

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2019
City of Springfield, Oregon



springfield-or.gov

SPRINGFIELD



OREGON

CITY OF SPRINGFIELD, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2019

Prepared by:

Finance Department
Accounting Division

SPRINGFIELD



OREGON

City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2019

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Introductory Section

SPRINGFIELD



OREGON



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

December 31, 2019

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, 2019.

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, 2019, 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, 2019, 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 61,355 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, wastewater management, 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 2012, Springfield voters renewed a special purpose five-year property tax levy for police, municipal court, and jail services at a rate of \$1.28 per thousand for five years beginning July 1, 2013. Subsequently, in November 2017, Springfield voters re-authorized that levy for another five years at an increased rate of \$1.40 per thousand. In November 2015, voters re-

authorized the levy for fire and life-safety services at a rate of \$0.36 per thousand beginning July 1, 2016. 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, 2019, the amount of the tax levy for general obligation debt was \$0.40 per thousand.

Local Economy July 2018-June 2019

The City of Springfield, Oregon continues to see gradual, positive, impacts of the long economic recovery, with continued patterns of investments in local manufacturing and traded sector activities, increased values in property, momentum in private and public projects, and decreases in city-wide residential inventory and commercial and industrial vacancy rates. Area businesses and local partners continue to play a role in this recovery, investing in existing Springfield facilities and Springfield employees, partnering with one another to improve the business ‘climate’ through sourcing relationships, events, and peer-to-peer support. These investments can be seen clearly in increased interest and use of the Springfield Community Enterprise Zone, a mechanism which incentivizes taxable investment and growth of workforce.

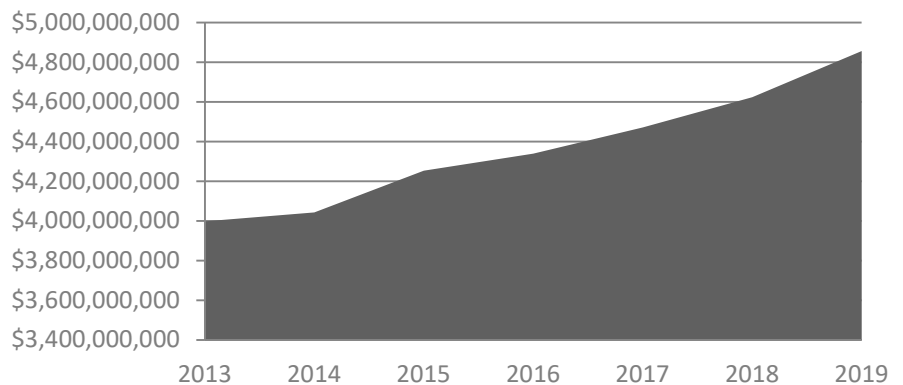
With an emphasis on removing policy barriers, investment in infrastructure and support of existing industry retention and expansion, the City Council continues to champion projects and initiatives which prioritize the economic vitality of the community, improving the lives of Springfield citizens. The economic vitality of Springfield and the financial health of the City government is linked to healthy population growth and the number of quality jobs available in our community (Springfield Economic Look, 2017).

Property Values

Total assessed property values have steadily increased for the last five fiscal years, increasing by 5% between FY 18 and FY19. This reflects an increase in growth from past years which remained consistent at 3% year over last. In total, FY19 assessed property values in the City of Springfield totaled nearly \$4.9 billion, an increase of \$233 million over FY 18.

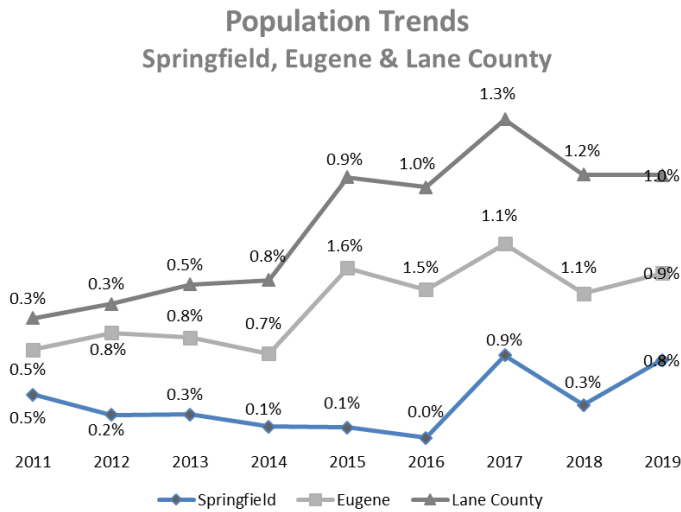
Assessed Property Values

Springfield, OR



Source: Lane County, OR Assessment & Taxation Department

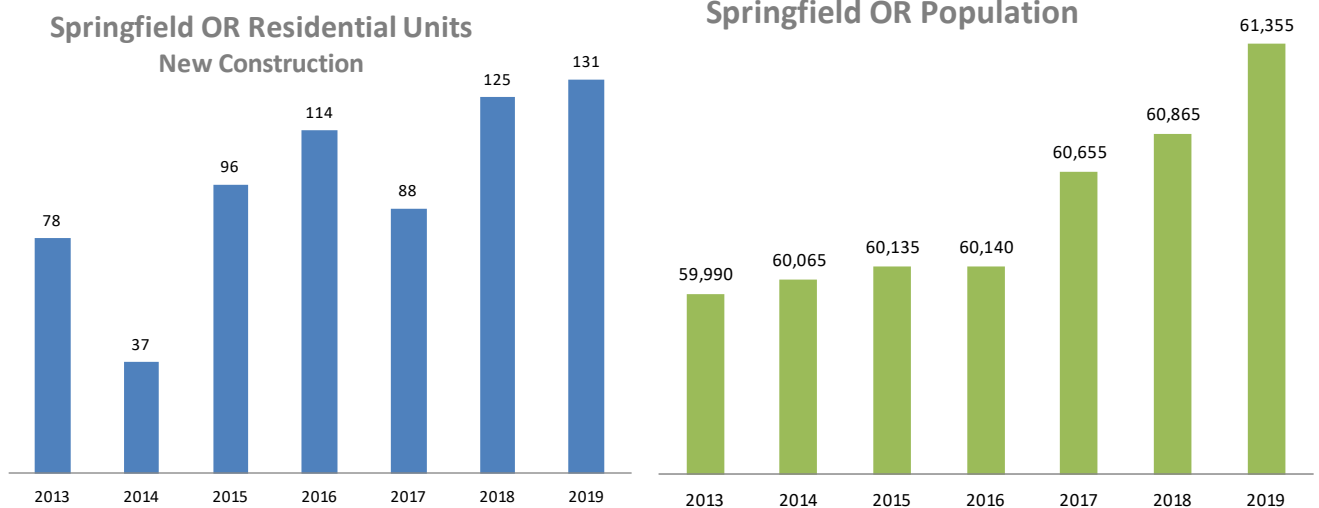
Population Growth



Source: Portland State University; Population Research Center.
<https://www.pdx.edu/prc/population-reports-estimates>

Springfield population trends have traditionally lagged behind those of the region, with estimated growth over the last 10 years ranging between 0% and 1%. Between 2016 and 2019, the City of Springfield saw a nearly 1% growth, similar to that of Eugene and Lane County, both at 1%. It is notable that while the region saw continued population growth in all areas between FY18 and FY19, Springfield saw a greater increase year over last, bringing the City of Springfield population to 61,355, a difference of 490 community members from 2018.

In general, Springfield’s population trends are attributable to a number of variables, including population estimation methodology used by the Portland State University Population Research Center, but also impacts of existing limited housing supply and land, rising costs of construction, trends in new single and multi-family housing starts, faster aging and lower fertility rates, and lower in-migration to the region. While slower than other regions across the state, population growth for the City of Springfield from 2018 through 2019 showed greater rates of growth than years prior. 2019 reflected the second largest population jump for Springfield within the past 10 years, second only to the 2017 population growth of 515 community members. Similarly, the number of residential units constructed continue to grow, with 131 new units developed in FY19.

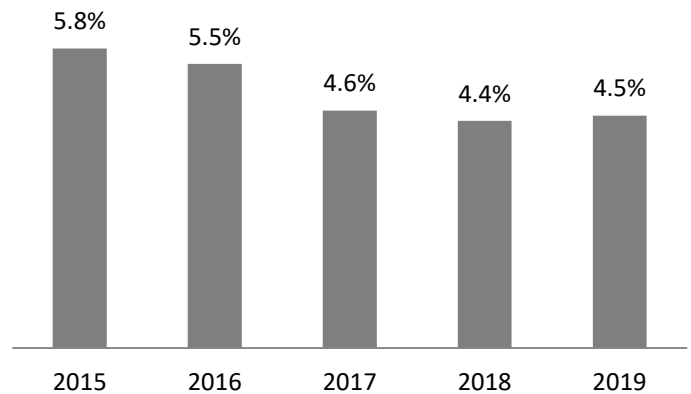


Job Growth

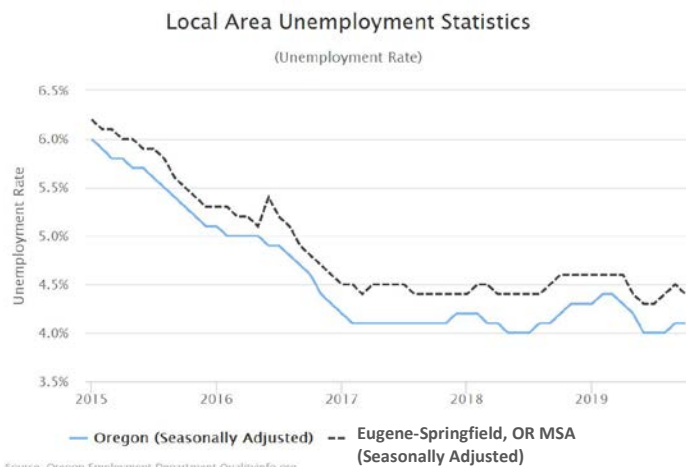
Job growth continues to increase in Lane County with unemployment in Springfield maintaining all time lows. While Springfield saw a slight increase from 4.4% in FY18 to 4.5% in FY19, unemployment levels remain lower than historic averages over the last decade. While slightly higher than the State-wide average of 4.2%, trending remains consistent with state averages over time, and most importantly, on a generally flat trend. Overall, the City of Springfield and Lane County unemployment rates maintain similar trends to those captured state-wide and nationally.

While the steady low levels of unemployment within the City of Springfield and greater Lane County is both significant and promising, other regional indicators continue to indicate slower overall growth than state averages.

Unemployment Rate Springfield, OR MSA



Source: State of Oregon Employment Department Qualityinfo.org; LAUS Reflected as Seasonally Adjusted Average of Year beginning July through June. Typical LAUS Reporting Reflects Calendar Year.



Source: Oregon Employment Department Qualityinfo.org

Per capita personal income in the region increased in 2018 by 4%, reaching \$46K, while the statewide figure grew by 5%. This local growth trend remains consistent with the positive trends seen within Oregon on average. Additionally, Springfield employees saw increases in average wages of almost 20% over the last 8 years, with the average annual pay at a Springfield company exceeding \$49K in 2018. This is higher than the Lane County average of \$43.7K (qualityinfo.org).

Ultimately, the relationship between unemployment rates, personal income, and wage growth emphasize the need for continued

focus of City partnerships with employers and investments in resourcing projects which support increases in the number of accessible family wage jobs. For this reason, the City continued to lead and resource significant initiatives within the community during FY19, focusing on support of key target industries and projects.

Springfield Target Industries

Springfield continues to see industry growth and opportunity in a wide range of nationally projected high output industries through 2024, including the highest projected industry: software publishers. This competitive advantage is of note for Springfield with the significant FY18 and

FY19 impacts of the Springfield Symantec Site closure, creating brief opportunity for local talent to be made available for new company expansions. In FY18, the City of Springfield participated in the successful recruitment of two significant technology firms specializing in software publishing and customer service. Both of these firms opened ‘doors’ in FY19 and hired substantial Symantec talent, contributing to significant job growth and allowing community members to stay and grow in new opportunities in Springfield and Eugene. These changes in employer presence also created opportunities for nearby existing Springfield employers, like PacificSource Health Plans, IEQ Technologies and Royal Caribbean Cruises Ltd., to hire much desired and well-trained talent. In FY19, Royal Caribbean was estimated to employ 800 people and PacificSource was moving into a substantial growth phase.

**MEDICAL
TECHNOLOGY**

**CRAFT
FOOD &
BEVERAGE**

**ADVANCED
TIMBER
MANUFACTURING**

TECH

In FY19, the City of Springfield maintained a focus on local industry trends, prioritizing target industries for economic development with large footprints from a physical, economic, and employment standpoint. Springfield, OR target industries include; advanced timber manufacturing, technology, craft food and beverage, and medical technology.

Springfield Significant Industry

The Springfield traded sector target industries are reflective of both future goals and also existing significant economic footprints. Industry location quotients (LQ) quantify the relative “concentration” of an industry compared to other areas within the United States. A LQ of zero indicates that a particular region is no more or less likely to host an industry than any other region. Where an area has a concentration of industries at a higher LQ, the area is demonstrating an area of industry density, or specialty.

Traded Sector Industry Description	Local Location Quotient
WOOD PRODUCTS	
Sawmills	13.4
Hardwood Veneer and Plywood Manufacturing	50.75
Softwood Veneer and Plywood Manufacturing	27.14
Engineered Wood Member Manufacturing	54.22
Paperboard Mills	9.49
Custom Architectural Woodwork and Millwork	8.22
Wood Preservation	24.19
Adhesive Manufacturing	4.63
TECHNOLOGY	
Software Publishers	5.19
E-Commerce Customer Service	2.26
SPECIALTY FOOD AND BEVERAGE	
Ice Cream and Frozen Dessert Manufacturing	12.38
Commercial Bakeries	2.32
Coffee and Tea Manufacturing	6.01
Breweries	5.83

Source: IMPLAN ES202 data, Bureau of Labor Statistics Employment 2015

The Springfield target industries are, primarily, reflective of industries with high local LQs, illustrating that Springfield already offers existing infrastructure, workforce, supply chains, and opportunities to facilitate successful operation and growth within these industries.

Springfield Industry Employer Sampling and Growth Trends

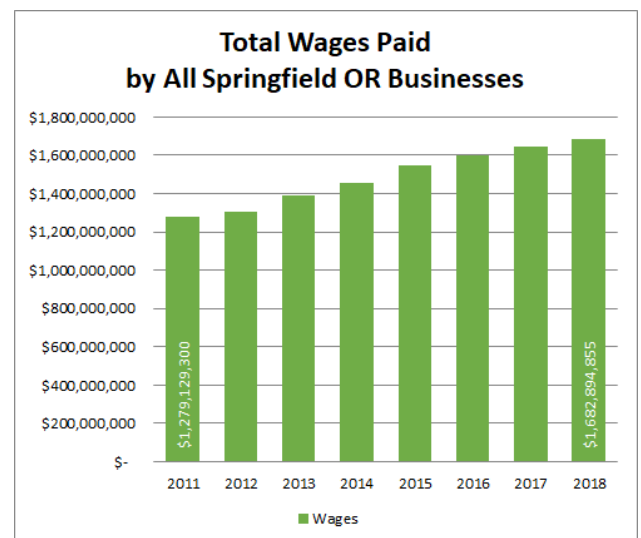
The City of Springfield’s positive relationships with existing employers is a hard-earned and critical resource in fostering trust and facilitating opportunities to support growth and expansion of those industries and, specifically, employers. Employment data specific to an individual private employer is highly sensitive and considered protected information by the State Employment Department. Any provision of listed private employers with directly attributed private employment numbers would be speculative and at the risk of compromising established long-term relationship. A sample list of significant employers and estimated employment

numbers is provided below based on information voluntarily and knowingly provided by Springfield employers.

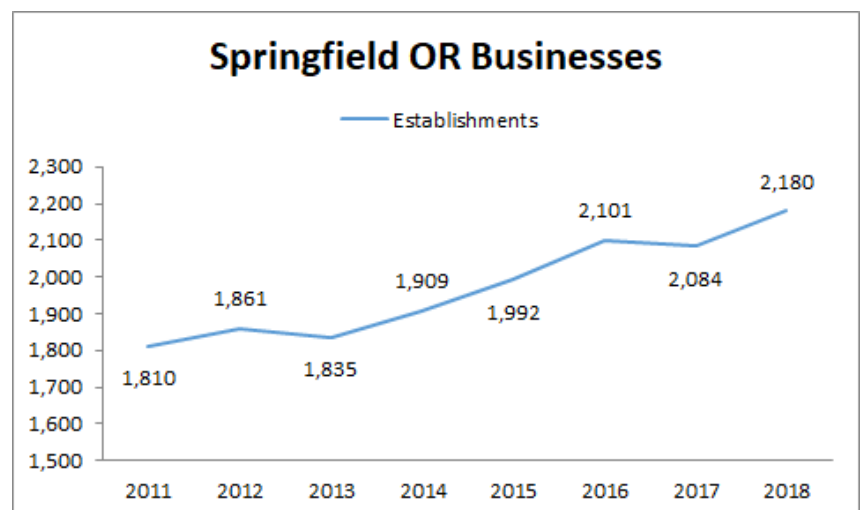
Industry	Employer	2019 Estimated Average Annual Employees	+ / - Over 2018	2018 Estimated Average Annual Employees	2017 Estimated Average Annual Employees
Public Sector	Springfield Public Schools	1560	+	1380	1241
Public Sector	City of Springfield	402	+	400	410
Public Sector	Willamalane	362	+	360	381
Public Sector	State Government	320	+	310	308
Public Sector	Federal Government	204	-	207	171
Medical Services	Peace Health Corporation	3,760	+	3500	5500
Medical Services	McKenzie-Willamette Medical Center	850	-	940	880
Wood Products	Top 3 Wood Products Employers	820	+	780	522
Technology	Top 3 Technology Employers	1180	-	1200	1800
Food & Beverage	Top 3 Food Beverage Employers	490	+	410	400

Source: Public Sector employer estimates provided by the State of Oregon Employment Department. All other private employer estimates are considered protected information by the State Employment Department and reflective of estimates gathered through standard business retention efforts.

In FY19, the Springfield economy continued to experience overall growth across sectors, boasting nearly 2,200 businesses and over 34,000 jobs. From 2011 to 2018, the Springfield business community grew by 20% with the addition of 370 new businesses and over 3,300 new jobs. Additionally, between 2011 and 2018, Springfield companies increased their annual wages paid to employees by over \$400M, bringing total wages paid by all Springfield businesses in 2018 to almost \$1.7 billion (does not account for inflation).



Source: State of Oregon Employment Department and City of Springfield, Oregon – Does not account for inflation.

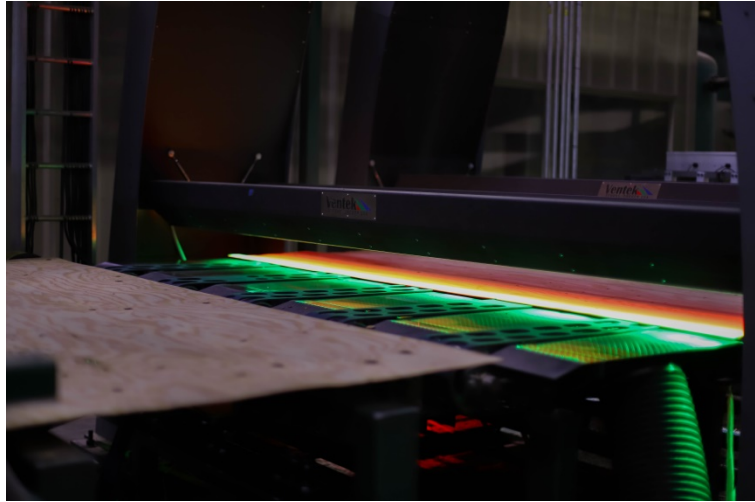


Source: State of Oregon Employment Department and City of Springfield, Oregon

Springfield Significant Event Sampling

Manufacturing; Wood Products, Food and Beverage, and General Manufacturing

- **Swanson Lumber Mill Rebuild.** The Swanson's Group mill rebuild continues to be an example of Springfield's incredible will and innovation. The rebuild, following a devastating 2014 fire, was completed and back in production by 2016. The mill made final additions and installations of state of the art equipment and jobs, showcasing one of the highest technology manufacturing facilities on the west coast. The site includes a new 330,000 sf veneer plywood layup operation, and nearly 250 employees, and an investment estimated at over \$55 million in facility and equipment. The site is a beneficiary of the Springfield Community Enterprise Zone which provided a 5-year extended property tax abatement. The first non-exempted property tax year will be 2022.



- **Glenwood Redevelopment.** The Glenwood Riverfront project area and site infrastructure to connect the community to the river continued as a priority initiative for the City of Springfield. The marketing of the site and recruitment of development partners kicked off in FY19 and saw traction with development partnerships and concepts for review by the Council and Urban Renewal Board.
- **Franz Bakery.** Franz Bakery (owned by United States Bakery) completed construction in FY19 of their \$20 million Glenwood facility expansion. The project was supported by the City with the use the Springfield Community Enterprise Zone extended abatement. The project increased their existing facility to over 200,000 square feet from the original 150,000 square feet. The project added 45 new full time employees operating a new organic breadline. Franz now employs approximately 220 full-time employees in Springfield.

Healthcare

- **McKenzie-Willamette Medical Center.** The McKenzie-Willamette Medical Center, located at 1460 G Street, completed construction of their major additions and renovations to hospital facilities in Springfield Mohawk area. The expansion project cost \$115 million and added nearly 153,000 square feet of new space and an additional 56,000 square feet of renovations to the existing structure. The project created private patient rooms for all patients, added private exam and trauma rooms in the Emergency Room, constructed a new patient tower with new entrance, lobby and housing a new neonatal NICU (4-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 has doubled in size from eight to 16 total beds.

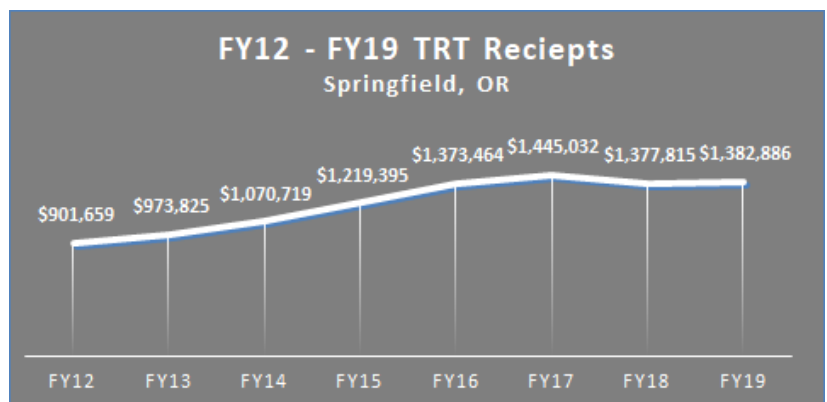
- **Oregon Medical Labs & PeaceHealth.** In late FY17, PeaceHealth sold a significant portion of their laboratory business to Quest Diagnostics, a New Jersey based for-profit. As part of this sale, services, employees, and local resources were maintained in the region but shifted to Quest Diagnostic ownership during FY18. During FY19, employment shifts were seen onsite at the PeaceHealth Annex site where Oregon Medical Labs operation previously existed, but the building remains active with over 200 employees and under assessment for repurposing plans.

Technology & Office Sector

- **Symantec.** A substantial employer in the Springfield area for over 25 years, Symantec Corporation underwent substantial downsizing during FY19 with full site closure anticipated in Q2 of FY20. The City of Springfield worked closely with the firm during the timeframe to strategically position the building and employees for future success through the transition and into targeted opportunities. In FY19, Symantec completed sale of the property to PacificSource Health Plans.
- **PacificSource Health Plans.** In FY19, locally owned and operated PacificSource Health Plans acquired 555 International Way. The 400,000 square foot building, previously constructed, owned and occupied by Symantec, began substantial renovations and is planned as the future PacificSource regional headquarter. The project is anticipated for completion in FY20 and will allow the company to grow by an estimated 200 employees, bringing total regional employment to over 600 people.
- **Wayfair.** In FY19, Wayfair opened their first west coast customer service center in Springfield. The firm, located in 555 International Way, is a tenant to PacificSource Health Plans, and has been a key employer in retaining local talent previously employed by Symantec. The company began early hiring in late FY19 and is anticipated to reach over 400 employees by early FY20.
- **Office Space.** The office sector in Springfield remained stable and tight in FY19, even with the spike in space vacancy at the 555 International Way site. Office vacancy remained historically low at 3%, lower than the national average of 11%. This low level of vacancy and the fact of little available sublet space to offer indicated a stable FY19 office sector and a market that could see additional product added in FY20 and on. In FY19, office rent averaged at \$20.38 triple net.

Leisure, Hospitality and Mixed-Use

- **Transient Room Tax Collections.** Transient Room Tax (TRT) revenues have steadily climbed over the past 10 years with a slight dip in FY18. FY19 saw a small rebound from FY18, reaching nearly \$1.4M in annual TRT revenues to the City. FY19 was a milder wildfire season, generating less negative



Source: City of Eugene Central Services/Finance Division

impact to the tourism industry over the summer and fall months. One large event venue, Hayward Field, remained under construction in preparation for the 2020 Olympic Track and Field Trials and the 2021 IAAF World Track and Field Championships.

