primarily benefit governmental activities, their assets, liabilities, and net position are reported along with governmental activities in the statement of net position. 21,142,621

Net position of governmental activities \$ 126,545,854

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, 2016

	General	Street	Nonmajor Governmental	Total Governmental
Revenues:				
Taxes	\$ 19,553,892	\$ 1,089,825	\$ 11,218,588	\$ 31,862,305
Licenses, permits and fees	2,798,171	147,656	176,322	3,122,149
Intergovernmental	4,324,147	3,740,901	419,834	8,484,882
Charges for services	5,568,039	102,836	3,576,632	9,247,507
Fines and forfeitures	1,579,933	-	72,482	1,652,415
Investment earnings	67,242	2,960	100,429	170,631
Special assessments	-	-	25,265	25,265
Miscellaneous revenues	318,476	5,248	451,584	775,308
Total revenues	<u>34,209,900</u>	<u>5,089,426</u>	<u>16,041,136</u>	<u>55,340,462</u>
Expenditures:				
Current operating:				
General government	6,196,498	304,913	1,739,052	8,240,463
Fire and life safety	10,303,218	-	1,545,050	11,848,268
Police	14,318,454	-	5,912,557	20,231,011
Library	1,599,913	-	106,562	1,706,475
Development and public works	2,349,467	5,094,143	1,619,451	9,063,061
Capital projects	-	-	2,187,974	2,187,974
Debt service:				
Principal	195,000	-	1,435,000	1,630,000
Interest	32,708	-	774,761	807,469
Bond issue costs	-	-	131,205	131,205
Total expenditures	<u>34,995,258</u>	<u>5,399,056</u>	<u>15,451,612</u>	<u>55,845,926</u>
Excess of revenues over (under) expenditures	<u>(785,358)</u>	<u>(309,630)</u>	<u>589,524</u>	<u>(505,464)</u>
Other financing sources (uses):				
Transfers in	1,280,613	397,566	4,691,275	6,369,454
Transfers out	(947,566)	(150,000)	(4,703,735)	(5,801,301)
Proceeds of refunding bonds	-	-	16,994,808	16,994,808
Payment to refunded bond escrow agent	-	-	(16,863,603)	(16,863,603)
Total other financing sources (uses)	<u>333,047</u>	<u>247,566</u>	<u>118,745</u>	<u>699,358</u>
Net change in fund balance	(452,311)	(62,064)	708,269	193,894
Fund balances, beginning	9,323,306	953,757	16,132,554	26,409,617
Change in reserve for inventories	-	121,070	-	121,070
Fund balances, ending	<u>\$ 8,870,995</u>	<u>\$ 1,012,763</u>	<u>\$ 16,840,823</u>	<u>\$ 26,724,581</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
 Reconciliation of Statement of Revenues, Expenditures and
 Changes in Fund Balances of Governmental Funds to the
 Statement of Activities
 For the Year Ended June 30, 2016

Net change in fund balances - total governmental funds \$ 193,894

Amounts reported for governmental activities in the statement of activities are different because:

Internal service funds are used by management to charge the costs of certain activities, such as insurance, vehicle and equipment replacement, and SDC administration to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 1,487,702

Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received. (1,635,213)

Capital outlay is reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlays over their estimated useful lives as depreciation expense. 233,948

Governmental funds do not report expenditures for unpaid compensated absences, pension liability, or other post employment benefits since they do not require the use of current financial resources. However, the statement of activities reports such expenses when incurred, regardless of when settlement ultimately occurs. (11,444,215)

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as revenues. In the same way, repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. However, neither the receipt of debt proceeds nor the payment of debt principal affect the Statement of Activities, but are reported as increases and decreases in noncurrent liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 1,584,003

Decreases in inventory in governmental funds increase expenses. 121,070

Change in net position of governmental activities \$ (9,458,811)

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
 PROPRIETARY FUNDS
 STATEMENT OF FUND NET POSITION
 June 30, 2016

	Business-type Activities - Enterprise Funds					Total	Governmental Activities Internal Service Funds
	Sanitary Sewer Operations	Storm Drainage Operations	Storm Capital Projects Fund	Ambulance	Other Nonmajor Enterprise		
ASSETS							
Current assets:							
Cash and investments	\$ 4,032,677	\$ 4,586,669	\$ 13,500,563	\$ 2,435,892	\$ 16,086,902	\$ 40,642,703	\$ 18,033,358
Accounts receivable, net of allowance for estimated uncollectibles	707,707	620,344	-	602,515	257,777	2,188,343	52,288
Prepays	-	-	-	14,899	-	14,899	70,903
Deposits	-	-	-	-	-	-	265,500
Accrued interest	14,834	11,535	38,067	4,717	35,601	104,754	45,284
Inventory	-	-	-	-	-	-	8,991
Total current assets	<u>4,755,218</u>	<u>5,218,548</u>	<u>13,538,630</u>	<u>3,058,023</u>	<u>16,380,280</u>	<u>42,950,699</u>	<u>18,476,324</u>
Noncurrent assets:							
Capital assets - net	57,807,904	275,900	2,340,713	47,353	3,846,647	64,318,517	5,785,075
Construction in progress	3,570,270	1,113,275	3,504,733	-	-	8,188,278	-
Land and land rights	2,048,070	19,294	49,937	-	2,641,557	4,758,858	-
Due from other governments	960,083	-	-	-	-	960,083	-
Total noncurrent assets	<u>64,386,327</u>	<u>1,408,469</u>	<u>5,895,383</u>	<u>47,353</u>	<u>6,488,204</u>	<u>78,225,736</u>	<u>5,785,075</u>
Total assets	<u>69,141,545</u>	<u>6,627,017</u>	<u>19,434,013</u>	<u>3,105,376</u>	<u>22,868,484</u>	<u>121,176,435</u>	<u>24,261,399</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred pension outflow	<u>329,920</u>	<u>265,171</u>	<u>-</u>	<u>326,010</u>	<u>14,021</u>	<u>935,122</u>	<u>72,716</u>
LIABILITIES							
Current liabilities:							
Accounts payable	84,406	42,208	236,203	32,213	48,929	443,959	786,501
Accrued payroll and other liabilities	147,771	180,388	-	206,739	4,870	539,768	231,471
Accrued claims liabilities, current portion	-	-	-	-	-	-	176,201
Accrued interest payable	58,678	72,612	-	-	12,767	144,057	11,741
Deposits	-	-	-	-	43,021	43,021	-
Notes payable - current maturity	-	-	-	-	704,020	704,020	-
Capital lease payable - current maturity	-	-	-	-	-	-	226,262
Unearned revenues	-	-	-	487,633	2,526	490,159	-
Revenue bonds payable - current maturity	1,005,000	-	420,000	-	-	1,425,000	-
Total current liabilities	<u>1,295,855</u>	<u>295,208</u>	<u>656,203</u>	<u>726,585</u>	<u>816,133</u>	<u>3,789,984</u>	<u>1,432,176</u>
Noncurrent liabilities:							
Accrued absence payable	354,448	166,814	-	317,611	-	838,873	18,043
Accrued claims liabilities	-	-	-	-	-	-	388,799
Revenue bonds payable (net of unamortized premium)	15,871,963	-	8,021,741	-	-	23,893,704	-
Notes payable	-	-	-	-	1,494,105	1,494,105	-
Net pension liability	1,379,504	1,123,650	-	1,437,167	58,672	3,998,993	257,882
Net OPEB obligation payable	334,849	287,096	-	604,248	15,186	1,241,379	59,692
Capital lease obligation	-	-	-	-	-	-	308,800
Total noncurrent liabilities	<u>17,940,764</u>	<u>1,577,560</u>	<u>8,021,741</u>	<u>2,359,026</u>	<u>1,567,963</u>	<u>31,467,054</u>	<u>1,033,216</u>
Total liabilities	<u>19,236,619</u>	<u>1,872,768</u>	<u>8,677,944</u>	<u>3,085,611</u>	<u>2,384,096</u>	<u>35,257,038</u>	<u>2,465,392</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred pension inflow	<u>419,114</u>	<u>307,733</u>	<u>-</u>	<u>269,284</u>	<u>17,724</u>	<u>1,013,855</u>	<u>182,740</u>
NET POSITION							
Net investment in capital assets	46,549,281	1,408,469	1,917,653	47,353	4,290,079	54,212,835	5,250,013
Restricted for capital improvement	-	-	-	-	3,976,909	3,976,909	-
Unrestricted	3,266,451	3,303,218	8,838,416	29,138	12,213,697	27,650,920	16,435,970
Total net position	<u>\$ 49,815,732</u>	<u>\$ 4,711,687</u>	<u>\$ 10,756,069</u>	<u>\$ 76,491</u>	<u>\$ 20,480,685</u>	<u>85,840,664</u>	<u>\$ 21,685,983</u>
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds.						494,552	
Net position of business-type activities						<u>\$ 86,335,216</u>	

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds					Governmental	
	Sanitary Sewer Operations	Storm Drainage Operations	Storm Capital Projects Fund	Ambulance	Other Nonmajor Enterprise	Total	Internal Service Funds
OPERATING REVENUES							
Charges for services	\$ 7,224,927	\$ 6,876,026	\$ -	\$ 16,290,486	\$ 1,532,687	\$ 31,924,126	\$ 12,755,178
Less: Contractual adjustments	-	-	-	(9,972,175)	-	(9,972,175)	-
Licenses, permits and fees	-	-	-	-	-	-	142,903
Intergovernmental revenues	-	-	16,088	281,379	-	297,467	-
Miscellaneous receipts	93,740	367	-	23,030	63,192	180,329	104,954
Total operating revenues	<u>7,318,667</u>	<u>6,876,393</u>	<u>16,088</u>	<u>6,622,720</u>	<u>1,595,879</u>	<u>22,429,747</u>	<u>13,003,035</u>
Operating expenses:							
City manager's office	-	-	-	-	-	-	2,638
Legal and judicial services	-	-	-	-	-	-	3,214
Human resources	-	-	-	-	-	-	8,948,411
Finance	11,917	11,917	-	-	-	23,834	20,006
Information technology	272,733	235,103	-	-	-	507,836	339,651
Library	-	-	-	-	-	-	3,688
Fire and life safety	-	-	-	7,155,403	-	7,155,403	79,854
Police	-	-	-	-	-	-	11,378
Development and public works	3,668,906	5,191,622	177,572	-	907,862	9,945,962	835,321
Depreciation	2,550,085	21,425	154,193	6,256	787,741	3,519,700	1,203,148
Total operating expenses	<u>6,503,641</u>	<u>5,460,067</u>	<u>331,765</u>	<u>7,161,659</u>	<u>1,695,603</u>	<u>21,152,735</u>	<u>11,447,309</u>
Operating income (loss)	<u>815,026</u>	<u>1,416,326</u>	<u>(315,677)</u>	<u>(538,939)</u>	<u>(99,724)</u>	<u>1,277,012</u>	<u>1,555,726</u>
Nonoperating revenues (expenses):							
Investment earnings	30,521	23,571	84,309	8,669	80,571	227,641	96,570
Interest expense	(711,774)	(184,622)	26,053	-	(180,770)	(1,051,113)	(14,233)
Gain (loss) on disposal of assets	-	-	-	-	-	-	88,212
Total nonoperating revenues (expenses)	<u>(681,253)</u>	<u>(161,051)</u>	<u>110,362</u>	<u>8,669</u>	<u>(100,199)</u>	<u>(823,472)</u>	<u>170,549</u>
Income (loss) before contributions and transfers	133,773	1,255,275	(205,315)	(530,270)	(199,923)	453,540	1,726,275
Transfers in	1,197,773	-	1,731,293	-	2,521,607	5,450,673	-
Transfers out	(2,480,000)	(1,335,000)	-	-	(1,735,673)	(5,550,673)	(468,153)
Capital contributions	738,940	-	23,011	-	1,326,303	2,088,254	381,720
Change in net position	(409,514)	(79,725)	1,548,989	(530,270)	1,912,314	2,441,794	1,639,842
Net position, beginning of year	50,225,246	4,791,412	9,207,080	606,761	18,568,371	-	20,046,141
Net position, end of year	<u>\$ 49,815,732</u>	<u>\$ 4,711,687</u>	<u>\$ 10,756,069</u>	<u>\$ 76,491</u>	<u>\$ 20,480,685</u>	<u>117,641</u>	<u>\$ 21,685,983</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						117,641	
Change in net position of business-type activities						<u>\$ 2,559,435</u>	

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 Year Ended June 30, 2016

	Business type activities - Enterprise Funds					Governmental	
	Sanitary Sewer Operations	Storm Drainage Operations	Storm Capital Projects Fund	Ambulance	Other Nonmajor Enterprise	Total	Internal Service Funds
Cash flows from operating activities:							
Cash received from customers	\$ 7,078,521	\$ 6,792,098	\$ 16,088	\$ 6,318,912	\$ 1,526,392	\$ 21,732,011	\$ 12,808,800
Cash paid for employee services	(1,856,024)	(2,783,134)	-	(4,041,771)	(151,402)	(8,832,331)	(685,010)
Cash paid to suppliers for goods and services	(1,434,208)	(1,685,311)	4,078	(1,910,380)	(1,284,890)	(6,310,711)	(9,519,549)
Other operating receipts	93,740	367	-	304,409	63,192	461,708	247,857
Net cash provided by operating activities	<u>3,882,029</u>	<u>2,324,020</u>	<u>20,166</u>	<u>671,170</u>	<u>153,292</u>	<u>7,050,677</u>	<u>2,852,098</u>
Cash flows from noncapital financing activities:							
Transfers from other funds	1,197,773	-	1,731,293	-	2,521,607	5,450,673	-
Transfers to other funds	(2,480,000)	(1,335,000)	-	-	(1,735,673)	(5,550,673)	(468,153)
Net cash provided (used) by noncapital financing activities	<u>(1,282,227)</u>	<u>(1,335,000)</u>	<u>1,731,293</u>	<u>-</u>	<u>785,934</u>	<u>(100,000)</u>	<u>(468,153)</u>
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(1,197,773)	(108,903)	(3,216,516)	(12,800)	-	(4,535,992)	(1,300,484)
Disposition of capital assets	-	-	-	-	-	-	53,686
Contributed capital	-	-	-	-	1,326,305	1,326,305	-
Principal paid on long-term debt	(970,000)	-	(436,053)	-	(813,617)	(2,219,670)	(266,599)
Interest paid on long-term debt	(742,931)	(187,698)	26,053	-	(184,585)	(1,089,161)	(19,477)
Net cash used in capital and related financing activities	<u>(2,910,704)</u>	<u>(296,601)</u>	<u>(3,626,516)</u>	<u>(12,800)</u>	<u>328,103</u>	<u>(6,518,518)</u>	<u>(1,532,874)</u>
Cash flows from investing activities:							
Interest received	37,085	28,434	110,144	9,165	107,148	291,976	121,693
Net change in cash and investments	<u>(273,817)</u>	<u>720,853</u>	<u>(1,764,913)</u>	<u>667,535</u>	<u>1,374,477</u>	<u>724,135</u>	<u>972,764</u>
Cash and investments, beginning of year	4,306,494	3,865,816	15,265,476	1,768,357	14,712,425	39,918,568	17,060,594
Cash and investments, end of year	<u>\$ 4,032,677</u>	<u>\$ 4,586,669</u>	<u>\$ 13,500,563</u>	<u>\$ 2,435,892</u>	<u>\$ 16,086,902</u>	<u>\$ 40,642,703</u>	<u>\$ 18,033,358</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 815,026	\$ 1,416,326	\$ (315,677)	\$ (538,939)	\$ (99,724)	\$ 1,277,012	\$ 1,555,726
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	2,550,085	21,425	154,193	6,256	787,741	3,519,700	1,203,148
Changes in assets and liabilities:							
Accounts receivable	(146,406)	(83,927)	-	(56,935)	7,707	(279,561)	53,622
Due from other governments	(536,056)	-	-	-	-	(536,056)	-
Prepaid expenses	933	952	-	4,755	-	6,640	6,750
Accounts payable	13,526	(18,392)	181,650	(58,811)	(578,808)	(460,835)	(385,707)
Accrued payroll and other liabilities	8,073	46,398	-	93,865	(553)	147,783	6,966
Accrued claims liabilities	-	-	-	-	-	-	115,000
Net pension liability and related deferrals	1,163,001	929,146	-	1,121,317	49,409	3,262,873	273,737
Net OPEB obligation payable	13,847	12,092	-	42,126	1,521	69,586	1,547
Deposits	-	-	-	-	2,000	2,000	-
Unearned revenue	-	-	-	57,536	(16,001)	41,535	-
Inventory	-	-	-	-	-	-	21,309
Net cash provided by (used in) operating activities	<u>\$ 3,882,029</u>	<u>\$ 2,324,020</u>	<u>\$ 20,166</u>	<u>\$ 671,170</u>	<u>\$ 153,292</u>	<u>\$ 7,050,677</u>	<u>\$ 2,852,098</u>
Noncash capital and related financing activities:							
Contributed capital assets	\$ 738,940	\$ -	\$ 23,011	\$ -	\$ -	\$ 761,951	\$ 381,720

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
June 30, 2016

ASSETS

Cash and investments	<u>\$ 83,348,346</u>
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LIABILITIES

Amounts held for other parties	<u>\$ 83,348,346</u>
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The accompanying notes are an integral part of this statement.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Springfield (City) 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 standards.

The City has implemented GASB Statement No. 72 *Fair Value Measurement and Application*, which establishes a framework for measuring fair value and a reporting hierarchy to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The more significant accounting policies of the City are described below.

1. Financial Reporting Entity

The accompanying financial statements present the City of Springfield and its component unit.

BLENDED COMPONENT UNIT

The Springfield Economic Development Agency (SEDA) is a legally separate body, acting as the Urban Renewal Agency of the City of Springfield. Because the SEDA governing body is substantively the same as the City's, and because City management is responsible for the Agency's operations, the funds of the Agency are blended with those of the City by including them in the appropriate statements and schedules of this Comprehensive Annual Financial Report. Separate financial statements for the Agency can be obtained from the Finance Department of the City of Springfield or viewed on the City's website at www.springfield-or.gov.

2. Government-wide and Fund Financial Statements

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

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

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Property taxes, franchise fees, transient room taxes, and state shared revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period when collected within 30 days following the year end. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received.

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

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

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

The City reports the following major governmental funds:

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

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

Additionally, the government reports the following fund types:

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

The Agency Fund is a fiduciary fund used to account for funds received and held by the City in a custodial capacity. The majority of the activity in this fund is made up of transactions related to being the fiscal agent for the Metropolitan Wastewater Management Commission and Regional Fiber Consortium, Ambulance billing fees collected for other agencies, Health Reimbursement Accounts held on behalf of City employees, and fees collected by the municipal court that are passed on to other entities and government agencies.

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Ambulance Fund are ambulance fees and billing and collection charges. The principal operating revenues of the Booth-Kelly Fund are lease revenues. The principal operating revenues of the Sanitary Sewer Operation Fund are sewer user fees. The principal operating revenues of the Storm Drainage Operation Fund are drainage fees. The principal operating revenues of the internal service funds are charges to other funds for depreciation on equipment and for services provided. Operating expenses for the enterprise funds and internal service funds include administrative expenses,

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

depreciation on capital assets and the cost of providing services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

4. Assets, Liabilities, and Net Position or Equity

a. Cash and Investments

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

Investments are reported at fair value.

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

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

b. Receivables and Payables

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

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

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

For the year ended June 30, 2016, the City's tax levy did not exceed the Oregon constitutional limitation. The total property tax levy was \$30,360,092. This includes general property taxes to support general obligation bond debt service of \$2,137,376.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

c. Inventory

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

d. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2016 are recorded as prepaid items. These prepaid amounts are recorded in the balance sheet as an asset with a corresponding nonspendable fund balance and are shown as expenditures in the periods that the service is provided, consistent with the “consumption method” of accounting for prepaids.

e. Restricted Assets

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

f. Capital Assets

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

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

h. Long-term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized in the year incurred.

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

i. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

The other instance of deferred inflows arises only under a modified accrual basis of accounting. Accordingly, *unavailable revenue* is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

j. Pensions

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

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

k. Fund Balance

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids, and deposits, and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council passes a resolution that places specific constraints on how the resources may be used. The City Council can modify or rescind the commitment at any time through passage of an additional resolution.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Resources that are constrained by the City’s intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the City Council approves which resources should be “reserved” during adoption of the annual budget. The City’s Finance Director uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the City’s Annual Financial Report.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

When both restricted and unrestricted (committed, assigned, or unassigned) resources are available for use, it is the City’s practice to use restricted resources first, then unrestricted resources as needed. When an expenditure is incurred where an unrestricted fund balance classification could be used, the City’s practice is to use committed resources first, assigned resources second, and then unassigned amounts as they are needed.

Fund balances by classification for the year ended June 30, 2016 were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Street</u>	<u>Nonmajor Governmental</u>	<u>Governmental Funds</u>
Nonspendable:				
Inventories	\$ 1,875	\$ 219,670	\$ -	\$ 221,545
Prepays and deposits	94,447	-	3,591	98,038
Investment in foreclosed property	1,970	-	-	1,970
Restricted:				
Debt service	-	-	418,347	418,347
Urban renewal	-	-	587,830	587,830
Capital projects	-	-	1,606,284	1,606,284
Street repairs and maintenance	-	793,093	-	793,093
Transportation	-	-	3,886,829	3,886,829
Street improvements	-	-	2,343,283	2,343,283
Public Safety - Fire	-	-	334,431	334,431
Public Safety - Police general	-	-	1,562,052	1,562,052
Public Safety - Police forfeitures	-	-	595,476	595,476
Building code	-	-	1,502,960	1,502,960
Economic development	-	-	532,659	532,659
Library services	-	-	31,226	31,226
Committed:				
Development assessment	-	-	779,247	779,247
Capital projects	-	-	1,200,883	1,200,883
Technology fee reserve	172,840	-	-	172,840
Assigned:				
Capital projects	-	-	1,168,314	1,168,314
Contingency reserve	600,000	-	-	600,000
Public Safety - Police K9	-	-	72,812	72,812
Other purposes	-	-	251,905	251,905
Unassigned	7,999,863	-	(37,306)	7,962,557
Total fund balances	<u>\$ 8,870,995</u>	<u>\$ 1,012,763</u>	<u>\$ 16,840,823</u>	<u>\$ 26,724,581</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

l. Indirect Expenses Allocation

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

m. Contingency and Working Capital Policy

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “all liabilities are reported in the statement of net position, however if they are not due and payable in the current period, they are not recorded in the governmental funds.” The details of this \$54,897,979 difference are as follows:

Bonds payable, net of original issue premium and deferred charges	\$ 17,913,748
Notes payable	520,000
Interfund loan payable	347,807
Due to developer	210,000
Accrued interest payable	14,690
Compensated absences	4,130,620
Net pension liability and related deferrals	26,945,024
Net OPEB obligation	<u>4,816,090</u>
 Total	 <u>\$ 54,897,979</u>

Another element of that reconciliation states that “capital assets are not financial resources in governmental funds, but are reported in the statement of net position at their net depreciable value.” The details of this \$128,570,316 are as follows:

Capital assets (net of accumulated depreciation) reported in the Statement of Net Position – governmental activities column:	
Land and work in progress	\$ 65,811,980
Other capital assets (net of accumulated depreciation)	68,543,411
Total capital assets reported in internal service funds included in the Statement of Net Position – governmental activities column (net of accumulated depreciation):	<u>(5,785,075)</u>
 Net adjustment	 <u>\$ 128,570,316</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of government activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$233,948 difference are as follows:

Capital outlay	\$ 2,798,223
Donated capital assets	3,734,051
Sale of capital assets	(450,313)
Vacated land	(819,736)
Depreciation	<u>(5,028,277)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 233,948</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$1,584,003 difference are as follows:

Issuance of general obligation refunding bonds	\$ (14,690,000)
Plus issuance premium	(2,304,808)
Principal repayment from bond refunding	16,350,000
Plus deferred charges	366,060
Plus premium expensed	167,830
Less bond discount expensed	(4,567)
Principal repayment of general obligation debt	1,435,000
Principal repayment of note payable	195,000
Amortization of bond discounts	(507)
Amortization of bond premiums	15,612
Increase in interfund loan payable	(7,033)
Decrease in accrued interest payable	<u>61,416</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,584,003</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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

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 \$11,444,215 difference are as follows:

Increase in accrued compensated absences	\$ (79,387)
Increase in net pension liability and related deferrals	(11,025,021)
Increase in net OPEB obligation	<u>(692,841)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (11,444,215)</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, 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, 2016, the City Council approved several transfer resolutions and supplemental budgets increasing appropriations by \$12,591,925.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE C – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

Oregon state law requires disclosure of fund expenditures in excess of budgeted appropriations.