Overall, Springfield hotel occupancies in FY19 were slightly down from FY18, averaging 63% across the year. The average daily rate (ADR) fell by just over 3.6% resulting in a FY19 ADR of \$92. These are likely reflections of a decrease in regionally held large sporting events and continued new hotel room inventory added in nearby City of Eugene.

- **Glenwood Tru Hotel.** As part of a City and Urban Renewal Agency land assembly project, several key properties in Glenwood were identified, assembled, prepped and sold to Alko Investments, LLC. Following the 2015 opening of a Candlewood Suites and 2018 opening of the Fairfield Inn and Suites, Alko Investments began construction of the third hotel product, Tru by Hilton. The Tru Hotel will add an additional 86 rooms to the site, bringing to total rooms available on the 2+ acre site to 175 rooms. The property will open in FY20.
- **Urban Growth Boundary Acknowledgement.** Late in FY19, the Springfield urban growth boundary expansion area was acknowledged by the state and added over 250 suitable acres of employment land in the north Gateway area. While substantial planning and infrastructure investments will be required to see the areas move into active use, the formal acknowledgement of the area is a critical early step towards future employment and property opportunities for the community.
- **Street Bond Passing.** In 2019, the Springfield voters approved a five year \$10 million general obligation bond to fund repairs for a list of proposed city streets. Streets identified for improvement serve both residential and commercial neighborhoods, and projects will begin in FY20.

Community Placemaking

- **Incenting Housing Development Through Springfield’s Affordable Housing Strategy.** Beginning in FY18 and extending through FY19, the City of Springfield offered Systems Development Charge payments on behalf of developers building the newly permitted Accessory Dwelling Units (ADUs). This waiver is intended to reduce the cost to construct much needed housing while incenting the use of the newly Council approved smaller housing type.



To support this goal, planning staff worked tirelessly with the community and City Council to revise and amend the Springfield Development Code, making it easier to build ADUs within the City. These amendments took effect in FY18 and impacts were seen. During FY19, the City received applications for 24 ADUs, 12 of which obtained land use approvals and proceeded to building permit phase.

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. The annual budget and five-year forecasts for the City's more significant funds serve as the foundation for the City's financial planning.

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 with six completed to date. Our objective is to update 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 last 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, Street, Building, Sewer, and Stormwater purposes all meet current Council adopted policies for maintaining adequate contingency and working capital. The City's Ambulance Fund is not currently meeting the guidelines for maintaining adequate contingency and working capital at this time; however, City staff are making this fund a top priority in its fiscal health exercise.

With a focus on fiscal health, 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. During fiscal year 2018, staff worked with the City Council to update its three-to-five-year strategic outcomes that are in response to the longer term Council goals.

In October 2018, staff scheduled a budget workshop with the City Council to discuss and receive direction on the next 5-year financial strategy that would begin with FY20. To prepare this workshop, projections and analytic data was updated to provide Council with the clear understanding of what strategies could best accomplish the goal of a sustainable financial future in FY24. The accompanying data indicated that many of the City services requiring additional resources through taxes are not seeing a growth in projected resources that is able to support the expected cost increases due to labor contracts and inflationary pressures. Using historical trends, expenditure growth is estimated to outpace revenue growth by about 2%. For local

governments in Oregon, such as Springfield, there is a dependency on the health of the housing and construction segment of the economy to support sustained growth. Recent planning and building activity for the City is indicating that there is a renewed confidence that housing activity for the community may allow for improved numbers.

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

The City updates its Capital Improvement Program (CIP) every two years and will be embarking on the latest update soon. Capital projects for the sanitary and stormwater programs are continuing to occur on schedule and have secure funding for the next CIP cycle. After borrowing funds in the early 2000's to catch up on capital needs, these utilities have been able to establish adequate reserves to meet current needs.

The City's capital resources for street improvements have not been able to match capital needs and the City asked voters for the approval of a general obligation bond in November of 2018, which passed with 55% voter approval, to address the most immediate needs. The bond proceeds will fund street improvement projects spanning the next five years.

Public Safety Services:

The City continues to have two special-purpose taxing levies approved by the voters. Both levies were initially approved in 2002 and have been re-authorized by citizens several times. The levy for fire services allows the City to operate a fifth engine company for first response and fire services and was last approved for an additional five years beginning in FY17. The levy for police services funds additional services for patrol, dispatch, records, and our municipal jail. The citizens recently renewed the police levy for an additional five years beginning in FY19.

Urban Renewal:

Within the past fifteen 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 was to be matched by \$3.6 million from the City to complete Phase I of the planned improvement for Franklin Boulevard. Construction began in June 2017 and was completed in FY18. Phase II is in the early design stage with funding yet to be identified.

For the Downtown District, the City has completed 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. The

Urban Renewal District Board has no immediate plans for either the Glenwood or Downtown District to borrow additional resources at this time.

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:

- **Street Preservation Program** – In November 2018 Springfield voters passed a \$10 million general obligation bond to be dedicated to preservation of several arterial and collector streets throughout the City. It is anticipated that the bond proceeds will allow the for an overlay preservation treatment to be completed on approximately 4.7 miles. Two projects were completed in 2019 and the remaining projects are in various stages of design. All construction is anticipated to be completed by 2022. In addition to preserving the identified segments, American with Disabilities Act (ADA) facilities will be updated as required. Following is the list of projects identified in the Bond documents:

Street	Length (feet)	Estimated Cost	Completion Date
Olympic Street	3,700	\$1,650,000	2020
Centennial Boulevard	2,600	\$700,000	2020
Commercial Street	450	\$85,000	2019
42 nd Street	2,750	\$855,000	2021
Thurston Road	5,800	\$2,500,000	2021
High Banks Road/58 th St.	4,400	\$1,700,000	2021
14 th Street	1,250	\$305,000	2019
Mohawk Boulevard	3,800	\$2,100,000	2020

- **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. Due to funding constraints, the project has been split into three phases, with the first phase (43rd Street east to 51st Street) currently in design and planned for

construction in FY 2020. Federal funding for Phase 2 (the 42nd Street Roundabout) has been allocated to the City, and the City has begun the obligation process with the state. The City will continue to seek funding to complete the final phase of the project (32nd Street to 42nd Street and 51st Street to Bob Straub).

- **South 28th Street Paving** – The City of Springfield received Congestion Mitigation Air Quality funding to be utilized for paving the gravel portion of S. 28th St. from South F St. to the city limits (approximately .25 miles). In addition to paving, the project will include extension of the existing gravity wastewater pipeline from F Street south to the City limits, and new stormwater features to manage and improve stormwater quality. Due to Oregon Department of Transportation and Federal Highway Administration requirements, the City must utilize a certified agency to deliver the project. For this project the City is working with Lane County and the intergovernmental agreement is nearly complete, allowing project planning and design to begin shortly.

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. As part of this program, the City plans to rehabilitate approximately 4,500 feet of 27 inch sanitary trunk in 2020. The City continues to work on implementation of its Capacity, Management, Operations, and Maintenance (CMOM) program to remain in line with both State and Federal regulations. A flow monitoring plan and update of the collection system and the hydraulic model has been updated and the City is beginning the process of micro-basin monitoring and modeling. The City will begin the process of updating the 2008 Wastewater Master Plan in the upcoming year.

Stormwater:

- **42nd Street Levee Study** – An initial study has been completed which identified several existing deficiencies. It also identified areas for further study and investigation of the condition of the High Banks Road (42nd Street) Levee to identify any structural or non-structural deficiencies and to evaluate the potential for obtaining federal accreditation of this dike as a flood control facility under the National Flood Insurance Program and for compliance with the National Levee Safety Program. In October 1983, the City entered into an Agreement with the Soil Conservation Service for the operations and maintenance of the High Banks Road Dike that was constructed by Lane County in the 1950's adjacent to what is now known as 42nd Street. This dike provides flood control protection for areas of Springfield north of Highway 126 and west of 42nd Street from McKenzie River flooding. The Federal Emergency Management Agency (FEMA) has developed an accreditation program for levees that are relied upon under the National Flood Insurance Program (NFIP) and the National Levee Safety Committee has developed recommendations to Congress for a National Levee Safety Program.
- **Channel 6 Flood Insurance Rate Map (FIRM) Update / Channel 6 Phase II** – The Master Plan and an evaluation and update to the Flood Insurance Rate Map (FIRM) have been completed. Phase II will implement the Council approved Master Plan.

Implementation will begin with an upgrade of several culverts to improve water flow and mitigate potential flooding.

- In addition to the above major projects, several other projects are also already budgeted and are currently in process or scheduled, including: Glenwood Stormwater Master Plan, Stormwater Channel Improvement, 5th Street/EWEB Path Storm Pipe, Mill Street Reconstruction, and Franklin Boulevard Phase II design.

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

- Urban growth boundary expansion to meet industrial zone employment needs
- 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, 2018. This was the thirty-eighth 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.

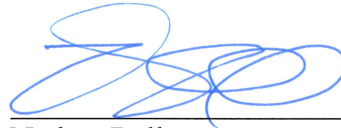
In closing, without the leadership and support of the Mayor and City Council, preparation of this report would not have been possible.

Respectfully submitted,

CITY OF SPRINGFIELD, OREGON



Mary Bridget Smith,
City Manager, Pro Tem

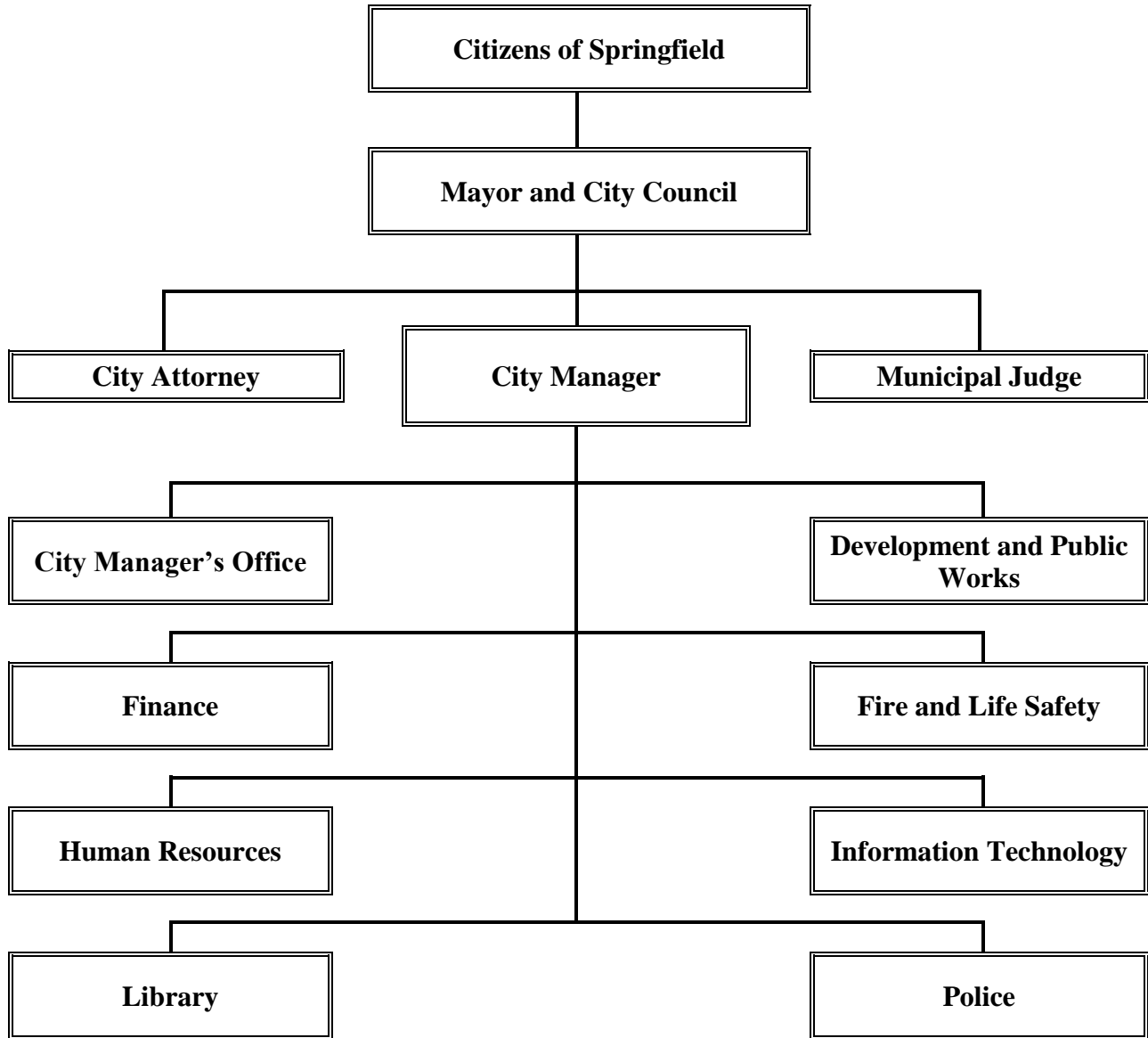


Nathan Bell,
Finance Director



CITY OF SPRINGFIELD

Organization Chart



City of Springfield, Oregon

Principal City Officials June 30, 2019

Elected Officials

Mayor

Christine Lundberg
2031 2nd Street
Springfield, OR 97477

Term Expiration

December 31, 2020

Council Members

Sean VanGordon
2327 Clear Vue Lane
Springfield, OR 97477

Ward 1

December 31, 2022

Steve Moe
664 Sunset Drive
Springfield, OR 97477

Ward 2

December 31, 2022

Sheri Moore
1955 16th Street
Springfield, OR 97477

Ward 3

December 31, 2020

Leonard Stoehr
1005 S 41st Street
Springfield, OR 97477

Ward 4

December 31, 2020

Marilee Woodrow
1009 South 59th Street
Springfield, OR 97477

Ward 5

December 31, 2022

Joe Pishioneri
961 South 70th Street
Springfield, OR 97478

Ward 6

December 31, 2020

Administrative Officials

Mary Bridget Smith
Nathan Bell

City Manager Pro Tem
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, 2018

Christopher P. Morill

Executive Director/CEO

SPRINGFIELD



Financial Section

SPRINGFIELD



OREGON

Independent Auditor's Report

SPRINGFIELD



OREGON



GROVE, MUELLER & SWANK, P.C.

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

INDEPENDENT AUDITOR'S REPORT

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

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Springfield, Oregon, as of June 30, 2019, 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, Street Fund, Police Levy Fund, and SEDA Glenwood 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 (as described above) 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 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.

Reporting Required by Legal and Regulatory Requirements


Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2019 on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance

Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 27, 2019, 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 27, 2019

SPRINGFIELD



OREGON

Management's Discussion and Analysis

SPRINGFIELD



OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Springfield's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2019. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's total assets and deferred outflows of resources at June 30, 2019 increased \$19.5 million from \$336.8 million to \$356.3 million, or 5.8% from the prior year. This increase in total assets and deferred outflows of resources was primarily due to \$9 million increase in the carrying value of capital assets and a \$3.1 million increase in deferred pension outflows, a \$6.3 million increase in cash and investments, a \$.4 million increase in receivables and a \$0.3 million increase in prepaid items.
- The City's total liabilities and deferred inflows of resources increased by \$3.4 million from \$115.9 million to \$119.3 million, or 2.9% from the prior year. This increase was primarily due to a \$4.3 million increase in net pension liability, and a \$3.5 million increase in deferred pension and OPEB inflows, offset by a \$3.6 million decrease in bonded debt and a \$0.6 million decrease in the City's net OPEB liability.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$236.9 million at the close of fiscal year 2019. Unrestricted net position totaled \$23 million with the remainder of the City's net position invested in capital assets (\$186.7 million) and restricted for capital projects, public safety, transportation, community development, debt service, and other purposes (\$27.2 million).
- At June 30, 2019, the City's governmental funds reported a combined ending fund balance of \$31.6 million, a decrease of \$.4 million (1.25%) from the prior year. Of this total amount, \$9.2 million (29.1%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$21.8 million (68.9%) 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, \$0.6 million (2.0%) is in a nonspendable form.
- At the end of fiscal year 2019, the unassigned fund balance in the General Fund was \$9.2 million which was 24.7 % 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:

- 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 61-62 of the basic financial statements.

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government activities. The reconciliations can be found on pages 63 and 65 in the basic financial statements.

The City maintains 16 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 four funds: General Fund, Street Fund, Glenwood General, and Police Local Option Levy 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 121-124. Budgetary comparisons for all other governmental funds have been provided elsewhere in this report.

The governmental funds financial statements can be found at pages 63-65 in the basic financial statements.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in government-wide financial statements. The City uses enterprise funds to account for its 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 Sewer Fund, the Storm Drainage 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 66-68 in the basic financial statements.

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

The fiduciary fund financial statement of net position can be found on page 69 in the basic financial statements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 71-117 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 121-129 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 135-177.

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 \$236.9 million at the close of the most recent fiscal year.

The largest portion of the City's net position, \$190.2 million (80.3%) reflects its net 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		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 60,376,431	\$ 59,382,150	\$ 53,733,764	\$ 47,291,494	\$114,110,195	\$106,673,644
Capital assets, net, where applicable, of accumulated depreciation	146,340,540	135,465,267	76,005,342	77,831,489	222,345,882	213,296,756
Total assets	206,716,971	194,847,417	129,739,106	125,122,983	336,456,077	319,970,400
Deferred outflows of resources	14,976,943	12,290,529	4,829,530	4,496,367	19,806,473	16,786,896
Noncurrent liabilities	71,838,332	71,414,264	32,317,721	34,170,111	104,156,053	105,584,375
Other liabilities	6,092,161	5,262,418	2,093,862	1,539,247	8,186,023	6,801,665
Total liabilities	77,930,493	76,676,682	34,411,583	35,709,358	112,342,076	112,386,040
Deferred inflows of resources	5,739,645	2,980,877	1,256,307	523,867	6,995,952	3,504,744
Net position:						
Net investment in capital assets	129,324,764	120,175,702	57,366,837	55,901,549	186,691,601	176,077,251
Restricted	20,647,784	22,674,644	6,575,305	5,457,331	27,223,089	28,131,975
Unrestricted	(11,948,772)	(15,369,959)	34,958,604	32,027,245	23,009,832	16,657,286
Total net position	\$138,023,776	\$127,480,387	\$ 98,900,746	\$ 93,386,125	\$236,924,522	\$220,866,512

A portion of the City's net position, \$27.2 million (11.5%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$19.5 million (8.2%) 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	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 10,247,021	\$ 9,624,408	\$ 23,522,767	\$ 21,918,787	\$ 33,769,788	\$ 31,543,195
Operating grants and contributions	5,626,172	5,135,869	-	-	5,626,172	5,135,869
Capital grants and contributions	4,181,484	2,177,260	2,540,505	1,164,761	6,721,989	3,342,021
General revenues:						
Taxes	38,102,613	36,032,025	-	-	38,102,613	36,032,025
Payment in lieu of taxes	2,403,565	2,414,018	-	-	2,403,565	2,414,018
Shared revenue	2,026,255	1,743,533	-	-	2,026,255	1,743,533
Investment earnings	1,557,790	783,330	1,176,791	528,250	2,734,581	1,311,580
Licenses permits and fees	-	-	78,860	-	78,860	-
Miscellaneous receipts	1,351,036	1,345,586	48,355	209,703	1,399,391	1,555,289
Total revenues	<u>65,495,936</u>	<u>59,256,029</u>	<u>27,367,278</u>	<u>23,821,501</u>	<u>92,863,214</u>	<u>83,077,530</u>
Expenses:						
General government	8,570,530	7,450,495	-	-	8,570,530	7,450,495
Fire and life safety	14,187,421	13,890,821	-	-	14,187,421	13,890,821
Police	23,962,665	22,233,956	-	-	23,962,665	22,233,956
Library	2,065,860	1,727,501	-	-	2,065,860	1,727,501
Development & public works	13,921,361	12,687,939	-	-	13,921,361	12,687,939
Unallocated depreciation and amortization	207,852	250,435	-	-	207,852	250,435
Interest on debt	488,109	457,480	-	-	488,109	457,480
Sewer	-	-	7,304,346	7,269,835	7,304,346	7,269,835
Drainage	-	-	5,968,181	6,316,516	5,968,181	6,316,516
Booth Kelly	-	-	1,300,368	1,410,609	1,300,368	1,410,609
Ambulance	-	-	7,212,214	6,515,453	7,212,214	6,515,453
Total expenses	<u>63,403,798</u>	<u>58,698,627</u>	<u>21,785,109</u>	<u>21,512,413</u>	<u>85,188,907</u>	<u>80,211,040</u>
Increase (decrease) in net position before transfers	2,092,138	557,402	5,582,169	2,309,088	7,674,307	2,866,490
Transfers	<u>67,548</u>	<u>63,000</u>	<u>(67,548)</u>	<u>(63,000)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	2,159,686	620,402	5,514,621	2,246,088	7,674,307	2,866,490
Net position - beginning, previously reported	127,480,387	126,859,985	93,386,125	91,140,037	220,866,512	218,000,022
Prior period adjustment - Note Q	<u>8,383,703</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,383,703</u>	<u>-</u>
Net position - beginning, as restated	<u>135,864,090</u>	<u>126,859,985</u>	<u>93,386,125</u>	<u>91,140,037</u>	<u>229,250,215</u>	<u>218,000,022</u>
Net position - ending	<u>\$138,023,776</u>	<u>\$127,480,387</u>	<u>\$ 98,900,746</u>	<u>\$ 93,386,125</u>	<u>\$236,924,522</u>	<u>\$220,866,512</u>

Entity-wide change in net position: Entity-wide net position increased by \$7.7 million in the current fiscal year compared to an increase of \$2.9 million in the prior year. This \$4.8 million year-to-year increase in the change in entity-wide net position can be attributed to some one-time events in both the previous and current year, the details of which are provided below.

Governmental Activities. The governmental activities during the fiscal year increased the City's net position by \$2.1 million, an increase from a prior year surplus of \$.6 million, explained by the following highlights:

- Capital grants and contributions increased by \$2.0 million (92.1%) from the prior year and can be primarily attributed to an increase in the transfer of infrastructure and right of way from developers to the City. While these transfers can be an indicator on the strength of development occurring within the City, they can also fluctuate from year-to-year based on factors unrelated to the level of development occurring such as the timing of completion of single large projects and when the transfer occurs. This decrease is most likely the result of such timing fluctuations and the City is continuing to experience a healthy level of development activity within the City.
- Operating grants and contributions increased by \$0.5 million (9.8%) from the prior year. This is primarily attributed to an increase in highway apportionment funding.
- Taxes increased by \$2.1 million (5.8%) from the prior year and can be partially attributed to a \$2.4 million increase in property tax receipts resulting from a continuation of appreciation of property values in the City and a one time property tax settlement. This continued appreciation in property values is a strong indicator of a healthy local economy and a strong housing market. Additionally there was a \$0.2 million decrease in transient room taxes and \$0.2 million decrease in local fuel tax.
- Shared revenue increased by \$0.3 million (16.2%) from the prior year. This increase from the prior year can be primarily attributed to the City's receipts from the State of Oregon for state tax revenue from the sale of recreational marijuana.
- Investment earnings in total increased by \$0.8 million (98.9%) from the prior year and can be attributed to a full year of increases in the interest earned on its investments.
- Primary government expenses as a whole increased 8%, while charges for services saw an increase of \$622,613 (6.5%) from the prior year.
- Interest on long-term debt increased by \$30,629 (6.7%) from the prior year and can be attributed the reduction in principal on the bonds, therefore lower interest and a newer note payable for SEDA that has its first full year of payments.

The net position increased in governmental activities by \$2.2 million due to increased property tax collections and capital contributions. Additionally, a prior period adjustment was recognized for \$8.4 million that represents a contribution to the total cost of major improvements to street infrastructure made by the Oregon Department of Transportation in prior years as explained in Note Q in the Notes to Financial Statements.

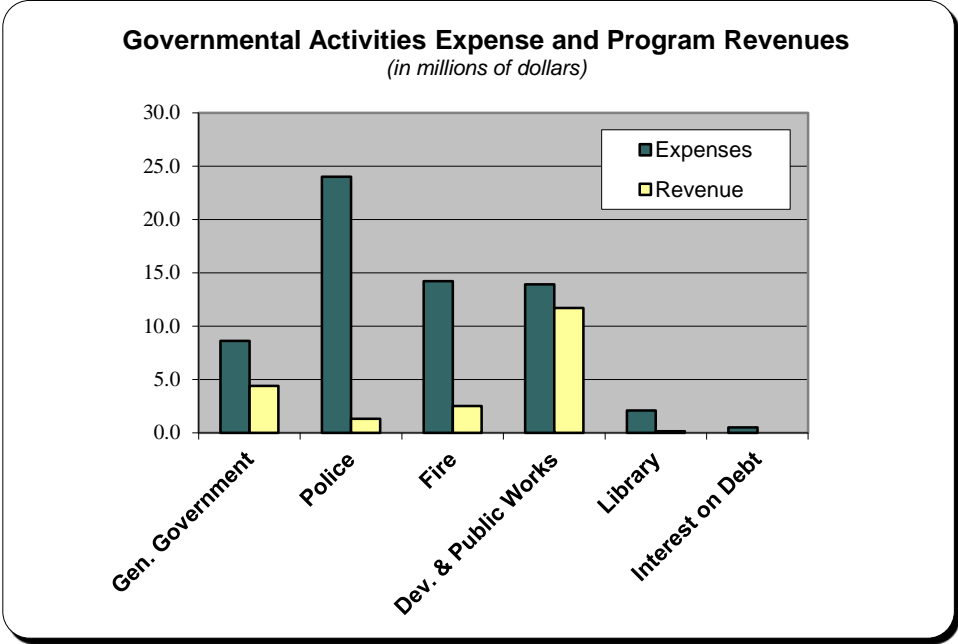


Chart 1

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.

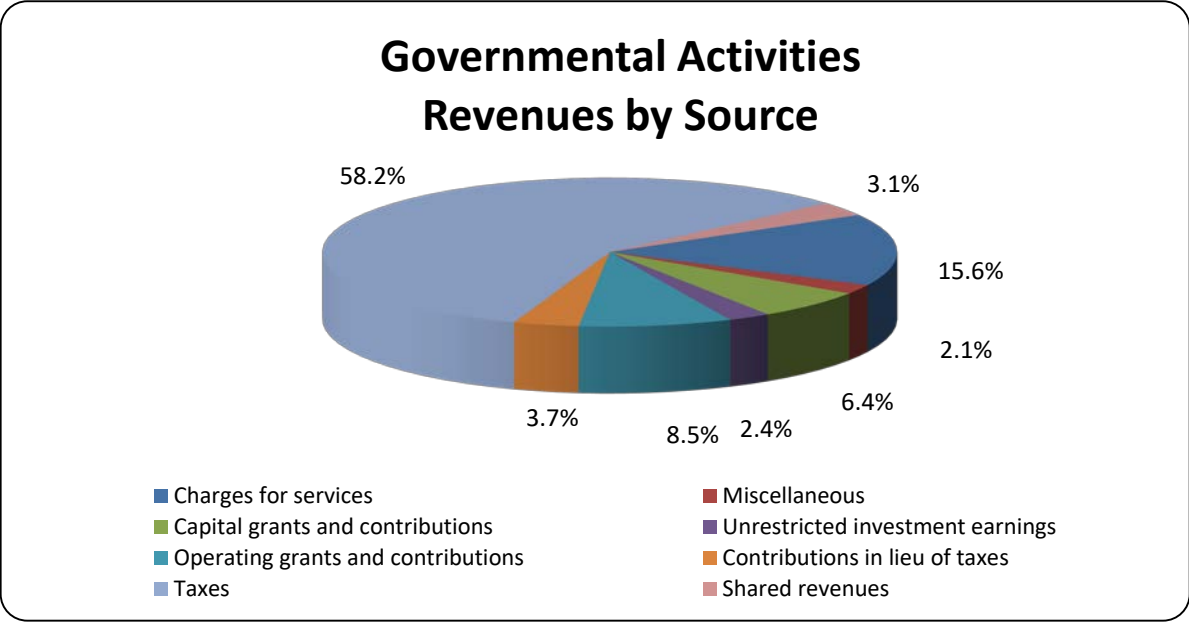


Chart 2

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 increased from a \$2.2 million surplus in the prior year to \$5.5 million in the current year. This increase of \$3.3 million can be explained by the following highlights:

- Total operating expenses for all business-type activities increased by \$0.1 million (0.6%) from the prior year, which is relatively flat. This is due to inflationary pressures offset by vacant positions.
- Total program revenues increased by \$3.0 million (13%) from the prior year and can be primarily attributed to 34.5% increase (\$1.9 million) increase in net ambulance billings as well as a 2.5% rate increase in sewer fees, and a 2.5% rate increase in stormwater rates. Additionally, capital contributions doubled by increasing \$1.4 million.
- The change in net position for the Sanitary Sewer fund is an increase of \$1,473,171. This is an increase of 7.9% over the prior year change in net position of \$1,364,554. Program expenses remained nearly flat with a .4% inflationary increase and charges for services dropped by 2% due to a decrease in billable flow; however this was offset by a 33% increase in capital contributions.
- The change in net position for the Storm Drainage fund is an increase of \$2,596,265. This is an increase of 132% compared to the prior year change in net position of \$1,118,119. Program expense decreased by 5% and charges for services revenue increased by 1%; however this was offset by a 444% increase in capital contributions from \$240,008 in the prior year to \$1,304,738 in the current fiscal year. It should be noted that capital contributions are normally volatile.
- Ambulance expenses increased \$.6 million from the prior year, although the revenue related to charges for services increased significantly by 34% due to new Ground Emergency Medical Transportation (GEMT) revenue of \$1.2 million as well as increased collections on past due accounts.

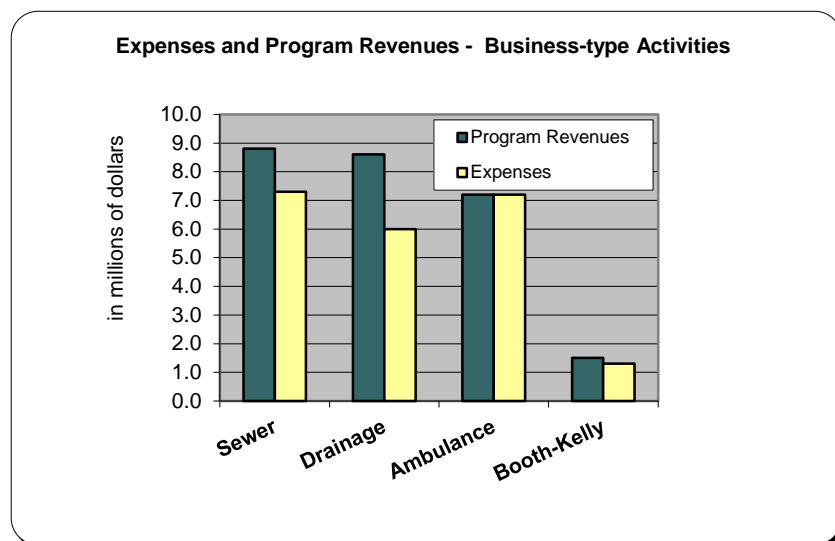


Chart 3

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

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

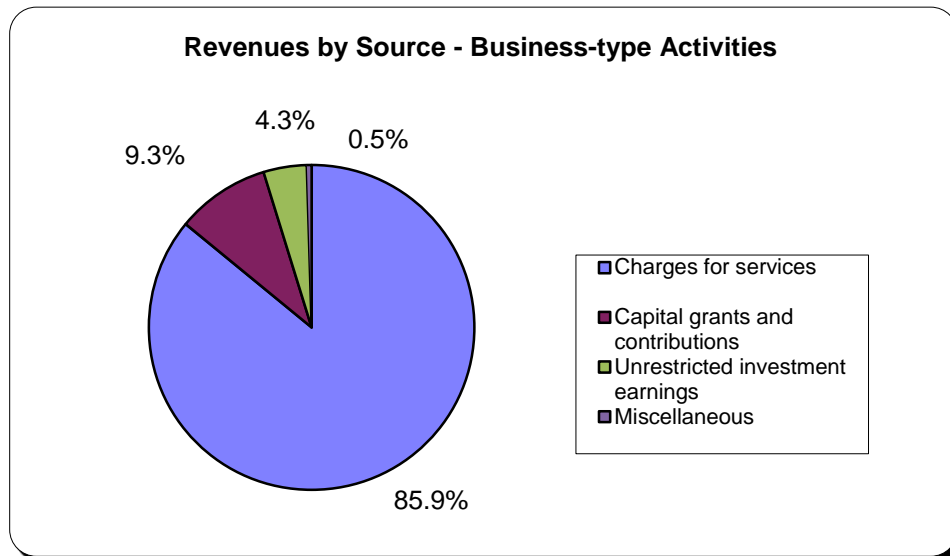


Chart 4

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 \$31.6 million. Of this total amount, \$9.2 million (29.1%) constitutes unassigned fund balance which is available for spending at the government’s discretion, \$21.8 million (69%) 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, \$0.6 million (1.9%) 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 \$9.2 million, while the total fund balance was \$10.8 million. As measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 24.7% of total General Fund expenditures, while total fund balance represents 29% of that same amount.

The fund balance of the City's General Fund increased by \$1.0 million during the current fiscal year which is comparable to the \$1.0 million increase in the prior year. While the increase is similar, there are still some highlights worth mentioning:

- Property taxes increased by \$1.5 million (7.1%) from the prior year and can be attributed to normal growth resulting from the strengthening of property values in the City, as well as a property tax settlement received for \$0.5 million.
- Licenses, permits, and fees decreased slightly (2.1%) from the prior year and can be attributed to a leveling out the last two years after a spike in all City license, permit, and fee revenue in fiscal year 2017.
- General government expenditures increased by \$0.6 million (9.5%) from the prior year and can be primarily attributed to a dip in the prior year and staffing vacancies being filled that had been open. Additionally, staffing and other costs increased in Information Technology as tighter cyber security controls are implemented.
- Fire and Life Safety expenditures increased by \$0.1 million (1.2%) from the prior year and can be primarily attributed normal inflationary pressures.
- Police expenditures experienced an increase of \$.6 million (4.3%) remaining relatively flat with the exception of inflationary factors and radio purchases.
- Debt service in the General Fund decreased by \$0.5 million to zero in the current year as a result of the early payoff of the loan used to construct Fire Station 16.

The Street Fund balance increased by \$0.5 million in the current fiscal year compared to a prior year increase of \$0.7 million. This year-to-year decrease of \$0.2 million can be primarily attributed to the ramp up of staff for street projects that were started in this fiscal year and the leveling out of highway apportionment revenue.

The Police Local Option Levy Fund balance increased by \$0.6 million in the current year compared to a decrease of \$0.3 million in the prior year. This year-to-year increase of \$0.9 million can be primarily attributed to a \$0.8 million increase in property tax revenues, a portion of which was part of the one time property tax settlement also experienced in the General Fund. An increase in charges for services was also a factor as more jail beds were rented out in FY19 than the prior year.

The Glenwood General Fund is a major fund this year for the first time. This is driven by the large capital project expense of a land purchase that happened in the current year which spiked the expenses for the SEDA Glenwood Fund.

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 \$98.9 million. Of this amount, \$34.9 million (35.3%) constitutes unrestricted net position. Proprietary fund highlights are as follows:

The Sewer Fund reported a \$2.3 million increase in net position. The sewer rates are set to provide for sufficient net operating revenue to fund capital projects in the sewer system, as well as comply with bond covenants. The user rate increase for FY19 was 2.5% however net operating income declined by \$192K. Sewer user fee revenue is a function of billable flow and rates. During FY19, the system experienced a 2% decline in billable flow. The change in net position of was driven mainly by increased interest income totaling \$614K and increased capital contributions totaling \$1.2M.

The Storm Drainage Fund reported a \$3.1 million increase in net position. The storm rate increase of 2.5% was a factor in the increase, and helps produce sufficient net revenue to fund capital projects and satisfy bond requirements. The most significant differences between the 2018 net position increase (\$1.6 million) and the 2019 net position increase (\$3.1 million) was an increase in capital contributions of \$1.5 million and an increase in interest income of \$265K.

The Ambulance Fund reported a \$.1 million increase in net position. This increase was primarily due to a significant increase in charges for services with the receipt of \$1.0 million of new Ground Emergency Medical Transportation (GEMT) payments for the current fiscal year and retroactive to the prior year. This new revenue source helps offset some of the losses from Medicaid emergency transports. This revenue, along with increased collection efforts on bad debts, has put the ambulance fund in an improved position over the prior year. The fund is still challenged by the competitive market for ambulance billing services as it endeavors to maintain its customer base.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was a net increase of \$1,056,822. Details of this increase are as follows:

- \$ 429,267 increase to General Government
- 25,367 increase to Library
- 81,544 increase to Development Services
- 238,313 increase in Fire & Life Safety
- 12,777 increase to City Attorney
- 9,848 increase in transfers
- 259,706 increase in the City reserves

For actual expenditures, the City General Fund under spent the amended budget by \$798,762.

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. Improvement is being seen in both of these categories although they remain below the pre-recession levels. Property tax revenues trending for this same period indicate that while most residential property has moved back to or beyond pre-recession levels. These differences in actual revenue received compared to the amended budget are as follows:

- \$ 1,072,800 increase in taxes
- 11,627 decrease in licenses, permits and fees
- 259,549 increase in intergovernmental revenues
- 350,015 increase in interest and investment earnings
- 352,418 decrease in charges for service
- 51,986 decrease in fines and forfeitures
- 51,534 increase in miscellaneous revenues
- 277,340 decrease in internal transfers
- 871,730 increase in beginning cash (amended over adopted budget)

For the year ended June 30, 2019, 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 2.77%, where actual revenues were more than budgeted revenues. The combined actual current and delinquent property tax revenues exceeded the budgeted amounts by 5.07% due in large part by a delinquent tax payment from a large commercial payer. Licenses and permits continue to grow as the economy improves, but the City is still experiencing a reduction from previous strong economy levels. 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, 2018 was \$871,730 greater than budgeted (9.8%) while ending fund balance on June 30, 2019 was \$1,442,166 (15.5%) greater than was projected in the FY20 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, 2019, amounts to \$222.3 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 include the following:

- ODOT donated a portion of the Franklin Boulevard Phase I project, which the City completed last year. This was added to the capital assets as a prior period adjustment of \$8.3 million.
- Other donated streets and right-of-way were recorded at an estimated cost of \$2.8 million.
- Two Street Lighting projects were completed at a combined cost of \$.5 million.
- The Main Street Pedestrian crossing project was completed at a cost of \$.6 million.
- \$5.7 million was added to the Land category, representing a property purchase by the SEDA - Glenwood.
- Donated Sewer and Storm sewer lines were recorded at an estimated cost of \$1.3 million.
- Sanitary Sewer Rehab A was completed and capitalized for \$.7 million.

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 74,084,561	\$ 67,615,125	\$ 6,375,436	\$ 6,375,436	\$ 80,459,997	\$ 73,990,561
Land improvements	-	-	19,073	20,316	19,073	20,316
Work in progress	1,149,649	2,499,103	875,262	638,802	2,024,911	3,137,905
Buildings	18,632,669	21,034,465	68,001,102	69,749,665	86,633,771	90,784,130
Infrastructure	44,903,942	37,010,483	-	-	44,903,942	37,010,483
Machinery & equipment	7,182,454	6,869,125	266,599	446,084	7,449,053	7,315,209
Studies	387,265	436,966	467,870	601,186	855,135	1,038,152
Total	\$146,340,540	\$135,465,267	\$ 76,005,342	\$ 77,831,489	\$222,345,882	\$213,296,756

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 \$29.4 million. Of this amount, \$11.6 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	
	2019	2018	2019	2018	2019	2018
General obligation bonds - 2016	\$ 11,630,000	\$ 13,075,000	\$ -	\$ -	\$ 11,630,000	\$ 13,075,000
Revenue bonds series 2010	-	-	6,765,000	7,215,000	6,765,000	7,215,000
Revenue bonds series 2017	-	-	11,045,000	12,290,000	11,045,000	12,290,000
Total	\$ 11,630,000	\$ 13,075,000	\$ 17,810,000	\$ 19,505,000	\$ 29,440,000	\$ 32,580,000

The City's total bonded debt decreased by \$3.1 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 FY20 budget:

- Assessed (taxable) value for the City is projected to increase by 3.25%. 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 slight increase in 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.

- Earnings on investments, primarily government and corporate bonds, may reach 3.0% with the overall market possibly viable for debt refinancing.
- Inflation will not be a major factor during the next fiscal year as it appears that Federal Reserve is following its intent to start slowly raising rates on a quarterly basis.
- AFSCME employees, the City's smallest employee group, will receive a 2.5% cost of living adjustment on July 1, 2019. SEIU employees received market pay adjustments July 1, 2018 as a result of a market survey completed in the spring of 2018 that resulted in an average increase of approximately 3%. No additional increases were implemented in FY19. Non-union employees received their first increase in 3 years on July 1, 2018, also a result of a completed market study.
- Springfield Police Association (SPA) employee's current contract covers the 3 year period from July 1, 2017 through June 30, 2020 and provided for a 3% cost of living increase effective for the years beginning July 1, 2018 and July 1, 2019.
- The International Association of Fire Fighters (IAFF) now has two contracts with the City as the battalion chiefs are now a separate represented unit. The main contract has been negotiated with a three year contract that will expire on June 30, 2021. Members represented by this contact will receive a cost of living increase on July 1, 2018 of 2.5%, July 1, 2019 of 2.5%, and July 2, 2020 equal to CPI-U. The battalion chief's contract will expire on June 30, 2021 and calls for a cost of living increase on July 1, 2018 and July 1, 2019 of 2.5%, another increase of 1% on January 1, 2019 and January 1, 2020 plus a final adjustment on July 1, 2020 equal to CPI-U. Both adjustments for the main contract and battalion chiefs on July 1, 2020 that follow CPI-U will not be less than 2% and not greater than 3%.
- 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, 2019, the City held rates flat. For the plan year beginning January 1, 2020, the City is not projecting an increase.
- Oregon PERS rates are bi-annual and rates were adjusted on July 1, 2017 and in effect until June 30, 2019. No rate change occurred on July 1, 2018. In FY19, the City had three separate PERS retirement rates for its employees with the lowest % rate increase being 8.31% and the highest at 16.85% with an estimated dollar impact over the two year period of \$2.9 million. For FY20 the City experienced a rate hike of about 35%. Based on rate projection figures provided by Oregon PERS, this relative impact is expected to be seen in at least for the next biennium (FY22-23) but may begin to level off after that.
- The City schedules an updated actuarial study of its City Retirement Plan every two years. The next update is as of July 1, 2020 and will be completed in the fall of 2021 and implemented on July 1, 2020. The percentage of payroll contribution for members of this plan has stayed constant at 30% since July 1, 2017 and will continue at this rate through June 30, 2020.
- The economic response towards building and construction activity is expected to increase at a consistent pace for the next year. Growth in building permit revenue is expected to slow as several major commercial rebuilds have been completed but residential is expected to continue to show

improvement. Larger multi-house subdivisions appear to be in the planning stages with smaller clusters of new housing still being built. The recently re-built lumber mill destroyed by fire is back in operation but will remain below pre-shutdown levels.

- Monthly rates for both the City's sewer and storm water drainage programs increased on July 1, 2019 as a result of increased costs. The local storm water increase was 2% and the local wastewater increase was 2% for the fiscal year July 1, 2019 through June 30, 2020.

Requests for Information

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

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

SPRINGFIELD



City of Springfield, Oregon

Basic Financial Statements

SPRINGFIELD



City of Springfield, Oregon
STATEMENT OF NET POSITION
June 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 53,876,916	\$ 46,920,275	\$ 100,797,191
Receivables, net of allowance for uncollectable receivables	5,805,343	4,349,319	10,154,662
Internal balances	(659,990)	659,990	-
Inventory	298,264	-	298,264
Investment in foreclosed properties	1,970	-	1,970
Prepaid items	416,396	36,478	452,874
Deposits	200,000	-	200,000
Accrued interest	188,991	144,887	333,878
Net OPEB asset - RHIA	248,541	73,540	322,081
Due from other governments	-	1,549,275	1,549,275
Capital assets:			
Land and work in progress	75,234,210	7,250,698	82,484,908
Other capital assets, net of accumulated depreciation	71,106,330	68,754,644	139,860,974
Total assets	<u>206,716,971</u>	<u>129,739,106</u>	<u>336,456,077</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension outflow	14,293,384	4,006,220	18,299,604
Deferred OPEB outflow	438,321	144,248	582,569
Deferred charge for debt refunding	245,238	679,062	924,300
Total deferred outflows of resources	<u>14,976,943</u>	<u>4,829,530</u>	<u>19,806,473</u>
LIABILITIES			
Current liabilities:			
Accounts payable	2,854,796	1,063,854	3,918,650
Accrued payroll and other liabilities	2,935,643	584,233	3,519,876
Unearned revenue	179,500	228,996	408,496
Accrued interest payable	40,214	170,075	210,289
Deposits	59,861	46,704	106,565
Due to other governments	22,147	-	22,147
Noncurrent liabilities:			
Due within one year:			
Accrued claims liabilities	413,701	-	413,701
General obligation long-term debt	1,505,000	-	1,505,000
Revenue bonds payable	-	1,740,000	1,740,000
Notes payable	567,965	-	567,965
Capital leases	146,970	-	146,970
Due in more than one year:			
Accrued absence payable	3,245,652	570,930	3,816,582
Accrued claims liabilities	301,299	-	301,299
General obligation long-term debt (net of unamortized premium)	11,738,366	-	11,738,366
Revenue bonds payable (net of unamortized discount)	-	17,577,564	17,577,564
Notes and contracts payable	3,362,328	505,833	3,868,161
Capital leases	150,385	-	150,385
Net pension liability	44,998,348	10,672,017	55,670,365
Net OPEB liability - City Plan	5,408,318	1,251,377	6,659,695
Total liabilities	<u>77,930,493</u>	<u>34,411,583</u>	<u>112,342,076</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflow	4,607,976	825,031	5,433,007
Deferred OPEB inflow	1,131,669	431,276	1,562,945
Total deferred inflows of resources	<u>5,739,645</u>	<u>1,256,307</u>	<u>6,995,952</u>
NET POSITION			
Net investment in capital assets	129,324,764	57,366,837	186,691,601
Restricted for:			
Capital projects	1,574,516	6,575,305	8,149,821
Public safety	3,226,314	-	3,226,314
Transportation	7,698,978	-	7,698,978
Urban renewal	1,607,275	-	1,607,275
Community development	5,368,061	-	5,368,061
Debt service	554,274	-	554,274
Other purposes	618,366	-	618,366
Unrestricted	(11,948,772)	34,958,604	23,009,832
Total net position	<u>\$ 138,023,776</u>	<u>\$ 98,900,746</u>	<u>\$ 236,924,522</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

	Net (Expense) Revenue and Changes in Net Position					
Functions/Programs	Program Revenues		Primary Government			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Business-type Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 8,570,530	\$ 4,194,777	\$ 210,016	\$ (31,500)	\$ (4,197,237)	\$ -
Fire and life safety	14,187,421	2,012,641	96,656	345,455	(11,732,669)	-
Police	23,962,665	1,041,123	285,467	-	(22,636,075)	-
Library	2,065,860	118,372	123,139	-	(1,824,349)	-
Development and public works	13,921,361	2,880,108	4,910,894	3,867,529	(2,262,830)	-
Depreciation, unallocated	207,852	-	-	-	(207,852)	-
Interest on long-term debt	488,109	-	-	-	(488,109)	-
Total governmental activities	63,403,798	10,247,021	5,626,172	4,181,484	(43,349,121)	-
Business-type activities:						
Sanitary sewer	7,304,346	7,541,750	-	1,235,767	-	1,473,171
Storm drainage	5,968,181	7,259,708	-	1,304,738	-	2,596,265
Booth Kelly	1,300,368	1,481,538	-	-	-	181,170
Ambulance	7,212,214	7,239,771	-	-	-	27,557
Total business-type activities	21,785,109	23,522,767	-	2,540,505	-	4,278,163
Total primary government	\$ 85,188,907	\$ 33,769,788	\$ 5,626,172	\$ 6,721,989	(43,349,121)	(39,070,958)
General revenues:						
	33,272,981			33,272,981	-	33,272,981
Property taxes				2,403,565	-	2,403,565
Payment in lieu of taxes				2,463,232	-	2,463,232
Franchise & utility taxes				1,010,245	-	1,010,245
Local fuel tax				1,356,155	-	1,356,155
Transient room tax				2,026,255	-	2,026,255
Shared revenue				1,557,790	1,176,791	2,734,581
Investment earnings				1,351,036	48,355	1,399,391
Miscellaneous				-	78,860	78,860
Licenses permits and fees				67,548	(67,548)	-
Transfers				-	-	-
Total general revenues and transfers	45,508,807			1,236,458	46,745,265	46,745,265
Change in net position	2,159,686			5,514,621	7,674,307	7,674,307
Net position, beginning	127,480,387			93,386,125	220,866,512	220,866,512
Prior period adjustments (Note Q)	8,383,703			-	-	8,383,703
Net position, beginning (as restated)	135,864,090			93,386,125	229,250,215	229,250,215
Net position, ending	\$ 138,023,776			\$ 98,900,746	\$ 236,924,522	\$ 236,924,522