The following fund had over-expenditures in the indicated category:

Fund	Budget	Actual	Variance
SEDA Glenwood Fund			
City Manager's Office - Operating	\$ 494,800	\$ 645,787	\$ (150,987)

Local budget law exempts reporting of over appropriations for a variety of situations related to the issuance, repayment and refunding of bonds as defined in ORS 294.338. For the fiscal year ended June 30, 2016, The General Obligations Debt Service Fund had expenditures for other financing uses payments to refunded bond escrow agent and related issuance costs over appropriations that were exempt per ORS 294.338(5)(b).

The Community Development Fund reported a negative fund balance of \$10,105 and the Jail Operations Fund report a negative fund balance of \$27,201. The negative fund balance for the Community Development Fund was the result of the City not being able to request reimbursement of expenditures totaling \$34,457 for a project due to environmental review procedures that were not completed prior to commitment of the funds. The City and Housing and Community Services Agency of Lane County staffs are working with the regional HUD representative to initiate a waiver process that would allow the project to move forward and the City to be reimbursed. The negative fund balance for the Jail Operations Fund was the result of jail lease revenues falling short of expectations.

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, 2016, cash and investments are comprised of the following:

Cash on Hand	\$ 7,552
Cash with Fiscal Agent	5,500
Deposits	13,176,014
Local Government Investment Pool Accounts	63,614,298
Investments	<u>93,209,893</u>
	<u>\$ 170,013,257</u>

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

Governmental Funds	\$ 46,022,208
Business-type Funds	40,642,703
Not Appearing on Statement of Net Position	
Fiduciary Fund	<u>83,348,346</u>
	<u>\$ 170,013,257</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE D – CASH AND INVESTMENTS – Continued

Deposits

Deposits with financial institutions are comprised of checking and money market accounts, and certificates of deposits. As of June 30, 2016, the City of Springfield had a book balance of \$13,176,014 and bank balance of \$13,356,742. The difference is due to transactions in process. Of this amount, \$750,000 was covered by federal depository insurance, and the remainder was collateralized by the statewide pool.

Effective July 1, 2008, the State of Oregon formed the Oregon Public Funds Collateralization Program under ORS 295. The collateralization program creates a statewide pool of qualified bank depositories for local governments, providing collateralization for bank balances that exceed the limits of federal depository insurance, and eliminating the need for certificates of participation. The legislation creates a shared liability structure for depository banks, but does not guarantee that public funds are 100% protected. The City is also required to verify that amounts in excess of FDIC insurance limits are deposited only in qualified depository banks listed by the Office of the State Treasurer.

Local Government Investment Pool

The City participates in the State of Oregon Local Investment Pool (LGIP or Pool) which is an open-ended, load diversified portfolio created under ORS 294.805 to 294.895 and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested and managed, like that of a prudent investor, exercising reasonable care, skill, and caution. Investments in the funds are further governed by portfolio guidelines issued by the Oregon short-term Funds Board, which establish diversification percentages and specify the types of maturities of investments.

The Oregon Audits Division of the Secretary of State's Office audits the Pool annually. The Division's report on the Pool as of and for the year ended June 30, 2014 was unmodified and may be obtained at the Oregon State Treasury, 350 Winter St. NE, Ste 100, Salem, OR 97310 or at www.ost.state.or.us. At June 30, 2016, the fair value of the City's deposits with the LGIP approximates cost.

Cash and Investments

On June 30, 2016, the City of Springfield held \$93,209,893 of investments; corporate indebtedness of \$40,672,306, and government agency securities totaling \$52,537,587.

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE D – CASH AND INVESTMENTS – Continued

The City’s policy for custodial credit risk for is outlined in the City’s Investment and Portfolio Policies, adopted by the City Council. This investment policy applies to all cash-related assets included within the scope of the City of Springfield’s audited financial statements and held directly by the City. Funds will be invested in compliance with the provisions of, but not necessarily limited to the Oregon Revised Statutes (ORS), Chapter 295, other applicable statutes and this policy. Investment of any tax exempt borrowings proceeds and any related debt service funds will comply with the arbitrage restrictions in all applicable Internal Revenue Service codes. The City will limit investment activities in order to ensure safety, legality, liquidity, diversity, and yield. The standard of prudence used by the City’s investment officer in the context of managing the overall portfolio shall be the prudent investor rule.

The scope of the City’s investment policy includes not only investments, but all cash-related assets included within the scope of the City of Springfield’s financial statements and held directly by the City. The investment policy establishes the City’s permitted investments and provides guidelines for managing the various types of risk associated with these investments. The different risks will be discussed below.

A. Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. City staff manages this risk by limiting the maturity of the investments held by the City. The investment policy requires that all short-term investments mature in less than 18 months. The investment policy defines short-term investments as those not reserved for specific capital projects or debt payments. Long-term investments are required to have maturities less than 3 years. Commercial paper is required to have a maturity which does not exceed 270 days. On June 30, 2016, 100% of the total investments were considered short-term and had maturities less than 18 months and none were considered long-term with maturities of more than 18 months but less than 3 years. The table below displays the liquidity requirements of the investment policy and the liquidity characteristics of the City’s cash and investments on June 30, 2016.

Short-Term Investments:

<u>Maturity</u>	<u>Amount</u>	<u>Actual %</u>	<u>Investment Policy %</u>
Under 30 days	\$ 83,916,104	49%	10 % minimum
Under 90 days	103,927,964	61%	25 % minimum
Under 270 days	135,857,957	80%	50 % minimum
Under one year	170,013,257	100%	80 % minimum
Under 18 months	170,013,257	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, 2016, all of the corporate debt in the City’s portfolio is in compliance with the investment policy. The Local Government Investment Pool is not rated and is not registered with the U.S. Securities and Exchange Commission.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE D – CASH AND INVESTMENTS – Continued

C. Custodial credit risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The City’s investment policy requires that broker/dealers meet certain qualifications and that purchased investment securities will be delivered by FED book entry, DTC, or physical delivery, and held in third party safekeeping - registered to the City of Springfield - with a designated custodian. All of the City’s investments at June 30, 2016 were delivered by book entry to the account of BNY Western Trust Company, who held the securities for the benefit of the City.

D. Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The City’s investment policy provides concentration guidelines by both institution and by type of investment. The City diversifies investments across maturities, security type and institution to avoid incurring unreasonable risks. In particular, except for the Local Government Investment Pool, no more than 25% of the City’s total investment portfolio will be invested with a single financial institution. In addition, no more than 20% of the total portfolio will be invested with any one security and no more than 5 percent of the total portfolio will be invested with any one corporate entity. As of June 30, 2016, the City was in compliance with the City’s investment policy.

Diversification by Financial Instrument:

<u>Instrument</u>	<u>Amount</u>	<u>% Invested</u>	<u>Maximum % of Portfolio</u>
Sate of Oregon Investment Pool	\$ 63,614,298	36%	100%
Interest Bearing Checking Account	8,133,589	5%	50%
Money Market Account	2,796,023	2%	50%
Time Certificates of Deposit	2,246,402	1%	25%
Corporate Indebtedness	40,672,306	24%	25%
Government Agencies	52,537,587	31%	50%
Other	13,052	0%	0%
Totals	<u>\$ 170,013,257</u>	<u>100%</u>	

E. Fair Value Measurements

Fair value is defined as the price that would be received at the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes fair value measurements within the hierarchy established by GASB Statement 72. This hierarchy defines three levels of inputs used to assess fair value which allows financial statement users to identify the level of reliability and determine variance risk between actual amounts received during a sale of assets or transfer of liabilities to that which is reported in the financial statements for the measurement date.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE D – CASH AND INVESTMENTS – Continued

The classification of securities within this fair value hierarchy is based on activity level in the market for the security type, and the inputs used to determine their fair value as follows:

- Level 1 – Unadjusted quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable based on market data obtained from sources independent of the reporting entity.
- Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable (based on the best information available regarding assumptions market participants would use in pricing the asset).

As of June 30, 2016, the City’s investments are classified as level 2.

F. Foreign currency

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

NOTE E – RECEIVABLES AND UNAVAILABLE REVENUE

Receivables at June 30, 2016 consist of the following:

Fund	Property Taxes and Other	Accounts	Assessments and Liens	Grants	Accrued Interest	Mortgage Notes	Total Gross Receivable	Less Allowance for Uncollectible	Total Net Receivable
General	\$1,504,266	\$ 972,665	\$ -	\$ -	\$ 38,545	\$ 1,233	\$ 2,516,709	\$ -	\$ 2,516,709
Street	-	568,468	-	25,249	1,370	-	595,087	-	595,087
Sewer	-	707,707	-	-	14,834	-	722,541	-	722,541
Storm Drainage	-	620,344	-	-	11,535	-	631,879	-	631,879
Storm Drainage Capital	-	-	-	-	38,067	-	38,067	-	38,067
Ambulance	-	1,416,649	-	-	4,717	-	1,421,366	(814,134)	607,232
Nonmajor Governmental	902,030	293,631	109,848	144,462	58,264	2,022,146	3,530,381	-	3,530,381
Nonmajor Enterprise	-	257,777	-	-	35,601	-	293,378	-	293,378
Internal Service	-	52,288	-	-	45,284	-	97,572	-	97,572
	<u>\$2,406,296</u>	<u>\$4,889,529</u>	<u>\$ 109,848</u>	<u>\$169,711</u>	<u>\$248,217</u>	<u>\$2,023,379</u>	<u>\$ 9,846,980</u>	<u>\$ (814,134)</u>	<u>\$ 9,032,846</u>

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE E – RECEIVABLES AND UNAVAILABLE REVENUE – Continued

Mortgage notes within the Community Development fund are a result of loans made under the CDBG federal program. 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. Most loans are interest free.

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

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2016, the various components of unavailable revenue (deferred inflows) consist of the following:

FUND BY TYPE	Property taxes receivable	Fees and charges	Mortgage notes receivable	Assessments	Other	Total unavailable revenue
General Fund	\$ 1,474,236	\$ 237,403	\$ -	\$ -	\$ 39,209	\$ 1,750,848
Street Fund	-	54,386	-	-	-	54,386
Nonmajor governmental	886,432	170,671	1,422,122	109,847	612,010	3,201,082
Total unavailable revenue	<u>\$ 2,360,668</u>	<u>\$ 462,460</u>	<u>\$ 1,422,122</u>	<u>\$ 109,847</u>	<u>\$ 651,219</u>	<u>\$ 5,006,316</u>

NOTE F – CAPITAL ASSETS

Governmental activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 60,765,378	\$ 4,278,000	\$ (1,270,049)	\$ 63,773,329
Work in progress	1,024,979	2,107,419	(1,093,747)	2,038,651
Total capital assets, not being depreciated	<u>61,790,357</u>	<u>6,385,419</u>	<u>(2,363,796)</u>	<u>65,811,980</u>
Capital assets, being depreciated:				
Buildings	47,705,820	175,134	-	47,880,954
Infrastructure	70,638,397	878,416	-	71,516,813
Machinery & equipment	20,975,588	2,013,151	(842,060)	22,146,679
Library books	1,998,269	-	-	1,998,269
Studies	1,135,588	109,557	-	1,245,145
Total capital assets, being depreciated	<u>142,453,662</u>	<u>3,176,258</u>	<u>(842,060)</u>	<u>144,787,860</u>
Less accumulated depreciation for:				
Buildings	(20,781,700)	(2,213,521)	-	(22,995,221)
Infrastructure	(32,341,822)	(2,482,073)	-	(34,823,895)
Machinery & equipment	(15,226,749)	(1,354,123)	748,584	(15,832,288)
Library books	(1,890,910)	(85,596)	-	(1,976,506)
Studies	(520,426)	(96,113)	-	(616,539)
Total depreciation	<u>(70,761,607)</u>	<u>(6,231,426)</u>	<u>748,584</u>	<u>(76,244,449)</u>
Total capital assets, being depreciated, net	<u>71,692,055</u>	<u>(3,055,168)</u>	<u>(93,476)</u>	<u>68,543,411</u>
Governmental activities capital assets, net	<u>\$ 133,482,412</u>	<u>\$ 3,330,251</u>	<u>\$ (2,457,272)</u>	<u>\$ 134,355,391</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE F – CAPITAL ASSETS – Continued

Business-type activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,758,858	\$ -	\$ -	\$ 4,758,858
Work in progress	4,858,217	4,530,135	(1,200,074)	8,188,278
Total capital assets, not being depreciated	<u>9,617,075</u>	<u>4,530,135</u>	<u>(1,200,074)</u>	<u>12,947,136</u>
Capital assets, being depreciated:				
Buildings & infrastructure	96,078,033	1,096,806	-	97,174,839
Land improvements	532,806	-	-	532,806
Equipment	1,214,224	679,024	-	1,893,248
Studies	1,659,806	192,051	-	1,851,857
Total capital assets, being depreciated	<u>99,484,869</u>	<u>1,967,881</u>	<u>-</u>	<u>101,452,750</u>
Less accumulated depreciation for:				
Land improvements	(508,760)	-	-	(508,760)
Buildings & infrastructure	(31,175,433)	(3,202,288)	-	(34,377,721)
Equipment	(1,127,440)	(149,883)	-	(1,277,323)
Studies	(802,899)	(167,530)	-	(970,429)
Total depreciation	<u>(33,614,532)</u>	<u>(3,519,701)</u>	<u>-</u>	<u>(37,134,233)</u>
Total capital assets, being depreciated, net	<u>65,870,337</u>	<u>(1,551,820)</u>	<u>-</u>	<u>64,318,517</u>
Business-type activities capital assets, net	<u>\$ 75,487,412</u>	<u>\$ 2,978,315</u>	<u>\$ (1,200,074)</u>	<u>\$ 77,265,653</u>

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

Governmental activities:

General government	\$ 99,414
Police	2,023,751
Fire and life safety	703,293
Development and public works	3,052,235
Library	102,298
Unallocated	<u>250,435</u>
Total depreciation expense – governmental activities	<u>\$ 6,231,426</u>

Business-type activities:

Sewer	\$ 2,550,085
Storm	175,618
Booth-Kelly	787,741
Ambulance	<u>6,257</u>
Total depreciation expense – business type activities	<u>\$ 3,519,701</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE G - RISK MANAGEMENT

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

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

The City has established an internal service fund to account for and finance its risks of loss. The City maintains a self-insured health benefit program that provides medical, dental, and vision coverage to all regular full and part-time employees and their dependents as well as non-Medicare eligible retirees and their dependents. The City has established a self-insurance reserve to pay medical, dental, and vision claims up to the self-insurance retention limit of \$150,000 per covered individual.

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

Fiscal year ended June 30	Liability balance at beginning of year	Current year claims and changes in estimates	Claim Payments	Liability balance at end of year
2013	\$ -	\$ 2,256,826	\$ (1,791,735)	\$ 465,091
2014	465,091	4,894,984	(4,960,500)	399,575
2015	399,575	6,007,389	(5,359,049)	1,047,915
2016	1,047,915	5,343,218	(5,895,677)	495,456

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

Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and LAE at June 30, 2016

Year	Case Reserves	IBNR Reserves	Outstanding LCF	Closeout Risk Adj.	IBNR & LCF after Closeout	Net Outstanding Liabilities
Prior	\$ 16,963	\$ 2,704	\$ -	\$ -	\$ -	\$ 19,667
2011-12	-	25,705	5,141	-	(25,047)	5,799
2012-13	-	32,202	6,440	-	(21,196)	17,446
2013-14	-	68,913	13,782	3,818	-	86,513
2014-15	34,870	66,666	20,307	5,659	-	127,502
2015-16	117,521	134,600	50,425	5,527	-	308,073
Total	\$ 169,354	\$ 330,790	\$ 96,095	\$ 15,004	\$ (46,243)	\$ 565,000

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE G - RISK MANAGEMENT – Continued

The City purchases third-party coverage or is part of the City County Insurance Services Insurance Pool for all lines of coverage. These include but are not limited to personal injury, public officials' errors and omissions, automobile, employer's liability, and property. Settled claims have not exceeded insurance coverage in any of the past five fiscal years.

NOTE H - CAPITAL LEASES

The City purchased equipment in the fiscal year ending June 30, 2012 for \$330,582 with no down payment and annual payments over 5 years. The City purchased equipment in the fiscal year ending June 30, 2013 for \$977,780 with no down payment and annual payments over 5 years. The City purchased equipment in the fiscal year ending June 30, 2016 for \$125,452 with no down payment and annual payments over 5 years. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Machinery and equipment	\$ 1,433,814
Less: Accumulated depreciation	<u>(405,321)</u>
Total	<u><u>\$ 1,028,493</u></u>

The future minimum lease obligations as of June 30, 2016, are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>
2017	\$ 226,262	\$ 13,593
2018	232,389	7,466
2019	25,085	1,169
2020	25,468	785
2021	<u>25,858</u>	<u>396</u>
Totals	<u><u>\$ 535,062</u></u>	<u><u>\$ 23,409</u></u>

NOTE I - LONG-TERM DEBT

General Obligation Bonds

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE I - LONG-TERM DEBT – Continued

Refundings

On June 29, 2016 the 2005 and 2007 bonds were refunded and replaced with the 2016 bond in the amount of \$14,690,000.

The proceeds of the 2016 general obligation bonds were used to pay principal and interest on the \$17.6 million of 2005 and 2007 bonds. As a result, the 2005 bonds have been fully redeemed in FY2015-16 and the 2007 bonds have been redeemed with the exception of the CUSIP 851290TG1 with principal of \$1.3 million due on 6/1/2017 which was not refunded. The liability of the refunded bonds has been removed from the governmental activities column in the statement of net position. This refunding was undertaken to reduce total debt service payments by \$2.2 million dollars and resulted in an economic gain of \$2.0 million.

General obligation bonds payable transactions for the year ended June 30, 2016 are as follows:

	Issue Date	Final Maturity Date	Effective Interest Rate	Outstanding July 1, 2015	Issued During year	Retired During Year	Outstanding June 30, 2016	Due Within One Year
Series 2016	6/29/2016	2026	1.36%	\$ -	\$ 14,690,000	\$ -	\$ 14,690,000	\$ 225,000
Series 2007	3/9/2007	2026	4.00%	16,650,000	-	(15,365,000)	1,285,000	1,285,000
Series 2005	7/26/2005	2025	3.48%	2,420,000	-	(2,420,000)	-	-
					Unamortized Premium		2,304,808	
					Due in current year		(1,510,000)	
					Total general obligation long-term debt		<u>\$ 16,769,808</u>	

Revenue Bonds

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

The City has committed to establish utility user charges sufficient to pay principal and interest when due. If user charges are not sufficient, the City is required by covenant to raise utility rates sufficient to pay maturing principal and interest. Debt service on the revenue bonds is paid solely from user fees.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE I - LONG-TERM DEBT – Continued

Revenue obligation bonds payable transactions for the year ended June 30, 2016 are as follows:

	Issue Date	Final Maturity Date	Effective Interest Rate	Outstanding July 1, 2015	Issued During year	Matured During Year	Outstanding June 30, 2016	Due Within One Year
Series 2009	4/2/2009	2029	4.070%	\$ 17,770,000	\$ -	\$ (970,000)	\$ 16,800,000	\$ 1,005,000
Series 2010	10/6/2010	2030	3.149%	8,480,000	-	(410,000)	8,070,000	420,000
					Unamortized Premium		448,704	
					Due in current year		(1,425,000)	
					Total revenue bonds payable		<u>\$23,893,704</u>	

Maturities of bond principal and interest are as follows:

Year	General Obligation Bonds		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016-17	\$ 1,510,000	\$ 599,723	\$ 1,425,000	\$ 988,281	\$ 2,935,000	\$ 1,588,004
2017-18	1,390,000	578,600	1,480,000	935,256	2,870,000	1,513,856
2018-19	1,445,000	523,000	1,540,000	880,181	2,985,000	1,403,181
2019-20	1,505,000	465,200	1,595,000	822,931	3,100,000	1,288,131
2020-21	1,570,000	405,000	1,655,000	763,506	3,225,000	1,168,506
2021-26	8,555,000	1,033,200	9,275,000	2,813,269	17,830,000	3,846,469
2026-31	-	-	7,900,000	757,200	7,900,000	757,200
Total	<u>\$ 15,975,000</u>	<u>\$ 3,604,723</u>	<u>\$ 24,870,000</u>	<u>\$ 7,960,625</u>	<u>\$ 40,845,000</u>	<u>\$ 11,565,347</u>

The City issues debt backed solely by future fees received for certain services. At June 30, 2016, future pledged revenues are as follows:

Purpose	Revenue Stream	Year end of final payments	Future pledged revenue debt outstanding	Approx % of future revenues pledged to gross revenues	Revenue, net of related expenses Y/E 6/30/2016	Debt payments Y/E 6/30/2016
Revenue bonds:						
Sewer System series 2009	Sewer system fees	2029	\$ 22,241,750	10.8%	\$ 5,889,774 *	\$ 1,712,931
Revenue bonds:						
Storm System series 2010	Sewer system fees	2030	10,588,875	4.5%	5,889,774 *	706,600
Business -type activities			<u>\$ 32,830,625</u>			<u>\$ 2,419,531</u>

* same revenue source pledged for two purposes

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE I - LONG-TERM DEBT – Continued

Notes Payable

At June 30, 2016 notes payable are as follows:

Governmental activities:

Bank of America (FS 16), payable in semi-annual installments including interest at 4.9%, due 2018	<u>\$ 520,000</u>
Total governmental activities	<u>\$ 520,000</u>

Business-type activities:

Bank of the West (BLM), Note payable with monthly installments beginning June, 2009 at 6.97%, due in May of 2019	<u>\$ 2,198,125</u>
Total business-type activities	<u>\$ 2,198,125</u>

Principal amounts due on these notes payable in each of the next three year are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2016-17	\$ 200,000	\$ 704,020
2017-18	210,000	754,687
2018-19	<u>110,000</u>	<u>739,418</u>
	<u>\$ 520,000</u>	<u>\$ 2,198,125</u>

Interfund Advance

At June 30, 2016 interfund advances are as follows:

Springfield Economic Development Agency due on or before 2024	<u>\$ 347,807</u>
Total interfund advances	<u>\$ 347,807</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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE I - LONG-TERM DEBT – Continued

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

Compensated Absences

City employees accumulated earned but unused leave with pay which combines into a time management bank. Upon termination of employment, unused vacation, but not sick time is paid out at the employees current pay rate. Calculations based on the percentage of prior year hours used during the current year indicate approximately 30% of the compensated absence liability is considered current.