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	General	Street	Police Levy	SEDA Glenwood	Nonmajor Governmental	Total Governmental
ASSETS						
Cash and investments	\$ 12,137,623	\$ 1,782,088	\$ 1,997,096	\$ 772,242	\$ 15,523,437	\$ 32,212,486
Receivables:						
Accounts	1,480,542	1,041,815	66,935	650	345,901	2,935,843
Taxes	736,954	-	238,859	35,048	244,984	1,255,845
Grants	-	22,632	-	-	129,367	151,999
Accrued interest	56,325	5,072	8,032	6,759	46,809	122,997
Assessments and liens	-	-	-	-	61,697	61,697
Notes	-	-	-	-	1,340,772	1,340,772
Deferred system development charges	1,233	-	-	-	928,941	930,174
Inventory	1,974	261,081	-	-	-	263,055
Investment in foreclosed property	1,970	-	-	-	-	1,970
Prepaid items	114,399	-	3,021	-	256,462	373,882
Total assets	<u>\$ 14,531,020</u>	<u>\$ 3,112,688</u>	<u>\$ 2,313,943</u>	<u>\$ 814,699</u>	<u>\$ 18,878,370</u>	<u>\$ 39,650,720</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 783,923	\$ 140,008	\$ 119,191	\$ 9,825	\$ 243,870	\$ 1,296,817
Accrued payroll and other liabilities	805,907	100,471	127,287	-	67,186	1,100,851
Unearned revenue	149,588	-	-	-	-	149,588
Deposits	-	-	-	-	54,575	54,575
Total liabilities	<u>1,739,418</u>	<u>240,479</u>	<u>246,478</u>	<u>9,825</u>	<u>365,631</u>	<u>2,601,831</u>
Deferred inflows of resources:						
Unavailable revenue	<u>2,024,602</u>	<u>440,335</u>	<u>247,807</u>	<u>33,626</u>	<u>2,721,963</u>	<u>5,468,333</u>
Fund balances:						
Nonspendable	118,343	261,081	3,021	-	256,462	638,907
Restricted	-	2,170,793	1,816,637	771,248	11,702,435	16,461,113
Committed	472,153	-	-	-	2,569,918	3,042,071
Assigned	1,000,000	-	-	-	1,261,961	2,261,961
Unassigned	9,176,504	-	-	-	-	9,176,504
Total fund balances	<u>10,767,000</u>	<u>2,431,874</u>	<u>1,819,658</u>	<u>771,248</u>	<u>15,790,776</u>	<u>31,580,556</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,531,020</u>	<u>\$ 3,112,688</u>	<u>\$ 2,313,943</u>	<u>\$ 814,699</u>	<u>\$ 18,878,370</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.	5,468,333
Capital assets are not financial resources in governmental funds, but are reported in the statement of net position at their net depreciable value.	140,968,951
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.	(64,059,237)
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.	<u>24,065,173</u>
Net position of governmental activities	<u>\$ 138,023,776</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2019

	General	Street	Police Levy	SEDA Glenwood	Nonmajor Governmental	Total Governmental
Revenues:						
Taxes	\$ 22,441,340	\$ 997,491	\$ 6,398,223	\$ 1,037,693	\$ 5,759,334	\$ 36,634,081
Licenses, permits and fees	2,878,872	153,956	100,191	-	51,528	3,184,547
Intergovernmental	4,835,063	4,701,541	-	113,453	738,856	10,388,913
Charges for services	5,271,005	109,777	758,834	25,800	2,090,099	8,255,515
Fines and forfeitures	1,607,014	-	-	-	212,415	1,819,429
Investment earnings	459,938	41,519	65,348	54,418	396,465	1,017,688
Special assessments	-	-	-	-	17,098	17,098
Miscellaneous revenues	370,893	11,177	45,420	-	778,175	1,205,665
Total revenues	37,864,125	6,015,461	7,368,016	1,231,364	10,043,970	62,522,936
Expenditures:						
Current operating:						
General government	6,908,514	269,840	694,637	93,617	604,593	8,571,201
Fire and life safety	11,543,035	-	-	-	1,571,090	13,114,125
Police	14,609,663	-	6,040,244	-	465,802	21,115,709
Library	1,654,619	-	-	-	249,516	1,904,135
Development and public works	2,450,079	5,537,734	-	-	1,640,565	9,628,378
Capital projects	477	-	-	5,610,657	484,313	6,095,447
Debt service:						
Principal	-	-	-	576,673	1,445,000	2,021,673
Interest	-	-	-	151,222	523,000	674,222
Total expenditures	37,166,387	5,807,574	6,734,881	6,432,169	6,983,879	63,124,890
Excess of revenues over (under) expenditures	697,738	207,887	633,135	(5,200,805)	3,060,091	(601,954)
Other financing sources (uses):						
Transfers in	759,803	436,006	-	-	263,029	1,458,838
Transfers out	(436,006)	(150,000)	-	-	(692,255)	(1,278,261)
Total other financing sources (uses)	323,797	286,006	-	-	(429,226)	180,577
Net change in fund balance	1,021,535	493,893	633,135	(5,200,805)	2,630,865	(421,377)
Fund balances, beginning	9,745,465	1,919,882	1,186,523	5,972,053	13,159,911	31,983,834
Change in reserve for inventories	-	18,099	-	-	-	18,099
Fund balances, ending	\$ 10,767,000	\$ 2,431,874	\$ 1,819,658	\$ 771,248	\$ 15,790,776	\$ 31,580,556

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, 2019

Net change in fund balances - total governmental funds	\$ (421,377)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Internal service funds are used by management to charge the costs of certain activities, such as insurance, vehicle and equipment replacement, and SDC administration to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.</p>	971,359
<p>Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.</p>	(303,551)
<p>Capital outlay is reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlays over their estimated useful lives as depreciation expense.</p>	2,982,693
<p>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.</p>	(2,807,850)
<p>Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as revenues. In the same way, repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. However, neither the receipt of debt proceeds nor the payment of debt principal affect the Statement of Activities, but are reported as increases and decreases in noncurrent liabilities in the Statement of Net 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.</p>	1,720,313
Decreases in inventory in governmental funds increase expenses.	<hr style="width: 100%;"/> 18,099
Change in net position of governmental activities	<hr style="width: 100%;"/> \$ <u>2,159,686</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
PROPRIETARY FUNDS
STATEMENT OF FUND NET POSITION
June 30, 2019

	Business-type Activities - Enterprise Funds						Governmental Activities
	Sewer	Storm Drainage	Ambulance	Nonmajor		Total	
				Booth Kelly	Internal Service Funds		
ASSETS							
Current assets:							
Cash and investments	\$ 24,337,030	\$ 19,604,818	\$ 1,447,082	\$ 1,531,345	\$ 46,920,275	\$ 21,664,430	
Accounts receivable, net of allowance for estimated uncollectibles	1,218,534	1,196,759	1,924,039	9,987	4,349,319	59,187	
Prepays	-	-	36,478	-	36,478	42,514	
Deposits	75,393	59,766	5,357	4,371	144,887	200,000	
Accrued interest	599,528	48,541	-	-	648,069	65,994	
Deferred system development fees	-	-	-	-	-	84,798	
Inventory	-	-	-	-	-	35,209	
Total current assets	26,230,485	20,909,884	3,412,956	1,545,703	52,099,028	22,152,132	
Noncurrent assets:							
Capital assets - net	55,500,075	11,855,201	22,183	1,377,185	68,754,644	5,371,589	
Construction in progress	33,315	342,927	-	-	376,242	-	
Land and land rights	2,048,075	1,685,809	-	2,641,357	6,375,242	-	
Due from other governments	1,549,275	-	-	-	1,549,275	-	
Total noncurrent assets	59,629,755	13,883,937	22,183	4,018,742	77,554,617	5,371,589	
Total assets	85,860,240	34,793,821	3,435,139	5,564,445	129,653,645	27,523,721	
DEFERRED OUTFLOWS OF RESOURCES							
Deferred pension outflow	1,400,048	1,168,575	1,402,965	34,632	4,006,220	245,454	
Deferred OPEB outflows	48,585	44,575	49,444	1,644	144,248	8,398	
Deferred charge for debt refunding	679,062	-	-	-	679,062	-	
Total deferred outflows of resources	2,127,695	1,213,150	1,452,409	36,276	4,829,530	253,852	
LIABILITIES							
Current liabilities:							
Accounts payable	107,934	58,533	897,167	220	1,063,854	1,557,979	
Accrued payroll and other liabilities	199,065	121,019	262,501	1,648	584,233	270,174	
Accrued claims liabilities, current portion	-	-	-	-	-	413,701	
Accrued interest payable	107,250	62,825	-	-	170,075	1,447	
Deposits	-	-	65	46,639	46,704	5,286	
Capital lease payable - current maturity	-	-	225,167	3,808	228,996	146,970	
Unearned revenues	-	21	-	-	21	29,912	
Revenue bonds payable - current maturity	1,280,000	460,000	-	-	1,740,000	-	
Total current liabilities	1,694,249	702,398	1,384,900	52,315	3,833,862	2,425,469	
Noncurrent liabilities:							
Accrued absence payable	332,925	76,542	161,463	-	570,930	10,250	
Accrued claims liabilities	-	-	-	-	-	301,299	
Revenue bonds payable (net of unamortized premium)	10,978,983	6,598,581	-	-	17,577,564	-	
Notes payable	403,823	3,183,433	-	-	3,587,256	683,430	
Net pension liability	3,703,606	3,165,467	3,705,493	97,601	10,672,017	58,219	
Net OPEB obligation payable	308,286	290,664	567,488	11,399	1,177,837	150,385	
Capital lease obligation	-	-	-	-	-	-	
Total noncurrent liabilities	15,829,393	10,131,254	4,434,444	109,090	30,504,181	1,173,583	
Total liabilities	17,523,642	10,833,652	5,819,344	161,405	34,338,043	3,599,052	
DEFERRED INFLOWS OF RESOURCES							
Deferred pension inflow	290,181	236,954	291,179	6,717	825,031	50,532	
Deferred OPEB inflow	162,000	150,417	113,128	5,731	431,276	28,748	
Total deferred inflows of resources	452,181	387,371	404,307	12,448	1,256,307	79,280	
NET POSITION							
Investment in capital assets	46,500,558	6,825,355	22,183	4,018,741	57,366,837	5,074,234	
Restricted capital projects	4,822,072	1,753,233	-	-	6,575,305	-	
Unrestricted	18,689,482	16,207,360	(1,358,286)	1,408,127	34,946,683	19,025,007	
Total net position	70,012,112	24,785,948	(1,336,103)	5,426,868	98,888,825	24,099,241	
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds	-	-	-	-	-	11,921	
Net position of business-type activities					\$ 98,900,746		

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, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities		
	Sewer	Storm Drainage	Ambulance	Nonmajor		Total	Internal Service Funds
				Booth Kelly			
OPERATING REVENUES							
Charges for services	\$ 7,541,750	\$ 7,259,708	\$ 19,783,831	\$ 1,481,538	\$ 36,066,827	\$ 345,455	
Less: Contractual adjustments	-	-	(12,780,341)	-	(12,780,341)	-	
Licenses, permits and fees	-	-	78,860,000	-	78,860	12,365,190	
Intergovernmental revenues	-	-	236,281	-	236,281	128,399	
Miscellaneous revenue	628	36,942	10,785	-	48,355	220,676	
Total operating revenues	<u>7,542,378</u>	<u>7,296,650</u>	<u>7,329,416</u>	<u>1,481,538</u>	<u>23,649,982</u>	<u>13,059,720</u>	
Operating expenses:							
Human resources	-	-	-	-	-	9,936,506	
Finance	14,833	14,672	-	-	29,505	22,551	
Information technology	257,142	198,296	-	-	455,438	203,435	
Library	-	-	-	-	-	7,261	
Fire and life safety	-	-	7,249,819	-	7,249,819	58,555	
Police	-	-	-	-	-	289,227	
Development and public works	3,561,957	5,070,889	-	450,920	9,083,766	889,942	
Depreciation	2,917,992	433,590	8,390	828,698	4,188,670	1,210,143	
Total operating expenses	<u>6,751,924</u>	<u>5,717,447</u>	<u>7,258,209</u>	<u>1,279,618</u>	<u>21,007,198</u>	<u>12,617,620</u>	
Operating income (loss)	<u>790,454</u>	<u>1,579,203</u>	<u>71,207</u>	<u>201,920</u>	<u>2,642,784</u>	<u>442,100</u>	
Nonoperating revenues (expenses):							
Investment earnings	614,069	483,973	43,177	35,572	1,176,791	535,419	
Interest expense	(390,079)	(228,622)	-	(21,732)	(640,433)	(9,547)	
Gain on disposal of equipment	-	-	-	-	-	(2,994)	
Total nonoperating revenues (expenses)	<u>223,990</u>	<u>255,351</u>	<u>43,177</u>	<u>13,840</u>	<u>536,358</u>	<u>522,878</u>	
Income (loss) before contributions and transfers	<u>1,014,444</u>	<u>1,834,554</u>	<u>114,384</u>	<u>215,760</u>	<u>3,179,142</u>	<u>964,978</u>	
Transfers out	32,022	(32,022)	-	(67,548)	(67,548)	-	
Capital contributions	1,235,767	1,304,738	-	-	2,540,505	(113,029)	
Change in net position	<u>2,282,233</u>	<u>3,107,270</u>	<u>114,384</u>	<u>148,212</u>	<u>5,652,099</u>	<u>851,949</u>	
Net position, beginning of year	<u>67,729,879</u>	<u>21,678,678</u>	<u>(1,450,487)</u>	<u>5,278,656</u>	<u>23,247,292</u>	<u>23,247,292</u>	
Net position, end of year	<u>\$ 70,012,112</u>	<u>\$ 24,785,948</u>	<u>\$ (1,336,103)</u>	<u>\$ 5,426,868</u>	<u>\$ (137,478)</u>	<u>\$ 24,099,241</u>	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					<u>(137,478)</u>		
Change in net position of business-type activities					<u>\$ 5,514,621</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, 2019

	Business type activities - Enterprise Funds					Governmental Activities	
	Sewer	Storm Drainage	Ambulance	Nonmajor			Total
				Booth Kelly	Internal Service Funds		
Cash flows from operating activities:							
Cash received from customers	\$ 7,481,643	\$ 7,663,615	\$ 5,762,853	\$ 1,536,318	\$ 22,444,429	\$ 12,344,563	
Cash paid for employee services	(2,208,870)	(3,339,666)	(4,555,303)	(76,286)	(10,180,125)	(633,308)	
Cash paid to suppliers for goods and services	(1,486,563)	(2,123,592)	(1,595,661)	(368,181)	(5,573,997)	(10,158,862)	
Other operating receipts	628	33,422	247,131	-	281,181	694,530	
Net cash provided by (used in) operating activities	3,786,838	2,233,779	(140,980)	1,091,851	6,971,488	2,246,923	
Cash flows from noncapital financing activities:							
Transfers to/from other funds	32,022	(32,022)	-	(67,548)	(67,548)	(113,029)	
Net cash provided (used) by noncapital financing activities	32,022	(32,022)	-	(67,548)	(67,548)	(113,029)	
Cash flows from capital and related financing activities:							
System development charges	919,390	275,047	-	-	1,194,437	-	
Acquisition and construction of capital assets	(861,988)	(163,187)	-	-	(1,025,175)	(707,352)	
Disposition of capital assets	-	-	-	-	-	(14,663)	
Contributed capital	0	7,988	-	-	7,988	-	
Principal paid on long-term debt	(1,245,000)	(450,001)	-	(739,418)	(2,434,419)	(143,635)	
Interest paid on long-term debt	(551,321)	(258,050)	-	(26,027)	(835,398)	(10,246)	
Net cash used in capital and related financing activities	(1,738,919)	(588,203)	-	(765,445)	(3,092,567)	(875,895)	
Cash flows from investing activities:							
Interest received	609,916	482,881	45,225	34,925	1,172,947	536,397	
Net change in cash and investments	2,689,857	2,096,435	(95,755)	293,783	4,984,320	1,794,396	
Cash and investments, beginning of year	21,647,173	17,508,383	1,542,837	1,237,562	41,935,955	19,870,034	
Cash and investments, end of year	\$ 24,337,030	\$ 19,604,818	\$ 1,447,082	\$ 1,531,345	\$ 46,920,275	\$ 21,664,430	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 790,454	\$ 1,579,203	\$ 71,207	\$ 201,920	\$ 2,642,784	\$ 442,100	
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation							
Changes in assets and liabilities:	2,917,992	433,590	8,390	828,698	4,188,670	1,210,143	
Accounts receivable	(60,107)	127,414	(1,306,122)	59,850	(1,178,965)	(20,627)	
Due from other governments	(327,811)	(3,520)	-	-	(331,331)	-	
Prepaid expenses	-	-	(7,748)	-	(7,748)	53,925	
Accounts payable	11,810	(230,105)	781,005	(3,574)	559,136	443,723	
Accrued payroll and other liabilities	(16,140)	(6,613)	(18,053)	(538)	(41,344)	15,534	
Accrued claims liabilities	-	-	-	-	-	7,000	
Net pension liability and related deferrals	549,598	405,073	424,173	13,152	1,391,996	70,313	
Net OPEB obligation and related deferrals	(78,958)	(71,284)	(80,522)	(2,587)	(233,351)	29,912	
Deposits	-	-	65	-	65	5,286	
Unearned revenue	-	21	(13,375)	(5,070)	(18,424)	-	
Inventory	-	-	-	-	-	(8,598)	
Net cash provided by (used in) operating activities	\$ 3,786,838	\$ 2,233,779	\$ (140,980)	\$ 1,091,851	\$ 6,971,488	\$ 2,248,711	
Noncash capital and related financing activities:							
Contributed capital assets	\$ 315,643	\$ 1,021,703	\$ -	\$ -	\$ 1,337,346	\$ (113,029)	

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
June 30, 2019

ASSETS

Cash and investments	<u>\$ 85,969,318</u>
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LIABILITIES

Amounts held for other parties	<u>\$ 85,969,318</u>
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The accompanying notes are an integral part of this statement.

SPRINGFIELD



OREGON

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

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 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.

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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Year Ended June 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The Police Levy 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.

The SEDA Glenwood Fund accounts for revenue and expenses related to the redevelopment of the property located in the Glenwood Urban Renewal District.

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 Sewer Fund accounts for the operation, construction, and maintenance of the wastewater collection system. Revenue is derived from sewer user fees and system development charges.

The Storm Drainage Fund accounts for operation, construction, and maintenance of the stormwater drainage system. Revenue is derived from storm drainage fees and system development charges.

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 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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ambulance fees and billing and collection charges. The principal operating revenues of the Sewer Fund are sewer user fees. The principal operating revenues of the Storm Drainage Fund are drainage fees. The principal operating revenues of the internal service funds are charges to other funds for depreciation on equipment and for services provided. Operating expenses for the enterprise funds and internal service funds include administrative expenses, depreciation on capital assets and the cost of providing services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

4. Assets, Liabilities, and Net Position or Equity

a. Cash and Investments

State statutes authorize the City 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, 2019, the City's tax levy did not exceed the Oregon constitutional limitation. The total property tax levy was \$34,341,345. This includes general property taxes to support general obligation bond debt service of \$1,913,704.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

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, 2019 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. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

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

g. Compensated Absences

It is the City’s policy to permit employees to accumulate earned but unused vacation leave within limits set by collective bargaining agreements. All employees with accrued vacation leave are paid the outstanding vacation accrual balance, within limits, at separation at the employees current pay rate. Employees with sick leave accruals and meeting longevity requirements are paid the outstanding sick leave accrual balance, within limits, upon retirement at the employees current pay rate. All vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund statements. The governmental fund financial statements do not report liabilities for compensated absences unless they are due for payment. The General Fund is the governmental fund that will be primarily used to liquidate compensated absences based on the high level of staffing that is funded from this fund.

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. Deferred charges for refunding are amortized straight-line over the life of the new debt.

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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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

When both restricted and unrestricted (committed, assigned, or unassigned) resources are available for use, it is the City’s practice to use restricted resources first, then unrestricted resources as needed. When an expenditure is 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, 2019 were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Street</u>	<u>Police Levy</u>	<u>Glenwood General</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Nonspendable:						
Inventories	\$ 1,974	\$ 261,081	\$ -	\$ -	\$ -	\$ 263,055
Prepays	114,399	-	3,021	-	256,462	373,882
Investment in foreclosed property	1,970	-	-	-	-	1,970
Restricted:						
Debt service	-	-	-	-	400,482	400,482
Urban renewal	-	-	-	771,248	893,089	1,664,337
Capital projects	-	-	-	-	1,574,749	1,574,749
Street repairs and maintenance	-	2,170,793	-	-	-	2,170,793
Street improvements	-	-	-	-	3,841,302	3,841,302
Public Safety - Fire	-	-	-	-	654,870	654,870
Public Safety - Police general	-	-	1,816,637	-	78,749	1,895,386
Public Safety - Police forfeitures	-	-	-	-	279,118	279,118
Building code	-	-	-	-	2,290,690	2,290,690
Economic development	-	-	-	-	1,673,932	1,673,932
Library services	-	-	-	-	15,454	15,454
Committed:						
Development assessment	-	-	-	-	523,663	523,663
Capital projects	-	-	-	-	2,046,255	2,046,255
Technology fee reserve	472,153	-	-	-	-	472,153
Assigned:						
Capital projects	-	-	-	-	762,227	762,227
Contingency reserve	1,000,000	-	-	-	-	1,000,000
Public Safety - Police K9	-	-	-	-	79,743	79,743
Public Safety - Police general	-	-	-	-	256,317	256,317
Other purposes	-	-	-	-	163,674	163,674
Unassigned	9,176,504	-	-	-	-	9,176,504
Total fund balances	\$ 10,767,000	\$ 2,431,874	\$ 1,819,658	\$ 771,248	\$ 15,790,776	\$ 31,580,556

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

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.

5. New Accounting Pronouncements

During the fiscal year ended June 30, 2019, the City implemented the following GASB pronouncements:

- GASB Statement No. 83 – *Certain Asset Retirement Obligations*. This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The adoption of Statement No. 83 resulted in the City recognizing and disclosing its contractual obligation to remove a small building from a parcel of land that was traded to another local government entity.
- GASB Statement No. 88 - *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. The adoption of Statement 88 resulted in the City providing additional disclosure about the portions of long term debt that were issued as direct placements.
- *GASB Statements No. 84, 87, 90 and 91* – These are other pronouncements that have been issued by the GASB but not yet implemented by the City.

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 \$64,059,237 difference are as follows:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

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

Bonds payable, net of original issue premium and deferred charges	\$ 12,998,128
Notes payable	3,720,292
Interfund loan payable	1,663,040
Due to developer	210,000
Accrued interest payable	38,767
Compensated absences	4,800,022
Net pension liability and related deferrals	34,854,432
Net OPEB obligation	<u>5,774,556</u>
Total	<u>\$ 64,059,237</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 \$140,968,951 are as follows:

Capital assets (net of accumulated depreciation) reported in the Statement of Net Position - governmental activities column:	
Land and work in progress	\$ 75,234,210
Other capital assets (net of accumulated depreciation)	71,106,330
Total capital assets reported in internal service funds included in the Statement of Net Position - governmental activities column (net of accumulated depreciation)	<u>(5,371,589)</u>
	<u>\$ 140,968,951</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of government activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$2,982,693 difference are as follows:

Capital outlay	\$ 5,946,355
Donated capital assets	2,782,168
Depreciation	<u>(5,745,830)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 2,982,693</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

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

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 \$1,720,313 difference are as follows:

Principal repayment of general obligation debt	\$ 1,445,000
Principal repayment of note payable	576,672
Amortization of deferred charges	(35,034)
Amortization of bond premiums	230,481
Increase in interfund loan payable	(497,019)
Decrease in accrued interest payable	<u>213</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,720,313</u>

Another element of the reconciliation states that “governmental funds do not report expenditures for unpaid compensated absences or other post-employment benefits since they do not use current financial resources.” The details of this \$(2,807,850) difference are as follows:

Increase in accrued compensated absences	\$ (287,934)
Increase in net pension liability and related deferrals	(2,531,595)
Decrease in net OPEB obligation	<u>11,679</u>
Net adjust to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (2,807,850)</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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE C – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

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, 2019, the City Council approved several transfer resolutions and supplemental budgets increasing appropriations by \$9,585,813.

The Ambulance Fund reported a negative fund balance of \$1,336,103. This negative fund balance was the result of the Fund not receiving the anticipated ambulance billing revenue in the current and prior fiscal year.

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, 2019, cash and investments are comprised of the following:

Cash on Hand	\$	5,646
Cash with Fiscal Agent		5,500
Deposits		3,750,199
Local Government Investment Pool Accounts		90,415,362
Investments		<u>92,589,802</u>
		<u>\$ 186,766,509</u>

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

Governmental Funds	\$	53,876,916
Business-type Funds		46,920,275
Not Appearing on Statement of Net Position		
Fiduciary Fund		<u>85,969,318</u>
		<u>\$ 186,766,509</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE D – CASH AND INVESTMENTS - Continued

Deposits

Deposits with financial institutions are comprised of checking and money market accounts. As of June 30, 2019, the City of Springfield had a book balance of \$3,750,199 and a bank balance of \$4,281,664. The difference is due to transactions in process. Of this amount, \$500,000 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, 2019 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, 2019, the fair value of the City's deposits with the LGIP approximates cost.

Cash and Investments

On June 30, 2019, the City of Springfield held \$92,589,802 of investments; corporate indebtedness of \$33,497,980, and government agency securities totaling \$59,091,822.

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

Year Ended June 30, 2019

NOTE D – CASH AND INVESTMENTS - Continued

The City’s policy for custodial credit risk 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, 2019, 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, 2019.

Short-Term Investments:

<u>Maturity</u>	<u>Amount</u>	<u>Actual %</u>	<u>Investment Policy %</u>
Under 30 days	\$ 100,672,707	54%	10 % minimum
Under 90 days	124,661,582	67%	25 % minimum
Under 270 days	171,259,512	92%	50 % minimum
Under one year	179,745,194	96%	80 % minimum
Under 18 months	186,766,509	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, 2019, 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

Year Ended June 30, 2019

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, 2019 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% of the total portfolio will be invested with any one corporate entity. As of June 30, 2019, 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>
State of Oregon Investment Pool	\$ 90,415,362	48%	100%
Interest Bearing Checking Account	343,376	0%	50%
Money Market Account	3,406,823	2%	50%
Corporate Bonds	33,497,980	18%	25%
Municipal Bonds	59,091,822	32%	50%
Other	11,146	0%	0%
Totals	<u>\$ 186,766,509</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

Year Ended June 30, 2019

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, 2019, the City’s investments in corporate and municipal bonds 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, 2019 consist of the following:

Fund	Property Taxes and Other	Accounts	Assessments and Liens	Grants	Accrued Interest	Mortgage Notes	SDC Deferred Receivable	Total Net Receivable
General	\$ 736,954	\$ 1,480,542	\$ -	\$ -	\$ 56,325	\$ -	\$ 1,233	\$ 2,275,054
Street	-	1,041,815	-	22,632	5,072	-	-	1,069,519
Glenwood General	35,048	650	-	-	6,759	-	-	42,457
Police Levy	238,859	66,935	-	-	8,032	-	-	313,826
Sewer	-	1,218,534 *	-	-	75,393	-	599,528	1,893,455
Storm Drainage	-	1,196,759 *	-	-	59,766	-	48,541	1,305,066
Ambulance	-	1,924,039 *	-	-	5,357	-	-	1,929,396
Nonmajor governmental	244,984	345,901	61,697	129,367	46,809	1,340,772	928,941	3,098,471
Nonmajor enterprise	-	9,987	-	-	4,371	-	-	14,358
Internal Service	-	59,187	-	-	65,994	-	84,798	209,979
	<u>\$ 1,255,845</u>	<u>\$ 7,344,349</u>	<u>\$ 61,697</u>	<u>\$ 151,999</u>	<u>\$ 333,878</u>	<u>\$ 1,340,772</u>	<u>\$ 1,663,041</u>	<u>\$ 12,151,581</u>

*Net of allowances for uncollectible accounts totalling \$1,124,858

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

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, 2019, 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	\$ 705,674	\$ 1,318,928	\$ -	\$ -	\$ -	\$ 2,024,602
Street	-	440,335	-	-	-	440,335
Police Levy	230,127	15,119	-	-	2,561	247,807
Glenwood General	33,626	-	-	-	-	33,626
Nonmajor governmental	238,878	1,157,582	1,176,280	61,698	87,525	2,721,963
Total unavailable revenue	<u>\$ 1,208,305</u>	<u>\$ 2,931,964</u>	<u>\$ 1,176,280</u>	<u>\$ 61,698</u>	<u>\$ 90,086</u>	<u>\$ 5,468,333</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE F – CAPITAL ASSETS

Governmental activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 67,615,125	\$ 6,469,436	\$ -	\$ 74,084,561
Work in progress	2,499,103	5,793,687	(7,143,141)	1,149,649
Total capital assets, not being depreciated	70,114,228	12,263,123	(7,143,141)	75,234,210
Capital assets, being depreciated:				
Buildings	48,545,552	16,669	(693,304)	47,868,917
Infrastructure	76,969,594	11,096,507	-	88,066,101
Machinery & equipment	23,702,305	1,782,726	(1,197,666)	24,287,365
Library books	1,998,269	-	(1,998,269)	-
Studies	1,078,154	16,083	-	1,094,237
Total capital assets, being depreciated	152,293,874	12,911,985	(3,889,239)	161,316,620
Less accumulated depreciation for:				
Buildings	(27,511,087)	(2,282,241)	557,080	(29,236,248)
Infrastructure	(39,959,111)	(3,203,048)	-	(43,162,159)
Machinery & equipment	(16,833,180)	(1,404,901)	1,133,170	(17,104,911)
Library books	(1,998,269)	-	1,998,269	-
Studies	(641,188)	(65,784)	-	(706,972)
Total depreciation	(86,942,835)	(6,955,974)	3,688,519	(90,210,290)
Total capital assets, being depreciated, net	65,351,039	5,956,011	(200,720)	71,106,330
Governmental activities capital assets, net	<u>\$ 135,465,267</u>	<u>\$ 18,219,134</u>	<u>\$ (7,343,861)</u>	<u>\$ 146,340,540</u>

Business-type activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 6,375,436	\$ -	\$ -	\$ 6,375,436
Work in progress	638,802	1,007,967	(771,507)	875,262
Total capital assets, not being depreciated	7,014,238	1,007,967	(771,507)	7,250,698
Capital assets, being depreciated:				
Buildings & infrastructure	111,473,516	2,108,853	(2,761)	113,579,608
Land improvements	532,806	-	-	532,806
Equipment	2,118,325	19,970	(294,977)	1,843,318
Studies	1,872,456	-	-	1,872,456
Total capital assets, being depreciated	115,997,103	2,128,823	(297,738)	117,828,188
Less accumulated depreciation for:				
Land improvements	(512,490)	(1,243)	-	(513,733)
Buildings & infrastructure	(41,723,851)	(3,854,655)	-	(45,578,506)
Equipment	(1,672,241)	(199,456)	294,978	(1,576,719)
Studies	(1,271,270)	(133,316)	-	(1,404,586)
Total depreciation	(45,179,852)	(4,188,670)	294,978	(49,073,544)
Total capital assets, being depreciated, net	70,817,251	(2,059,847)	(2,760)	68,754,644
Business-type activities capital assets, net	<u>\$ 77,831,489</u>	<u>\$ (1,051,880)</u>	<u>\$ (774,267)</u>	<u>\$ 76,005,342</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE F – CAPITAL ASSETS – Continued

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

<u>Governmental activities:</u>	
General government	\$ 177,675
Police	1,966,074
Fire and life safety	684,654
Development and public works	3,899,390
Library	20,329
Unallocated	<u>207,852</u>
Total depreciation expense – governmental activities	<u><u>6,955,974</u></u>
<u>Business-type activities:</u>	
Sewer	\$ 2,917,992
Storm	433,590
Booth-Kelly	828,698
Ambulance	<u>8,390</u>
Total depreciation expense – business type activities	<u><u>\$ 4,188,670</u></u>

NOTE G - RISK MANAGEMENT

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

The City maintains professional risk management and health and wellness programs. Various loss-control techniques are used to minimize or prevent losses. These techniques and programs include but are not limited to: contracting for risk and benefit broker services, contracting for legal services, 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE G - RISK MANAGEMENT – Continued

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
2017	495,456	5,771,608	(5,531,337)	735,727
2018	735,727	6,293,791	(6,292,611)	736,907
2019	736,907	6,417,464	(6,040,112)	1,114,259

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, 2019

Year	Case Reserves	IBNR Reserves	Outstanding LCF	Closeout Risk Adj.	IBNR & LCF after Closeout	Net Outstanding Liabilities
Prior	\$ 21,382	\$ -	\$ -	\$ -	\$ -	\$ 21,382
2014-15	-	-	-	-	-	-
2015-16	-	30,452	6,090	3,661	-	40,203
2016-17	58,722	33,829	18,510	7,634	-	118,695
2017-18	28,424	109,893	27,664	7,770	-	173,751
2018-19	187,916	117,167	61,016	7,660	-	373,759
Total	\$ 296,444	\$ 291,341	\$ 113,280	\$ 26,725	\$ -	727,790
					Less investment income offset	(12,790)
					Net accrued claims liability	\$ 715,000

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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE H - CAPITAL LEASES

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. The City purchased equipment in the fiscal year ending June 30, 2017 for \$593,108 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. These capital leases are classified as direct placements related to governmental activities (GASB statement No. 88). These leases contain a provision that in an event of default, all outstanding amounts become immediately due if the City is unable to make a payment and the equipment is held as collateral for the secured obligation.

The assets acquired through capital leases are as follows:

Machinery and equipment	\$ 1,696,340
Less: Accumulated depreciation	<u>(632,233)</u>
Total	<u>\$ 1,064,107</u>

The future minimum lease obligations as of June 30, 2019, are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2020	\$ 146,970	\$ 6,912
2021	<u>150,385</u>	<u>3,496</u>
Totals	<u>\$ 297,355</u>	<u>\$ 10,408</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 \$14,690,000.

General obligation bonds payable transactions for the year ended June 30, 2019 are as follows:

	Issue Date	Final Maturity Date	Effective Interest Rate	Outstanding July 1, 2018	Issued During year	Retired During Year	Outstanding June 30, 2019	Due Within One Year
Series 2016	6/29/2016	2026	1.36%	\$ 13,075,000	\$ -	\$ (1,445,000)	\$ 11,630,000	\$ 1,505,000
							1,613,366	
							<u>(1,505,000)</u>	
							<u>\$ 11,738,366</u>	

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE I - LONG-TERM DEBT – Continued

Revenue Bonds

The City issues revenue bonds to finance major construction projects in business-type activities. Revenue bonds are secured and serviced by system revenues. The original amount of revenue bonds issued in prior years was \$23,610,000.

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.

Revenue obligation bonds payable transactions for the year ended June 30, 2019 are as follows:

	Issue Date	Final Maturity Date	Effective Interest Rate	Outstanding July 1, 2018	Issued During year	Retired During Year	Outstanding June 30, 2019	Due Within One Year
Series 2010	10/6/2010	2030	3.149%	\$ 7,215,000	\$ -	\$ (450,000)	\$ 6,765,000	\$ 460,000
Series 2017	6/27/2017	2027	1.725%	12,290,000	-	(1,245,000)	11,045,000	1,280,000
					Unamortized premium		1,507,564	
					Due in current year		(1,740,000)	
					Total revenue bonds payable		<u>\$ 17,577,564</u>	

Maturities of bond principal and interest are as follows:

Year	General Obligation Bonds		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019-20	\$ 1,505,000	\$ 465,200	\$ 1,740,000	\$ 673,400	\$ 3,245,000	\$ 1,138,600
2020-21	1,570,000	405,000	1,795,000	620,975	3,365,000	1,025,975
2021-22	1,625,000	342,200	1,860,000	553,700	3,485,000	895,900
2022-23	1,695,000	277,200	1,930,000	483,975	3,625,000	761,175
2023-24	1,765,000	209,400	2,005,000	408,900	3,770,000	618,300
2025-29	3,470,000	204,400	7,125,000	889,100	10,595,000	1,093,500
2030-31	-	-	1,355,000	54,700	1,355,000	54,700
Total	<u>\$ 11,630,000</u>	<u>\$ 1,903,400</u>	<u>\$ 17,810,000</u>	<u>\$ 3,684,750</u>	<u>\$ 29,440,000</u>	<u>\$ 5,588,150</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE I - LONG-TERM DEBT – Continued

The City issues debt backed solely by future fees received for certain services. At June 30, 2019, future pledged revenues are as follows:

<u>Purpose</u>	<u>Revenue Stream</u>	<u>Year end of final payments</u>	<u>Future pledged revenue debt outstanding</u>	<u>Approx % of future revenues pledged to gross revenues</u>	<u>Revenue, net of related expenses Y/E 6/30/2019</u>	<u>Debt payments Y/E 6/30/2019</u>	<u>2019 Gross Revenues</u>
Revenue bonds:							
Sewer System series 2017	Sewer system fees	2027	\$ 13,024,400	10.7%	\$ 7,890,375 *	\$ 1,711,350	15,937,071
Revenue bonds:							
Storm System series 2010	Sewer system fees	2030	<u>8,470,350</u>	4.4%	7,890,375 *	<u>708,050</u>	
Business -type activities			<u>\$ 21,494,750</u>			<u>\$ 2,419,400</u>	

* same revenue source pledged for two purposes

The Springfield Economic Development Agency (SEDA) entered into two direct placement Notes Payable, one in 2016 and one in 2018. The Notes are not subject to any acceleration clauses and are not subject to finance related consequences due to events of default. Both Notes are subject to covenants regarding continuing disclosure, prepayment fees and a variable interest rate which will reset in October 2021 based on the 3 year FHLB Des Moines Fixed-Rate Advances symmetrical index, plus 1.40 basis points. Both Notes also require that the SEDA maintain an unrestricted net position of at least \$125,000.

Notes Payable

At June 30, 2019 notes payable are as follows:

Governmental activities:

Bank of Cascades (SEDA), payable in monthly installments including interest at 3.08%, due 2024	\$ 1,389,460
Bank of Cascades (SEDA), payable in monthly installments including interest at 4.15%, due 2025	<u>2,330,833</u>
Total governmental activities	<u>\$ 3,720,293</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE I - LONG-TERM DEBT – Continued

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>
2019-20	\$ 567,965
2020-21	619,807
2021-22	643,247
2022-23	667,592
2023-24	692,811
Thereafter	528,871
	<u>\$ 3,720,293</u>

The contract payable included in governmental activities 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.

The contract payable included in business-type activities represents an amount due to Peacehealth. City gave Peacehealth a credit against future System Development Charges in return for Peacehealth constructing infrastructure that exceeded capacity requirements at the time the Riverbend Hospital was built, in anticipation of future development's demand for that infrastructure.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2019 was as follows:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE I - LONG-TERM DEBT – Continued

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 13,075,000	\$ -	\$ (1,445,000)	\$ 11,630,000	\$ 1,505,000
Less deferred amounts for issuance premiums	1,843,847	-	(230,481)	1,613,366	-
Total bonds payable	14,918,847	-	(1,675,481)	13,243,366	1,505,000
Notes payable	4,296,965	-	(576,672)	3,720,293	567,965
Deferred system development fees	1,166,022	497,018	-	1,663,040	-
Contracts payable	210,000	-	-	210,000	-
Capital leases	440,990	-	(143,635)	297,355	146,970
Accrued claims liability	708,000	7,000	-	715,000	413,701
Compensated absences	4,529,134	1,667,911	(1,450,292)	4,746,754	1,549,550
Net OPEB liability	5,876,476	-	(468,158)	5,408,318	-
Net pension liability	41,730,526	3,267,821	-	44,998,347	-
Governmental activity long-term liabilities	<u>\$ 73,876,960</u>	<u>\$ 5,439,750</u>	<u>\$ (4,314,238)</u>	<u>\$ 75,002,473</u>	<u>\$ 4,183,186</u>
<u>Business-type activities:</u>					
Bonds payable:					
Revenue bonds	\$ 19,505,000	\$ -	\$ (1,695,000)	\$ 17,810,000	\$ 1,740,000
Less deferred amounts for issuance premiums	1,685,522	-	(177,958)	1,507,564	-
Total bonds payable	21,190,522	-	(1,872,958)	19,317,564	1,740,000
Notes payable	739,418	-	(739,418)	-	-
Contracts payable	506,567	-	(734)	505,833	-
Compensated absences	963,756	287,145	(363,025)	887,877	329,130
Net OPEB liability	1,411,189	-	(159,812)	1,251,377	-
Net pension liability	9,679,297	992,720	-	10,672,017	-
Business-type activities long-term liabilities	<u>\$ 34,490,749</u>	<u>\$ 1,279,865</u>	<u>\$ (3,135,947)</u>	<u>\$ 32,634,668</u>	<u>\$ 2,069,130</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE J – RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

Interfund Payables & Receivables

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer	Internal service funds	\$ (120,107)
Storm Drainage	Internal service funds	9,924
Booth Kelly	Internal service funds	23,197
Ambulance	Internal service funds	98,907
Total due to/from other funds (different fund types)		<u>\$ 11,921</u>

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

In an effort to encourage development within the two urban renewal districts, the Springfield Economic Development Agency (SEDA) implemented a program to pay the system development fees on any new commercial or industrial development within the boundaries of the two districts. Additionally, the City has agreed to defer payment from SEDA up to the date the Agency sunsets. That date is not defined and is dependent on the Agency accomplishing its stated goals. The earliest it would reasonably sunset is late 2024. Being a noncash transaction and due to the uncertainty and timing of the payments, authoritative accounting standards indicate that no transaction would need to be recorded (GASB statement No. 34, paragraph 112a(1)). However, due to the size of these deferred payments and impact they would have on affected funds, the City has chosen to recognize a receivable and deferred revenue in the governmental funds statements and a receivable and revenue in the government-wide and proprietary fund statements. For the offsetting liability, a corresponding expense and liability has been recognized in the government-wide statements, however, no expenditure or corresponding liability has been recognized in the governmental funds statements. The details of these deferred fees are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer	SEDA Glenwood	\$ 470,826
Sewer	SEDA Downtown	128,702
Storm Drainage	SEDA Glenwood	48,219
Storm Drainage	SEDA Downtown	322
Total advance to/from other funds (different fund types)		<u>\$ 648,069</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	SEDA Glenwood	\$ 1,234
Building Code	SEDA Glenwood	25
Street Capital	SEDA Glenwood	626,306
Street Capital	SEDA Glenwood	302,608
Internal Service Funds	SEDA Glenwood	63,216
Internal Service Funds	SEDA Downtown	21,582
Total due to/from other funds (similar fund types)		<u>\$ 1,014,971</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

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

Interfund Transfers

Fund description	General	Street	Nonmajor Governmental Funds	Sanitary Sewer	Total Transfers Out
General	\$ -	\$ 436,006	\$ -	\$ -	\$ 436,006
Street	-	-	150,000	-	150,000
Nonmajor Governmental	692,255	-	-	-	692,255
Storm Drainage	-	-	-	32,022	32,022
Nonmajor Enterprise	67,548	-	113,029	-	180,577
Total Transfers In	\$ 759,803	\$ 436,006	\$ 263,029	\$ 32,022	\$ 1,490,860

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.

NOTE K – REBATABLE ARBITRAGE

The City has one general obligation bond payable. The Series 2016 bond, originally issued for \$14,690,000, has no arbitrage liability as of June 30, 2019.

The City has two revenue bonds payable. The Sewer Series 2017 bond, originally issued for \$13,610,000 and the Storm System Series 2010 bond, originally issued for \$10,000,000 have no arbitrage liability as of June 30, 2019.

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, 2019, there were 25 participants in the plan, of which 14 are active employees and 11 are inactive employees or their beneficiaries. The CRP is subject to Oregon PERS “equal

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

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.

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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

The City completes an actuarial study of the CRP as of June 30 every two 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 30.0%. The annual lump sum contribution for the current bi-annual period is \$991,000.

Employer contributions for the year ended June 30, 2019 were \$1,842,671. The General Fund is the governmental fund that will be used to liquidate the net CRP pension liability.

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the City reported a net pension liability of \$10,084,394. The net pension liability and fiduciary net position were measured as of June 30, 2019. The total pension liability was determined using actuarial valuation results as of July 1, 2018 rolled forward to June 30, 2019. The following table presents the changes in the net pension liability for the fiscal year ended June 30, 2019:

<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, 2018	\$ 30,694,901	\$ 20,438,552	\$ 10,256,349
Changes for the year:			
Service cost	409,467	-	409,467
Interest on total pension liability	1,942,409	-	1,942,409
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) or losses	(606,741)	-	(606,741)
Effect of assumptions changes or inputs	1,241,053	-	1,241,053
Benefit payments	(2,442,290)	(2,442,290)	-
Administrative expenses	-	(71,812)	71,812
Net investment income	-	1,387,284	(1,387,284)
Employer contributions	-	1,842,671	(1,842,671)
Net changes	<u>543,898</u>	<u>715,853</u>	<u>(171,955)</u>
Balances as of June 30, 2019	<u>\$ 31,238,799</u>	<u>\$ 21,154,405</u>	<u>\$ 10,084,394</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

For the year ended June 30, 2019, the City recognized pension expense of \$1,081,072, the details of which are presented in the following table:

<u>Pension Expense</u>	<u>July 1, 2018 to June 30, 2019</u>
Service cost	\$ 409,467
Interest on total pension liability	1,942,409
Administrative expenses	71,812
Expected investment return net of investment expenses	(1,105,656)
Recognition of Deferred (Inflows)/Outflows of Resources:	
Recognition of economic/demographic (gains) losses	(506,190)
Recognition of assumption changes or inputs	304,369
Recognition of investment (gains) losses	(35,139)
Pension Expense	<u>\$ 1,081,072</u>

At June 30, 2019, the City reported deferred outflows of resources related to pensions from the following sources:

<u>Deferred Inflows/Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ (1,013,269)	\$ -
Changes of assumptions or inputs	-	976,065
Net difference between projected and actual earnings	(812,602)	-
Total	<u>\$ (1,825,871)</u>	<u>\$ 976,065</u>

The \$849,806 net deferred inflows/outflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ (362,049)
2021	(456,301)
2022	(19,388)
2023	(12,068)
2024	-
Thereafter	-
Total	<u>\$ (849,806)</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

Actuarial Valuations – The total pension liability in the July 1, 2018 actuarial valuation rolled forward to June 30, 2019 was determined using the following actuarial assumptions:

Actuarial Valuation Assumptions

Valuation date	June 30, 2018 rolled forward to June 30, 2019.
Actuarial cost method	Individual entry age normal, level percentage of base salary
Amortization method	Fixed amortization period of 18 years starting July 1, 2018, 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	5.50%
Projected salary increases	3.0% per year for wage inflation with merit increases
Administrative expenses	\$50,000 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 5.5%.

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 5.5%, 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 (4.5%) or 1-percentage-point higher (6.5%) than the current rate:

Sensitivity

	1% Decrease (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
Total pension liability	\$ 32,681,177	\$ 31,238,799	\$ 29,875,216
Fiduciary net position	21,154,405	21,154,405	21,154,405
Net pension liability	<u>\$ 11,526,772</u>	<u>\$ 10,084,394</u>	<u>\$ 8,720,811</u>

Long-Term Expected Rate of Return – To help select the long-term expected rate of return assumption, the plan’s actuary, Milliman Inc, reviewed the plan’s asset allocation as of the most recent July 1, 2018 valuation date. The table below shows Milliman’s assumptions for the general asset classes in which the plan was invested at that

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

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 (20-Year Geometric)
Cash	2.0%	2.53%
Core Fixed Income	38.5%	4.00%
Broad US Equities	18.7%	5.39%
Large Cap US Equities	18.3%	5.35%
Small Cap US Equities	7.5%	5.67%
Developed Economy Foreign Equities	12.0%	5.76%
Emerging Markets Equity	3.0%	6.43%
Assumed Inflation – Mean		2.30%

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/Financials/Actuarial-Financial-Information.aspx>, or by calling (888) 320-7377, 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 238A) is closed to new members hired on or after August 29, 2003. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2% for police and fire employees, 1.67% for general service employees) is multiplied by the number of years of service and the final average salary.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire). General Service members may retire after

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

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 2014 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.

OPSRP Plan Benefits

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

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

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. The surviving spouse, or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70 ½ years.

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 2018 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, 2016 actuarial valuation. The City contribution rates in effect for the fiscal year ended June 30, 2019 were 16.85% for Tier One/Tier Two covered members, 13.08% for OPSRP Pension Program Police and Fire Members, and 8.31% for OPSRP Pension Program General Service Members.

Employer contributions for the year ended June 30, 2019 were \$4,190,470. The General Fund is the governmental fund that will be primarily used to liquidate the net PERS pension liability based on the high level of staffing that is funded from this fund.

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the City reported a liability of \$45,585,971 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. 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, 2018, the City's proportion was 0.3009%, which was changed from 0.3053% measured as of June 30, 2017.

For the year ended June 30, 2019, the City recognized pension expense of \$8,886,124. At June 30, 2019, 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

Year Ended June 30, 2019

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,550,698	\$ -
Changes of assumptions	10,598,652	-
Net difference between projected and actual earnings of pension plan investments	-	(2,024,275)
Changes in proportion and differences between employer contributions and proportionate share of contributions	983,719	(921,892)
Differences between employer contributions and employer's proportionate share of system contributions	-	(660,967)
Total (prior to post measurement date contributions)	<u>13,133,069</u>	<u>(3,607,134)</u>
Contributions subsequent to the measurement date	4,190,470	-
Total Deferred Outflow/Inflow of Resources	<u>\$ 17,323,539</u>	<u>\$ (3,307,134)</u>

The \$4,190,470 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, 2020. 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,	
2020	\$ 5,435,548
2021	3,816,630
2022	(455,225)
2023	488,671
2024	<u>240,312</u>
Total	<u>\$ 9,525,936</u>

Actuarial Valuations – The employer contribution rates effective July 1, 2017, through June 30, 2019, were set using the entry age normal actuarial cost method. Under this cost method, each active member's entry age present value of projected benefits is allocated over the member's service from their date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

Actuarial Assumptions

Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study Report	2016, published July 26, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision: Blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled Retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

The actuarial valuation calculations are based on the benefit provided under the terms of the plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

Discount Rate – The discount rate used to measure the total pension liability was 7.20% 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

Year Ended June 30, 2019

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

Depletion Date Projection – GASB Statement No. 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses.

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 7.20%, 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 (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	1 % Decrease (6.20%)	Current Discount Rate (7.20%)	1 % Increase (8.20%)
City’s proportionate share of the net pension liability (asset)	\$76,182,769	\$45,585,971	\$20,330,818

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 2015 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 following table 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

<u>Asset Class</u>	<u>Target</u>	<u>Compound Annual Return (Geometric)</u>
Core Fixed Income	8.00 %	3.49 %
Short-Term Bonds	8.00	3.38
Bank/Leveraged Loans	3.00	5.09
High Yield Bonds	1.00	6.45
Large/Mid Cap US Equities	15.75	6.30
Small Cap US Equities	1.31	6.69
Micro Cap US Equities	1.31	6.80
Developed Foreign Equities	13.13	6.71
Emerging Market Equities	4.13	7.45
Non-US Small Cap Equities	1.88	7.01
Private Equity	17.50	7.82
Real Estate (Property)	10.00	5.51
Real Estate (REITS)	2.50	6.37
Hedge Fund of Funds - Diversified	2.50	4.09
Hedge Fund - Event-driven	0.63	5.86
Timber	1.88	5.62
Farmland	1.88	6.15
Infrastructure	3.75	6.60
Commodities	1.88	3.84
Assumed Inflation - Mean	-	2.50

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report. The effect of OPERS on the City's net position has been determined on the same basis used by OPERS.