Compensated absences included in governmental activities are anticipated to be liquidated as follows:

<u>Governmental Activities</u>	<u>June 30, 2016</u>
General	\$ 3,176,041
Street	400,237
Special revenue funds	554,343
Internal service funds	22,015
	<u>\$ 4,152,636</u>

Net OPEB Obligation

The City's annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance within the parameters of GASB 45. Using current year payroll activity, the Net OPEB Obligation in governmental activities is anticipated to be liquidated as follows:

<u>Governmental Activities</u>	<u>June 30, 2016</u>
General	\$ 3,943,534
Street	282,034
Special revenue funds	582,882
Other governmental funds	7,641
Internal service funds	59,692
	<u>\$ 4,875,782</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE I - LONG-TERM DEBT – Continued

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2016 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	\$ 19,070,000	\$ 14,690,000	\$(17,785,000)	\$ 15,975,000	\$ 1,510,000
Less deferred amounts					
For issuance premiums	183,442	2,304,808	(183,442)	2,304,808	-
For issuance discounts	(5,074)	-	5,074	-	-
Total bonds payable	19,248,368	16,994,808	(17,963,368)	18,279,808	1,510,000
Notes payable	715,000	-	(195,000)	520,000	200,000
Interfund loan payable	340,774	7,033	-	347,807	-
Contracts payable	210,000	-	-	210,000	-
Capital leases	676,209	125,452	(266,599)	535,062	226,262
Accrued claims liability	450,000	115,000	-	565,000	176,201
Accrued absences	4,065,785	1,212,875	(1,126,024)	4,152,636	1,216,317
OPEB obligation	4,534,429	341,353	-	4,875,782	-
Net pension liability	8,698,868	19,614,402	-	28,313,270	-
Governmental activity long-term liabilities	<u>\$ 38,939,433</u>	<u>\$ 38,410,923</u>	<u>\$(19,550,991)</u>	<u>\$ 57,799,365</u>	<u>\$ 3,328,780</u>
<u>Business-type activities:</u>					
Bonds payable:					
Revenue bonds	\$ 26,250,000	\$ -	\$ (1,380,000)	\$ 24,870,000	\$ 1,425,000
Less deferred amounts					
For issuance discounts	-	-	-	-	-
For issuance premiums	502,681	-	(53,977)	448,704	-
Total bonds payable	26,752,681	-	(1,433,977)	25,318,704	1,425,000
Notes payable	3,011,742	-	(813,617)	2,198,125	704,020
Accrued absences	892,498	320,523	(256,566)	956,455	314,263
OPEB obligation	1,171,793	69,586	-	1,241,379	-
Net pension liability	(1,404,144)	5,403,137	-	3,998,993	-
Business-type activities long-term liabilities	<u>\$ 30,424,570</u>	<u>\$ 5,793,246</u>	<u>\$ (2,504,160)</u>	<u>\$ 33,713,656</u>	<u>\$ 2,443,283</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE J – RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

Interfund Payables & Receivables

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sanitary Sewer	Internal service funds	\$ 126,352
Storm Drainage	Internal service funds	152,781
Booth Kelly	Internal service funds	24,315
Ambulance	Internal service funds	191,104
Total due to/from other funds (different fund types)		<u>\$ 494,552</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>\$ 91,588</u>

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

Interfund Transfers

<u>Fund description</u>	<u>General</u>	<u>Street</u>	<u>Nonmajor Governmental Funds</u>	<u>Sanitary Sewer</u>	<u>Storm Drainage Capital</u>	<u>Nonmajor Enterprise</u>	<u>Total Transfers Out</u>
General	\$ -	\$ 397,566	\$ 550,000	\$ -	\$ -	\$ -	\$ 947,566
Street	-	-	150,000	-	-	-	150,000
Nonmajor Governmental	930,891	-	3,772,844	-	-	-	4,703,735
Sanitary Sewer	-	-	-	-	-	2,480,000	2,480,000
Storm Drainage	-	-	-	-	1,335,000	-	1,335,000
Nonmajor Enterprise	100,000	-	-	1,197,773	396,293	41,607	1,735,673
Internal Service Funds	249,722	-	218,431	-	-	-	468,153
Total Transfers In	<u>\$ 1,280,613</u>	<u>\$ 397,566</u>	<u>\$ 4,691,275</u>	<u>\$ 1,197,773</u>	<u>\$ 1,731,293</u>	<u>\$ 2,521,607</u>	<u>\$ 11,820,127</u>

Transfers are routinely made for the following purposes:

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE K – REBATABLE ARBITRAGE

The City issued general obligation bonds in the amount of \$12,425,000 in December of 2005 and \$24,650,000 in March, 2007. Arbitrage liability has been paid on the 2005 issue, and the liability on the 2007 issue was reduced to zero in previous years. There is no remaining arbitrage liability. These two bonds were refunded in June of 2016 and replaced with the 2016 general obligation bond in the amount of \$14,690,000.

The City issued revenue bonds in the amount of \$22,815,000 in March of 2009 and \$10,000,000 in September, 2010. There is no arbitrage liability for these issues as of June 30, 2016.

NOTE L – CITY DEFINED BENEFIT PENSION PLAN

Plan Description – The City sponsors a pension plan for Springfield Police Association employees hired before April 1, 1996 (City of Springfield, Oregon Retirement Plan – CRP). CRP is a governmental single-employer plan maintained and operated by the City of Springfield. The plan is closed to new entrants and all participants are fully vested. The CRP covers full-time regular employees covered by the Springfield Police Association, Fire management, and all Police management employees hired before April 1, 1996, and all disability retirees formerly in the Money Purchase Pension Plan. As of June 30, 2016, there were 34 participants in the plan, of which 19 are active employees and 13 are inactive employees or their beneficiaries. The CRP is subject to Oregon PERS “equal to or better than” statutory requirements. PERS completed its latest “equal to or better than” testing in July of 2005. The most recent testing prior to July 2005 was in 1995. The plan does not issue a separate stand-alone report.

City Retirement Plan Benefits

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

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

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

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

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

The City completes an actuarial study of the CRP as of June 30 every 2 years. In part, because of the closed membership nature of the plan, the City has implemented a new funding strategy for the CRP. The City now contributes annually to the plan a consistent percentage for all covered salary across all employee groups and an annual single lump sum in each year of the bi-annual cycle. The percentage contribution for all covered salary is now 27.8%. The annual lump sum contribution for the current bi-annual period is \$1,352,000.

Employer contributions for the year ended June 30, 2016 were \$1,953,954.

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2016, the City reported a net pension liability of \$14,578,920. The net pension liability and fiduciary net position were measured as of June 30, 2016. The total pension liability was determined using actuarial valuation results as of July 1, 2014 rolled forward to June 30, 2016. The following table presents the changes in the net pension liability for the fiscal year ended June 30, 2016:

<u>Changes in Net Pension Liability</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances as of June 30, 2015	\$ 33,957,928	\$ 20,313,441	\$ 13,644,487
Changes for the year:			
Service cost	608,191	-	608,191
Interest on total pension liability	2,199,860	-	2,199,860
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) or losses	-	-	-
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(1,444,246)	(1,444,246)	-
Administrative expenses	-	(68,077)	68,077
Member contributions	-	-	-
Net investment income	-	(12,259)	12,259
Employer contributions	-	1,953,954	(1,953,954)
Net changes	<u>1,363,805</u>	<u>429,372</u>	<u>934,433</u>
Balances as of June 30, 2016	<u>\$ 35,321,733</u>	<u>\$ 20,742,813</u>	<u>\$ 14,578,920</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

For the year ended June 30, 2016, the City recognized pension expense of \$1,937,801, the details of which are presented in the following table:

<u>Pension Expense</u>	<u>July 1, 2015 to June 30, 2016</u>
Service cost	\$ 608,191
Interest on total pension liability	2,199,860
Effect of plan changes	-
Administrative expenses	68,077
Member contributions	-
Expected investment return net of investment expenses	-
Recognition of Deferred (Inflows)/Outflows of Resources:	(1,332,336)
Recognition of economic/demographic (gains) losses	-
Recognition of assumption changes or inputs	-
Recognition of investment (gains) losses	394,009
	<u>394,009</u>
Pension Expense	<u>\$ 1,937,801</u>

At June 30, 2016, the City reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Net deference between projected and actual earnings of pension plan investments	<u>\$ 1,450,945</u>

The \$1,450,945 reported as deferred outflows of resources related to pensions resulting from investment earnings falling short of projected earnings will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 394,009
2018	394,009
2019	394,009
2020	268,919
2021	-
Total	<u>\$ 1,450,945</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

Actuarial Valuations – The total pension liability in the July 1, 2014 actuarial valuation rolled forward to June 30, 2016 was determined using the following actuarial assumptions:

Actuarial Valuation Assumptions

Valuation date	July 1, 2014 rolled forward to June 30, 2016.
Actuarial cost method	Individual entry age normal, level percentage of pay
Amortization method	Fixed amortization period of 22 years starting July 1, 2014, with payments calculated in level dollar installments.
Asset valuation method	Five-year smoothing of market value investment gains and losses, with the resulting smoothed asset value within 10% of market value.
Actuarial assumptions:	
Investment rate of return	6.50%
Projected salary increases	3.5% per year for wage inflation with merit increases
Administrative expenses	\$39,000 per year
Mortality	None assumed

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

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

	1 % Decrease (5.5%)	Current Discount Rate (6.5%)	1 % Increase (7.5%)
Total pension liability	\$ 37,489,748	\$ 35,321,733	\$ 33,317,444
Fiduciary net position	20,742,813	20,742,813	20,742,813
Net pension liability	<u>\$ 16,746,935</u>	<u>\$ 14,578,920</u>	<u>\$ 12,574,631</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

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

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

NOTE M – PERS DEFINED BENEFIT PENSION PLAN

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

Tier One/Tier Two Plan Benefits

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

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

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

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

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

Benefit Changes After Retirement – Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits may change annually through cost-of-living adjustments. Under current law, the cap on the COLA in fiscal year 2016 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

OPSRP Plan Benefits

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

General Service, age 65 or 58 with 30 years of retirement credit, 1.5% is multiplied by the number of years of service and the final average salary.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

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

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

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

Benefit Changes After Retirement – Under ORS 238A.210, post retirement monthly benefits will change annually through cost-of-living adjustments. Under current law, the cap on the COLA in fiscal year 2016 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

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

Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation. The City contribution rates in effect for the fiscal year ended June 30, 2016 were 12.13% for Tier One/Tier Two covered members, 9.44% for OPSRP Pension Program Police and Fire Members, and 5.33% for OPSRP Pension Program General Service Members.

Employer contributions for the year ended June 30, 2016 were \$2,718,458.

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2016, the City reported a liability of \$17,733,343 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013 rolled forward to June 30, 2015. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2015, the City's proportion was .3089 percent, which was changed from .2801 percent measured as of June 30, 2014.

For the year ended June 30, 2016, the City recognized pension expense of \$17,567,679. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 956,272	\$ -
Net deference between projected and actual earnings of pension plan investments	-	3,717,311
Changes in proportion and differences between employer contributions and proportionate share of contributions	493,338	-
Differences between employer contributions and employer's proportionate share of system contributions	-	980,095
Total (prior to post measurement date contributions)	<u>1,449,610</u>	<u>4,697,406</u>
Contributions subsequent to the measurement date	<u>2,718,458</u>	-
Total Deferred Outflow/Inflow of Resources	<u>\$ 4,168,068</u>	<u>\$ 4,697,406</u>
Net Deferred Outflow/Inflow of Resources (prior to post measurement date contributions)		<u>\$ 3,247,796</u>

The \$2,718,458 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2017	\$ 1,673,908
2018	1,673,908
2019	1,673,908
2020	(1,718,715)
2021	<u>(55,214)</u>
Total	<u>\$ 3,247,796</u>

Actuarial Valuations – The employer contribution rates effective July 1, 2015, through June 30, 2017, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities – which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities – which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	December 31, 2013
Measurement date	June 30, 2015
Experience Study Report	2014, published September 2015
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.75 percent
Long-term expected rate of return	7.75 percent
Discount rate	7.75 percent
Projected salary increases	3.75 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; Blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2013.

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

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

	1 % Decrease (6.75%)	Current Discount Rate (7.75%)	1 % Increase (8.75%)
City's proportionate share of the net pension liability (asset)	\$42,798,764	\$17,733,343	\$(3,390,221)

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

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

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE N – PERS DEFINED CONTRIBUTION PENSION PLAN

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

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

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

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

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

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

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

For the fiscal year ending June 30, 2016, the City's contribution to the IAP plan was \$1,728,451.

NOTE O – OTHER POSTEMPLOYMENT BENEFITS

The City administers a single-employer defined benefit healthcare plan as established through negotiations between the City and collective bargaining units. The healthcare plan provides post-retirement medical, dental, and vision coverage for eligible retirees, spouses, and dependents. The following groups are eligible: Non-Medicare eligible regular retirees, disability retirees, Non-Medicare eligible early retirees eligible for pension under a City Plan or OPERS with at least 2 years of benefited service at the City, and Non-Medicare eligible early retirees whose age plus years of service equal 70 or greater at their time of retirement. The authority for this coverage is City personnel policy. At June 30, 2016, 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 City treats this subsidy as a single-employer, defined benefit OPEB plan administered by the City only to satisfy the accounting and financial reporting requirements of GASB 45, and a separate financial report is not issued. The total cost of providing this coverage for the fiscal year ended June 30, 2016 was \$33,940.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

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

For these employees, the amount of the pension contribution is either 7%, 8%, or 9% of the employee’s last monthly salary, depending on what the employee’s contribution rate was before retirement. At June 30, 2016, there were 2 employees receiving this benefit.

Annual OPEB Cost and Net OPEB Obligation

The City’s annual other post-employment benefit cost (expense) is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance within the parameters of GASB 45.

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City’s annual OPEB cost for the fiscal year ending June 30, 2016, the amount actually contributed to the plans, and changes in the City’s net OPEB obligation:

Annual required contribution	\$ 1,242,950
Interest on net OPEB obligation	199,718
Adjustment to ARC	<u>(686,123)</u>
Annual OPEB cost (expense)	756,545
Contributions	<u>(345,606)</u>
Increase in net OPEB obligation	410,939
Net OPEB obligation, beginning of year	<u>5,706,222</u>
Net OPEB obligation, end of year	<u>\$ 6,117,161</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 2016 and the preceding two years were as follows:

<u>Fiscal year</u> <u>ending June 30</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Contribution</u>	<u>Percentage of annual</u> <u>OPEB cost</u> <u>contributed</u>	<u>Net OPEB</u> <u>obligation</u>
2014	\$ 1,221,499	\$ 316,962	25.95%	\$ 4,832,732
2015	1,248,071	374,581	30.01%	5,706,222
2016	756,545	345,606	45.68%	6,117,161

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE O – 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, 2014 actuarial valuations for the OPEB plan is based on the projected unit credit actuarial cost method. The actuarial assumptions include an investment return of 3.5%, a general inflation rate of 2.75%, and a healthcare cost inflation trend rate of 7.0% for the 1st year, July 1, 2014 to July 1, 2015. In future years, the health care cost trend varies from 5.0% to 6.75% due to the timing of the excise tax scheduled to affect health care benefits beginning in 2018. The trend then settles to an ultimate rate of 4.75%. The unfunded actuarially accrued liability and the gain or loss is amortized as a level dollar amount over 10 years on an open basis.

NOTE P – COMMITMENTS AND CONTINGENCIES

At June 30, 2016, the City was obligated under incomplete construction contracts in the amount of \$1,860,756.

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, 2016, the Sick Leave Reserve Program bank contained 7,308 hours. The value of these hours is not included in the liability for compensated absences because there is no estimate of the number of hours that will be used.

NOTE Q – CONSTITUTIONAL PROPERTY TAX LIMITATION

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

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

Required Supplementary Information



City of Springfield, Oregon
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2016

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 19,875,826	\$ 19,875,826	\$ 19,553,892	\$ (321,934)	\$ -	\$ 19,553,892
Licenses, permits and fees	2,580,436	2,580,436	2,798,171	217,735	-	2,798,171
Intergovernmental revenue	4,098,000	4,131,335	4,119,529	(11,806)	204,618	4,324,147
Charges for services	5,576,863	5,576,863	5,568,039	(8,824)	-	5,568,039
Fines and forfeitures	1,852,000	1,852,000	1,579,933	(272,067)	-	1,579,933
Investment earnings	95,000	130,000	87,943	(42,057)	(20,701)	67,242
Miscellaneous revenue	250,000	259,780	318,476	58,696	-	318,476
Total revenues	34,328,125	34,406,240	34,025,983	(380,257)	183,917	34,209,900
Expenditures:						
Current operating:						
City manager's office	1,312,493	1,349,485	1,341,996	7,489	21,590	1,363,586
Legal and judicial services	1,533,447	1,528,299	1,461,682	66,617	-	1,461,682
Human resources	444,636	514,908	514,630	278	-	514,630
Finance	1,118,869	1,332,547	1,259,379	73,168	-	1,259,379
Information technology	1,549,830	1,641,666	1,597,221	44,445	-	1,597,221
Fire and life safety	10,479,400	10,435,146	10,303,218	131,928	-	10,303,218
Police	14,156,571	14,320,280	14,318,454	1,826	-	14,318,454
Library	1,580,952	1,669,500	1,599,913	69,587	-	1,599,913
Development and public works	2,431,747	2,399,189	2,349,467	49,722	-	2,349,467
Contingency	600,000	600,000	-	600,000	-	-
Debt service:						
Principal	195,000	195,000	195,000	-	-	195,000
Interest	32,709	32,709	32,708	1	-	32,708
Total expenditures	35,435,654	36,018,729	34,973,668	1,045,061	21,590	34,995,258
Excess of revenues over (under) expenditures	(1,107,529)	(1,612,489)	(947,685)	664,804	162,327	(785,358)
Other financing sources (uses):						
Transfers in	1,075,921	1,255,923	1,280,613	24,690	-	1,280,613
Transfers out	(947,566)	(947,566)	(947,566)	-	-	(947,566)
Total other financing sources (uses)	128,355	308,357	333,047	24,690	-	333,047
Net change in fund balances	(979,174)	(1,304,132)	(614,638)	689,494	162,327	(452,311)
Fund balance, beginning of year	8,672,450	9,280,895	9,280,895	-	42,411	9,323,306
Fund balance, end of year	\$ 7,693,276	\$ 7,976,763	\$ 8,666,257	\$ 689,494	\$ 204,738	\$ 8,870,995

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, 2016

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,089,825	\$ (110,175)	\$ -	\$ 1,089,825
Licenses, permits and fees	136,700	136,700	147,656	10,956	-	147,656
Intergovernmental revenue	3,690,000	3,690,000	3,740,901	50,901	-	3,740,901
Charges for services	158,000	158,000	102,836	(55,164)	-	102,836
Investment earnings	1,500	1,500	3,667	2,167	(707)	2,960
Miscellaneous revenue	5,000	5,000	5,248	248	-	5,248
Total revenues	5,191,200	5,191,200	5,090,133	(101,067)	(707)	5,089,426
Expenditures:						
Current operating:						
Information technology	340,981	370,942	304,913	66,029	-	304,913
Development and public works	5,177,060	5,200,458	5,094,143	106,315	-	5,094,143
Total expenditures	5,518,041	5,571,400	5,399,056	172,344	-	5,399,056
Excess of revenues over (under) expenditures	(326,841)	(380,200)	(308,923)	71,277	(707)	(309,630)
Other financing sources (uses):						
Transfers in	403,300	403,300	397,566	(5,734)	-	397,566
Transfers out	(150,000)	(150,000)	(150,000)	-	-	(150,000)
Total other financing sources (uses)	253,300	253,300	247,566	(5,734)	-	247,566
Net change in fund balances	(73,541)	(126,900)	(61,357)	65,543	(707)	(62,064)
Fund balance, beginning of year	872,049	853,681	853,681	-	100,076	953,757
Change in reserve for inventory	-	-	-	-	121,070	121,070
Fund balance, end of year	\$ 798,508	\$ 726,781	\$ 792,324	\$ 65,543	\$ 220,439	\$ 1,012,763

City of Springfield, Oregon

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2016

OTHER POSTEMPLOYMENT BENEFITS

Schedule of OPEB Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2010	\$ -	\$ 7,851,047	\$ 7,851,047	0%	\$ 28,390,341	28%
7/1/2012	-	7,846,872	7,846,872	0%	29,189,395	27%
7/1/2014	-	6,620,575	6,620,575	0%	28,695,685	23%

CITY RETIREMENT PLAN PENSION BENEFITS

Schedule of CRP Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2010	\$ 18,354,656	\$ 32,329,421	\$ 13,974,765	56.8%	\$ 2,904,027	481%
7/1/2012	18,587,213	34,827,342	16,240,129	53.4%	2,621,746	619%
7/1/2014	19,296,361	34,890,821	15,594,460	55.3%	2,425,639	643%

Schedule of CRP Employer Contributions

(Dollar Amounts in Thousands)

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 1,876	\$ 1,936	\$ 2,088	\$ 1,790	\$ 1,810	\$ 1,209	\$ 1,303	\$ 1,359	\$ 1,273	\$ 1,253
Actual employer contribution	1,954	1,965	2,088	1,790	1,810	1,209	1,303	1,359	1,273	1,253
Contribution deficiency (Excess)	(78)	(29)	-	-	-	-	-	-	-	-
Covered payroll	2,034	2,101	2,426	2,498	2,535	2,738	2,944	3,027	3,132	3,224
Contribution as a % of covered payroll	96.07%	93.53%	86.07%	71.66%	71.40%	44.16%	44.26%	44.90%	40.64%	38.86%
Valuation Date	7/1/2014	7/1/2014	7/1/2012	7/1/2012	7/1/2010	7/1/2010	7/1/2008	7/1/2008	7/1/2006	7/1/2006
Investment Rate of Return Assumption	6.50%	6.50%	6.50%	7.50%	7.50%	7.50%	7.50%	8.00%	8.00%	8.00%

CITY RETIREMENT PLAN PENSION BENEFITS – Continued

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability			
Service cost	\$ 608,191	\$ 611,102	N/A
Interest on total pension liability	2,199,860	2,186,388	N/A
Benefit payments	<u>(1,444,246)</u>	<u>(3,730,383)</u>	<u>N/A</u>
Net change in total pension liability	1,363,805	(932,893)	N/A
Total pension liability, beginning	<u>33,957,928</u>	<u>34,890,821</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>35,321,733</u>	<u>33,957,928</u>	<u>\$ 34,890,821</u>
Fiduciary Net Position			
Employer contributions	1,953,954	1,964,977	N/A
Investment income net of investment expenses	(12,259)	708,524	N/A
Benefit payments	(1,444,246)	(3,730,383)	N/A
Administrative expenses	<u>(68,077)</u>	<u>(70,078)</u>	<u>N/A</u>
Net change in plan net position	429,372	(1,126,960)	N/A
Fiduciary net position, beginning	<u>20,313,441</u>	<u>21,440,401</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>20,742,813</u>	<u>20,313,441</u>	<u>21,440,401</u>
Net pension liability, ending (a) - (b)	<u>\$ 14,578,920</u>	<u>\$ 13,644,487</u>	<u>\$ 13,450,420</u>
Fiduciary net position as a % of total pension liability	59%	60%	61%
Covered payroll	\$ 2,034,238	\$ 2,100,871	\$ 2,425,639
Net pension liability as a % of covered payroll	717%	649%	555%

OPERS RETIREMENT PLAN PENSION BENEFITS

Schedule of Proportionate Share of Net Pension Liability

	Fiscal Year Ending June 30,		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset)	0.3089%	0.2801%	0.2801%
Proportionate share of the net pension liability (asset)	\$ 17,733,343	\$ (6,349,764)	\$ 14,295,480
Covered payroll	28,785,414	27,340,088	26,270,045
Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll	61.61%	-23.23%	54.42%
Plan net position as a percentage of the total pension liability	91.90%	103.59%	N/A

*This schedule is intended to show a 10-year trend of changes in the net pension liability. However, until a full 10-year trend is compiled, information will only be presented for those years in which it is available.