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE N – PERS DEFINED CONTRIBUTION PENSION PLAN – Continued

of five calendar 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 or 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, 2019, the City's contribution to the IAP plan was \$1,917,920.

NOTE O – OTHER POSTEMPLOYMENT BENEFITS

The other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree medical insurance premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined health insurance benefit plan.

Financial Statement Presentation

The City's two OPEB plans are presented in the aggregate on the Statement of Net Position. The amounts on the financial statements relate to the plans as follows:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

	Implicit Rate Subsidy Plan	RHIA Cost Sharing Plan	Total Reported
OPEB Asset/(Liability)	\$ (6,659,696)	\$ 322,081	\$ (6,337,615)
Deferred Outflows of Resources			
Difference in expected and actual experience	142,296		142,296
Benefit payments	300,212		300,212
Changes in proportionate share		1,572	1,572
Contributions after the measurement date		138,490	138,490
Deferred Inflows of Resources			
Difference in expected and actual experience	-	(18,253)	(18,253)
Changes of assumptions	(1,473,818)	(1,022)	(1,474,840)
Difference in earnings	-	(69,440)	(69,440)
Change in proportionate share	-	(412)	(412)
OPEB Expense	500,524	(29,788)	470,736

IMPLICIT RATE SUBSIDY PLAN

Plan Description

Plan Description - 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 5 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. At June 30, 2019, 23 qualified retirees are eligible to receive this benefit. The retiree is responsible for the full premium as established by the City for all participants of the plan less a subsidy of \$115 per month provided by the City. 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 75, and a separate financial report is not issued. The total cost of providing this subsidy for the fiscal year ended June 30, 2019 was \$31,754.

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, 2019, there was one employee receiving this benefit.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - The City’s total OPEB liability of \$6,659,696 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2018.

For the fiscal year ended June 30, 2019, the City recognized OPEB expense from this plan of \$500,524. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources	Net Deferred (Inflows)/Outflows of Resources
Difference in expected and actual experience	\$ -	\$ 142,296	\$ 142,296
Changes of assumptions or inputs	(1,473,818)	-	(1,473,818)
Contributions made subsequent to measurement date	-	300,212	300,212
	<u>\$ (1,473,818)</u>	<u>\$ 442,508</u>	<u>\$ (1,031,310)</u>

Deferred outflows of resources related to OPEB of \$300,212 resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Annual Recognition
2020	\$ (168,464)
2021	(168,464)
2022	(168,464)
2023	(168,464)
2024	(168,464)
Thereafter	<u>(489,202)</u>
Total	<u>\$ (1,331,522)</u>

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2018 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

Valuation date	July 1, 2018
Measurement Date	June 30, 2018
Discount rate	3.87%
Inflation	2.50%
Salary Increases	3.50%
Withdrawal, retirement, and mortality rates	December 31, 2017 Oregon PERS valuation and July 1, 2018 Springfield Retirement Plan valuation
Election and Lapse Rates	60% of members eligible for the explicit employer-paid benefit. 35% of other eligible employees. 60% of male members and 35% of female members will elect spouse coverage. 5% annual lapse rate
Actuarial cost method	Entry Age Normal

Changes in the Total OPEB Liability (Implicit Rate Subsidy Plan)

Balance as of June 30, 2018	\$	7,412,283
Changes for the year:		
Service Cost		395,930
Interest on total OPEB liability		273,058
Effect of changes to benefit terms		-
Effect of economic/demographic gains or losses		159,236
Effect of assumptions changes or inputs		(1,219,048)
Benefit payments		<u>(361,763)</u>
Balance as of June 30, 2019	\$	<u>6,659,696</u>

Sensitivity of the Total OPEB Liability - The following presents the total OPEB liability of the Plan, calculated using the discount rate of 3.87%, as well as what the Plan’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 7,257,484	\$ 6,659,696	\$ 6,108,400

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 5,935,947	\$ 6,659,696	\$ 7,514,982

PERS RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)

Plan Description - The City contributes to the Oregon Public Employees Retirement System' (PERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Public Employees Retirement Board (PERB). The authority to establish and amend the benefit provisions of the plan rests with the Oregon Legislature. The plan, which was established under ORS 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible PERS retirees. RHIA post-employment benefits are set by state statute. A comprehensive annual financial report of the funds administered by the PERB may be obtained by writing to Oregon Public Employees Retirement System at PO Box 23700, Tigard, Oregon 97281-3700, by calling (888) 320-7377, or by accessing the PERS website at <http://www.oregon.gov/PERS/>.

Funding Policy and contributions - Participating employers are contractually required to contribute at a rate assessed bi-annually by the PERB, currently 0.50% of annual covered payroll for PERS Plan members, and 0.43% for OPSRP Plan members. The PERB sets the employer contribution rate based on an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any actuarial liabilities of the plan over a period not to exceed five years. The City's total for the year ended June 30, 2019 contributions was \$138,490.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB - For the employer cost-sharing plan, the OPEB liability was based on the employer's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2019, the City's proportion was 0.2885%, which was a decrease from its proportion of 0.2986% at the prior measurement date.

For the year ended June 30, 2019, the City recognized deferred outflows of resources and deferred inflows of resources in the amount of \$140,062 and \$89,127. For the year ended June 30, 2019, the City recognized OPEB income of \$29,788 for this plan.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

	Deferred Inflows of Resources	Deferred Outflows of Resources	Net Deferred (Inflows)/Outflows of Resources
Differences in expected and actual experience	\$ (18,253)	\$ -	\$ (18,253)
Changes of assumptions	(1,022)	-	(1,022)
Net difference between projected and actual earnings	(69,440)	-	(69,440)
Changes in proportionate share	(412)	1,572	1,160
Subtotal	(89,127)	1,572	(87,555)
Contributions subsequent to the measurement date	-	138,490	138,490
Total	<u>\$ (89,127)</u>	<u>\$ 140,062</u>	<u>\$ 50,935</u>

Other amounts reported as deferred inflows related to the Oregon’s PERS cost-sharing plan will be recognized in OPEB expense as follows:

Year Ended June 30:	Annual Recognition
2020	\$ (28,784)
2021	(28,712)
2022	(23,156)
2023	(6,903)
2024	-
Thereafter	-
Total	<u>\$ (87,555)</u>

Change in Net OPEB Liability (RHIA)

<u>Oregon Public Employees Retirement System Cost-sharing Plan</u>	<u>2019</u>
Net OPEB Liability:	
Difference between expected and actual experience	\$ (18,253)
Changes in assumptions	(1,022)
Net difference between projected and actual earnings	(11,724)
Change in proportionate share	1,814
OPEB income	(29,788)
Benefit payments	(138,490)
Net changes in OPEB liability	<u>(197,463)</u>
Net OPEB liability (asset) - beginning	(124,618)
Net OPEB liability (asset) - ending	<u>\$ (322,081)</u>
City's proportionate share at measurement date	0.28853281%
City's covered employee payroll	\$ 31,987,774
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-1.0%

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

Discount Rate - The discount rate used to measure the net OPEB liability for the RHIA Plan was 7.20%. The projection of cash flows used to determine the discount rate assumed that the contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan’s fiduciary net position was projected to be available to make all projected future benefit payments. Therefore, the long term expected rate of return on pension plan investments for the RHIA Plan was applied to all periods of projected benefit payments to determine the net OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the City’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.20%, as well as what the City’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Net OPEB Liability (Asset)	\$ (187,531)	\$ (322,081)	\$ (436,610)

Actuarial Methods and Assumptions - All actuarial methods and assumptions are consistent with those disclosed for the OPERS Pension Plan. See Note M for additional information on assumptions and methods, the Long-Term Expected Rate of Return, and the Discount Rate.

NOTE P – COMMITMENTS AND CONTINGENCIES

At June 30, 2019, the City was obligated under incomplete construction contracts in the amount of \$515,908.

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, 2019, the Sick Leave Reserve Program bank contained 7,545 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 –PRIOR PERIOD ADJUSTMENT

A prior period adjustment to the government-wide net position was recorded in the amount of \$8,383,703. This represents a contribution to the total cost of major improvements to Springfield infrastructure made by the Oregon Department of Transportation in prior years.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE R – CONSTITUTIONAL PROPERTY TAX LIMITATION

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

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

NOTE S – TAX ABATEMENT

As of June 30, 2019, the City of Springfield provided tax abatements through the Enterprise Zone Program. In previous years, tax abatements were also provided under the Vertical Housing Program (ORS 307.841 – 307.867), however these abatements/exemptions expired in the 2017-2018 tax year.

Enterprise Zone (ORS 285C.175)

The purpose of the Enterprise Zone program is to stimulate and protect economic success by providing tax incentives for employment, business, industry and commerce and by providing adequate levels of complementary assistance to community strategies for such interrelated goals as environmental protection, growth management and efficient infrastructure. To be an eligible business firm, a business firm must be engaged, or proposing to engage, within the enterprise zone, in the business of providing goods, products or services to businesses or other organizations through activities including, but not limited to, manufacturing, assembly, fabrication, processing, shipping or storage. Qualified real and personal property owned or leased and newly placed into service by a qualified business in an enterprise zone is exempt from property tax for three years. The exemption period may be increased to a total of four or five consecutive years. For the basic, three-year enterprise zone exemption period, the business needs to:

- Increase full-time, permanent employment of the firm inside the enterprise zone by the greater of one new job or 10% (or less with special-case local sponsor waivers);
- Generally have no concurrent job losses outside the zone boundary inside Oregon;
- Maintain minimum employment level during the exemption period;
- Enter into a first-source agreement with local job training providers; and
- Satisfy any additional local condition that has been established (only) in an urban zone.

For the fiscal year ended June 30, 2019, the City of Springfield abated taxes totaling \$1,201,181 under the Enterprise Zone program.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

NOTE T – SUBSEQUENT EVENTS

In November of 2018, the voters of the City of Springfield approved measure 20-296 authorizing the City to issue general obligation bonds to fund the first phase of necessary street repairs. This bond closed on August 6, 2019 in the amount of \$10 million dollars, and will be repaid over a five year period ending June 1, 2024.

SPRINGFIELD



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, 2019

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 21,368,540	\$ 21,368,540	\$ 22,441,340	\$ 1,072,800	\$ -	\$ 22,441,340
Licenses, permits and fees	2,890,500	2,890,500	2,878,872	(11,628)	-	2,878,872
Intergovernmental revenue	4,390,421	4,575,513	4,835,063	259,550	-	4,835,063
Charges for services	5,623,436	5,623,436	5,271,005	(352,431)	-	5,271,005
Fines and forfeitures	1,659,000	1,659,000	1,607,014	(51,986)	-	1,607,014
Investment earnings	107,000	107,000	457,015	350,015	2,923	459,938
Miscellaneous revenue	319,359	319,359	370,893	51,534	-	370,893
Total revenues	36,358,256	36,543,348	37,861,202	1,317,854	2,923	37,864,125
Expenditures:						
Current operating:						
City manager's office	1,460,685	1,574,235	1,425,108	149,127	-	1,425,108
Legal and judicial services	713,376	726,153	646,480	79,673	-	646,480
Human resources	581,260	685,933	644,447	41,486	-	644,447
Finance	2,237,163	2,349,403	2,238,365	111,038	(627)	2,237,738
Information technology	1,980,484	2,079,287	1,954,741	124,546	-	1,954,741
Fire and life safety	11,381,801	11,620,113	11,543,035	77,078	-	11,543,035
Police	14,632,274	14,632,275	14,626,389	5,886	(16,726)	14,609,663
Library	1,677,286	1,702,654	1,654,619	48,035	-	1,654,619
Development and public works	2,530,203	2,586,746	2,449,377	137,369	702	2,450,079
Contingency	1,000,000	1,000,000	-	1,000,000	-	-
Capital projects	-	25,000	477	24,523	-	477
Total expenditures	38,194,532	38,981,799	37,183,038	1,798,761	(16,651)	37,166,387
Excess of revenues over (under) expenditures	(1,836,276)	(2,438,451)	678,164	3,116,615	19,574	697,738
Other financing sources (uses):						
Transfers in	1,037,129	1,037,129	759,803	(277,326)	-	759,803
Transfers out	(437,100)	(446,948)	(436,006)	10,942	-	(436,006)
Total other financing sources (uses)	600,029	590,181	323,797	(266,384)	-	323,797
Net change in fund balances	(1,236,247)	(1,848,270)	1,001,961	2,850,231	19,574	1,021,535
Fund balance, beginning of year	8,863,301	9,735,031	9,735,031	-	10,434	9,745,465
Fund balance, end of year	\$ 7,627,054	\$ 7,886,761	\$ 10,736,992	\$ 2,850,231	\$ 30,008	\$ 10,767,000

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, 2019

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,120,000	\$ 1,120,000	\$ 997,491	\$ (122,509)	\$ -	\$ 997,491
Licenses, permits and fees	145,000	145,000	153,956	8,956	-	153,956
Intergovernmental revenue	4,462,500	4,557,500	4,678,909	121,409	22,632	4,701,541
Charges for services	92,500	92,500	109,777	17,277	-	109,777
Investment earnings	3,000	3,000	40,106	37,106	1,413	41,519
Miscellaneous revenue	4,000	4,000	11,177	7,177	-	11,177
Total revenues	5,827,000	5,922,000	5,991,416	69,416	24,045	6,015,461
Expenditures:						
Current operating:						
Information technology	355,483	355,482	269,840	85,642	-	269,840
Development and public works	5,481,106	5,576,105	5,536,364	39,741	1,370	5,537,734
Total expenditures	5,836,589	5,931,587	5,806,204	125,383	1,370	5,807,574
Excess of revenues over (under) expenditures	(9,589)	(9,587)	185,212	194,799	22,675	207,887
Other financing sources (uses):						
Transfers in	427,000	427,000	436,006	9,006	-	436,006
Transfers out	(150,000)	(150,000)	(150,000)	-	-	(150,000)
Total other financing sources (uses)	277,000	277,000	286,006	9,006	-	286,006
Net change in fund balances	267,411	267,413	471,218	203,805	22,675	493,893
Fund balance, beginning of year	1,047,881	1,673,414	1,673,414	-	246,468	1,919,882
Change in reserve for inventory	-	-	-	-	18,099	18,099
Fund balance, end of year	\$ 1,315,292	\$ 1,940,827	\$ 2,144,632	\$ 203,805	\$ 287,242	\$ 2,431,874

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, 2019

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 6,240,075	\$ 6,240,075	\$ 6,398,223	\$ 158,148	\$ -	\$ 6,398,223
Licenses, permits, and fees	169,500	169,500	100,191	(69,309)	-	100,191
Charge for services	317,600	317,600	758,834	441,234	-	758,834
Investment earnings	12,000	12,000	64,764	52,764	584	65,348
Miscellaneous receipts	-	-	45,420	45,420	-	45,420
Total revenues	6,739,175	6,739,175	7,367,432	628,257	584	7,368,016
Expenditures:						
Current operating:						
Finance	663,894	663,894	620,688	43,206	-	620,688
Legal services	76,083	76,083	73,949	2,134	-	73,949
Police	5,984,034	6,077,034	6,042,944	34,090	(2,700)	6,040,244
Total expenditures	6,724,011	6,817,011	6,737,581	79,430	(2,700)	6,734,881
Net change in fund balances	15,164	(77,836)	629,851	707,687	3,284	633,135
Fund balance, beginning of year	899,723	1,184,220	1,184,220	-	2,303	1,186,523
Fund balance, end of year	<u>\$ 914,887</u>	<u>\$ 1,106,384</u>	<u>\$ 1,814,071</u>	<u>\$ 707,687</u>	<u>\$ 5,587</u>	<u>\$ 1,819,658</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, 2019

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 919,844	\$ 919,844	\$ 1,037,693	\$ 117,849	\$ -	\$ 1,037,693
Intergovernmental revenue	-	-	113,453	113,453	-	113,453
Charges for services	25,800	25,800	25,800	-	-	25,800
Investment earnings	4,800	4,800	58,144	53,344	(3,726)	54,418
Total revenues	950,444	950,444	1,235,090	284,646	(3,726)	1,231,364
Expenditures:						
Current operating:						
City manager's office	92,784	457,784	76,575	381,209	2,722	79,297
Finance	68,425	21,350	14,320	7,030	-	14,320
Capital projects	5,902,500	5,902,500	5,610,657	291,843	-	5,610,657
Debt service:						
Principal	585,485	595,430	594,863	567	(18,190)	576,673
Interest	177,360	156,670	156,602	68	(5,380)	151,222
Total expenditures	6,826,554	7,133,734	6,453,017	680,717	(20,848)	6,432,169
Excess of revenues over (under) expenditures	(5,876,110)	(6,183,290)	(5,217,927)	965,363	17,122	(5,200,805)
Other financing sources (uses):						
Issuance of debt	3,647,000	400,000	-	(400,000)	-	-
Net change in fund balances	(2,229,110)	(5,783,290)	(5,217,927)	565,363	17,122	(5,200,805)
Fund balance, beginning of year	3,062,220	6,024,284	6,024,283	1	(52,230)	5,972,053
Fund balance, end of year	<u>\$ 833,110</u>	<u>\$ 240,994</u>	<u>\$ 806,356</u>	<u>\$ 565,362</u>	<u>\$ (35,108)</u>	<u>\$ 771,248</u>

City of Springfield, Oregon
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2019

Schedule of CRP Employer Contributions

(Dollar Amounts in Thousands)

	Fiscal Year Ending June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 1,463	\$ 1,823	\$ 1,874	\$ 1,875	\$ 1,936	\$ 2,088	\$ 1,790	\$ 1,810	\$ 1,209	\$ 1,303
Actual employer contribution	1,843	1,950	1,916	1,954	1,965	2,088	1,790	1,810	1,209	1,303
Contribution deficiency (Excess)	(380)	(127)	(42)	(79)	(29)	-	-	-	-	-
Covered payroll	1,574	2,208	2,027	2,034	2,101	2,426	2,498	2,535	2,738	2,944
Contribution as a % of covered payroll	117.09%	88.32%	94.52%	96.07%	93.53%	86.07%	71.66%	71.40%	44.16%	44.26%
Valuation Date	7/1/2018	7/1/2016	7/1/2016	7/1/2014	7/1/2014	7/1/2012	7/1/2012	7/1/2010	7/1/2010	7/1/2008
Investment Rate of Return Assumption	5.50%	6.50%	6.50%	6.50%	6.50%	6.50%	7.50%	7.50%	7.50%	7.50%

City of Springfield, Oregon
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2019

CITY RETIREMENT PLAN PENSION BENEFITS – Continued

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability					
Service cost	\$ 409,467	\$ 576,750	\$ 596,684	\$ 608,191	\$ 611,102
Interest on total pension liability	1,942,409	2,137,457	2,333,205	2,199,860	2,186,388
Effect of economic/demographic (gains) or losses	(606,741)	-	(1,642,892)	-	-
Effect of assumptions changes or inputs	1,241,053	-	70,885	-	-
Benefit payments	<u>(2,442,290)</u>	<u>(8,653,011)</u>	<u>(45,910)</u>	<u>(1,444,246)</u>	<u>(3,730,383)</u>
Net change in total pension liability	543,898	(5,938,804)	1,311,972	1,363,805	(932,893)
Total pension liability, beginning	<u>30,694,901</u>	<u>36,633,705</u>	<u>35,321,733</u>	<u>33,957,928</u>	<u>34,890,821</u>
Total pension liability, ending (a)	<u>31,238,799</u>	<u>30,694,901</u>	<u>36,633,705</u>	<u>35,321,733</u>	<u>33,957,928</u>
Fiduciary Net Position					
Employer contributions	1,842,671	1,949,686	1,916,262	1,953,954	1,964,977
Investment income net of investment expenses	1,387,284	1,973,759	2,717,812	(12,259)	708,524
Benefit payments	(2,442,290)	(8,653,011)	(45,910)	(1,444,246)	(3,730,383)
Administrative expenses	<u>(71,812)</u>	<u>(86,436)</u>	<u>(76,423)</u>	<u>(68,077)</u>	<u>(70,078)</u>
Net change in plan net position	715,853	(4,816,002)	4,511,741	429,372	(1,126,960)
Fiduciary net position, beginning	<u>20,438,552</u>	<u>25,254,554</u>	<u>20,742,813</u>	<u>20,313,441</u>	<u>21,440,401</u>
Fiduciary net position, ending (b)	<u>21,154,405</u>	<u>20,438,552</u>	<u>25,254,554</u>	<u>20,742,813</u>	<u>20,313,441</u>
Net pension liability, ending (a) - (b)	<u>\$ 10,084,394</u>	<u>\$ 10,256,349</u>	<u>\$ 11,379,151</u>	<u>\$ 14,578,920</u>	<u>\$ 13,644,487</u>
Fiduciary net position as a % of total pension liability	68%	67%	69%	59%	60%
Covered payroll	\$ 1,573,655	\$ 2,207,506	\$ 2,027,175	\$ 2,034,238	\$ 2,100,871
Net pension liability as a % of covered payroll	641%	465%	561%	717%	649%

*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.

City of Springfield, Oregon
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2019

OPERS RETIREMENT PLAN PENSION BENEFITS

Schedule of Proportionate Share of Net Pension Liability

	Fiscal Year Ending June 30,					
	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.3009%	0.3053%	0.2894%	0.3089%	0.2801%	0.2801%
Proportionate share of the net pension liability (asset)	\$ 45,585,971	\$ 41,153,474	\$ 43,443,622	\$ 17,733,343	\$ (6,349,764)	\$ 14,295,480
Covered payroll	29,957,604	29,371,018	28,785,414	27,340,088	26,270,045	26,151,761
Proportionate share of the pension liability (asset) as a percentage of its covered payroll	152.17%	140.12%	150.92%	64.86%	-24.17%	54.42%
Plan net position as a percentage of the total pension liability	82.1%	83.1%	80.5%	91.9%	103.6%	92.0%

*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.

**Amounts presented are as of the measurement date, which is one year in arrears

Schedule of Contributions

	Fiscal Year Ending June 30,					
	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 4,190,470	\$ 3,930,696	\$ 2,875,247	\$ 2,718,458	\$ 2,393,904	\$ 2,371,838
Contributions in relation to the contractually required contribution	4,190,470	3,930,696	2,875,247	2,718,458	2,393,904	2,371,838
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 31,987,774	\$ 29,957,604	\$ 29,371,018	\$ 27,340,088	\$ 27,340,088	\$ 26,270,045
Contributions as a percentage of covered payroll	13.10%	13.12%	9.79%	9.94%	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.

City of Springfield, Oregon

REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2019

OPEB RETIREMENT PLAN PENSION BENEFITS

Schedule of Proportionate Share of Net OPEB Liability

Implicit Rate Subsidy Plan	Fiscal Year Ending June 30,	
	2019	2018
Total OPEB Liability:		
Services cost	\$ 395,930	\$ 453,737
Interest on total OPEB liability	273,058	223,423
Difference between expected and actual experience		
Effect of economic/demographic (gains) or losses	159,236	
Effect of assumptions, changes or inputs	(1,219,048)	(495,892)
Benefit payments	(361,763)	(309,306)
Net change in total OPEB liability	<u>\$ (752,587)</u>	<u>\$ (128,038)</u>
Total OPEB liability - beginning	7,412,283	6,559,960
Restatement for GASB 75 Implementation		980,361
Total OPEB liability - beginning as restated	<u>7,412,283</u>	<u>7,540,321</u>
Total OPEB liability - ending	<u>\$ 6,659,696</u>	<u>\$ 7,412,283</u>
City's covered payroll	\$ 29,957,604	\$ 29,371,018
Total OPEB liability as a percentage of covered payroll	22.2%	25.2%

*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.

**Amounts presented are as of the measurement date, which is one year in arrears

City of Springfield, Oregon
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2019

OPEB RETIREMENT PLAN PENSION BENEFITS – Continued

Schedule of Proportionate Share of Net OPEB Liability

RHIA Cost Sharing Plan	Fiscal Year Ending June 30,	
	2019	2018
Net OPEB Liability:		
Proportion of the net pension liability (asset)	0.2885%	0.2986%
Proportionate share of the net pension liability (asset)	\$ (322,081)	\$ (124,618)
Covered payroll	29,957,604	29,371,018
Proportionate share of the pension liability (asset) as a percentage of its covered payroll	-1.1%	-0.4%
Plan net position as a percentage of the total pension liability	124.0%	108.9%

*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.

**Amounts presented are as of the measurement date, which is one year in arrears

Schedule of Contributions

	Fiscal Year Ending June 30,	
	2019	2018
Contractually required contribution	\$ 147,942	\$ 139,708
Contributions in relation to the contractually required contribution	138,490	148,660
Contribution deficiency (excess)	<u>\$ 9,452</u>	<u>\$ (8,952)</u>
Covered payroll	\$ 31,987,774	\$ 29,957,604
Contributions as a percentage of covered payroll	0.46%	0.47%

*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.