OPERS RETIREMENT PLAN PENSION BENEFITS – Continued

Schedule of Contributions

	Fiscal Year Ending June 30,		
	2016	2015	2014
Contractually required contribution	\$ 2,718,458	\$ 2,393,904	\$ 2,371,838
Contributions in relation to the contractually required contribution	2,718,458	2,393,904	2,371,838
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 28,785,414	\$ 27,340,088	\$ 26,270,045
Contributions as a percentage of covered employee payroll	9.44%	8.76%	9.03%

*This schedule is intended to show a 10-year trend of contributions. However, until a full 10-year trend is compiled, information will only be presented for those years in which it is available.



Other Supplementary Information



**Nonmajor Governmental Funds
Combining Statements**



City of Springfield, Oregon
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

June 30, 2016

	<u>Special</u>	<u>Capital</u>	<u>Debt</u>	<u>Total</u>
	<u>Revenue Funds</u>	<u>Projects Funds</u>	<u>Service Funds</u>	<u>Nonmajor</u>
				<u>Governmental</u>
				<u>Funds</u>
ASSETS				
Cash and investments	\$ 6,124,395	\$ 11,099,279	\$ 462,283	\$ 17,685,957
Receivables:				
Accounts	139,226	154,405	-	293,631
Taxes	596,652	-	305,378	902,030
Grants	143,617	845	-	144,462
Accrued interest	14,281	40,086	3,897	58,264
Assessments and liens	-	103,555	6,293	109,848
Notes	1,422,146	600,000	-	2,022,146
Prepaid items	-	3,591	-	3,591
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 8,440,317</u>	<u>\$ 12,001,761</u>	<u>\$ 777,851</u>	<u>\$ 21,219,929</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 626,826	\$ 140,523	\$ -	\$ 767,349
Accrued payroll and other liabilities	302,379	2,837	571	305,787
Due to other fund	91,588	-	-	91,588
Deposits	13,301	-	-	13,301
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>1,034,094</u>	<u>143,360</u>	<u>571</u>	<u>1,178,025</u>
Deferred inflows of resources:				
Unavailable revenue	2,023,481	869,970	307,630	3,201,081
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balances:				
Nonspendable	-	3,591	-	3,591
Restricted	5,146,634	7,836,396	418,347	13,401,377
Committed	-	1,980,130	-	1,980,130
Assigned	273,414	1,168,314	51,303	1,493,031
Unassigned	(37,306)	-	-	(37,306)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>5,382,742</u>	<u>10,988,431</u>	<u>469,650</u>	<u>16,840,823</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,440,317</u>	<u>\$ 12,001,761</u>	<u>\$ 777,851</u>	<u>\$ 21,219,929</u>

City of Springfield, Oregon
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year ended June 30, 2016

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 9,131,972	\$ -	\$ 2,086,616	\$ 11,218,588
Licenses, permits and fees	176,322	-	-	176,322
Intergovernmental revenue	342,083	77,751	-	419,834
Charges for services	2,267,607	1,309,025	-	3,576,632
Fines and forfeitures	72,482	-	-	72,482
Investment earnings	29,898	60,801	9,730	100,429
Special assessments	-	25,265	-	25,265
Miscellaneous revenue	279,748	171,836	-	451,584
Total revenues	12,300,112	1,644,678	2,096,346	16,041,136
Expenditures:				
Current operating:				
General government	1,643,584	79,466	16,002	1,739,052
Fire and life safety	1,545,050	-	-	1,545,050
Police	5,912,557	-	-	5,912,557
Library	106,562	-	-	106,562
Development and public works	1,423,941	195,510	-	1,619,451
Capital projects	10,425	2,177,549	-	2,187,974
Debt service:				
Principal	-	-	1,435,000	1,435,000
Interest	1,629	-	773,132	774,761
Bond issue costs	-	-	131,205	131,205
Total expenditures	10,643,748	2,452,525	2,355,339	15,451,612
Excess of revenues over (under) expenditures	1,656,364	(807,847)	(258,993)	589,524
Other financing sources (uses):				
Transfers in	2,950,773	1,724,500	16,002	4,691,275
Transfers out	(4,269,300)	(384,435)	(50,000)	(4,703,735)
Proceeds of refunding bonds	-	-	16,994,808	16,994,808
Payment to refunded bond escrow agent	-	-	(16,863,603)	(16,863,603)
Total other financing sources (uses)	(1,318,527)	1,340,065	97,207	118,745
Net change in fund balances	337,837	532,218	(161,786)	708,269
Fund balance, beginning of year	5,044,905	10,456,213	631,436	16,132,554
Fund balance, end of year	\$ 5,382,742	\$ 10,988,431	\$ 469,650	\$ 16,840,823

Special Revenue Funds

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

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

Major Special Revenue Funds:

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

Nonmajor Special Revenue Funds:

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

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

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.

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

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

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

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

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

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

SPRINGFIELD



City of Springfield, Oregon
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

June 30, 2016

	Special Revenue	Transient Room Tax	Housing and Community Development	Building	SEDA Glenwood	SEDA Downtown	Fire Levy	Police Levy	Jail Operations	Total
ASSETS										
Cash and investments	\$ 910,768	\$ 422,626	\$ -	\$ 1,538,276	\$ 958,514	\$ 72,597	\$ 395,914	\$ 1,695,747	\$ 129,953	\$ 6,124,395
Receivables:										
Accounts	-	115,436	-	-	-	-	110	-	23,680	139,226
Taxes	-	-	-	-	56,754	24,054	119,493	396,351	-	596,652
Grants	11,350	-	132,267	-	-	-	-	-	-	143,617
Accrued interest	-	1,624	-	2,730	2,222	279	1,622	5,804	-	14,281
Notes	-	-	1,422,121	25	-	-	-	-	-	1,422,146
Total assets	<u>\$ 922,118</u>	<u>\$ 539,686</u>	<u>\$ 1,554,388</u>	<u>\$ 1,541,031</u>	<u>\$ 1,017,490</u>	<u>\$ 96,930</u>	<u>\$ 517,139</u>	<u>\$ 2,097,902</u>	<u>\$ 153,633</u>	<u>\$ 8,440,317</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 20,054	\$ 1,276	\$ 39,189	\$ 8,634	\$ 421,172	\$ 24,819	\$ 9,733	\$ 70,557	\$ 31,392	\$ 626,826
Accrued payroll and other liabilities	197	6,502	11,595	29,412	-	-	56,697	76,575	121,401	302,379
Deposits	-	-	-	-	-	1,500	-	-	11,801	13,301
Due to other funds	-	-	91,588	-	-	-	-	-	-	91,588
Total liabilities	<u>20,251</u>	<u>7,778</u>	<u>142,372</u>	<u>38,046</u>	<u>421,172</u>	<u>26,319</u>	<u>66,430</u>	<u>147,132</u>	<u>164,594</u>	<u>1,034,094</u>
Deferred inflows of resources:										
Unavailable revenue	-	-	1,422,121	25	55,525	23,574	117,278	388,718	16,240	2,023,481
Fund balances:										
Restricted	628,453	531,908	-	1,502,960	540,793	47,037	333,431	1,562,052	-	5,146,634
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	273,414	-	-	-	-	-	-	-	-	273,414
Unassigned	-	-	(10,105)	-	-	-	-	-	(27,201)	(37,306)
Total fund balances	<u>901,867</u>	<u>531,908</u>	<u>(10,105)</u>	<u>1,502,960</u>	<u>540,793</u>	<u>47,037</u>	<u>333,431</u>	<u>1,562,052</u>	<u>(27,201)</u>	<u>5,382,742</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 922,118</u>	<u>\$ 539,686</u>	<u>\$ 1,554,388</u>	<u>\$ 1,541,031</u>	<u>\$ 1,017,490</u>	<u>\$ 96,930</u>	<u>\$ 517,139</u>	<u>\$ 2,097,902</u>	<u>\$ 153,633</u>	<u>\$ 8,440,317</u>

City of Springfield, Oregon
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year ended June 30, 2016

	Special Revenue	Transient Room Tax	Housing and Community Development	Building	SEDA Glenwood	SEDA Downtown	Fire Levy	Police Levy	Jail Operations	Total
Revenues:										
Taxes	\$ -	\$ 1,373,464	\$ -	\$ -	\$ 846,100	\$ 342,064	\$ 1,443,677	\$ 5,126,667	\$ -	\$ 9,131,972
Licenses, permits and fees	-	-	-	-	-	50,710	-	-	125,612	176,322
Intergovernmental revenue	30,195	-	307,941	-	3,570	377	-	-	-	342,083
Charges for services	-	-	-	2,120,887	4,325	71	-	-	142,324	2,267,607
Fines and forfeitures	50,934	-	-	-	-	21,196	-	-	352	72,482
Investment earnings	3,201	2,985	-	3,272	4,056	493	3,618	12,273	-	29,898
Miscellaneous revenue	166,336	3,645	108,587	-	-	-	-	57	1,123	279,748
Total revenues	250,666	1,380,094	416,528	2,124,159	858,051	414,911	1,447,295	5,138,997	269,411	12,300,112
Expenditures:										
Current operating:										
City manager's office	16,004	254,383	-	-	645,787	197,224	-	-	-	1,113,398
Legal and judicial services	-	-	-	-	-	-	-	488,562	-	488,562
Finance	-	-	22,671	-	12,303	6,650	-	-	-	41,624
Fire and life safety	-	-	-	-	-	-	1,545,050	-	-	1,545,050
Police	226,739	-	-	-	-	-	-	2,542,877	3,142,941	5,912,557
Library	65,423	41,139	-	-	-	-	-	-	-	106,562
Development and public works	10,549	116,626	380,641	916,125	-	-	-	-	-	1,423,941
Capital projects	-	-	-	-	-	10,425	-	-	-	10,425
Debt service:										
Interest	-	-	-	-	-	1,629	-	-	-	1,629
Total expenditures	318,715	412,148	403,312	916,125	658,090	215,928	1,545,050	3,031,439	3,142,941	10,643,748
Excess of revenues over (under) expenditures	(68,049)	967,946	13,216	1,208,034	199,961	198,983	(97,755)	2,107,558	(2,873,530)	1,656,364
Other financing sources (uses):										
Transfers in	3,431	-	-	-	-	126,000	-	-	2,821,342	2,950,773
Transfers out	(5,658)	(1,032,800)	-	-	(579,000)	(280,500)	-	(2,371,342)	-	(4,269,300)
Total other financing sources (uses)	(2,227)	(1,032,800)	-	-	(579,000)	(154,500)	-	(2,371,342)	2,821,342	(1,318,527)
Net change in fund balances	(70,276)	(64,854)	13,216	1,208,034	(379,039)	44,483	(97,755)	(263,784)	(52,188)	337,837
Fund balances, beginning of year	972,143	596,762	(23,321)	294,926	919,832	2,554	431,186	1,825,836	24,987	5,044,905
Fund balances, end of year	\$ 901,867	\$ 531,908	\$ (10,105)	\$ 1,502,960	\$ 540,793	\$ 47,037	\$ 333,431	\$ 1,562,052	\$ (27,201)	\$ 5,382,742

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, 2016

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 420,000	\$ 420,000	\$ -	\$ (420,000)	\$ -	\$ -
Intergovernmental revenue	7,608	39,634	30,125	(9,509)	70	30,195
Fines and forfeitures	-	-	50,934	50,934	-	50,934
Investment earnings	-	-	3,201	3,201	-	3,201
Miscellaneous revenue	92,000	108,300	166,336	58,036	-	166,336
Total revenues	519,608	567,934	250,596	(317,338)	70	250,666
Expenditures:						
Current operating:						
City manager's office	20,730	20,730	16,004	4,726	-	16,004
Police	510,000	653,920	174,095	479,825	52,644	226,739
Library	54,608	138,764	65,423	73,341	-	65,423
Development and public works	10,000	16,453	10,549	5,904	-	10,549
Total expenditures	595,338	829,867	266,071	563,796	52,644	318,715
Excess of revenues over (under) expenditures	(75,730)	(261,933)	(15,475)	246,458	(52,574)	(68,049)
Other financing sources (uses):						
Transfers in	730	4,161	3,431	(730)	-	3,431
Transfers out	-	(5,658)	(5,658)	-	-	(5,658)
Total other financing sources (uses)	730	(1,497)	(2,227)	(730)	-	(2,227)
Net change in fund balances	(75,000)	(263,430)	(17,702)	245,728	(52,574)	(70,276)
Fund balance, beginning of year	805,835	919,569	919,569	-	52,574	972,143
Fund balance, end of year	<u>\$ 730,835</u>	<u>\$ 656,139</u>	<u>\$ 901,867</u>	<u>\$ 245,728</u>	<u>\$ -</u>	<u>\$ 901,867</u>

City of Springfield, Oregon
 TRANSIENT ROOM TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2016

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,305,000	\$ 1,355,500	\$ 1,373,464	\$ 17,964	\$ -	\$ 1,373,464
Investment earnings	3,790	3,790	3,292	(498)	(307)	2,985
Miscellaneous revenue	31	31	3,645	3,614	-	3,645
Total revenues	1,308,821	1,359,321	1,380,401	21,080	(307)	1,380,094
Expenditures:						
Current operating:						
City managers office	211,325	258,353	254,383	3,970	-	254,383
Library	52,408	58,943	41,139	17,804	-	41,139
Development and public works	118,141	116,717	116,626	91	-	116,626
Total expenditures	381,874	434,013	412,148	21,865	-	412,148
Excess of revenues over (under) expenditures	926,947	925,308	968,253	42,945	(307)	967,946
Other financing sources (uses):						
Transfers out	(652,000)	(1,052,500)	(1,032,800)	19,700	-	(1,032,800)
Net change in fund balances	274,947	(127,192)	(64,547)	62,645	(307)	(64,854)
Fund balance, beginning of year	620,379	595,542	595,542	-	1,220	596,762
Fund balance, end of year	<u>\$ 895,326</u>	<u>\$ 468,350</u>	<u>\$ 530,995</u>	<u>\$ 62,645</u>	<u>\$ 913</u>	<u>\$ 531,908</u>

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

Year Ended June 30, 2016

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ 890,641	\$ 933,272	\$ 307,941	\$ (625,331)	\$ -	\$ 307,941
Miscellaneous receipts	35,000	35,000	108,587	73,587	-	108,587
 Total revenues	 925,641	 968,272	 416,528	 (551,744)	 -	 416,528
Expenditures:						
Current operating:						
Finance	23,484	23,484	22,671	813	-	22,671
Development and public works	902,157	944,788	380,641	564,147	-	380,641
 Total expenditures	 925,641	 968,272	 403,312	 564,960	 -	 403,312
 Net change in fund balances	 -	 -	 13,216	 13,216	 -	 13,216
 Fund balance, beginning of year	 -	 -	 (23,321)	 (23,321)	 -	 (23,321)
 Fund balance, end of year	 \$ -	 \$ -	 \$ (10,105)	 \$ (10,105)	 \$ -	 \$ (10,105)

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, 2016

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 900,300	\$ 900,300	\$ 2,120,887	\$ 1,220,587	\$ -	\$ 2,120,887
Investment earnings	880	880	2,021	1,141	1,251	3,272
 Total revenues	 901,180	 901,180	 2,122,908	 1,221,728	 1,251	 2,124,159
Expenditures:						
Current operating:						
Development and public works	939,953	929,283	916,125	13,158	-	916,125
 Net change in fund balances	 (38,773)	 (28,103)	 1,206,783	 1,234,886	 1,251	 1,208,034
Fund balance, beginning of year	196,511	294,643	294,643	-	283	294,926
Fund balance, end of year	<u>\$ 157,738</u>	<u>\$ 266,540</u>	<u>\$ 1,501,426</u>	<u>\$ 1,234,886</u>	<u>\$ 1,534</u>	<u>\$ 1,502,960</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, 2016

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 803,000	\$ 803,000	\$ 846,100	\$ 43,100	\$ -	\$ 846,100
Intergovernmental revenue	100	100	3,570	3,470	-	3,570
Charges for services	-	-	4,325	4,325	-	4,325
Investment earnings	2,000	2,000	4,784	2,784	(728)	4,056
Total revenues	<u>805,100</u>	<u>805,100</u>	<u>858,779</u>	<u>53,679</u>	<u>(728)</u>	<u>858,051</u>
Expenditures:						
Current operating:						
City manager's office	494,800	494,800	645,787	(150,987)	-	645,787
Finance	13,350	13,350	12,303	1,047	-	12,303
Debt service:						
Principal	360,000	-	-	-	-	-
Interest	200,000	-	-	-	-	-
Total expenditures	<u>1,068,150</u>	<u>508,150</u>	<u>658,090</u>	<u>(149,940)</u>	<u>-</u>	<u>658,090</u>
Excess of revenues over (under) expenditures	<u>(263,050)</u>	<u>296,950</u>	<u>200,689</u>	<u>(96,261)</u>	<u>(728)</u>	<u>199,961</u>
Other financing sources (uses):						
Interfund loan proceeds	(200,000)	-	-	-	-	-
Interfund loan repaid	(360,000)	-	-	-	-	-
Transfers out	-	(579,000)	(579,000)	-	-	(579,000)
Total other financing sources (uses)	<u>(560,000)</u>	<u>(579,000)</u>	<u>(579,000)</u>	<u>-</u>	<u>-</u>	<u>(579,000)</u>
Net change in fund balances	<u>(823,050)</u>	<u>(282,050)</u>	<u>(378,311)</u>	<u>(96,261)</u>	<u>(728)</u>	<u>(379,039)</u>
Fund balance, beginning of year	<u>488,263</u>	<u>917,856</u>	<u>917,856</u>	<u>-</u>	<u>1,976</u>	<u>919,832</u>
Fund balance, end of year	<u>\$ (334,787)</u>	<u>\$ 635,806</u>	<u>\$ 539,545</u>	<u>\$ (96,261)</u>	<u>\$ 1,248</u>	<u>\$ 540,793</u>

City of Springfield, Oregon
 SEDA DOWNTOWN FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2016

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 264,000	\$ 339,000	\$ 342,064	\$ 3,064	\$ -	\$ 342,064
Licenses, permits and fees	-	47,000	50,710	3,710	-	50,710
Intergovernmental revenue	100	100	377	277	-	377
Charges for services	8,800	8,800	71	(8,729)	-	71
Fines and forfeitures	20,000	20,000	21,196	1,196	-	21,196
Investment earnings	100	100	718	618	(225)	493
Total revenues	293,000	415,000	415,136	136	(225)	414,911
Expenditures:						
Current operating:						
City manager's office	218,475	265,475	197,224	68,251	-	197,224
Finance	6,650	6,650	6,650	-	-	6,650
Capital projects	-	431,000	10,425	420,575	-	10,425
Debt service:						
Interest	1,500	2,500	1,629	871	-	1,629
Total expenditures	226,625	705,625	215,928	489,697	-	215,928
Excess of revenues over (under) expenditures	66,375	(290,625)	199,208	489,833	(225)	198,983
Other financing sources (uses):						
Interfund loan proceeds	120,000	576,875	126,000	(450,875)	(126,000)	-
Interfund loan repaid	(185,000)	(280,500)	(280,500)	-	280,500	-
Transfers in	-	-	-	-	126,000	126,000
Transfers out	-	-	-	-	(280,500)	(280,500)
Total other financing sources (uses)	(65,000)	296,375	(154,500)	(450,875)	-	(154,500)
Net change in fund balances	1,375	5,750	44,708	38,958	(225)	44,483
Fund balance, beginning of year	3,359	2,172	2,172	-	382	2,554
Fund balance, end of year	\$ 4,734	\$ 7,922	\$ 46,880	\$ 38,958	\$ 157	\$ 47,037

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, 2016

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,562,828	\$ 1,562,828	\$ 1,443,677	\$ (119,151)	\$ -	\$ 1,443,677
Investment earnings	4,500	4,500	4,570	70	(952)	3,618
Total revenues	<u>1,567,328</u>	<u>1,567,328</u>	<u>1,448,247</u>	<u>(119,081)</u>	<u>(952)</u>	<u>1,447,295</u>
Expenditures:						
Current operating:						
Fire and life safety	<u>1,683,096</u>	<u>1,671,792</u>	<u>1,545,050</u>	<u>126,742</u>	<u>-</u>	<u>1,545,050</u>
Net change in fund balances	(115,768)	(104,464)	(96,803)	7,661	(952)	(97,755)
Fund balance, beginning of year	<u>399,375</u>	<u>429,322</u>	<u>429,323</u>	<u>1</u>	<u>1,863</u>	<u>431,186</u>
Fund balance, end of year	<u>\$ 283,607</u>	<u>\$ 324,858</u>	<u>\$ 332,520</u>	<u>\$ 7,662</u>	<u>\$ 911</u>	<u>\$ 333,431</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, 2016

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 5,498,612	\$ 5,498,612	\$ 5,126,667	\$ (371,945)	\$ -	\$ 5,126,667
Investment earnings	9,170	9,170	14,994	5,824	(2,721)	12,273
Miscellaneous receipts	-	-	57	57	-	57
Total revenues	<u>5,507,782</u>	<u>5,507,782</u>	<u>5,141,718</u>	<u>(366,064)</u>	<u>(2,721)</u>	<u>5,138,997</u>
Expenditures:						
Current operating:						
Legal and judicial services	492,002	488,674	488,562	112	-	488,562
Police	2,584,833	2,540,593	2,538,443	2,150	4,434	2,542,877
Total expenditures	<u>3,076,835</u>	<u>3,029,267</u>	<u>3,027,005</u>	<u>2,262</u>	<u>4,434</u>	<u>3,031,439</u>
Excess of revenues over (under) expenditures	2,430,947	2,478,515	2,114,713	(363,802)	(7,155)	2,107,558
Other financing sources (uses):						
Transfers out	(2,371,342)	(2,371,342)	(2,371,342)	-	-	(2,371,342)
Net change in fund balances	59,605	107,173	(256,629)	(363,802)	(7,155)	(263,784)
Fund balance, beginning of year	<u>1,809,127</u>	<u>1,819,853</u>	<u>1,819,853</u>	<u>-</u>	<u>5,983</u>	<u>1,825,836</u>
Fund balance, end of year	<u>\$ 1,868,732</u>	<u>\$ 1,927,026</u>	<u>\$ 1,563,224</u>	<u>\$ (363,802)</u>	<u>\$ (1,172)</u>	<u>\$ 1,562,052</u>

City of Springfield, Oregon
JAIL OPERATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2016

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Licenses, permits and fees	\$ 98,500	\$ 98,500	\$ 125,612	\$ 27,112	\$ -	\$ 125,612
Charges for services	262,100	262,100	142,324	(119,776)	-	142,324
Fines and forfeitures	-	-	352	352	-	352
Miscellaneous revenue	-	-	1,123	1,123	-	1,123
Total revenues	360,600	360,600	269,411	(91,189)	-	269,411
Expenditures:						
Current operating:						
Police	3,181,942	3,143,541	3,143,541	-	(600)	3,142,941
Excess of revenues over (under) expenditures	(2,821,342)	(2,782,941)	(2,874,130)	(91,189)	600	(2,873,530)
Other financing sources (uses):						
Transfers in	2,821,342	2,821,342	2,821,342	-	-	2,821,342
Net change in fund balance	-	38,401	(52,788)	(91,189)	600	(52,188)
Fund balance, beginning of year	-	24,986	24,987	1	-	24,987
Fund balance, end of year	\$ -	\$ 63,387	\$ (27,801)	\$ (91,188)	\$ 600	\$ (27,201)



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.