SPRINGFIELD



Other Supplementary Information



Nonmajor Governmental Funds Combining Statements

SPRINGFIELD



OREGON

City of Springfield, Oregon
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

June 30, 2019

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 6,260,423	\$ 8,863,788	\$ 399,226	\$ 15,523,437
Receivables:				
Accounts	326,533	19,368	-	345,901
Taxes	88,329	-	156,655	244,984
Grants	129,367	-	-	129,367
Accrued interest	16,648	26,387	3,774	46,809
Assessments and liens	-	61,697	-	61,697
Notes	1,340,772	-	-	1,340,772
Deferred system development fees	26	928,915	-	928,941
Prepaid items	256,462	-	-	256,462
Total assets	\$ 8,418,560	\$ 9,900,155	\$ 559,655	\$ 18,878,370
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 155,338	\$ 88,532	\$ -	\$ 243,870
Accrued payroll and other liabilities	66,815	371	-	67,186
Deposits	1,500	53,075	-	54,575
Total liabilities	223,653	141,978	-	365,631
Deferred inflows of resources:				
Unavailable revenue	1,558,190	1,009,981	153,792	2,721,963
Fund Balances:				
Nonspendable	256,462	-	-	256,462
Restricted	5,885,902	5,416,051	400,482	11,702,435
Committed	-	2,569,918	-	2,569,918
Assigned	494,353	762,227	5,381	1,261,961
Total fund balances	6,636,717	8,748,196	405,863	15,790,776
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,418,560	\$ 9,900,155	\$ 559,655	\$ 18,878,370

City of Springfield, Oregon
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year ended June 30, 2019

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 3,803,672	\$ -	\$ 1,955,662	\$ 5,759,334
Licenses, permits and fees	51,528	-	-	51,528
Intergovernmental revenue	616,580	122,276	-	738,856
Charges for services	1,127,194	962,905	-	2,090,099
Fines and forfeitures	212,415	-	-	212,415
Investment earnings	143,496	222,412	30,557	396,465
Special assessments	-	17,098	-	17,098
Miscellaneous revenue	288,209	489,966	-	778,175
Total revenues	<u>6,243,094</u>	<u>1,814,657</u>	<u>1,986,219</u>	<u>10,043,970</u>
Expenditures:				
Current operating:				
General government	563,383	41,210	-	604,593
Fire and life safety	1,571,090	-	-	1,571,090
Police	465,802	-	-	465,802
Library	249,516	-	-	249,516
Development and public works	1,640,565	-	-	1,640,565
Capital projects	-	484,313	-	484,313
Debt service:				
Principal	-	-	1,445,000	1,445,000
Interest	-	-	523,000	523,000
Total expenditures	<u>4,490,356</u>	<u>525,523</u>	<u>1,968,000</u>	<u>6,983,879</u>
Excess of revenues over (under) expenditures	<u>1,752,738</u>	<u>1,289,134</u>	<u>18,219</u>	<u>3,060,091</u>
Other financing sources (uses):				
Transfers in	-	263,029	-	263,029
Transfers out	(610,452)	(81,803)	-	(692,255)
Total other financing sources (uses)	<u>(610,452)</u>	<u>181,226</u>	<u>-</u>	<u>(429,226)</u>
Net change in fund balances	1,142,286	1,470,360	18,219	2,630,865
Fund balance, beginning of year	<u>5,494,431</u>	<u>7,277,836</u>	<u>387,644</u>	<u>13,159,911</u>
Fund balance, end of year	<u>\$ 6,636,717</u>	<u>\$ 8,748,196</u>	<u>\$ 405,863</u>	<u>\$ 15,790,776</u>

Special Revenue Funds

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

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

Major Special Revenue Funds:

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

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.

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

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 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.



City of Springfield, Oregon

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

June 30, 2019

ASSETS	Special Revenue	Transient Room Tax	Community Development	Building	SEDA Downtown	Fire Levy	Total
Cash and investments	\$ 870,503	\$ 1,522,317	\$ 16,968	\$ 2,308,100	\$ 842,445	\$ 700,090	\$ 6,260,423
Receivables:							
Accounts	25,275	262,648	-	-	-	38,610	326,533
Taxes	-	-	-	-	21,968	66,361	88,329
Grants	54,235	-	75,132	-	-	-	129,367
Prepaid expenses	255,806	-	656	-	-	-	256,462
Accrued interest	-	4,322	-	7,492	2,159	2,675	16,648
Notes	-	-	1,228,799	-	111,973	-	1,340,772
Deferred system development fees	-	-	-	26	-	-	26
Total assets	\$ 1,205,819	\$ 1,789,287	\$ 1,321,555	\$ 2,315,618	\$ 978,545	\$ 807,736	\$ 8,418,560

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

Liabilities:							
Accounts payable	\$ 50,305	\$ 8,244	\$ 12,024	\$ 3,903	\$ 62,904	\$ 17,958	\$ 155,338
Accrued payroll and other liabilities	-	6,995	5,557	20,999	-	33,264	66,815
Deposits	-	-	-	-	1,500	-	1,500
Total liabilities	50,305	15,239	17,581	24,902	64,404	51,222	223,653
Deferred inflows of resources:							
Unavailable revenue	25,206	149,333	1,259,929	26	21,052	102,644	1,558,190
Fund balances:							
Nonspendable	255,806	-	656	-	-	-	256,462
Restricted	380,149	1,624,715	43,389	2,290,690	893,089	653,870	5,885,902
Assigned	494,353	-	-	-	-	-	494,353
Total fund balances	1,130,308	1,624,715	44,045	2,290,690	893,089	653,870	6,636,717
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,205,819	\$ 1,789,287	\$ 1,321,555	\$ 2,315,618	\$ 978,545	\$ 807,736	\$ 8,418,560

City of Springfield, Oregon

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

Year ended June 30, 2019

	Special Revenue	Transient Room Tax	Community Development	Building	SEDA Downtown	Fire Levy	Total
Revenues:							
Taxes	\$ -	\$ 1,382,885	\$ -	\$ -	\$ 765,063	\$ 1,655,724	\$ 3,803,672
Licenses, permits and fees	-	-	-	-	51,528	-	51,528
Intergovernmental revenue	360,685	-	204,562	-	350	50,983	616,580
Charges for services	-	-	-	1,127,194	-	-	1,127,194
Fines and forfeitures	167,980	-	-	-	44,435	-	212,415
Investment earnings	7,573	35,184	-	60,796	18,180	21,763	143,496
Miscellaneous revenue	134,126	1,706	152,252	-	125	-	288,209
Total revenues	670,364	1,419,775	356,814	1,187,990	879,681	1,728,470	6,243,094
Expenditures:							
Current operating:							
City manager's office	130,267	136,508	-	-	269,809	-	536,584
Finance	-	-	19,894	-	6,905	-	26,799
Fire and life safety	-	-	-	57,915	-	1,513,175	1,571,090
Police	465,802	-	-	-	-	-	465,802
Library	92,228	157,288	-	-	-	-	249,516
Development and public works	3,793	102,643	404,755	1,129,374	-	-	1,640,565
Total expenditures	692,090	396,439	424,649	1,187,289	276,714	1,513,175	4,490,356
Excess of revenues over (under) expenditures	(21,726)	1,023,336	(67,835)	701	602,967	215,295	1,752,738
Other financing sources (uses):							
Transfers out	-	(610,452)	-	-	-	-	(610,452)
Total other financing sources (uses)	-	(610,452)	-	-	-	-	(610,452)
Net change in fund balances	(21,726)	412,884	(67,835)	701	602,967	215,295	1,142,286
Fund balances, beginning of year	1,152,034	1,211,831	111,880	2,289,989	290,122	438,575	5,494,431
Fund balances, end of year	\$ 1,130,308	\$ 1,624,715	\$ 44,045	\$ 2,290,690	\$ 893,089	\$ 653,870	\$ 6,636,717

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, 2019

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ 115,000	\$ 366,102	\$ 360,685	\$ (5,417)	\$ -	\$ 360,685
Fines and forfeitures	-	45,000	167,980	122,980	-	167,980
Investment earnings	-	-	7,573	7,573	-	7,573
Miscellaneous revenue	127,630	157,883	134,126	(23,757)	-	134,126
Total revenues	<u>242,630</u>	<u>568,985</u>	<u>670,364</u>	<u>101,379</u>	<u>-</u>	<u>670,364</u>
Expenditures:						
Current operating:						
City manager's office	30,730	157,604	130,267	27,337	-	130,267
Police	320,000	746,228	465,802	280,426	-	465,802
Library	74,992	132,209	97,034	35,175	(4,806)	92,228
Development and public works	12,000	12,000	3,793	8,207	-	3,793
Capital projects	-	98,000	-	98,000	-	-
Total expenditures	<u>437,722</u>	<u>1,146,041</u>	<u>696,896</u>	<u>449,145</u>	<u>(4,806)</u>	<u>692,090</u>
Net change in fund balances	<u>(195,092)</u>	<u>(577,056)</u>	<u>(26,532)</u>	<u>550,524</u>	<u>4,806</u>	<u>(21,726)</u>
Fund balance, beginning of year	<u>1,003,670</u>	<u>1,152,035</u>	<u>1,152,034</u>	<u>(1)</u>	<u>-</u>	<u>1,152,034</u>
Fund balance, end of year	<u>\$ 808,578</u>	<u>\$ 574,979</u>	<u>\$ 1,125,502</u>	<u>\$ 550,523</u>	<u>\$ 4,806</u>	<u>\$ 1,130,308</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, 2019

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,435,000	\$ 1,435,000	\$ 1,382,885	\$ (52,115)	\$ -	\$ 1,382,885
Investment earnings	24,000	24,000	34,778	10,778	406	35,184
Miscellaneous revenue	-	-	1,706	1,706	-	1,706
Total revenues	<u>1,459,000</u>	<u>1,459,000</u>	<u>1,419,369</u>	<u>(39,631)</u>	<u>406</u>	<u>1,419,775</u>
Expenditures:						
Current operating:						
City manager's office	188,034	228,034	136,508	91,526	-	136,508
Library	174,523	243,712	157,288	86,424	-	157,288
Development and public works	115,405	115,405	102,643	12,762	-	102,643
Total expenditures	<u>477,962</u>	<u>587,151</u>	<u>396,439</u>	<u>190,712</u>	<u>-</u>	<u>396,439</u>
Excess of revenues over (under) expenditures	981,038	871,849	1,022,930	151,081	406	1,023,336
Other financing sources (uses):						
Transfers out	<u>(637,778)</u>	<u>(637,778)</u>	<u>(610,452)</u>	<u>27,326</u>	<u>-</u>	<u>(610,452)</u>
Net change in fund balances	343,260	234,071	412,478	178,407	406	412,884
Fund balance, beginning of year	<u>1,137,474</u>	<u>1,209,230</u>	<u>1,209,230</u>	<u>-</u>	<u>2,601</u>	<u>1,211,831</u>
Fund balance, end of year	<u>\$ 1,480,734</u>	<u>\$ 1,443,301</u>	<u>\$ 1,621,708</u>	<u>\$ 178,407</u>	<u>\$ 3,007</u>	<u>\$ 1,624,715</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, 2019

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ 879,371	\$ 1,307,679	\$ 204,562	\$ (1,103,117)	\$ -	\$ 204,562
Miscellaneous receipts	106,749	106,749	152,252	45,503	-	152,252
Total revenues	<u>986,120</u>	<u>1,414,428</u>	<u>356,814</u>	<u>(1,057,614)</u>	<u>-</u>	<u>356,814</u>
Expenditures:						
Current operating:						
Finance	20,890	20,890	19,894	996	-	19,894
Development and public works	900,786	1,329,095	404,755	924,340	-	404,755
Total expenditures	<u>921,676</u>	<u>1,349,985</u>	<u>424,649</u>	<u>925,336</u>	<u>-</u>	<u>424,649</u>
Net change in fund balances	64,444	64,443	(67,835)	(132,278)	-	(67,835)
Fund balance, beginning of year	<u>117,794</u>	<u>111,879</u>	<u>111,880</u>	<u>1</u>	<u>-</u>	<u>111,880</u>
Fund balance, end of year	<u>\$ 182,238</u>	<u>\$ 176,322</u>	<u>\$ 44,045</u>	<u>\$ (132,277)</u>	<u>\$ -</u>	<u>\$ 44,045</u>

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, 2019

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,434,500	\$ 1,434,500	\$ 1,127,194	\$ (307,306)	\$ -	\$ 1,127,194
Investment earnings	41,000	41,000	61,018	20,018	(222)	60,796
Total revenues	<u>1,475,500</u>	<u>1,475,500</u>	<u>1,188,212</u>	<u>(287,288)</u>	<u>(222)</u>	<u>1,187,990</u>
Expenditures:						
Current operating:						
Fire and life safety	61,069	61,069	57,915	3,154	-	57,915
Development and public works	1,158,463	1,158,463	1,129,374	29,089	-	1,129,374
Total expenditures	<u>1,219,532</u>	<u>1,219,532</u>	<u>1,187,289</u>	<u>32,243</u>	<u>-</u>	<u>1,187,289</u>
Net change in fund balances	255,968	255,968	923	(255,045)	(222)	701
Fund balance, beginning of year	<u>2,112,075</u>	<u>2,284,554</u>	<u>2,284,554</u>	<u>-</u>	<u>5,435</u>	<u>2,289,989</u>
Fund balance, end of year	<u>\$ 2,368,043</u>	<u>\$ 2,540,522</u>	<u>\$ 2,285,477</u>	<u>\$ (255,045)</u>	<u>\$ 5,213</u>	<u>\$ 2,290,690</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, 2019

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 662,748	\$ 662,748	\$ 765,063	\$ 102,315	\$ -	\$ 765,063
Licenses, permits and fees	50,000	50,000	51,528	1,528	-	51,528
Intergovernmental revenue	-	-	350	350	-	350
Fines and forfeitures	30,000	30,000	44,435	14,435	-	44,435
Investment earnings	700	700	17,001	16,301	1,179	18,180
Miscellaneous revenue	-	-	125	125	-	125
Total revenues	743,448	743,448	878,502	135,054	1,179	879,681
Expenditures:						
Current operating:						
City manager's office	497,910	497,910	381,782	116,128	(111,973)	269,809
Finance	7,225	7,225	6,905	320	-	6,905
Total expenditures	505,135	505,135	388,687	116,448	(111,973)	276,714
Excess of revenues over (under) expenditures	238,313	238,313	489,815	251,502	113,152	602,967
Fund balance, beginning of year	32,336	296,971	289,799	(7,172)	323	290,122
Fund balance, end of year	\$ 270,649	\$ 535,284	\$ 779,614	\$ 244,330	\$ 113,475	\$ 893,089

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, 2019

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,605,020	\$ 1,605,020	\$ 1,655,724	\$ 50,704	\$ -	\$ 1,655,724
Investment earnings	8,870	8,870	21,533	12,663	230	21,763
Intergovernmental revenue	-	89,593	50,983	(38,610)	-	50,983
 Total revenues	 <u>1,613,890</u>	 <u>1,703,483</u>	 <u>1,728,240</u>	 <u>24,757</u>	 <u>230</u>	 <u>1,728,470</u>
Expenditures:						
Current operating:						
Fire and life safety	<u>1,480,925</u>	<u>1,570,518</u>	<u>1,513,175</u>	<u>57,343</u>	<u>-</u>	<u>1,513,175</u>
 Net change in fund balances	 132,965	 132,965	 215,065	 82,100	 230	 215,295
Fund balance, beginning of year	<u>417,443</u>	<u>436,944</u>	<u>436,944</u>	<u>-</u>	<u>1,631</u>	<u>438,575</u>
Fund balance, end of year	<u>\$ 550,408</u>	<u>\$ 569,909</u>	<u>\$ 652,009</u>	<u>\$ 82,100</u>	<u>\$ 1,861</u>	<u>\$ 653,870</u>

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, 2019

	<u>General Obligation Debt Service</u>	<u>Bancroft Redemption</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 393,862	\$ 5,364	\$ 399,226
Receivables:			
Property taxes	156,655	-	156,655
Accrued interest	<u>3,757</u>	<u>17</u>	<u>3,774</u>
Total assets	<u>\$ 554,274</u>	<u>\$ 5,381</u>	<u>\$ 559,655</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts and refunds payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred inflows of resources:			
Unavailable revenue	<u>153,792</u>	<u>-</u>	<u>153,792</u>
Fund balances:			
Restricted	400,482	-	400,482
Assigned	<u>-</u>	<u>5,381</u>	<u>5,381</u>
Total fund balances	<u>400,482</u>	<u>5,381</u>	<u>405,863</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 554,274</u>	<u>\$ 5,381</u>	<u>\$ 559,655</u>

City of Springfield, Oregon
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2019

	General Obligation Debt Service	Bancroft Redemption	Total
Revenues:			
Taxes	\$ 1,955,533	\$ 129	\$ 1,955,662
Investment earnings	30,437	120	30,557
Total revenues	<u>1,985,970</u>	<u>249</u>	<u>1,986,219</u>
Expenditures:			
Debt service:			
Principal	1,445,000	-	1,445,000
Interest	523,000	-	523,000
Total expenditures	<u>1,968,000</u>	<u>-</u>	<u>1,968,000</u>
Net change in fund balances	17,970	249	18,219
Fund balances, beginning of year	<u>382,512</u>	<u>5,132</u>	<u>387,644</u>
Fund balances, end of year	<u>\$ 400,482</u>	<u>\$ 5,381</u>	<u>\$ 405,863</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, 2019

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,848,741	\$ 1,848,741	\$ 1,955,533	\$ 106,792	\$ -	\$ 1,955,533
Investment earnings	4,000	4,000	30,740	26,740	(303)	30,437
Total revenues	<u>1,852,741</u>	<u>1,852,741</u>	<u>1,986,273</u>	<u>133,532</u>	<u>(303)</u>	<u>1,985,970</u>
Expenditures:						
Debt service:						
Principal	1,445,000	1,445,000	1,445,000	-	-	1,445,000
Interest	523,005	523,005	523,000	5	-	523,000
Total expenditures	<u>1,968,005</u>	<u>1,968,005</u>	<u>1,968,000</u>	<u>5</u>	<u>-</u>	<u>1,968,000</u>
Net change in fund balances	(115,264)	(115,264)	18,273	133,537	(303)	17,970
Fund balance, beginning of year	<u>350,264</u>	<u>379,595</u>	<u>379,595</u>	<u>-</u>	<u>2,917</u>	<u>382,512</u>
Fund balance, end of year	<u>\$ 235,000</u>	<u>\$ 264,331</u>	<u>\$ 397,868</u>	<u>\$ 133,537</u>	<u>\$ 2,614</u>	<u>\$ 400,482</u>

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

Year Ended June 30, 2019

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ -	\$ -	\$ 129	\$ 129	\$ -	\$ 129
Investment earnings	600	600	196	(404)	(76)	120
Total revenues	<u>600</u>	<u>600</u>	<u>325</u>	<u>(275)</u>	<u>(76)</u>	<u>249</u>
Expenditures:						
Current operating:						
Finance	-	-	-	-	-	-
Excess of revenues over (under) expenditures	<u>600</u>	<u>600</u>	<u>325</u>	<u>(275)</u>	<u>(76)</u>	<u>249</u>
Net change in fund balances	600	600	325	(275)	(76)	249
Fund balance, beginning of year	<u>33,020</u>	<u>5,045</u>	<u>5,045</u>	<u>-</u>	<u>87</u>	<u>5,132</u>
Fund balance, end of year	<u>\$ 33,620</u>	<u>\$ 5,645</u>	<u>\$ 5,370</u>	<u>\$ (275)</u>	<u>\$ 11</u>	<u>\$ 5,381</u>

Capital Projects Funds

The City has four 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.

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 public transportation capital improvement costs and local capacity-increasing public transportation improvements. Financing is provided by transfers from the Street Fund, interest on investments, and system development charges.

SPRINGFIELD



OREGON

City of Springfield, Oregon
NONMAJOR CAPITAL PROJECTS FUNDS
BALANCE SHEET
 June 30, 2019

	Development Assessments Capital Projects	Development Capital Projects	SEDA Glenwood Capital Projects	Street Capital Projects	Total
ASSETS					
Cash and investments	\$ 522,321	\$ 4,377,922	\$ 233	\$ 3,963,312	\$ 8,863,788
Receivables:					
Accounts	-	-	-	19,368	19,368
Accrued interest	1,713	13,606	-	11,068	26,387
Assessments and liens	61,697	-	-	-	61,697
Deferred system development fees	-	-	-	928,915	928,915
Total assets	<u>\$ 585,731</u>	<u>\$ 4,391,528</u>	<u>\$ 233</u>	<u>\$ 4,922,663</u>	<u>\$ 9,900,155</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 8,530	\$ -	\$ 80,002	\$ 88,532
Accrued payroll and other liabilities	371	-	-	-	371
Deposits	-	-	-	53,075	53,075
Total liabilities	<u>371</u>	<u>8,530</u>	<u>-</u>	<u>133,077</u>	<u>141,978</u>
Deferred inflows of resources:					
Unavailable revenue	61,697	-	-	948,284	1,009,981
Fund balances:					
Restricted	-	1,574,516	233	3,841,302	5,416,051
Committed	523,663	2,046,255	-	-	2,569,918
Assigned	-	762,227	-	-	762,227
Total fund balances	<u>523,663</u>	<u>4,382,998</u>	<u>233</u>	<u>3,841,302</u>	<u>8,748,196</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 585,731</u>	<u>\$ 4,391,528</u>	<u>\$ 233</u>	<u>\$ 4,922,663</u>	<u>\$ 9,900,155</u>

City of Springfield, Oregon

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

Year Ended June 30, 2019

	Development Assessments Capital Projects	Development Capital Projects	SEDA Glenwood Capital Projects	Street Capital Projects	Total
Revenues:					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 122,276	\$ 122,276
Charges for services	-	300,257	-	662,648	962,905
Investment earnings	15,206	116,963	-	90,243	222,412
Special assessments	17,098	-	-	-	17,098
Miscellaneous revenue	-	374,090	-	115,876	489,966
Total revenues	32,304	791,310	-	991,043	1,814,657
Expenditures:					
Current operating:					
General government	41,210	-	-	-	41,210
Capital projects	-	188,311	-	296,002	484,313
Total expenditures	41,210	188,311	-	296,002	525,523
Excess of revenues over (under) expenditures	(8,906)	602,999	-	695,041	1,289,134
Other financing sources (uses):					
Transfer in	-	113,029	-	150,000	263,029
Transfer out	-	(81,803)	-	-	(81,803)
Total other financing sources (uses)	-	31,226	-	150,000	181,226
Net change in fund balances	(8,906)	634,225	-	845,041	1,470,360
Fund balance, beginning of year	532,569	3,748,773	233	2,996,261	7,277,836
Fund balance, end of year	\$ 523,663	\$ 4,382,998	\$ 233	\$ 3,841,302	\$ 8,748,196

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, 2019

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 11,200	\$ 11,200	\$ 15,356	\$ 4,156	\$ (150)	\$ 15,206
Special assessments	20,200	20,200	17,098	(3,102)	-	17,098
Total revenues	<u>31,400</u>	<u>31,400</u>	<u>32,454</u>	<u>1,054</u>	<u>(150)</u>	<u>32,304</u>
Expenditures:						
Current operating:						
Finance	58,357	58,357	41,210	17,147	-	41,210
Net change in fund balance	(26,957)	(26,957)	(8,756)	18,201	(150)	(8,906)
Fund balance, beginning of year	<u>539,611</u>	<u>531,227</u>	<u>531,227</u>	<u>-</u>	<u>1,342</u>	<u>532,569</u>
Fund balance, end of year	<u>\$ 512,654</u>	<u>\$ 504,270</u>	<u>\$ 522,471</u>	<u>\$ 18,201</u>	<u>\$ 1,192</u>	<u>\$ 523,663</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, 2019

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 300,276	\$ 300,276	\$ 300,257	\$ (19)	\$ -	\$ 300,257
Investment earnings	76,693	76,693	116,969	40,276	(6)	116,963
Miscellaneous revenue	119,895	123,403	374,090	250,687	-	374,090
Total revenues	<u>496,864</u>	<u>500,372</u>	<u>791,316</u>	<u>290,944</u>	<u>(6)</u>	<u>791,310</u>
Expenditures:						
Capital projects	253,473	385,010	192,148	192,862	(3,837)	188,311
Excess of revenues over (under) expenditures	<u>243,391</u>	<u>115,362</u>	<u>599,168</u>	<u>483,806</u>	<u>3,831</u>	<u>602,999</u>
Other financing sources (uses):						
Interfund loans issued	(847,000)	(847,000)	-	847,000	-	-
Transfer in	35,000	113,029	113,029	-	-	113,029
Transfer out	(81,803)	(81,803)	(81,803)	-	-	(81,803)
Total other financing sources (uses)	<u>(893,803)</u>	<u>(815,774)</u>	<u>31,226</u>	<u>847,000</u>	<u>-</u>	<u>31,226</u>
Net change in fund balances	(650,412)	(700,412)	630,394	1,330,806	3,831	634,225
Fund balance, beginning of year	<u>3,479,075</u>	<u>3,743,138</u>	<u>3,743,139</u>	<u>1</u>	<u>5,634</u>	<u>3,748,773</u>
Fund balance, end of year	<u>\$ 2,828,663</u>	<u>\$ 3,042,726</u>	<u>\$ 4,373,533</u>	<u>\$ 1,330,807</u>	<u>\$ 9,465</u>	<u>\$ 4,382,998</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, 2019

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Fund balance, beginning of year	\$ -	\$ -	\$ 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, 2019

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 19,000	\$ 19,000	\$ 89,164	\$ 70,164	\$ 1,079	\$ 90,243
Charges for services	450,000	450,000	662,648	212,648	-	662,648
Miscellaneous revenue	-	168,951	115,876	(53,075)	-	115,876
Intergovernmental revenue	-	99,125	122,276	23,151	-	122,276
Total revenues	469,000	737,076	989,964	252,888	1,079	991,043
Expenditures:						
Current operating						
Development and public works	97,543	97,543	-	97,543	-	-
Capital projects	1,831,364	4,599,440	296,002	4,303,438	-	296,002
Total expenditures	1,928,907	4,696,983	296,002	4,400,981	-	296,002
Excess of revenues over (under) expenditures	(1,459,907)	(3,959,907)	693,962	4,653,869	1,079	695,041
Other financing sources (uses):						
Transfer in	150,000	2,650,000	150,000	(2,500,000)	-	150,000
Net change in fund balance	(1,309,907)	(1,309,907)	843,962	2,153,869	1,079	845,041
Fund balance, beginning of year	2,770,604	2,989,642	2,989,642	-	6,619	2,996,261
Fund balance, end of year	\$ 1,460,697	\$ 1,679,735	\$ 3,833,604	\$ 2,153,869	\$ 7,698	\$ 3,841,302

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 Fund – This fund accounts for the operation, construction, and maintenance of the wastewater collection system. Primary revenues are sewer user fees and system development charges.