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

June 30, 2016

	<u>General Obligation Debt Service</u>	<u>Bancroft Redemption</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 410,653	\$ 51,630	\$ 462,283
Receivables:			
Property taxes	305,378	-	305,378
Accrued interest	3,653	244	3,897
Assessments and liens	<u>-</u>	<u>6,293</u>	<u>6,293</u>
Total assets	<u>\$ 719,684</u>	<u>\$ 58,167</u>	<u>\$ 777,851</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accrued payroll and other liabilities	<u>\$ -</u>	<u>\$ 571</u>	<u>\$ 571</u>
Deferred inflows of resources:			
Unavailable revenue	<u>301,337</u>	<u>6,293</u>	<u>307,630</u>
Fund balances:			
Restricted	418,347	-	418,347
Assigned	<u>-</u>	<u>51,303</u>	<u>51,303</u>
Total fund balances	<u>418,347</u>	<u>51,303</u>	<u>469,650</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 719,684</u>	<u>\$ 58,167</u>	<u>\$ 777,851</u>

City of Springfield, Oregon
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2016

	General Obligation Debt Service	Bancroft Redemption	Total
Revenues:			
Taxes	\$ 2,086,613	\$ 3	\$ 2,086,616
Investment earnings	9,152	578	9,730
Total revenues	<u>2,095,765</u>	<u>581</u>	<u>2,096,346</u>
Expenditures:			
Current operating:			
Finance	-	16,002	16,002
Debt service:			
Principal	1,435,000	-	1,435,000
Interest	773,132	-	773,132
Bond issue costs	131,205	-	131,205
Total expenditures	<u>2,339,337</u>	<u>16,002</u>	<u>2,355,339</u>
Excess of revenues over (under) expenditures	<u>(243,572)</u>	<u>(15,421)</u>	<u>(258,993)</u>
Other financing sources (uses):			
Transfers in	-	16,002	16,002
Transfers out	-	(50,000)	(50,000)
Proceeds of refunding bonds	16,994,808	-	16,994,808
Payment to refunded bond escrow agent	(16,863,603)	-	(16,863,603)
Total other financing sources (uses)	<u>131,205</u>	<u>(33,998)</u>	<u>97,207</u>
Net change in fund balances	(112,367)	(49,419)	(161,786)
Fund balances, beginning of year	<u>530,714</u>	<u>100,722</u>	<u>631,436</u>
Fund balances, end of year	<u>\$ 418,347</u>	<u>\$ 51,303</u>	<u>\$ 469,650</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, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 2,065,055	\$ 2,065,055	\$ 2,086,613	\$ 21,558	\$ -	\$ 2,086,613
Investment earnings	3,000	3,000	12,312	9,312	(3,160)	9,152
Total revenues	2,068,055	2,068,055	2,098,925	30,870	(3,160)	2,095,765
Expenditures:						
Debt service:						
Principal	1,435,000	1,435,000	1,435,000	-	-	1,435,000
Interest	773,136	773,136	773,132	4	-	773,132
Bond issue costs	-	-	131,205	(131,205)	-	131,205
Total expenditures	2,208,136	2,208,136	2,339,337	(131,201)	-	2,339,337
Excess of revenues over (under) expenditures	(140,081)	(140,081)	(240,412)	(100,331)	(3,160)	(243,572)
Other financing sources (uses):						
Proceeds of refunding bonds	-	-	16,994,808	16,994,808	-	16,994,808
Payment to refunded bond escrow agent	-	-	(16,863,603)	(16,863,603)	-	(16,863,603)
Total other financing sources (uses)	-	-	131,205	131,205	-	131,205
Net change in fund balances	(140,081)	(140,081)	(109,207)	30,874	(3,160)	(112,367)
Fund balance, beginning of year	495,385	525,501	525,501	-	5,213	530,714
Fund balance, end of year	\$ 355,304	\$ 385,420	\$ 416,294	\$ 30,874	\$ 2,053	\$ 418,347

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, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ -	\$ -	\$ 3	\$ 3	\$ -	\$ 3
Investment earnings	435	435	755	320	(177)	578
Total revenues	<u>435</u>	<u>435</u>	<u>758</u>	<u>323</u>	<u>(177)</u>	<u>581</u>
Expenditures:						
Current operating:						
Finance	17,966	17,748	16,002	1,746	-	16,002
Excess of revenues over (under) expenditures	<u>(17,531)</u>	<u>(17,313)</u>	<u>(15,244)</u>	<u>2,069</u>	<u>(177)</u>	<u>(15,421)</u>
Other financing sources (uses):						
Transfers in	17,966	17,966	16,002	(1,964)	-	16,002
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
Total other financing sources (uses)	<u>(32,034)</u>	<u>(32,034)</u>	<u>(33,998)</u>	<u>(1,964)</u>	<u>-</u>	<u>(33,998)</u>
Net change in fund balances	(49,565)	(49,347)	(49,242)	105	(177)	(49,419)
Fund balance, beginning of year	<u>112,026</u>	<u>100,408</u>	<u>100,408</u>	<u>-</u>	<u>314</u>	<u>100,722</u>
Fund balance, end of year	<u>\$ 62,461</u>	<u>\$ 51,061</u>	<u>\$ 51,166</u>	<u>\$ 105</u>	<u>\$ 137</u>	<u>\$ 51,303</u>

Capital Projects Funds

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

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

Nonmajor Capital Projects Funds:

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

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

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

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

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

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

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

SPRINGFIELD



City of Springfield, Oregon
NONMAJOR CAPITAL PROJECTS FUNDS
BALANCE SHEET
June 30, 2016

	Development Assessments Capital Projects	Development Capital Projects	SEDA Glenwood Capital Projects	Street Capital Projects	Transportation Reimbursement SDC	Transportation Improvement SDC	Total
ASSETS							
Cash and investments	\$ 779,484	\$ 4,042,933	\$ 14,032	\$ 3,648,089	\$ 276,424	\$ 2,338,317	\$ 11,099,279
Receivables:							
Accounts	-	-	-	-	33,243	121,162	154,405
Grants	-	-	-	845	-	-	845
Accrued interest	2,600	22,187	-	9,648	685	4,966	40,086
Assessments and liens	103,555	-	-	-	-	-	103,555
Notes	-	600,000	-	-	-	-	600,000
Prepays	-	3,591	-	-	-	-	3,591
Total assets	<u>\$ 885,639</u>	<u>\$ 4,668,711</u>	<u>\$ 14,032</u>	<u>\$ 3,658,582</u>	<u>\$ 310,352</u>	<u>\$ 2,464,445</u>	<u>\$ 12,001,761</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 77,862	\$ 13,799	\$ 48,862	\$ -	\$ -	\$ 140,523
Accrued payroll and other liabilities	2,837	-	-	-	-	-	2,837
Total liabilities	<u>2,837</u>	<u>77,862</u>	<u>13,799</u>	<u>48,862</u>	<u>-</u>	<u>-</u>	<u>143,360</u>
Deferred inflows of resources:							
Unavailable revenue	103,555	612,010	-	-	33,243	121,162	869,970
Fund balances:							
Nonspendable	-	3,591	-	-	-	-	3,591
Restricted	-	1,606,051	233	3,609,720	277,109	2,343,283	7,836,396
Committed	779,247	1,200,883	-	-	-	-	1,980,130
Assigned	-	1,168,314	-	-	-	-	1,168,314
Total fund balances	<u>779,247</u>	<u>3,978,839</u>	<u>233</u>	<u>3,609,720</u>	<u>277,109</u>	<u>2,343,283</u>	<u>10,988,431</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 885,639</u>	<u>\$ 4,668,711</u>	<u>\$ 14,032</u>	<u>\$ 3,658,582</u>	<u>\$ 310,352</u>	<u>\$ 2,464,445</u>	<u>\$ 12,001,761</u>

City of Springfield, Oregon
NONMAJOR CAPITAL PROJECTS FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended June 30, 2016

	Development Assessments Capital Projects	Development Capital Projects	Police Building Bond Capital Project	SEDA Glenwood Capital Projects	Street Capital Projects	Transportation Reimbursement SDC	Transportation Improvement SDC	Total
Revenues:								
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ 77,751	\$ -	\$ -	\$ 77,751
Charges for services	-	271,906	-	-	-	76,438	960,681	1,309,025
Investment earnings	7,702	23,376	15	-	18,452	1,635	9,621	60,801
Special assessments	25,265	-	-	-	-	-	-	25,265
Miscellaneous revenue	-	121,097	-	-	50,739	-	-	171,836
Total revenues	32,967	416,379	15	-	146,942	78,073	970,302	1,644,678
Expenditures:								
Current operating:								
General government	79,466	-	-	-	-	-	-	79,466
Development and public works	-	-	-	-	-	10,526	184,984	195,510
Capital projects	-	1,072,895	9,897	579,000	490,757	25,000	-	2,177,549
Total expenditures	79,466	1,072,895	9,897	579,000	490,757	35,526	184,984	2,452,525
Excess of revenues over (under) expenditures	(46,499)	(656,516)	(9,882)	(579,000)	(343,815)	42,547	785,318	(807,847)
Other financing sources (uses):								
Transfer in	-	995,500	-	579,000	150,000	-	-	1,724,500
Transfer out	(190,346)	(194,089)	-	-	-	-	-	(384,435)
Total other financing sources (uses)	(190,346)	801,411	-	579,000	150,000	-	-	1,340,065
Net change in fund balances	(236,845)	144,895	(9,882)	-	(193,815)	42,547	785,318	532,218
Fund balance, beginning of year	1,016,092	3,833,944	9,882	233	3,803,535	234,562	1,557,965	10,456,213
Fund balance, end of year	\$ 779,247	\$ 3,978,839	\$ -	\$ 233	\$ 3,609,720	\$ 277,109	\$ 2,343,283	\$ 10,988,431

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, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 6,250	\$ 6,250	\$ 9,301	\$ 3,051	\$ (1,599)	\$ 7,702
Special assessments	14,200	14,200	25,265	11,065	-	25,265
Total revenues	<u>20,450</u>	<u>20,450</u>	<u>34,566</u>	<u>14,116</u>	<u>(1,599)</u>	<u>32,967</u>
Expenditures:						
Current operating:						
Finance	88,155	87,031	79,466	7,565	-	79,466
Excess of revenues over (under) expenditures	<u>(67,705)</u>	<u>(66,581)</u>	<u>(44,900)</u>	<u>21,681</u>	<u>(1,599)</u>	<u>(46,499)</u>
Other financing sources (uses):						
Transfer in	-	-	-	-	-	-
Transfer out	<u>(17,966)</u>	<u>(192,310)</u>	<u>(190,346)</u>	<u>1,964</u>	<u>-</u>	<u>(190,346)</u>
Total other financing sources (uses)	<u>(17,966)</u>	<u>(192,310)</u>	<u>(190,346)</u>	<u>1,964</u>	<u>-</u>	<u>(190,346)</u>
Net change in fund balances	(85,671)	(258,891)	(235,246)	23,645	(1,599)	(236,845)
Fund balance, beginning of year	<u>990,055</u>	<u>1,013,032</u>	<u>1,013,032</u>	<u>-</u>	<u>3,060</u>	<u>1,016,092</u>
Fund balance, end of year	<u>\$ 904,384</u>	<u>\$ 754,141</u>	<u>\$ 777,786</u>	<u>\$ 23,645</u>	<u>\$ 1,461</u>	<u>\$ 779,247</u>

City of Springfield, Oregon
DEVELOPMENT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ -	\$ 200,000	\$ -	\$ (200,000)	\$ -	\$ -
Charges for services	271,906	271,906	271,906	-	-	271,906
Investment earnings	19,600	19,600	28,377	8,777	(5,001)	23,376
Miscellaneous revenue	16,000	16,000	121,097	105,097	-	121,097
Total revenues	307,506	507,506	421,380	(86,126)	(5,001)	416,379
Expenditures:						
Capital projects	431,845	2,179,919	1,072,895	1,107,024	-	1,072,895
Excess of revenues over (under) expenditures	(124,339)	(1,672,413)	(651,515)	1,020,898	(5,001)	(656,516)
Other financing sources (uses):						
Interfund loan repayments	185,000	185,000	280,500	95,500	(280,500)	-
Interfund loans issued	(120,000)	(920,000)	(126,000)	794,000	126,000	-
Transfer in	150,000	715,000	715,000	-	280,500	995,500
Transfer out	(74,200)	(74,200)	(68,089)	6,111	(126,000)	(194,089)
Total other financing sources (uses)	140,800	(94,200)	801,411	895,611	-	801,411
Net change in fund balances	16,461	(1,766,613)	149,896	1,916,509	(5,001)	144,895
Fund balance, beginning of year	3,621,500	3,823,223	3,823,223	-	10,721	3,833,944
Fund balance, end of year	\$ 3,637,961	\$ 2,056,610	\$ 3,973,119	\$ 1,916,509	\$ 5,720	\$ 3,978,839

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, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ -	\$ 100	\$ 15	\$ (85)	\$ -	\$ 15
Expenditures:						
Capital projects	-	9,982	9,897	85	-	9,897
Net change in fund balances	-	(9,882)	(9,882)	-	-	(9,882)
Fund balance, beginning of year	-	9,882	9,882	-	-	9,882
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Springfield, Oregon
 SEDA GLENWOOD CAPITAL PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Expenditures:						
Capital projects	\$ 3,100,000	\$ 3,579,233	\$ 579,000	\$ 2,521,000	\$ -	\$ 579,000
Other financing sources (uses):						
Transfer in	-	3,579,000	579,000	(3,000,000)	-	579,000
Net change in fund balances	(3,100,000)	(233)	-	233	-	-
Fund balance, beginning of year	3,100,000	233	233	-	-	233
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233</u>	<u>\$ 233</u>	<u>\$ -</u>	<u>\$ 233</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, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 2,000	\$ 2,000	\$ 21,029	\$ 19,029	\$ (2,577)	\$ 18,452
Miscellaneous receipts	-	-	50,739	50,739	-	50,739
Intergovernmental revenue	-	-	77,751	77,751	-	77,751
Total revenues	2,000	2,000	149,519	147,519	(2,577)	146,942
Expenditures:						
Capital projects	415,940	3,735,632	490,757	3,244,875	-	490,757
Excess of revenues over (under) expenditures	(413,940)	(3,733,632)	(341,238)	3,392,394	(2,577)	(343,815)
Other financing sources (uses):						
Transfer in	150,000	150,000	150,000	-	-	150,000
Net change in fund balances	(263,940)	(3,583,632)	(191,238)	3,392,394	(2,577)	(193,815)
Fund balance, beginning of year	3,865,691	3,795,536	3,795,536	-	7,999	3,803,535
Fund balance, end of year	\$ 3,601,751	\$ 211,904	\$ 3,604,298	\$ 3,392,394	\$ 5,422	\$ 3,609,720

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, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 80,000	\$ 80,000	\$ 76,438	\$ (3,562)	\$ -	\$ 76,438
Investment earnings	1,200	1,200	2,116	916	(481)	1,635
Total revenues	<u>81,200</u>	<u>81,200</u>	<u>78,554</u>	<u>(2,646)</u>	<u>(481)</u>	<u>78,073</u>
Expenditures:						
Current operating:						
Development and public works	38,514	10,526	10,526	-	-	10,526
Capital projects	-	25,000	25,000	-	-	25,000
Total expenditures	<u>38,514</u>	<u>35,526</u>	<u>35,526</u>	<u>-</u>	<u>-</u>	<u>35,526</u>
Excess of revenues over (under) expenditures	42,686	45,674	43,028	(2,646)	(481)	42,547
Fund balance, beginning of year	<u>330,813</u>	<u>233,696</u>	<u>233,696</u>	<u>-</u>	<u>866</u>	<u>234,562</u>
Fund balance, end of year	<u>\$ 373,499</u>	<u>\$ 279,370</u>	<u>\$ 276,724</u>	<u>\$ (2,646)</u>	<u>\$ 385</u>	<u>\$ 277,109</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, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 250,000	\$ 724,000	\$ 960,681	\$ 236,681	\$ -	\$ 960,681
Investment earnings	5,000	5,000	10,946	5,946	(1,325)	9,621
Total revenues	<u>255,000</u>	<u>729,000</u>	<u>971,627</u>	<u>242,627</u>	<u>(1,325)</u>	<u>970,302</u>
Expenditures:						
Current operating:						
Development and public works	139,415	184,984	184,984	-	-	184,984
Capital projects	553,987	1,415,826	-	1,415,826	-	-
Total expenditures	<u>693,402</u>	<u>1,600,810</u>	<u>184,984</u>	<u>1,415,826</u>	<u>-</u>	<u>184,984</u>
Excess of revenues over (under) expenditures	(438,402)	(871,810)	786,643	1,658,453	(1,325)	785,318
Fund balance, beginning of year	<u>1,451,507</u>	<u>1,553,849</u>	<u>1,553,849</u>	<u>-</u>	<u>4,116</u>	<u>1,557,965</u>
Fund balance, end of year	<u>\$ 1,013,105</u>	<u>\$ 682,039</u>	<u>\$ 2,340,492</u>	<u>\$ 1,658,453</u>	<u>\$ 2,791</u>	<u>\$ 2,343,283</u>



Enterprise Funds

Combining statements for all individual nonmajor enterprise funds are reported in this section. Fund statements for major enterprise funds are reported in the basic financial statements.

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

Major Enterprise Funds:

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

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

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

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

Nonmajor Enterprise Funds:

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

Storm Drainage 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.

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



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

June 30, 2016

	Sewer Capital Projects Fund	Storm Drainage Reimbursement SDC Fund	Storm Drainage Improvement SDC Fund	Sewer Reimbursement SDC Fund	Sewer Improvement SDC Fund	Booth Kelly Fund	Total
ASSETS							
Current assets:							
Cash and investments	\$ 11,511,414	\$ 190,823	\$ 1,194,728	\$ 1,887,376	\$ 536,669	\$ 765,892	\$ 16,086,902
Accounts receivable	-	5,669	8,246	116,971	57,305	69,586	257,777
Accrued interest	24,484	373	3,585	4,198	1,089	1,872	35,601
Total current assets	<u>11,535,898</u>	<u>196,865</u>	<u>1,206,559</u>	<u>2,008,545</u>	<u>595,063</u>	<u>837,350</u>	<u>16,380,280</u>
Noncurrent assets:							
Capital assets - net	-	-	-	-	-	3,846,647	3,846,647
Land and land rights	-	-	-	-	-	2,641,557	2,641,557
Net capital assets	-	-	-	-	-	6,488,204	6,488,204
Total assets	<u>11,535,898</u>	<u>196,865</u>	<u>1,206,559</u>	<u>2,008,545</u>	<u>595,063</u>	<u>7,325,554</u>	<u>22,868,484</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred pension outflow	-	-	-	-	-	14,021	14,021
LIABILITIES							
Current liabilities:							
Accounts payable	11,709	38	30,085	-	-	7,097	48,929
Accrued payroll and other liabilities	-	-	-	-	-	4,870	4,870
Accrued interest	-	-	-	-	-	12,767	12,767
Notes payable - current portion	-	-	-	-	-	704,020	704,020
Unearned revenue	-	-	-	-	-	2,526	2,526
Deposits	-	-	-	-	-	43,021	43,021
Total current liabilities	<u>11,709</u>	<u>38</u>	<u>30,085</u>	<u>-</u>	<u>-</u>	<u>774,301</u>	<u>816,133</u>
Long-term liabilities:							
Notes payable	-	-	-	-	-	1,494,105	1,494,105
Net pension liability	-	-	-	-	-	58,672	58,672
Net OPEB obligation payable	-	-	-	-	-	15,186	15,186
Total long-term liabilities	-	-	-	-	-	1,567,963	1,567,963
Total liabilities	<u>11,709</u>	<u>38</u>	<u>30,085</u>	<u>-</u>	<u>-</u>	<u>2,342,264</u>	<u>2,384,096</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred pension inflow	-	-	-	-	-	17,724	17,724
NET POSITION							
Invested in capital assets, net of related debt	-	-	-	-	-	4,290,079	4,290,079
Restricted	-	196,827	1,176,474	2,008,545	595,063	-	3,976,909
Unrestricted	11,524,189	-	-	-	-	689,508	12,213,697
Total net position	<u>\$ 11,524,189</u>	<u>\$ 196,827</u>	<u>\$ 1,176,474</u>	<u>\$ 2,008,545</u>	<u>\$ 595,063</u>	<u>\$ 4,979,587</u>	<u>\$ 20,480,685</u>

City of Springfield, Oregon
NONMAJOR ENTERPRISE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2016

	Sewer Capital Projects Fund	Storm Drainage Reimbursement SDC Fund	Storm Drainage Improvement SDC Fund	Sewer Reimbursement SDC Fund	Sewer Improvement SDC Fund	Booth Kelly Fund	Total Fund
Operating revenues:							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,532,687	\$ 1,532,687
Miscellaneous receipts	63,192	-	-	-	-	-	63,192
Total revenues	63,192	-	-	-	-	1,532,687	1,595,879
Expenses:							
Operating expenses:							
Development and public works	75,926	29,483	42,882	138,023	69,102	552,446	907,862
Depreciation	-	-	-	-	-	787,741	787,741
Total operating expenses	75,926	29,483	42,882	138,023	69,102	1,340,187	1,695,603
Operating income (loss)	(12,734)	(29,483)	(42,882)	(138,023)	(69,102)	192,500	(99,724)
Nonoperating revenues (expenses):							
Investment earnings	56,446	658	7,928	8,630	2,254	4,655	80,571
Interest expense	-	-	-	-	-	(180,770)	(180,770)
Total nonoperating revenues (expenses)	56,446	658	7,928	8,630	2,254	(176,115)	(100,199)
Income (loss) before transfers	43,712	(28,825)	(34,954)	(129,393)	(66,848)	16,385	(199,923)
Other financing sources (uses):							
Transfers in	2,521,607	-	-	-	-	-	2,521,607
Transfers out	(1,197,773)	(19,770)	(376,523)	(13,893)	(27,714)	(100,000)	(1,735,673)
Capital contributions	-	134,659	193,174	667,954	330,516	-	1,326,303
Total other financing sources (uses)	1,323,834	114,889	(183,349)	654,061	302,802	(100,000)	2,112,237
Change in net position	1,367,546	86,064	(218,303)	524,668	235,954	(83,615)	1,912,314
Net position, beginning of year	10,156,643	110,763	1,394,777	1,483,877	359,109	5,063,202	18,568,371
Net position, end of year	\$ 11,524,189	\$ 196,827	\$ 1,176,474	\$ 2,008,545	\$ 595,063	\$ 4,979,587	\$ 20,480,685

City of Springfield, Oregon
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2016

	Sewer Capital Projects Fund	Storm Drainage Reimbursement SDC Fund	Storm Drainage Improvement SDC Fund	Sewer Reimbursement SDC Fund	Sewer Improvement SDC Fund	Booth Kelly Fund	Total
Cash flows from operating activities:							
Cash received from customers	\$ -	\$ 225	\$ 328	\$ (1,294)	\$ (599)	\$ 1,527,732	\$ 1,526,392
Cash paid for employee services	-	-	-	-	-	(151,402)	(151,402)
Cash paid to suppliers for goods and services	(599,114)	(29,445)	(20,930)	(153,291)	(97,654)	(384,456)	(1,284,890)
Other operating receipts	63,192	-	-	-	-	-	63,192
Net cash provided by (used in) operating activities	<u>(535,922)</u>	<u>(29,220)</u>	<u>(20,602)</u>	<u>(154,585)</u>	<u>(98,253)</u>	<u>991,874</u>	<u>153,292</u>
Cash flows from noncapital financing activities:							
Transfers from other funds	2,521,607	-	-	-	-	-	2,521,607
Transfers to other funds	(1,197,773)	(19,770)	(376,523)	(13,893)	(27,714)	(100,000)	(1,735,673)
Capital contributions	-	134,659	193,174	667,954	330,518	-	1,326,305
Net cash provided (used) by noncapital financing activities	<u>1,323,834</u>	<u>114,889</u>	<u>(183,349)</u>	<u>654,061</u>	<u>302,804</u>	<u>(100,000)</u>	<u>2,112,239</u>
Cash flows from capital and related financing activities:							
Principal paid on long-term debt	-	-	-	-	-	(813,617)	(813,617)
Interest paid on long-term debt	-	-	-	-	-	(184,585)	(184,585)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(998,202)</u>	<u>(998,202)</u>
Cash flows from investing activities:							
Interest received	76,910	630	10,297	10,072	2,550	6,689	107,148
Net change in cash and investments	864,822	86,299	(193,654)	509,548	207,101	(99,639)	1,374,477
Cash and investments, beginning of year	10,646,592	104,524	1,388,382	1,377,828	329,568	865,531	14,712,425
Cash and investments, end of year	<u>\$ 11,511,414</u>	<u>\$ 190,823</u>	<u>\$ 1,194,728</u>	<u>\$ 1,887,376</u>	<u>\$ 536,669</u>	<u>\$ 765,892</u>	<u>\$ 16,086,902</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ (12,734)	\$ (29,483)	\$ (42,882)	\$ (138,023)	\$ (69,102)	\$ 192,500	\$ (99,724)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	-	-	-	-	-	787,741	787,741
Changes in assets and liabilities:							
Accounts receivable	-	226	328	(1,294)	(599)	9,046	7,707
Accounts payable	(523,188)	37	21,952	(15,268)	(28,552)	(33,789)	(578,808)
Accrued payroll and other liabilities	-	-	-	-	-	(553)	(553)
Net pension liabilities	-	-	-	-	-	49,409	49,409
Net OPEB obligation payable	-	-	-	-	-	1,521	1,521
Deposits	-	-	-	-	-	2,000	2,000
Unearned revenue	-	-	-	-	-	(16,001)	(16,001)
Net cash provided by (used in) operating activities	<u>\$ (535,922)</u>	<u>\$ (29,220)</u>	<u>\$ (20,602)</u>	<u>\$ (154,585)</u>	<u>\$ (98,253)</u>	<u>\$ 991,874</u>	<u>\$ 153,292</u>

City of Springfield, Oregon
SEWER OPERATIONS FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 7,483,000	\$ 7,483,000	\$ 7,213,463	\$ (269,537)	\$ 11,464	\$ 7,224,927
Investment earnings	15,000	15,000	36,621	21,621	(6,100)	30,521
Miscellaneous revenue	-	-	93,740	93,740	-	93,740
Total revenues	7,498,000	7,498,000	7,343,824	(154,176)	5,364	7,349,188
Expenses:						
Current operating:						
Information technology	314,440	342,015	272,733	69,282	-	272,733
Development and public works	3,311,365	3,282,209	3,031,747	250,462	637,159	3,668,906
Finance	13,009	12,353	11,917	436	-	11,917
Debt service:						
Principal	970,000	970,000	970,000	-	(970,000)	-
Interest	742,933	742,933	742,931	2	(31,157)	711,774
Depreciation	-	-	-	-	2,550,085	2,550,085
Total expenses	5,351,747	5,349,510	5,029,328	320,182	2,186,087	7,215,415
Excess of revenues over (under) expenses	2,146,253	2,148,490	2,314,496	166,006	(2,180,723)	133,773
Other financing sources (uses):						
Capital contributions	-	-	-	-	738,940	738,940
Transfers in	-	-	-	-	1,197,773	1,197,773
Transfers out	(2,480,000)	(2,480,000)	(2,480,000)	-	-	(2,480,000)
Total other financing sources (uses)	(2,480,000)	(2,480,000)	(2,480,000)	-	1,936,713	(543,287)
Change in net position	(333,747)	(331,510)	(165,504)	166,006	(244,010)	(409,514)
Net position, beginning of year	4,439,192	4,696,537	4,696,537	-	45,528,709	50,225,246
Net position, end of year	<u>\$ 4,105,445</u>	<u>\$ 4,365,027</u>	<u>\$ 4,531,033</u>	<u>\$ 166,006</u>	<u>\$ 45,284,699</u>	<u>\$ 49,815,732</u>

City of Springfield, Oregon
 STORM DRAINAGE OPERATIONS FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 6,469,400	\$ 6,469,400	\$ 6,807,449	\$ 338,049	\$ 68,577	\$ 6,876,026
Investment earnings	15,000	15,000	28,151	13,151	(4,580)	23,571
Miscellaneous revenue	25,000	25,000	367	(24,633)	-	367
Total revenues	<u>6,509,400</u>	<u>6,509,400</u>	<u>6,835,967</u>	<u>326,567</u>	<u>63,997</u>	<u>6,899,964</u>
Expenses:						
Current operating:						
Information technology	248,316	271,688	235,103	36,585	-	235,103
Development and public works	4,704,581	4,656,743	4,227,530	429,213	964,092	5,191,622
Finance	13,009	12,353	11,917	436	-	11,917
Debt service:						
Principal	410,000	410,000	410,000	-	(410,000)	-
Interest	296,602	296,602	296,600	2	(111,978)	184,622
Depreciation	-	-	-	-	21,425	21,425
Total expenses	<u>5,672,508</u>	<u>5,647,386</u>	<u>5,181,150</u>	<u>466,236</u>	<u>463,539</u>	<u>5,644,689</u>
Excess of revenues over (under) expenses	836,892	862,014	1,654,817	792,803	(399,542)	1,255,275
Other financing sources (uses):						
Transfers out	(925,000)	(925,000)	(925,000)	-	(410,000)	(1,335,000)
Change in net position	(88,108)	(62,986)	729,817	792,803	(809,542)	(79,725)
Net position, beginning of year	<u>3,545,572</u>	<u>4,208,697</u>	<u>4,208,696</u>	<u>(1)</u>	<u>582,716</u>	<u>4,791,412</u>
Net position, end of year	<u>\$ 3,457,464</u>	<u>\$ 4,145,711</u>	<u>\$ 4,938,513</u>	<u>\$ 792,802</u>	<u>\$ (226,826)</u>	<u>\$ 4,711,687</u>

City of Springfield, Oregon
 STORM DRAINAGE CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 70,000	\$ 70,000	\$ 106,026	\$ 36,026	\$ (21,717)	\$ 84,309
Intergovernmental revenue	-	-	16,088	16,088	-	16,088
Total revenues	<u>70,000</u>	<u>70,000</u>	<u>122,114</u>	<u>52,114</u>	<u>(21,717)</u>	<u>100,397</u>
Expenses:						
Current operating:						
Development and public works	-	-	-	-	177,572	177,572
Debt service:						
Interest	-	-	-	-	(26,053)	(26,053)
Capital projects	9,492,302	12,219,740	3,009,197	9,210,543	(3,009,197)	-
Depreciation	-	-	-	-	154,193	154,193
Total expenses	<u>9,492,302</u>	<u>12,219,740</u>	<u>3,009,197</u>	<u>9,210,543</u>	<u>(2,703,485)</u>	<u>305,712</u>
Excess of revenues over (under) expenses	<u>(9,422,302)</u>	<u>(12,149,740)</u>	<u>(2,887,083)</u>	<u>9,262,657</u>	<u>2,681,768</u>	<u>(205,315)</u>
Other financing sources (uses):						
Transfers in	925,000	925,000	925,000	-	806,293	1,731,293
Capital contributions	-	-	-	-	23,011	23,011
Total other financing sources (uses)	<u>925,000</u>	<u>925,000</u>	<u>925,000</u>	<u>-</u>	<u>829,304</u>	<u>1,754,304</u>
Change in net position	<u>(8,497,302)</u>	<u>(11,224,740)</u>	<u>(1,962,083)</u>	<u>9,262,657</u>	<u>3,511,072</u>	<u>1,548,989</u>
Net position, beginning of year	<u>15,047,900</u>	<u>15,243,116</u>	<u>15,243,116</u>	<u>-</u>	<u>(6,036,036)</u>	<u>9,207,080</u>
Net position, end of year	<u>\$ 6,550,598</u>	<u>\$ 4,018,376</u>	<u>\$ 13,281,033</u>	<u>\$ 9,262,657</u>	<u>\$ (2,524,964)</u>	<u>\$ 10,756,069</u>

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

Year Ended June 30, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 5,761,000	\$ 5,761,000	\$ 6,456,829	\$ 695,829	\$ 9,833,657	\$ 16,290,486
Less: Contractual adjustments	-	-	-	-	(9,972,175)	(9,972,175)
Intergovernmental revenue	154,000	154,000	281,379	127,379	-	281,379
Investment earnings	1,000	1,000	9,536	8,536	(867)	8,669
Miscellaneous revenue	5,500	5,500	23,030	17,530	-	23,030
Total revenues	<u>5,921,500</u>	<u>5,921,500</u>	<u>6,770,774</u>	<u>849,274</u>	<u>(139,385)</u>	<u>6,631,389</u>
Expenses:						
Current operating:						
Fire and life safety	5,951,849	6,008,091	5,960,026	48,065	1,195,377	7,155,403
Depreciation	-	-	-	-	6,256	6,256
Total expenses	<u>5,951,849</u>	<u>6,008,091</u>	<u>5,960,026</u>	<u>48,065</u>	<u>1,201,633</u>	<u>7,161,659</u>
Excess of revenues over (under) expenses	(30,349)	(86,591)	810,748	897,339	(1,341,018)	(530,270)
Net position, beginning of year	<u>1,056,884</u>	<u>1,517,048</u>	<u>1,517,048</u>	<u>-</u>	<u>(910,287)</u>	<u>606,761</u>
Net position, end of year	<u>\$ 1,026,535</u>	<u>\$ 1,430,457</u>	<u>\$ 2,327,796</u>	<u>\$ 897,339</u>	<u>\$ (2,251,305)</u>	<u>\$ 76,491</u>

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

Year Ended June 30, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 60,000	\$ 60,000	\$ 73,009	\$ 13,009	\$ (16,563)	\$ 56,446
Miscellaneous receipts	-	-	63,192	63,192	-	63,192
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>136,201</u>	<u>76,201</u>	<u>(16,563)</u>	<u>119,638</u>
Expenses:						
Current operating:						
Development and public works	-	-	-	-	75,926	75,926
Capital projects	3,468,888	3,643,888	1,232,092	2,411,796	(1,232,092)	-
Total expenses	<u>3,468,888</u>	<u>3,643,888</u>	<u>1,232,092</u>	<u>2,411,796</u>	<u>(1,156,166)</u>	<u>75,926</u>
Excess of revenues over (under) expenses	<u>(3,408,888)</u>	<u>(3,583,888)</u>	<u>(1,095,891)</u>	<u>2,487,997</u>	<u>1,139,603</u>	<u>43,712</u>
Other financing sources (uses):						
Transfers out	-	-	-	-	(1,197,773)	(1,197,773)
Transfers in	2,480,000	2,480,000	2,480,000	-	41,607	2,521,607
Total other financing sources (uses)	<u>2,480,000</u>	<u>2,480,000</u>	<u>2,480,000</u>	<u>-</u>	<u>(1,156,166)</u>	<u>1,323,834</u>
Change in net position	(928,888)	(1,103,888)	1,384,109	2,487,997	(16,563)	1,367,546
Net position, beginning of year	<u>9,916,585</u>	<u>10,126,320</u>	<u>10,126,320</u>	<u>-</u>	<u>30,323</u>	<u>10,156,643</u>
Net position, end of year	<u>\$ 8,987,697</u>	<u>\$ 9,022,432</u>	<u>\$ 11,510,429</u>	<u>\$ 2,487,997</u>	<u>\$ 13,760</u>	<u>\$ 11,524,189</u>

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

Year Ended June 30, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 71,000	\$ 76,000	\$ 134,885	\$ 58,885	\$ (226)	\$ 134,659
Investment earnings	400	400	680	280	(22)	658
Total revenues	<u>71,400</u>	<u>76,400</u>	<u>135,565</u>	<u>59,165</u>	<u>(248)</u>	<u>135,317</u>
Expenses:						
Current operating:						
Development and public works	25,087	29,483	29,483	-	-	29,483
Capital projects	150,650	150,650	19,770	130,880	(19,770)	-
Total expenses	<u>175,737</u>	<u>180,133</u>	<u>49,253</u>	<u>130,880</u>	<u>(19,770)</u>	<u>29,483</u>
Excess of revenues over (under) expenses	(104,337)	(103,733)	86,312	190,045	19,522	105,834
Other financing sources (uses):						
Transfers out	-	-	-	-	(19,770)	(19,770)
Change in net position	<u>(104,337)</u>	<u>(103,733)</u>	<u>86,312</u>	<u>190,045</u>	<u>(248)</u>	<u>86,064</u>
Net position, beginning of year	108,512	104,636	104,636	-	6,127	110,763
Net position, end of year	<u>\$ 4,175</u>	<u>\$ 903</u>	<u>\$ 190,948</u>	<u>\$ 190,045</u>	<u>\$ 5,879</u>	<u>\$ 196,827</u>

City of Springfield, Oregon
 STORM DRAINAGE IMPROVEMENT SYSTEM DEVELOPMENT CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 91,000	\$ 91,000	\$ 193,502	\$ 102,502	\$ (328)	\$ 193,174
Investment earnings	5,000	5,000	9,929	4,929	(2,001)	7,928
Total revenues	96,000	96,000	203,431	107,431	(2,329)	201,102
Expenses:						
Current operating:						
Development and public works	36,470	42,882	42,882	-	-	42,882
Capital projects	888,650	926,318	376,522	549,796	(376,522)	-
Total expenses	925,120	969,200	419,404	549,796	(376,522)	42,882
Excess of revenues over (under) expenses	(829,120)	(873,200)	(215,973)	657,227	374,193	158,220
Other financing sources (uses):						
Transfers out	-	-	-	-	(376,523)	(376,523)
Change in net position	(829,120)	(873,200)	(215,973)	657,227	(2,330)	(218,303)
Net position, beginning of year	1,318,189	1,382,187	1,382,187	-	12,590	1,394,777
Net position, end of year	<u>\$ 489,069</u>	<u>\$ 508,987</u>	<u>\$ 1,166,214</u>	<u>\$ 657,227</u>	<u>\$ 10,260</u>	<u>\$ 1,176,474</u>

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

Year Ended June 30, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 300,000	\$ 300,000	\$ 666,661	\$ 366,661	\$ 1,293	\$ 667,954
Investment earnings	4,000	4,000	10,075	6,075	(1,445)	8,630
Total revenues	<u>304,000</u>	<u>304,000</u>	<u>676,736</u>	<u>372,736</u>	<u>(152)</u>	<u>676,584</u>
Expenses:						
Current operating:						
Development and public works	159,255	138,023	138,023	-	-	138,023
Capital projects	901,000	901,000	13,893	887,107	(13,893)	-
Total expenses	<u>1,060,255</u>	<u>1,039,023</u>	<u>151,916</u>	<u>887,107</u>	<u>(13,893)</u>	<u>138,023</u>
Excess of revenues over (under) expenses	(756,255)	(735,023)	524,820	1,259,843	13,741	538,561
Other financing sources (uses)						
Transfers out	-	-	-	-	(13,893)	(13,893)
Change in net position	(756,255)	(735,023)	524,820	1,259,843	(152)	524,668
Net position, beginning of year	<u>1,313,803</u>	<u>1,364,395</u>	<u>1,364,395</u>	<u>-</u>	<u>119,482</u>	<u>1,483,877</u>
Net position, end of year	<u>\$ 557,548</u>	<u>\$ 629,372</u>	<u>\$ 1,889,215</u>	<u>\$ 1,259,843</u>	<u>\$ 119,330</u>	<u>\$ 2,008,545</u>

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

Year Ended June 30, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 110,000	\$ 110,000	\$ 329,918	\$ 219,918	\$ 598	\$ 330,516
Investment earnings	1,500	1,500	2,577	1,077	(323)	2,254
Total revenues	<u>111,500</u>	<u>111,500</u>	<u>332,495</u>	<u>220,995</u>	<u>275</u>	<u>332,770</u>
Expenses:						
Current operating:						
Development and public works	76,259	69,102	69,102	-	-	69,102
Capital projects	180,000	180,000	27,714	152,286	(27,714)	-
Total expenses	<u>256,259</u>	<u>249,102</u>	<u>96,816</u>	<u>152,286</u>	<u>(27,714)</u>	<u>69,102</u>
Excess of revenues over (under) expenses	(144,759)	(137,602)	235,679	373,281	27,989	263,668
Other financing sources (uses):						
Transfers out	-	-	-	-	(27,714)	(27,714)
Change in net position	(144,759)	(137,602)	235,679	373,281	275	235,954
Net position, beginning of year	<u>305,668</u>	<u>301,468</u>	<u>301,468</u>	<u>-</u>	<u>57,641</u>	<u>359,109</u>
Net position, end of year	<u>\$ 160,909</u>	<u>\$ 163,866</u>	<u>\$ 537,147</u>	<u>\$ 373,281</u>	<u>\$ 57,916</u>	<u>\$ 595,063</u>

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

Year Ended June 30, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,465,497	\$ 1,465,497	\$ 1,532,687	\$ 67,190	\$ -	\$ 1,532,687
Investment earnings	4,000	4,000	6,238	2,238	(1,583)	4,655
Total revenues	<u>1,469,497</u>	<u>1,469,497</u>	<u>1,538,925</u>	<u>69,428</u>	<u>(1,583)</u>	<u>1,537,342</u>
Expenses:						
Current operating:						
Development and public works	527,530	524,884	498,925	25,959	50,929	549,854
Capital projects	282,000	282,000	2,592	279,408	-	2,592
Debt service:						
Principal	732,460	813,619	813,617	2	(813,617)	-
Interest	186,873	186,873	184,585	2,288	(3,815)	180,770
Depreciation	-	-	-	-	787,741	787,741
Total expenses	<u>1,728,863</u>	<u>1,807,376</u>	<u>1,499,719</u>	<u>307,657</u>	<u>21,238</u>	<u>1,520,957</u>
Excess of revenues over (under) expenses	(259,366)	(337,879)	39,206	377,085	(22,821)	16,385
Other financing sources (uses):						
Transfers out	(100,000)	(100,000)	(100,000)	-	-	(100,000)
Change in net position	(359,366)	(437,879)	(60,794)	377,085	(22,821)	(83,615)
Net position, beginning of year	<u>856,469</u>	<u>839,577</u>	<u>839,577</u>	<u>-</u>	<u>4,223,625</u>	<u>5,063,202</u>
Net position, end of year	<u>\$ 497,103</u>	<u>\$ 401,698</u>	<u>\$ 778,783</u>	<u>\$ 377,085</u>	<u>\$ 4,200,804</u>	<u>\$ 4,979,587</u>

SPRINGFIELD



Internal Service Funds

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

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

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

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

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

SPRINGFIELD



OREGON

City of Springfield, Oregon
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF FUND NET POSITION
June 30, 2016

	Vehicle and Equipment	Insurance	SDC Administration	Total
ASSETS				
Current assets:				
Cash and investments	\$ 8,021,540	\$ 9,452,392	\$ 559,426	\$ 18,033,358
Prepays	-	70,903	-	70,903
Deposits	-	265,500	-	265,500
Accounts receivable	11,605	3,298	37,385	52,288
Accrued interest receivable	21,119	23,047	1,118	45,284
Inventory	8,991	-	-	8,991
	<u>8,063,255</u>	<u>9,815,140</u>	<u>597,929</u>	<u>18,476,324</u>
Total current assets				
Noncurrent assets				
Capital assets				
Machinery and equipment	17,969,537	-	-	17,969,537
Less accumulated depreciation	(12,184,462)	-	-	(12,184,462)
	<u>5,785,075</u>	<u>-</u>	<u>-</u>	<u>5,785,075</u>
Total noncurrent assets				
	<u>13,848,330</u>	<u>9,815,140</u>	<u>597,929</u>	<u>24,261,399</u>
Total assets				
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflow	-	41,358	31,358	72,716
	<u>-</u>	<u>41,358</u>	<u>31,358</u>	<u>72,716</u>
LIABILITIES				
Current liabilities:				
Accounts payable	46,297	735,118	5,086	786,501
Accrued interest payable	11,741	-	-	11,741
Capital lease obligation, current portion	226,262	-	-	226,262
Accrued claims liabilities, current portion	-	176,201	-	176,201
Accrued payroll and other related liabilities	-	215,546	15,925	231,471
	<u>284,300</u>	<u>1,126,865</u>	<u>21,011</u>	<u>1,432,176</u>
Total current liabilities				
Noncurrent liabilities:				
Accrued absence payable	-	15,263	2,780	18,043
Capital lease obligation, less current portion	308,800	-	-	308,800
Accrued claims liabilities, less current portion	-	388,799	-	388,799
Net pension liability	-	136,207	121,675	257,882
Net OPEB obligation	-	30,085	29,607	59,692
	<u>308,800</u>	<u>570,354</u>	<u>154,062</u>	<u>1,033,216</u>
Total noncurrent liabilities				
	<u>593,100</u>	<u>1,697,219</u>	<u>175,073</u>	<u>2,465,392</u>
Total liabilities				
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflow	-	124,421	58,319	182,740
	<u>-</u>	<u>124,421</u>	<u>58,319</u>	<u>182,740</u>
NET POSITION				
Net investment in capital assets	5,250,013	-	-	5,250,013
Unrestricted	8,005,217	8,034,858	395,895	16,435,970
	<u>13,255,230</u>	<u>8,034,858</u>	<u>395,895</u>	<u>21,685,983</u>
Total net position				

City of Springfield, Oregon
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
Year ended June 30, 2016

	Vehicle and Equipment	Insurance	SDC Administration	Total
Operating revenues:				
Charges for services	\$ 2,010,521	\$ 10,259,026	\$ 485,631	\$ 12,755,178
Licenses and permits	-	-	142,903	142,903
Miscellaneous revenue	-	104,954	-	104,954
Total operating revenues	2,010,521	10,363,980	628,534	13,003,035
Operating expenses:				
Current operating:				
City manager's office	2,638	-	-	2,638
Legal and judicial services	3,214	-	-	3,214
Human resources	-	8,948,411	-	8,948,411
Finance	-	-	20,006	20,006
Information technology	270,270	-	69,381	339,651
Library	3,688	-	-	3,688
Fire and life safety	79,854	-	-	79,854
Police	11,378	-	-	11,378
Development and public works	374,408	-	460,913	835,321
Depreciation	1,203,148	-	-	1,203,148
Total operating expenses	1,948,598	8,948,411	550,300	11,447,309
Operating income (loss)	61,923	1,415,569	78,234	1,555,726
Nonoperating revenues (expenses):				
Interest income	46,460	48,008	2,102	96,570
Interest expense	(14,233)	-	-	(14,233)
Gain (loss) on disposition of equipment	88,212	-	-	88,212
Total nonoperating revenues (expenses)	120,439	48,008	2,102	170,549
Income (loss) before capital contributions and transfers	182,362	1,463,577	80,336	1,726,275
Transfers out	(3,431)	(464,722)	-	(468,153)
Capital contributions	381,720	-	-	381,720
Change in net position	560,651	998,855	80,336	1,639,842
Net position, beginning of year	12,694,579	7,036,003	315,559	20,046,141
Net position, end of year	\$ 13,255,230	\$ 8,034,858	\$ 395,895	\$ 21,685,983

City of Springfield, Oregon
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2016

	Vehicle and Equipment	Insurance	SDC Administration	Total
Cash flows from operating activities:				
Cash received from interfund services provided	\$ 2,074,067	\$ 10,255,728	\$ 479,005	\$ 12,808,800
Cash paid for employee services	-	(374,591)	(310,419)	(685,010)
Cash paid to suppliers for goods and services	(738,159)	(8,663,412)	(117,978)	(9,519,549)
Other operating receipts	-	104,954	142,903	247,857
Net cash provided by (used in) operating activities	<u>1,335,908</u>	<u>1,322,679</u>	<u>193,511</u>	<u>2,852,098</u>
Cash flows from noncapital financing activities:				
Transfers to other funds	(3,431)	(464,722)	-	(468,153)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(1,300,484)	-	-	(1,300,484)
Disposition of capital assets	53,686	-	-	53,686
Principal paid on long-term debt	(266,599)	-	-	(266,599)
Interest paid	(19,477)	-	-	(19,477)
Net cash used in capital and related financing activities	<u>(1,532,874)</u>	<u>-</u>	<u>-</u>	<u>(1,532,874)</u>
Cash flows from investing activities:				
Interest received	60,321	59,091	2,281	121,693
Net change in cash and investments	(140,076)	917,048	195,792	972,764
Cash and investments, beginning of year	8,161,616	8,535,344	363,634	17,060,594
Cash and investments, end of year	<u>\$ 8,021,540</u>	<u>\$ 9,452,392</u>	<u>\$ 559,426</u>	<u>\$ 18,033,358</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 61,923	\$ 1,415,569	\$ 78,234	\$ 1,555,726
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,203,148	-	-	1,203,148
Changes in assets and liabilities:				
Prepays	-	5,006	1,744	6,750
Accounts receivable	63,546	(3,298)	(6,626)	53,622
Inventory	21,309	-	-	21,309
Net pension liabilities	-	159,637	114,100	273,737
Accounts payable	(14,018)	(373,921)	2,232	(385,707)
Accrued payroll and other liabilities	-	2,736	4,230	6,966
Accrued claims liabilities	-	115,000	-	115,000
Net OPEB obligation	-	1,950	(403)	1,547
Net cash provided by (used in) operating activities	<u>\$ 1,335,908</u>	<u>\$ 1,322,679</u>	<u>\$ 193,511</u>	<u>\$ 2,852,098</u>

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

Year ended June 30, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 2,314,520	\$ 2,314,520	\$ 2,010,521	\$ (303,999)	\$ -	\$ 2,010,521
Investment earnings	100,000	100,000	58,191	(41,809)	(11,731)	46,460
Miscellaneous revenue	-	-	78,686	78,686	(78,686)	-
Total revenues	2,414,520	2,414,520	2,147,398	(267,122)	(90,417)	2,056,981
Expenses:						
Current operating:						
City manager's office	2,400	2,900	2,638	262	-	2,638
Legal and judicial services	-	3,400	3,214	186	-	3,214
Human resources	5,000	5,000	-	5,000	-	-
Information technology	207,000	425,682	347,615	78,067	(77,345)	270,270
Library	8,000	8,000	3,688	4,312	-	3,688
Fire and life safety	562,300	582,300	112,799	469,501	(32,945)	79,854
Police	162,000	332,071	327,587	4,484	(316,209)	11,378
Development and public works	760,766	1,965,278	1,248,392	716,886	(873,984)	374,408
Debt service:						
Principal	266,602	266,602	266,599	3	(266,599)	-
Interest	19,478	19,478	19,477	1	(5,244)	14,233
Depreciation	-	-	-	-	1,203,148	1,203,148
Total expenses	1,993,546	3,610,711	2,332,009	1,278,702	(369,178)	1,962,831
Excess of revenues over (under) expenses	420,974	(1,196,191)	(184,611)	1,011,580	278,761	94,150
Other financing sources (uses):						
Gain (loss) on disposal of assets	-	-	-	-	88,212	88,212
Assets contributed by other funds	-	-	-	-	381,720	381,720
Transfers out	-	(3,431)	(3,431)	-	-	(3,431)
Total other financing sources (uses)	-	(3,431)	(3,431)	-	469,932	466,501
Change in net position	420,974	(1,199,622)	(188,042)	1,011,580	748,693	560,651
Net position, beginning of year	7,139,647	8,139,422	8,139,422	-	4,555,157	12,694,579
Net position, end of year	\$ 7,560,621	\$ 6,939,800	\$ 7,951,380	\$ 1,011,580	\$ 5,303,850	\$ 13,255,230

City of Springfield, Oregon
INSURANCE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year ended June 30, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 19,726,795	\$ 19,726,795	\$ 18,852,779	\$ (874,016)	\$ (8,593,753)	\$ 10,259,026
Investment earnings	40,000	40,000	58,080	18,080	(10,072)	48,008
Miscellaneous revenue	92,500	113,872	104,954	(8,918)	-	104,954
Total revenues	<u>19,859,295</u>	<u>19,880,667</u>	<u>19,015,813</u>	<u>(864,854)</u>	<u>(8,603,825)</u>	<u>10,411,988</u>
Expenses:						
Current operating:						
Human resources	9,728,517	9,960,133	7,400,237	2,559,896	1,548,174	8,948,411
Statutory payments	10,120,709	10,220,709	9,765,732	454,977	(9,765,732)	-
Total expenses	<u>19,849,226</u>	<u>20,180,842</u>	<u>17,165,969</u>	<u>3,014,873</u>	<u>(8,217,558)</u>	<u>8,948,411</u>
Excess of revenues over (under) expenses	10,069	(300,175)	1,849,844	2,150,019	(386,267)	1,463,577
Other financing sources (uses):						
Transfers out	(249,722)	(464,722)	(464,722)	-	-	(464,722)
Change in net position	(239,653)	(764,897)	1,385,122	2,150,019	(386,267)	998,855
Net position, beginning of year	<u>6,495,325</u>	<u>7,365,957</u>	<u>7,365,957</u>	<u>-</u>	<u>(329,954)</u>	<u>7,036,003</u>
Net position, end of year	<u>\$ 6,255,672</u>	<u>\$ 6,601,060</u>	<u>\$ 8,751,079</u>	<u>\$ 2,150,019</u>	<u>\$ (716,221)</u>	<u>\$ 8,034,858</u>

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

Year ended June 30, 2016

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 475,000	\$ 475,000	\$ 478,849	\$ 3,849	\$ 6,782	\$ 485,631
Licenses and permits	50,000	50,000	143,058	93,058	(155)	142,903
Investment earnings	-	-	2,349	2,349	(247)	2,102
Total revenues	<u>525,000</u>	<u>525,000</u>	<u>624,256</u>	<u>99,256</u>	<u>6,380</u>	<u>630,636</u>
Expenses:						
Current operating:						
Information services	81,646	84,621	69,381	15,240	-	69,381
Finance	20,342	20,124	20,006	118	-	20,006
Development and public works	437,023	432,799	346,923	85,876	113,990	460,913
Total expenses	<u>539,011</u>	<u>537,544</u>	<u>436,310</u>	<u>101,234</u>	<u>113,990</u>	<u>550,300</u>
Change in net position	(14,011)	(12,544)	187,946	200,490	(107,610)	80,336
Net position, beginning of year	<u>238,849</u>	<u>352,184</u>	<u>352,184</u>	<u>-</u>	<u>(36,625)</u>	<u>315,559</u>
Net position, end of year	<u>\$ 224,838</u>	<u>\$ 339,640</u>	<u>\$ 540,130</u>	<u>\$ 200,490</u>	<u>\$ (144,235)</u>	<u>\$ 395,895</u>

Fiduciary Funds

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, and other governments.

Statement of changes in assets and liabilities of the Agency Fund is presented here.

Agency Fund – The Agency Fund is a non-budgeted fund which accounts for resources received and held by the City in a fiduciary capacity. Disbursements from this fund are made in accordance with the applicable agreements for each type of transaction. This fund is custodial in nature (assets equal liabilities) and does not involve measurement of the results of operations.

SPRINGFIELD



City of Springfield, Oregon
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended June 30, 2016

	Beginning Balance	Additions	Reductions	Ending Balance
ASSETS				
Cash and investments	\$ 113,267,666	\$ 73,450,912	\$(103,370,232)	\$ 83,348,346
LIABILITIES				
Accounts payable	\$ 1,409,785	\$ 12,397,060	\$ (11,642,224)	\$ 2,164,621
Health reimbursement account deposits	1,217,283	858,353	(787,969)	1,287,667
Ambulance billing deposits	661,287	18,080,058	(18,646,216)	95,129
Bail deposits	400,835	1,171,161	(1,192,991)	379,005
Miscellaneous deposits	600,313	2,201,107	(2,165,942)	635,478
Regional Fiber Consortium deposits	159,411	138,356	(107,711)	190,056
Metropolitan Wastewater Management Commission deposits	108,818,752	53,810,035	(84,032,397)	78,596,390
Total liabilities	\$ 113,267,666	\$ 88,656,130	\$(118,575,450)	\$ 83,348,346

SPRINGFIELD



Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	183-187
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	191-194
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.	197-201
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.	205-206
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.	209-211

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



Financial Trend Information



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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 82,593,165	\$ 97,072,830	\$ 99,380,714	\$ 107,712,593	\$ 109,751,002	\$ 108,631,529	\$ 108,731,315	\$ 107,219,252	\$ 112,632,832	\$ 115,176,581
Restricted	8,109,950	7,347,374	5,956,816	5,268,152	12,102,762	11,424,559	13,171,125	14,144,006	18,977,155	17,357,721
Unrestricted	31,810,532	35,138,340	33,973,864	29,581,397	20,196,736	21,514,015	19,835,794	20,240,783	4,394,678	(5,988,448)
Total governmental activities net position	<u>\$ 122,513,647</u>	<u>\$ 139,558,544</u>	<u>\$ 139,311,394</u>	<u>\$ 142,562,142</u>	<u>\$ 142,050,500</u>	<u>\$ 141,570,103</u>	<u>\$ 141,738,234</u>	<u>\$ 141,604,041</u>	<u>\$ 136,004,665</u>	<u>\$ 126,545,854</u>
Business-type activities										
Net investment in capital assets	\$ 37,856,666	\$ 46,982,723	\$ 47,004,701	\$ 48,338,342	\$ 51,248,289	\$ 57,872,702	\$ 51,972,745	\$ 54,491,005	\$ 52,836,347	\$ 54,212,835
Restricted	5,522,505	4,433,871	3,447,456	2,989,453	3,091,423	3,236,454	3,273,179	3,072,205	3,348,526	3,976,909
Unrestricted	9,583,199	8,759,032	9,478,068	12,562,982	15,019,532	13,474,770	22,668,331	23,137,298	27,590,908	28,145,472
Total business-type activities net position	<u>\$ 52,962,370</u>	<u>\$ 60,175,626</u>	<u>\$ 59,930,225</u>	<u>\$ 63,890,777</u>	<u>\$ 69,359,244</u>	<u>\$ 74,583,926</u>	<u>\$ 77,914,255</u>	<u>\$ 80,700,508</u>	<u>\$ 83,775,781</u>	<u>\$ 86,335,216</u>
Primary government										
Net investment in capital assets	\$ 120,449,831	\$ 144,055,553	\$ 146,385,415	\$ 156,050,935	\$ 165,468,108	\$ 166,504,231	\$ 160,704,060	\$ 161,710,257	\$ 165,469,179	\$ 169,389,416
Restricted	13,632,455	11,781,245	9,404,272	8,257,605	15,194,185	14,661,013	16,444,304	17,216,211	22,325,681	21,334,630
Unrestricted	41,393,731	43,897,372	43,451,932	42,144,379	35,216,268	34,988,785	42,504,125	43,378,081	31,985,586	22,157,024
Total primary government net position	<u>\$ 175,476,017</u>	<u>\$ 199,734,170</u>	<u>\$ 199,241,619</u>	<u>\$ 206,452,919</u>	<u>\$ 215,878,561</u>	<u>\$ 216,154,029</u>	<u>\$ 219,652,489</u>	<u>\$ 222,304,549</u>	<u>\$ 219,780,446</u>	<u>\$ 212,881,070</u>

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	\$ 5,512,588	\$ 3,929,091	\$ 4,791,069	\$ 3,560,757	\$ 5,386,231	\$ 4,724,454	\$ 5,932,778	\$ 4,928,452	\$ 5,194,119	\$ 8,055,900
Fire and life safety	9,713,840	10,354,699	10,858,907	10,691,161	11,760,498	11,847,128	11,340,166	11,736,970	9,905,694	14,789,977
Police	12,619,083	13,116,023	13,974,177	17,259,569	18,444,853	19,694,617	19,561,178	20,708,780	18,007,975	26,060,501
Library	1,269,704	1,309,218	1,400,056	1,382,782	1,513,148	1,519,866	1,515,697	1,508,178	1,477,854	2,131,183
Development and public works	16,333,481	15,278,674	14,896,444	13,560,283	12,804,723	11,384,695	11,658,254	11,925,811	10,605,607	15,857,538
Depreciation, unallocated	259,908	273,239	313,042	283,227	283,227	284,439	297,774	270,618	270,619	250,942
Interest on long-term debt	706,762	1,394,478	1,406,144	1,373,371	1,301,309	1,220,457	1,143,393	1,027,212	909,122	744,674
Total governmental activities expense	<u>46,415,366</u>	<u>45,655,422</u>	<u>47,639,839</u>	<u>48,111,150</u>	<u>51,493,989</u>	<u>50,675,656</u>	<u>51,449,240</u>	<u>52,106,021</u>	<u>46,370,990</u>	<u>67,890,715</u>
Business-type activities:										
Sanitary sewer	7,854,400	7,745,843	6,619,628	4,803,431	4,886,099	5,190,475	6,155,571	6,848,708	6,340,495	7,523,149
Storm drainage	-	-	3,894,947	3,956,135	4,031,641	3,843,225	3,984,400	4,407,437	4,259,913	5,982,172
Booth Kelly	589,313	660,713	779,773	1,433,965	1,334,099	1,430,803	1,463,621	1,611,902	1,649,088	1,507,253
Ambulance	4,865,158	4,602,490	4,939,277	5,000,748	5,202,146	5,184,271	4,948,503	5,525,464	5,082,272	7,073,633
Business-type activities expenses	<u>13,308,871</u>	<u>13,009,046</u>	<u>16,233,625</u>	<u>15,194,279</u>	<u>15,453,985</u>	<u>15,648,774</u>	<u>16,552,095</u>	<u>18,393,511</u>	<u>17,331,768</u>	<u>22,086,207</u>
Total primary government expenses	<u>\$ 59,724,237</u>	<u>\$ 58,664,468</u>	<u>\$ 63,873,464</u>	<u>\$ 63,305,429</u>	<u>\$ 66,947,974</u>	<u>\$ 66,324,430</u>	<u>\$ 68,001,335</u>	<u>\$ 70,499,532</u>	<u>\$ 63,702,758</u>	<u>\$ 89,976,922</u>
Program Revenue										
Governmental activities:										
Charges for services:										
General government	\$ 3,749,720	\$ 2,078,657	\$ 2,403,988	\$ 1,940,273	\$ 3,360,519	\$ 3,759,347	\$ 3,874,817	\$ 3,766,791	\$ 3,868,870	\$ 3,888,018
Fire and life safety	1,587,419	1,659,654	1,677,216	1,716,417	1,725,642	1,764,798	1,769,064	1,874,473	1,809,091	1,921,748
Police	232,563	274,968	490,731	246,682	513,759	529,998	493,254	429,497	408,750	346,629
Library	88,338	91,273	89,853	103,475	97,718	99,186	105,329	102,737	125,482	106,200
Development and public works	8,292,351	5,795,539	3,613,290	2,168,001	1,544,638	1,749,513	2,263,872	2,054,066	2,710,606	3,420,717
Operating grants and contributions	6,106,694	4,527,430	4,161,206	6,436,204	5,616,572	5,514,649	4,428,156	5,039,850	4,444,185	4,184,978
Capital grants and contributions	6,003,405	16,101,592	155,634	3,994,233	3,661,254	1,109,866	2,192,135	481,598	9,934,788	4,841,296
Total governmental activities program revenues	<u>26,060,490</u>	<u>30,529,113</u>	<u>12,591,918</u>	<u>16,605,285</u>	<u>16,520,102</u>	<u>14,527,357</u>	<u>15,126,627</u>	<u>13,749,012</u>	<u>23,301,772</u>	<u>18,709,586</u>
Business-type activities:										
Charges for services:										
Sanitary sewer	8,967,919	9,116,078	5,590,002	6,325,689	6,927,642	7,261,314	7,324,173	7,536,486	7,738,487	7,224,927
Storm drainage	-	-	4,475,347	4,984,732	5,694,208	5,789,080	6,032,530	6,347,901	6,613,264	6,892,114
Booth Kelly	634,721	664,398	788,095	1,381,649	1,443,802	1,412,841	1,348,308	1,355,337	1,412,722	1,532,687
Ambulance	4,436,801	4,260,912	4,662,981	4,834,330	5,173,527	4,849,894	5,255,068	5,612,386	6,119,908	6,599,690
Operating grants and contributions	2,294	-	-	-	-	-	-	-	-	-
Capital grants and contributions	2,376,975	5,620,276	385,165	1,001,635	1,129,770	1,448,360	16,729	16,848	199,269	2,088,254
Total business-type activities program revenues	<u>16,418,710</u>	<u>19,661,664</u>	<u>15,901,590</u>	<u>18,528,035</u>	<u>20,368,949</u>	<u>20,761,489</u>	<u>19,976,808</u>	<u>20,868,958</u>	<u>22,083,650</u>	<u>24,337,672</u>
Total primary government program revenues	<u>\$ 42,479,200</u>	<u>\$ 50,190,777</u>	<u>\$ 28,493,508</u>	<u>\$ 35,133,320</u>	<u>\$ 36,889,051</u>	<u>\$ 35,288,846</u>	<u>\$ 35,103,435</u>	<u>\$ 34,617,970</u>	<u>\$ 45,385,422</u>	<u>\$ 43,047,258</u>
Net (Expense) Revenue										
Governmental activities	\$ (20,354,876)	\$ (15,126,309)	\$ (35,047,921)	\$ (31,505,865)	\$ (34,973,887)	\$ (36,148,299)	\$ (36,322,613)	\$ (38,357,009)	\$ (23,069,218)	\$ (49,181,129)
Business-type activities	3,109,839	6,652,618	(332,035)	3,333,756	4,914,964	5,112,715	3,424,713	2,475,447	4,751,882	2,251,465
Total primary government net expense	<u>\$ (17,245,037)</u>	<u>\$ (8,473,691)</u>	<u>\$ (35,379,956)</u>	<u>\$ (28,172,109)</u>	<u>\$ (30,058,923)</u>	<u>\$ (31,035,584)</u>	<u>\$ (32,897,900)</u>	<u>\$ (35,881,562)</u>	<u>\$ (18,317,336)</u>	<u>\$ (46,929,664)</u>

Continued

Continued

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 19,023,927	\$ 20,761,839	\$ 24,888,500	\$ 26,616,211	\$ 25,890,066	\$ 27,056,405	\$ 27,891,748	\$ 28,735,713	\$ 30,497,567	\$ 29,449,109
Room tax	819,206	783,767	771,994	679,566	777,085	901,665	973,830	1,070,722	1,219,497	1,373,464
Other taxes	2,943,197	3,650,019	3,391,158	3,088,825	3,018,549	2,744,424	2,754,883	3,158,101	3,288,462	3,387,888
Payment in lieu of taxes	2,307,909	2,288,217	2,275,036	2,346,889	2,373,660	2,358,273	2,375,949	2,390,734	2,404,859	2,392,729
Investment earnings	2,758,907	2,945,365	1,727,120	664,423	421,956	337,514	333,178	361,323	305,267	416,909
Miscellaneous	385,310	323,133	379,635	201,184	486,358	727,049	985,770	908,413	857,657	867,789
Gain (loss) on disposition of capital assets	(35,598)	-	19,810	(57,355)	-	-	-	-	-	149,687
Shared revenue	1,193,858	1,146,172	1,377,642	1,247,546	1,387,527	1,400,459	1,460,463	1,533,466	1,579,978	1,584,743
Transfers	643,168	272,692	593,130	(30,673)	107,047	142,115	71,894	64,344	71,311	100,000
Total governmental activities	<u>30,039,884</u>	<u>32,171,204</u>	<u>35,424,025</u>	<u>34,756,616</u>	<u>34,462,248</u>	<u>35,667,904</u>	<u>36,847,715</u>	<u>38,222,816</u>	<u>40,224,598</u>	<u>39,722,318</u>
Business-type activities:										
Investment earnings	868,946	821,733	559,713	409,360	292,416	237,091	211,730	282,238	162,671	227,641
Miscellaneous	707,548	11,597	120,051	186,763	368,134	16,990	78,204	92,912	446,106	180,329
Transfers	(643,168)	(272,692)	(593,130)	30,673	(107,047)	(142,115)	(71,894)	(64,344)	(71,311)	(100,000)
Total business-type activities	<u>933,326</u>	<u>560,638</u>	<u>86,634</u>	<u>626,796</u>	<u>553,503</u>	<u>111,966</u>	<u>218,040</u>	<u>310,806</u>	<u>537,466</u>	<u>307,970</u>
Total primary government	<u>\$ 30,973,210</u>	<u>\$ 32,731,842</u>	<u>\$ 35,510,659</u>	<u>\$ 35,383,412</u>	<u>\$ 35,015,751</u>	<u>\$ 35,779,870</u>	<u>\$ 37,065,755</u>	<u>\$ 38,533,622</u>	<u>\$ 40,762,064</u>	<u>\$ 40,030,288</u>
Change In Net Position										
Governmental activities	\$ 14,913,575	\$ (2,876,717)	\$ 3,918,160	\$ (217,271)	\$ (1,686,051)	\$ (654,709)	\$ (1,509,294)	\$ (134,193)	\$ 17,155,380	\$ (9,458,811)
Business-type activities	7,585,944	228,603	3,420,390	5,541,760	5,666,218	3,536,679	2,693,487	2,786,253	5,289,348	2,559,435
Total primary government	<u>\$ 22,499,519</u>	<u>\$ (2,648,114)</u>	<u>\$ 7,338,550</u>	<u>\$ 5,324,489</u>	<u>\$ 3,980,167</u>	<u>\$ 2,881,970</u>	<u>\$ 1,184,193</u>	<u>\$ 2,652,060</u>	<u>\$ 22,444,728</u>	<u>\$ (6,899,376)</u>

- 1 This schedule reports using the accrual basis of accounting.
- 2 Expenses include allocated indirect expenses.

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 391,918	\$ 926,688	\$ 388,528	\$ 10,546	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	7,874,253	8,350,863	6,966,896	7,843,269	-	-	-	-	-	-
Nonspendable	-	-	-	-	5,420	5,589	49,644	22,109	86,584	98,292
Restricted	-	-	-	-	600,000	632	-	-	-	-
Committed	-	-	-	-	65,721	37,863	12,764	25,902	83,224	172,840
Assigned	-	-	-	-	39,224	600,000	600,000	600,000	600,000	600,000
Unassigned	-	-	-	-	6,872,613	7,134,387	7,538,441	7,698,382	8,553,497	7,999,863
Total general fund	\$ 8,266,171	\$ 9,277,551	\$ 7,355,424	\$ 7,853,815	\$ 7,582,978	\$ 7,778,471	\$ 8,200,849	\$ 8,346,393	\$ 9,323,305	\$ 8,870,995
All Other Governmental Funds										
Reserved	\$ 6,104,214	\$ 6,868,556	\$ 5,339,010	\$ 4,492,479	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	8,487,980	3,137,842	4,329,775	4,459,760	-	-	-	-	-	-
Capital projects funds	30,228,095	24,023,946	14,937,692	4,030,636	-	-	-	-	-	-
Debt service funds	2,036,894	1,718,922	1,369,823	1,257,621	-	-	-	-	-	-
Nonspendable	-	-	-	-	179,198	160,531	151,297	147,593	205,477	223,261
Restricted	-	-	-	-	7,022,919	8,020,323	8,535,571	9,060,917	13,642,430	14,194,470
Committed	-	-	-	-	4,546,915	4,024,188	3,130,187	2,460,530	2,617,234	1,980,130
Assigned	-	-	-	-	1,009,473	426,016	410,941	443,945	644,492	1,493,031
Unassigned	-	-	-	-	-	-	(26,365)	(64,907)	(23,321)	(37,306)
Total all other governmental funds	\$ 46,857,183	\$ 35,749,266	\$ 25,976,300	\$ 14,240,496	\$ 12,758,505	\$ 12,631,058	\$ 12,201,631	\$ 12,048,078	\$ 17,086,312	\$ 17,853,586

Notes

This schedule was modified with the implementation of GASB54, effective FY11

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenue:										
Taxes	\$ 21,201,934	\$ 22,756,676	\$ 26,796,400	\$ 28,121,897	\$ 28,169,922	\$ 28,838,941	\$ 30,059,119	\$ 31,087,716	\$ 33,065,500	\$ 31,862,305
Licenses and permits	3,357,236	3,975,361	3,147,467	2,583,181	2,538,309	2,300,827	2,463,338	2,700,850	2,783,280	3,122,149
Intergovernmental	10,481,742	8,053,038	8,051,131	9,857,571	9,405,123	8,974,691	8,475,485	8,576,500	12,172,857	8,484,882
Charges for services	9,745,427	16,598,189	7,660,854	7,041,256	7,417,478	6,958,019	7,022,389	7,142,048	7,670,658	9,247,507
Fines & forfeitures	1,216,083	1,162,425	1,285,427	1,437,612	1,807,580	1,736,722	1,497,458	1,673,933	1,688,251	1,652,415
Use of money & property	2,489,523	2,821,836	1,159,664	452,130	263,317	170,279	191,559	141,996	109,373	170,631
Special assessments	53,236	38,011	11,684	10,856	25,625	48,934	42,569	31,651	45,618	25,265
Miscellaneous revenue	525,944	312,154	464,200	267,380	664,045	648,988	306,085	570,176	708,847	775,308
Total Revenues	49,071,125	55,717,690	48,576,827	49,771,883	50,291,399	49,677,401	50,058,002	51,924,870	58,244,384	55,340,462
Expenditures:										
Current Operating:										
General government	5,338,050	5,815,636	6,460,455	5,536,753	5,825,159	6,083,214	6,306,579	6,042,155	6,643,279	8,240,463
Fire and life safety	9,881,752	10,486,561	10,988,771	10,651,586	11,373,445	11,514,553	11,242,700	11,515,444	11,237,818	11,848,268
Police	13,038,101	13,267,724	14,138,500	16,185,060	16,757,981	17,744,329	18,318,088	19,118,811	18,997,316	20,231,011
Library	1,260,454	1,263,439	1,354,548	1,360,464	1,375,033	1,426,083	1,457,714	1,440,438	1,610,330	1,706,475
Development and public works	12,513,082	11,805,812	12,680,663	12,085,092	10,925,370	9,283,821	9,041,272	9,427,305	9,233,725	9,063,061
Capital Projects	9,570,207	20,164,161	13,773,261	12,119,784	2,845,047	1,001,890	789,407	1,232,663	1,354,801	2,187,974
Debt service:										
Principal	984,177	1,732,030	2,030,047	2,173,240	2,251,618	2,330,192	2,418,973	2,507,974	2,602,206	1,630,000
Interest	413,956	1,572,382	1,390,816	1,364,942	1,283,376	1,197,635	1,108,223	1,011,446	913,103	807,469
Bond issue costs	355,501	-	-	-	-	-	-	-	-	131,205
Arbitrage	-	-	-	49,406	-	-	-	-	-	-
Total expenditures	53,355,280	66,107,745	62,817,061	61,526,327	52,637,029	50,581,717	50,682,956	52,296,236	52,592,578	55,845,926
Excess of revenues over (under) expenditures	(4,284,155)	(10,390,055)	(14,240,234)	(11,754,444)	(2,345,630)	(904,316)	(624,954)	(371,366)	5,651,806	(505,464)
Other financing sources (uses):										
Transfers in	1,772,318	2,523,359	6,070,182	4,647,041	4,050,527	5,079,050	5,073,111	4,754,376	4,874,912	6,369,454
Transfers out	(1,129,150)	(2,248,737)	(5,287,262)	(4,146,202)	(3,458,750)	(4,120,498)	(4,458,815)	(4,409,317)	(4,506,705)	(5,801,301)
Bond proceeds	24,962,242	-	-	-	-	-	-	-	-	-
Proceeds of debt issuance	-	-	1,800,000	-	-	-	-	-	-	16,994,808
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	(16,863,603)
Total other financing sources (uses)	25,605,410	274,622	2,582,920	500,839	591,777	958,552	614,296	345,059	368,207	699,358
Net changes in fund balances	\$ 21,321,255	\$ (10,115,433)	\$ (11,657,314)	\$ (11,253,605)	\$ (1,753,853)	\$ 54,236	\$ (10,658)	\$ (26,307)	\$ 6,020,013	\$ 193,894
Debt services as a percentage of non-capital expenditures *	3.00%	6.96%	6.96%	7.14%	7.03%	7.09%	7.05%	6.83%	6.78%	4.43%

Notes:

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



Revenue Capacity Information

SPRINGFIELD



OREGON

City of Springfield, Oregon

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

<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>
2007	-	-	-	-	3,149,357,159	6.12	5,566,220,630	56.58%
2008	-	-	-	-	3,436,084,339	6.13	6,655,887,099	51.62%
2009	-	-	-	-	3,502,295,304	7.19	7,205,559,254	48.61%
2010	-	-	-	-	3,726,631,985	7.13	7,309,497,628	50.98%
2011	-	-	-	-	3,747,745,557	7.06	6,750,427,991	55.52%
2012	-	-	-	-	3,883,712,564	6.99	6,716,253,056	57.83%
2013	-	-	-	-	3,998,513,269	6.94	6,399,350,681	62.48%
2014	-	-	-	-	4,043,528,204	7.15	6,450,348,959	62.69%
2015	-	-	-	-	4,253,901,084	7.03	6,782,631,808	62.72%
2016	-	-	-	-	4,339,850,283	6.78	6,939,893,310	62.53%

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
2007	4.72	0.38	0.66	0.36	6.12	5.52	1.40	0.85	0.22	2.17	3.15	-	0.04
2008	4.71	1.02	-	0.40	6.13	5.55	1.39	0.83	0.22	2.13	3.73	-	0.06
2009	4.70	1.00	1.09	0.40	7.19	5.60	1.39	0.86	0.22	2.13	3.67	-	0.11
2010	4.70	0.94	1.09	0.40	7.13	5.59	1.38	0.85	0.22	1.99	-	-	0.11
2011	4.71	0.86	1.09	0.40	7.06	5.60	1.38	0.85	0.22	1.99	-	-	0.09
2012	4.71	0.84	1.09	0.36	6.99	5.63	1.38	0.87	0.22	1.99	-	-	0.09
2013	4.68	0.82	1.09	0.36	6.94	5.63	1.37	0.85	0.22	1.98	-	-	0.15
2014	4.67	0.84	1.28	0.36	7.15	5.61	1.91	0.85	0.22	2.42	-	-	0.18
2015	4.65	0.74	1.28	0.36	7.03	5.61	1.91	0.85	0.22	2.33	-	-	0.22
2016	4.65	0.49	1.28	0.36	6.78	5.79	1.80	0.81	0.22	2.30	-	-	0.21

Source: Lane County Department of Assessment & Taxation

City of Springfield, Oregon

PRINCIPAL PROPERTY TAX PAYERS

Current Year and Nine Years Ago

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
PeaceHealth	\$ 445,888,610	1	10.17%	\$ 51,195,094	2	1.63%
IP Eat Three LLC (Weyerhaeuser)	247,949,773	2	5.65%	249,080,378	1	7.94%
Gateway Mall Partners	64,241,692	3	1.46%	46,080,897	3	1.47%
Symantec Corporation	58,467,659	4	1.33%	41,380,987	4	1.32%
Comcast Corporation	40,290,800	5	0.92%	-	-	-
Shapard Investment Group LLC	30,837,074	6	0.70%	-	-	-
Rosboro LLC	30,581,695	7	0.70%	28,254,465	5	0.90%
United States bakery	30,317,615	8	0.69%	-	-	-
Symantec Corporation	27,437,788	9	0.63%	-	-	-
RC Springfield 2007 LLC	27,163,259	10	0.62%	-	-	-
Kingsford Manufacturing	-	-	-	23,074,862	6	0.74%
Workstage-Oregon LLC	-	-	-	21,201,979	7	0.68%
McKenzie Willamette	-	-	-	18,762,536	8	0.60%
Truserv Corporation	-	-	-	12,973,081	9	0.41%
Wal-Mart Real Estate Business Trust	-	-	-	11,293,780	10	0.36%
	-	-	-	-	-	-
Total	<u>\$ 1,003,175,965</u>		<u>22.87%</u>	<u>\$ 503,298,059</u>		<u>16.05%</u>

Source: Lane County Department of Assessment and Taxation

City of Springfield, Oregon

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections & Adjustments	Total Collections and Adjustments to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	19,665,050	18,611,955	94.6%	1,045,193	19,657,148	99.96%
2008	21,473,863	20,128,824	93.7%	1,335,149	21,463,973	99.95%
2009	25,639,015	24,092,260	94.0%	1,533,111	25,625,371	99.95%
2010	27,170,891	25,473,655	93.8%	1,576,157	27,049,812	99.55%
2011	26,956,427	25,339,490	94.0%	1,484,456	26,823,946	99.51%
2012	27,667,002	26,127,844	94.4%	1,383,769	27,511,613	99.44%
2013	28,646,245	26,967,621	94.1%	1,462,817	28,430,438	99.25%
2014	29,539,586	27,866,138	94.3%	1,347,427	29,213,565	98.90%
2015	31,427,683	29,665,353	94.4%	1,230,359	30,895,712	98.31%
2016	30,360,092	28,616,502	94.3%	908,558	29,525,060	97.25%

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

Debt Capacity Information



City of Springfield, Oregon

RATIO OF OUTSTANDING DEBT, BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Notes Payable	Contracts Payable	Revenue Bonds	Notes Payable			
2007	\$ 35,379,435	\$ -	\$ 126,629	\$ 511,278	\$ 210,000	\$ 1,619,685	\$ 8,690,632	\$ 46,537,659	0.41%	812
2008	33,432,491	-	87,507	459,249	210,000	1,447,866	8,861,225	44,498,338	0.38%	767
2009	31,621,602	-	46,305	2,129,202	210,000	24,348,478	7,513,982	65,869,569	0.57%	1,134
2010	29,464,188	-	1,382,311	1,920,962	210,000	23,463,735	6,697,965	63,139,161	0.54%	1,078
2011	27,217,526	-	1,108,535	1,699,344	210,000	32,916,000	5,834,566	68,985,971	0.56%	1,161
2012	25,130,137	-	1,114,360	1,469,152	210,000	31,445,204	5,068,098	64,436,951	0.50%	1,079
2013	22,964,771	-	1,756,347	1,230,179	210,000	29,929,407	4,404,011	60,494,715	0.46%	1,008
2014	20,597,007	-	1,227,516	977,206	210,000	28,363,611	3,695,017	55,070,357	0.41%	918
2015	18,400,955	-	676,209	715,000	210,000	26,752,681	3,011,742	49,766,587	*	829
2016	17,194,064	-	535,062	520,000	210,000	25,318,704	2,198,125	45,975,955	*	764

Source: Annual Financial Reports

* not yet available

City of Springfield, Oregon

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2007	\$ 35,379,435	1.12%	\$ 617
2008	33,432,491	0.97%	576
2009	31,621,602	0.90%	544
2010	29,464,188	0.79%	503
2011	27,217,526	0.73%	458
2012	25,130,137	0.65%	421
2013	22,964,771	0.57%	383
2014	20,597,007	0.51%	343
2015	18,400,955	0.43%	306
2016	17,194,064	0.40%	286

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

City of Springfield, Oregon

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

June 30, 2016

Governmental Unit	Debt Outstanding	Percentage applicable to the City	City's share of overlapping debt
City of Springfield - general obligation bonds	\$ 17,913,748	100.00%	\$ 17,913,748
City of Springfield - notes payable	520,000	100.00%	520,000
City of Springfield - contracts payable	210,000	100.00%	210,000
City of Springfield - capital leases	535,062	100.00%	535,062
Total Direct debt	\$ 19,178,810		19,178,810
Overlapping Debt			
Emerald People's Utility District	636,506	1.32%	8,432
Lane Community College	127,940,000	15.08%	19,290,281
Lane County	89,442,011	15.29%	13,676,488
School District 19	177,663,242	74.77%	132,836,141
School District 4J	293,342,153	5.79%	16,993,898
Lane Education Service District	6,790,000	15.33%	1,040,914
Willamalane Park & Recreation District	19,795,589	94.05%	18,616,801
Total overlapping debt			202,462,955
Total direct and overlapping debt			\$ 221,641,765

Notes:

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

City of Springfield, Oregon

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	<u>June 30, 2016</u>
Real market value	<u>\$ 6,939,893,310</u>
Debt limit 3% of real market value	\$ 208,196,799
Amount of debt applicable to debt limit:	<u>15,975,000</u>
Total debt margin	<u>\$ 192,221,799</u>

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$ 166,986,619	\$ 199,676,613	\$ 216,166,778	\$ 219,284,929	\$ 202,512,840	\$ 201,487,592	\$ 191,980,520	\$ 193,510,469	\$ 203,478,954	\$ 208,196,799
Total net debt applicable to limit	<u>35,257,315</u>	<u>33,421,463</u>	<u>31,352,605</u>	<u>29,210,296</u>	<u>27,242,807</u>	<u>25,845,000</u>	<u>23,665,000</u>	<u>21,410,000</u>	<u>19,070,000</u>	<u>15,975,000</u>
Legal debt margin	<u>\$ 131,729,304</u>	<u>\$ 166,255,150</u>	<u>\$ 184,814,173</u>	<u>\$ 190,074,633</u>	<u>\$ 175,270,033</u>	<u>\$ 175,642,592</u>	<u>\$ 168,315,520</u>	<u>\$ 172,100,469</u>	<u>\$ 184,408,954</u>	<u>\$ 192,221,799</u>
Total net debt applicable to the limit as a percentage of debt limit	21.11%	16.74%	14.50%	13.32%	13.45%	12.83%	12.33%	11.06%	9.37%	7.67%

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	
2007	\$ 11,249,237	\$ 6,963,177	\$ 4,286,060	\$ 170,000	\$ 58,613	18.75
2008	10,426,775	6,567,949	3,858,826	175,000	53,513	16.89
2009	10,548,809	6,866,205	3,682,604	190,000	48,263	15.46
2010	11,893,479	6,947,301	4,946,178	860,000	1,094,244	2.53
2011	13,149,688	7,299,130	5,850,558	1,025,000	1,088,793	2.77
2012	13,275,335	7,010,679	6,264,656	1,420,000	1,231,306	2.36
2013	13,602,039	7,715,412	5,886,627	1,465,000	1,188,956	2.22
2014	14,102,581	7,954,941	6,147,640	1,515,000	1,144,050	2.31
2015	14,819,959	7,270,726	7,549,233	1,560,000	1,097,325	2.84
2016	15,814,960	9,925,186	5,889,774	1,380,000	1,039,531	2.43

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

SPRINGFIELD



Demographic and Economic Information



City of Springfield, Oregon

Demographic and Economic Statistics

Last Ten Calendar Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment	Unemployment Rate
2007	57,320	\$ 11,449,995	\$ 33,203	10,609	5.6%
2008	58,005	11,848,249	34,029	10,608	5.7%
2009	58,085	11,572,848	32,985	10,526	12.7%
2010	58,575	11,669,824	33,160	10,221	11.0%
2011	59,425	12,235,553	34,614	10,204	9.9%
2012	59,695	12,784,129	36,062	10,600	8.9%
2013	59,990	13,047,961	36,630	11,033	8.0%
2014	60,001	13,392,647	37,374	10,969	6.9%
2015	60,065	*	*	11,069	5.9%
2016	60,140	*	*	10,881	5.3%

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

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

* Not yet available

City of Springfield, Oregon

Principal Employers

Current Year and Nine Years Ago

<u>Employer</u>	2016			2007		
	<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	4,281	1	15.91%	-		-
Springfield School District #19	1,598	2	5.94%	1,413.00	1	5.25%
McKenzie Willamette Hospital	900	3	3.34%	711.00	3	2.64%
Royal Caribbean Cruise Lines	857	4	3.18%	390.00	6	1.45%
Symantic	512	5	1.90%	1,253.00	2	4.66%
City of Springfield	403	6	1.50%	444.00	4	1.65%
Willamalane Park and Recreation District	384	7	1.43%	357.00	8	1.33%
Lane Transit District	329	8	1.22%	331.00	10	1.23%
Wal-Mart	324	9	1.20%	389.00	7	1.45%
Peace Health Medical Laboratories	322	10	1.20%	-		-
Weyerhaeuser	-		-	348.00	9	1.29%
Rosboro Lumber Company	-		-	431.00	5	1.60%
Total	9,910		36.83%	6,067.00		22.54%

Source: City Economic Development Division

Operating Information

SPRINGFIELD



OREGON

City of Springfield, Oregon

Full-time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
City management	7.00	7.50	8.00	8.00	8.00	7.00	7.00	7.00	7.50	7.50
Finance	11.30	11.30	11.30	10.30	10.30	9.80	9.50	9.50	9.50	11.70
Human resources	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Information technology	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	15.00
Legal/Judicial services	7.55	7.55	8.55	8.55	8.55	8.85	8.84	8.84	8.84	8.84
Police										
Officers	70.00	70.00	70.00	66.00	69.00	69.16	68.16	68.16	70.00	70.00
Civilians	40.00	40.00	41.00	57.00	57.00	55.00	54.83	54.83	53.00	53.00
Fire and life safety										
Firefighters and officers	89.00	89.00	90.25	91.00	88.00	88.00	87.00	86.00	86.00	99.00
Civilians	16.05	21.25	21.00	17.00	18.00	15.00	14.00	14.00	13.00	13.00
Development and public works										
Engineers	17.00	16.00	19.00	20.00	15.00	15.00	15.00	13.00	12.00	13.00
Other	135.75	143.85	149.75	135.75	134.25	125.75	115.56	116.75	118.00	110.00
Library	13.60	13.60	13.60	13.20	13.40	12.40	12.60	12.60	13.10	13.50
Total	<u>424.25</u>	<u>437.05</u>	<u>449.45</u>	<u>442.80</u>	<u>437.50</u>	<u>421.96</u>	<u>408.49</u>	<u>406.68</u>	<u>406.94</u>	<u>420.54</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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Criminal arrests (charges)	9,044	8,523	7,054	7,107	7,527	7,148	8,577	9,221	7,672	8,506
Parking violations	941	457	395	354	**	237	185	360	209	244
Traffic violations	10,879	10,091	9,964	9,423	10,299	10,122	10,648	7,517	7,775	8,219
Fire and life safety										
Number of fire stations	5	5	5	5	5	5	5	5	5	5
Emergency responses	16,345	18,190	18,413	17,382	19,096	19,398	20,836	23,206	25,504	25,927
Fires extinguished	257	216	238	165	180	206	248	275	287	194
Inspections	3,719	3,374	3,329	2,103	1,670	2,214	1,047	1,641	2,123	4,474
Library										
Number of public computer log-ins	149,153	109,019	100,867	60,335	59,994	46,797	64,065	70,756	56,666	53,733
Total volumes loaned	293,068	297,982	326,235	344,809	344,586	354,120	354,538	354,503	365,497	371,420
Development and public works										
Crack sealing	28	18	41	12	9	3	40	28	11	12
Potholes repaired	989	1,142	722	1,569	1,062	1,364	1,124	1,047	775	**
Storm lines high velocity cleaning	132,637	215,683	32,584	7,810	9,452	3,835	1,909	1,811	2,200	1,500
Sanitary lines high velocity cleaning	664,822	657,295	932,839	965,853	653,641	652,069	587,954	363,748	426,466	601,920
Number of building permits *	724	618	512	491	400	428	382	433	466	224
Building valuation (in thousands)	\$ 192,868	\$ 143,064	\$ 65,192	\$ 48,150	\$ 38,067	\$ 40,698	\$ 44,388	\$ 44,621	\$ 51,818	\$ 77,150

Sources: Various city departments

* New constructions permits

** Data not available

City of Springfield, Oregon

Capital Asset Statistics by Function/Program,

Last Ten Fiscal Years

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	20	20	20	20	20	20	20	20	20	20
Fire stations	5	5	5	5	5	5	5	5	5	5
Public works										
Streets (miles)	392	398	401	412	420	423	423	423	444	442
Street lights	3,875	4,033	4,117	4,160	4,208	4,350	4,530	4,300	4,362	4338
Traffic signals	70	68	68	69	68	73	83	68	83	93
Water										
Fire hydrants	1,516	1,553	1,552	1,552	1,552	1,559	1,581	1,585	1,600	1518

Sources: Various city departments

SPRINGFIELD



OREGON

Compliance Section



Audit Comments

SPRINGFIELD





GROVE, MUELLER & SWANK, P.C.

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

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Springfield, Oregon as of and for the year ended June 30, 2016, and have issued our report thereon dated December 28, 2016.

Compliance and Order Matters

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

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

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

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal except for the over expenditure of budgeted appropriations as detailed in Note C of the notes to the financial statements.


Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Restriction on Use

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

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

By: 
Ryan T. Pasquarella, A Shareholder
December 28, 2016