Storm Drainage Fund – This fund accounts for the operation, construction, and maintenance of the stormwater drainage system. Primary revenues are storm drainage fees and system development charges.

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:

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

SPRINGFIELD



City of Springfield, Oregon
SEWER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2019

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 7,631,000	\$ 7,631,000	\$ 7,513,298	\$ (117,702)	\$ 28,452	\$ 7,541,750
Investment earnings	225,000	225,000	612,724	387,724	1,346	614,070
Miscellaneous revenue	-	-	628	628	-	628
Total revenues	7,856,000	7,856,000	8,126,650	270,650	29,798	8,156,448
Expenses:						
Current operating:						
Information technology	340,427	360,426	257,142	103,284	-	257,142
Development and public works	3,691,181	3,691,181	3,316,341	374,840	245,616	3,561,957
Finance	15,748	15,747	14,833	914	-	14,833
Debt service:						
Principal	1,245,000	1,245,000	1,245,000	-	(1,245,000)	-
Interest	466,355	466,355	466,350	5	(76,271)	390,079
Capital projects	4,683,513	4,683,513	847,810	3,835,703	(847,810)	-
Depreciation	-	-	-	-	2,917,992	2,917,992
Total expenses	10,442,224	10,462,222	6,147,476	4,314,746	994,527	7,142,003
Excess of revenues over (under) expenses	(2,586,224)	(2,606,222)	1,979,174	4,585,396	(964,729)	1,014,445
Other financing sources (uses):						
Capital contributions	970,000	970,000	734,608	(235,392)	501,159	1,235,767
Transfers in	-	-	-	-	32,022	32,022
Total other financing sources (uses)	970,000	970,000	734,608	(235,392)	533,181	1,267,789
Excess of revenues and other financing sources over (under) Change in net position	(1,616,224)	(1,636,222)	2,713,782	4,350,004	(431,548)	2,282,234
Net position, beginning of year	21,707,250	22,084,550	22,084,550	-	45,645,328	67,729,878
Net position, end of year	<u>\$ 20,091,026</u>	<u>\$ 20,448,328</u>	<u>\$ 24,798,332</u>	<u>\$ 4,350,004</u>	<u>\$ 45,213,780</u>	<u>\$ 70,012,112</u>

City of Springfield, Oregon
 STORM DRAINAGE FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2019

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 7,308,000	\$ 7,308,000	\$ 7,220,843	\$ (87,157)	\$ 38,865	\$ 7,259,708
Investment earnings	298,000	298,000	484,481	186,481	(509)	483,972
Miscellaneous revenue	33,300	33,300	211,457	178,157	(174,515)	36,942
Total revenues	<u>7,639,300</u>	<u>7,639,300</u>	<u>7,916,781</u>	<u>277,481</u>	<u>(136,159)</u>	<u>7,780,622</u>
Expenses:						
Current operating:						
Information technology	264,539	284,539	198,296	86,243	-	198,296
Development and public works	5,312,048	5,316,048	4,743,231	572,817	327,658	5,070,889
Finance	15,758	15,759	14,672	1,087	-	14,672
Debt service:						
Principal	450,000	450,000	450,000	-	(450,000)	-
Interest	258,052	258,052	258,050	2	(29,428)	228,622
Capital projects	4,968,907	4,968,907	194,499	4,774,408	(194,499)	-
Depreciation	-	-	-	-	433,590	433,590
Total expenses	<u>11,269,304</u>	<u>11,293,305</u>	<u>5,858,748</u>	<u>5,434,557</u>	<u>87,321</u>	<u>5,946,069</u>
Excess of revenues over (under) expenses	(3,630,004)	(3,654,005)	2,058,033	5,712,038	(223,480)	1,834,553
Other financing sources (uses):						
Capital contributions	310,000	310,000	273,600	(36,400)	1,031,138	1,304,738
Transfers out	-	-	-	-	(32,022)	(32,022)
Total other financing sources/(uses)	<u>310,000</u>	<u>310,000</u>	<u>273,600</u>	<u>(36,400)</u>	<u>999,116</u>	<u>1,272,716</u>
Change in net position	(3,320,004)	(3,344,005)	2,331,633	5,675,638	775,636	3,107,269
Net position, beginning of year	<u>17,598,627</u>	<u>17,744,503</u>	<u>17,744,503</u>	<u>-</u>	<u>3,934,176</u>	<u>21,678,679</u>
Net position, end of year	<u>\$ 14,278,623</u>	<u>\$ 14,400,498</u>	<u>\$ 20,076,136</u>	<u>\$ 5,675,638</u>	<u>\$ 4,709,812</u>	<u>\$ 24,785,948</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, 2019

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Licenses, permits and fees	\$ -	\$ -	\$ 257,464	\$ 257,464	\$ (178,604)	\$ 78,860
Charges for services	5,705,000	5,770,400	5,862,188	91,788	13,921,643	19,783,831
Less: Contractual adjustments	-	-	-	-	(12,780,341)	(12,780,341)
Intergovernmental revenue	204,000	261,070	44,168	(216,902)	192,113	236,281
Investment earnings	15,000	15,000	44,762	29,762	(1,585)	43,177
Miscellaneous revenue	7,000	7,000	10,785	3,785	-	10,785
Total revenues	5,931,000	6,053,470	6,219,367	165,897	1,153,226	7,372,593
Expenses:						
Current operating:						
Fire and life safety	6,645,435	6,767,905	6,542,731	225,174	707,088	7,249,819
Depreciation	-	-	-	-	8,390	8,390
Total expenses	6,645,435	6,767,905	6,542,731	225,174	715,478	7,258,209
Excess of revenues over (under) expenses	(714,435)	(714,435)	(323,364)	391,071	437,748	114,384
Other financing sources (uses):						
Transfer out	(250,000)	(250,000)	-	250,000	-	-
Change in net position	(964,435)	(964,435)	(323,364)	641,071	437,748	114,384
Net position, beginning of year	1,111,447	1,711,246	1,711,246	-	(3,161,733)	(1,450,487)
Net position, end of year	<u>\$ 147,012</u>	<u>\$ 746,811</u>	<u>\$ 1,387,882</u>	<u>\$ 641,071</u>	<u>\$ (2,723,985)</u>	<u>\$ (1,336,103)</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, 2019

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,572,032	\$ 1,572,032	\$ 1,481,729	\$ (90,303)	\$ (191)	\$ 1,481,538
Investment earnings	10,000	10,000	35,203	25,203	369	35,572
Total revenues	<u>1,582,032</u>	<u>1,582,032</u>	<u>1,516,932</u>	<u>(65,100)</u>	<u>178</u>	<u>1,517,110</u>
Expenses:						
Current operating:						
Development and public works	546,569	546,569	440,355	106,214	10,565	450,920
Capital projects	226,000	226,000	-	226,000	-	-
Debt service:						
Principal	739,420	739,420	739,418	2	(739,418)	-
Interest	26,025	26,025	26,027	(2)	(4,295)	21,732
Depreciation	-	-	-	-	828,698	828,698
Total expenses	<u>1,538,014</u>	<u>1,538,014</u>	<u>1,205,800</u>	<u>332,214</u>	<u>95,550</u>	<u>1,301,350</u>
Excess of revenues over (under) expenses	44,018	44,018	311,132	267,114	(95,372)	215,760
Other financing sources (uses):						
Transfers out	<u>(67,548)</u>	<u>(67,548)</u>	<u>(67,548)</u>	<u>-</u>	<u>-</u>	<u>(67,548)</u>
Change in net position	(23,530)	(23,530)	243,584	267,114	(95,372)	148,212
Net position, beginning of year	<u>1,061,131</u>	<u>1,246,704</u>	<u>1,246,704</u>	<u>-</u>	<u>4,031,952</u>	<u>5,278,656</u>
Net position, end of year	<u>\$ 1,037,601</u>	<u>\$ 1,223,174</u>	<u>\$ 1,490,288</u>	<u>\$ 267,114</u>	<u>\$ 3,936,580</u>	<u>\$ 5,426,868</u>

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.



City of Springfield, Oregon
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF FUND NET POSITION
June 30, 2019

	Vehicle and Equipment	Insurance	SDC Administration	Total
ASSETS				
Current assets:				
Cash and investments	\$ 9,350,049	\$ 11,757,683	\$ 556,698	\$ 21,664,430
Prepays	39,817	2,697	-	42,514
Deposits	-	200,000	-	200,000
Accounts receivable	28,431	15,493	15,263	59,187
Accrued interest receivable	29,226	34,419	2,349	65,994
Deferred system development fees	-	-	84,798	84,798
Inventory	35,209	-	-	35,209
Total current assets	<u>9,482,732</u>	<u>12,010,292</u>	<u>659,108</u>	<u>22,152,132</u>
Noncurrent assets				
Capital assets				
Machinery and equipment	18,713,214	-	-	18,713,214
Less accumulated depreciation	<u>(13,341,625)</u>	<u>-</u>	<u>-</u>	<u>(13,341,625)</u>
Total noncurrent assets	<u>5,371,589</u>	<u>-</u>	<u>-</u>	<u>5,371,589</u>
Total assets	<u>14,854,321</u>	<u>12,010,292</u>	<u>659,108</u>	<u>27,523,721</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflow	-	121,309	124,145	245,454
Deferred OPEB outflow	<u>-</u>	<u>4,180</u>	<u>4,218</u>	<u>8,398</u>
Total deferred outflows	<u>-</u>	<u>125,489</u>	<u>128,363</u>	<u>253,852</u>
LIABILITIES				
Current liabilities:				
Accounts payable	94,499	1,461,809	1,671	1,557,979
Accrued interest payable	1,447	-	-	1,447
Capital lease obligation, current portion	146,970	-	-	146,970
Accrued claims liabilities, current portion	-	413,701	-	413,701
Accrued payroll and other related liabilities	-	262,221	7,953	270,174
Deposits	5,286	-	-	5,286
Unearned revenue	<u>-</u>	<u>29,912</u>	<u>-</u>	<u>29,912</u>
Total current liabilities	<u>248,202</u>	<u>2,167,643</u>	<u>9,624</u>	<u>2,425,469</u>
Noncurrent liabilities:				
Accrued absence payable	-	10,250	-	10,250
Capital lease obligation, less current portion	150,385	-	-	150,385
Accrued claims liabilities, less current portion	-	301,299	-	301,299
Net pension liability	-	319,125	334,305	653,430
Net OPEB obligation	<u>-</u>	<u>32,223</u>	<u>25,996</u>	<u>58,219</u>
Total noncurrent liabilities	<u>150,385</u>	<u>662,897</u>	<u>360,301</u>	<u>1,173,583</u>
Total liabilities	<u>398,587</u>	<u>2,830,540</u>	<u>369,925</u>	<u>3,599,052</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflow	-	25,261	25,271	50,532
Deferred OPEB inflow	<u>-</u>	<u>14,929</u>	<u>13,819</u>	<u>28,748</u>
Total deferred inflows	<u>-</u>	<u>40,190</u>	<u>39,090</u>	<u>79,280</u>
NET POSITION				
Net investment in capital assets	5,074,234	-	-	5,074,234
Unrestricted	<u>9,381,500</u>	<u>9,265,051</u>	<u>378,456</u>	<u>19,025,007</u>
Total net position	<u>\$ 14,455,734</u>	<u>\$ 9,265,051</u>	<u>\$ 378,456</u>	<u>\$ 24,099,241</u>

City of Springfield, Oregon
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
Year ended June 30, 2019

	Vehicle and Equipment	Insurance	SDC Administration	Total
Operating revenues:				
Intergovernmental revenue	\$ 345,455	\$ -	\$ -	\$ 345,455
Charges for services	2,228,499	10,128,853	7,838	12,365,190
Licenses and permits	-	-	128,399	128,399
Miscellaneous revenue	28,000	192,676	-	220,676
Total operating revenues	2,601,954	10,321,529	136,237	13,059,720
Operating expenses:				
Current operating:				
Human resources	-	9,936,506	-	9,936,506
Finance	4,132	-	18,419	22,551
Information technology	149,728	-	53,707	203,435
Library	7,261	-	-	7,261
Fire and life safety	58,555	-	-	58,555
Police	289,227	-	-	289,227
Development and public works	505,606	-	384,336	889,942
Depreciation	1,210,143	-	-	1,210,143
Total operating expenses	2,224,652	9,936,506	456,462	12,617,620
Operating income	377,302	385,023	(320,225)	442,100
Nonoperating revenues (expenses):				
Interest income	237,300	279,105	19,014	535,419
Interest expense	(9,547)	-	-	(9,547)
Gain/(loss) on disposition of equipment	(2,994)	-	-	(2,994)
Total nonoperating revenues (expenses)	224,759	279,105	19,014	522,878
Income before capital contributions and transfers	602,061	664,128	(301,211)	964,978
Transfers out	-	(113,029)	-	(113,029)
Change in net position	602,061	551,099	(301,211)	851,949
Net position, beginning of year	13,853,673	8,713,952	679,667	23,247,292
Net position, end of year	\$ 14,455,734	\$ 9,265,051	\$ 378,456	\$ 24,099,241

City of Springfield, Oregon
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended June 30, 2019

	Vehicle and Equipment	Insurance	SDC Administration	Total
Cash flows from operating activities:				
Cash received from interfund services provided	\$ 2,243,494	\$ 10,124,085	\$ (23,016)	\$ 12,344,563
Cash paid for employee services	-	(310,221)	(323,087)	(633,308)
Cash paid to suppliers for goods and services	(1,143,429)	(8,917,238)	(98,195)	(10,158,862)
Other operating receipts	373,455	192,676	128,399	694,530
Net cash provided by operating activities	<u>1,473,520</u>	<u>1,089,302</u>	<u>(315,899)</u>	<u>2,246,923</u>
Cash flows from noncapital financing activities:				
Transfers to other funds	-	(113,029)	-	(113,029)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(707,352)	-	-	(707,352)
Disposition of capital assets	(14,663)	-	-	(14,663)
Principal paid on long-term debt	(143,635)	-	-	(143,635)
Interest paid	(10,246)	-	-	(10,246)
Net cash used in capital and related financing activities	<u>(875,895)</u>	<u>-</u>	<u>-</u>	<u>(875,895)</u>
Cash flows from investing activities:				
Interest received	236,521	280,425	19,451	536,397
Net change in cash and investments	834,146	1,256,698	(296,448)	1,794,396
Cash and investments, beginning of year	8,515,903	10,500,985	853,146	19,870,034
Cash and investments, end of year	<u>\$ 9,350,049</u>	<u>\$ 11,757,683</u>	<u>\$ 556,698</u>	<u>\$ 21,664,430</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating income	\$ 377,302	\$ 385,023	\$ (320,225)	\$ 442,100
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,210,143	-	-	1,210,143
Changes in assets and liabilities:				
Prepays	(19,005)	72,930	-	53,925
Accounts receivable	14,995	(4,768)	(30,854)	(20,627)
Deposits	5,286	-	-	5,286
Inventory	(8,598)	-	-	(8,598)
Net pension liability and related deferrals	-	30,661	39,652	70,313
Accounts payable	(106,603)	549,714	612	443,723
Accrued payroll and other liabilities	-	15,493	41	15,534
Accrued claims liabilities	-	7,000	-	7,000
Unearned revenue	-	29,912	-	29,912
Net OPEB obligation and related deferrals	-	3,337	(5,125)	(1,788)
Net cash provided by operating activities	<u>\$ 1,473,520</u>	<u>\$ 1,089,302</u>	<u>\$ (315,899)</u>	<u>\$ 2,246,923</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, 2019

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ -	\$ 345,455	\$ 345,455	\$ -	\$ -	\$ 345,455
Charges for services	2,153,812	2,153,812	2,227,935	74,123	564	2,228,499
Investment earnings	113,524	113,524	237,372	123,848	(72)	237,300
Miscellaneous revenue	-	-	43,337	43,337	(15,337)	28,000
Total revenues	2,267,336	2,612,791	2,854,099	241,308	(14,845)	2,839,254
Expenses:						
Current operating:						
Finance	8,400	8,400	4,132	4,268	-	4,132
Information technology	258,831	258,831	176,727	82,104	(26,999)	149,728
Library	8,000	8,000	7,261	739	-	7,261
Fire and life safety	408,200	801,213	413,703	387,510	(355,148)	58,555
Police	400,000	552,000	542,458	9,542	(253,231)	289,227
Development and public works	479,491	1,231,674	577,580	654,094	(71,974)	505,606
Debt service:						
Principal	143,635	143,635	143,634	1	(143,634)	-
Interest	10,248	10,248	10,247	1	(700)	9,547
Depreciation	-	-	-	-	1,210,143	1,210,143
Total expenses	1,716,805	3,014,001	1,875,742	1,138,259	358,457	2,234,199
Excess of revenues over (under) expenses	550,531	(401,210)	978,357	1,379,567	(373,302)	605,055
Other financing sources (uses):						
Gain on disposal of assets	-	-	-	-	(2,994)	(2,994)
Change in net position	550,531	(401,210)	978,357	1,379,567	(376,296)	602,061
Net position, beginning of year			8,382,476	-	5,471,197	13,853,673
Net position, end of year	\$ 8,551,843	\$ 7,981,266	\$ 9,360,833	\$ 1,379,567	\$ 5,094,901	\$ 14,455,734

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, 2019

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 20,895,331	\$ 20,895,331	\$ 20,365,813	\$ (529,518)	\$ (10,236,960)	\$ 10,128,853
Investment earnings	65,000	65,000	280,795	215,795	(1,690)	279,105
Miscellaneous revenue	65,000	65,000	196,286	131,286	(3,610)	192,676
Total revenues	<u>21,025,331</u>	<u>21,025,331</u>	<u>20,842,894</u>	<u>(182,437)</u>	<u>(10,242,260)</u>	<u>10,600,634</u>
Expenses:						
Current operating:						
Human resources	1,369,541	1,386,341	1,127,073	259,268	1,095,038	2,222,111
Health insurance	8,586,936	8,586,936	7,339,467	1,247,469	374,928	7,714,395
Statutory payments	11,528,110	11,528,110	11,218,473	309,637	(11,218,473)	-
Total expenses	<u>21,484,587</u>	<u>21,501,387</u>	<u>19,685,013</u>	<u>1,816,374</u>	<u>(9,748,507)</u>	<u>9,936,506</u>
Excess of revenues over (under) expenses	<u>(459,256)</u>	<u>(476,056)</u>	<u>1,157,881</u>	<u>1,633,937</u>	<u>(493,753)</u>	<u>664,128</u>
Other financing sources (uses):						
Transfers out	<u>(35,000)</u>	<u>(113,029)</u>	<u>(113,029)</u>	<u>-</u>	<u>-</u>	<u>(113,029)</u>
Change in net position	<u>(494,256)</u>	<u>(589,085)</u>	<u>1,044,852</u>	<u>1,633,937</u>	<u>(493,753)</u>	<u>551,099</u>
Net position, beginning of year	<u>10,100,055</u>	<u>10,016,792</u>	<u>10,016,792</u>	<u>-</u>	<u>(1,302,840)</u>	<u>8,713,952</u>
Net position, end of year	<u>\$ 9,605,799</u>	<u>\$ 9,427,707</u>	<u>\$ 11,061,644</u>	<u>\$ 1,633,937</u>	<u>\$ (1,796,593)</u>	<u>\$ 9,265,051</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, 2019

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 375,000	\$ 375,000	\$ 549	\$ (374,451)	\$ 7,289	\$ 7,838
Licenses and permits	100,000	100,000	104,834	4,834	23,565	128,399
Investment earnings	7,000	7,000	19,378	12,378	(364)	19,014
Total revenues	<u>482,000</u>	<u>482,000</u>	<u>124,761</u>	<u>(357,239)</u>	<u>30,490</u>	<u>155,251</u>
Expenses:						
Current operating:						
Information services	66,954	66,954	53,707	13,247	-	53,707
Finance	22,856	22,856	18,419	4,437	-	18,419
Development and public works	434,859	434,859	349,808	85,051	34,528	384,336
Total expenses	<u>524,669</u>	<u>524,669</u>	<u>421,934</u>	<u>102,735</u>	<u>34,528</u>	<u>456,462</u>
Change in net position	(42,669)	(42,669)	(297,173)	(254,504)	(4,038)	(301,211)
Net position, beginning of year	<u>716,259</u>	<u>844,961</u>	<u>844,961</u>	<u>-</u>	<u>(165,294)</u>	<u>679,667</u>
Net position, end of year	<u>\$ 673,590</u>	<u>\$ 802,292</u>	<u>\$ 547,788</u>	<u>\$ (254,504)</u>	<u>\$ (169,332)</u>	<u>\$ 378,456</u>

Fiduciary Funds

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

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

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



City of Springfield, Oregon
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended June 30, 2019

	Beginning Balance	Additions	Reductions	Ending Balance
ASSETS				
Cash and investments	\$ 89,741,230	\$ 71,579,906	\$ (75,351,818)	\$ 85,969,318
LIABILITIES				
Accounts payable	\$ 504,069	\$ 7,403,608	\$ (7,528,415)	\$ 379,262
Health reimbursement account deposits	1,408,904	889,879	(830,167)	1,468,616
Ambulance billing deposits	1,241,412	13,735,126	(13,801,967)	1,174,571
Bail deposits	520,123	1,107,659	(1,342,606)	285,176
Miscellaneous deposits	572,328	1,749,801	(1,620,767)	701,362
Regional Fiber Consortium deposits	234,520	679,569	(644,916)	269,173
Metropolitan Wastewater Management Commission deposits	85,259,874	248,943,571	(252,512,287)	81,691,158
Total liabilities	\$ 89,741,230	\$ 274,509,213	\$ (278,281,125)	\$ 85,969,318



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.

SPRINGFIELD



Financial Trend Information



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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 107,712,593	\$ 109,751,002	\$ 108,631,529	\$ 108,731,315	\$ 107,219,252	\$ 112,632,832	\$ 115,176,581	\$ 122,230,625	\$ 120,175,702	\$ 129,324,764
Restricted	5,268,152	12,102,762	11,424,559	13,171,125	14,144,006	18,977,155	17,357,721	17,295,648	22,674,644	20,647,784
Unrestricted	29,581,397	20,196,736	21,514,015	19,835,794	20,240,783	4,394,678	(5,988,448)	(11,706,242)	(15,369,959)	(11,948,772)
Total governmental activities net position	\$ 142,562,142	\$ 142,050,500	\$ 141,570,103	\$ 141,738,234	\$ 141,604,041	\$ 136,004,665	\$ 126,545,854	\$ 127,820,031	\$ 127,480,387	\$ 138,023,776
Business-type activities										
Net investment in capital assets	\$ 48,338,342	\$ 51,248,289	\$ 57,872,702	\$ 51,972,745	\$ 54,491,005	\$ 52,836,347	\$ 54,212,835	\$ 54,802,364	\$ 55,901,549	\$ 57,366,837
Restricted	2,989,453	3,091,423	3,236,454	3,273,179	3,072,205	3,348,526	3,976,909	4,733,337	5,457,331	6,575,305
Unrestricted	12,562,982	15,019,532	13,474,770	22,668,331	23,137,298	27,590,908	28,145,472	31,242,641	32,027,245	34,958,604
Total business-type activities net position	\$ 63,890,777	\$ 69,359,244	\$ 74,583,926	\$ 77,914,255	\$ 80,700,508	\$ 83,775,781	\$ 86,335,216	\$ 90,778,342	\$ 93,386,125	\$ 98,900,746
Primary government										
Net investment in capital assets	\$ 156,050,935	\$ 165,468,108	\$ 166,504,231	\$ 160,704,060	\$ 161,710,257	\$ 165,469,179	\$ 169,389,416	\$ 177,032,989	\$ 176,077,251	\$ 186,691,601
Restricted	8,257,605	15,194,185	14,661,013	16,444,304	17,216,211	22,325,681	21,334,630	22,028,985	28,131,975	27,223,089
Unrestricted	42,144,379	35,216,268	34,988,785	42,504,125	43,378,081	31,985,586	22,157,024	19,536,399	16,657,286	23,009,832
Total primary government net position	\$ 206,452,919	\$ 215,878,561	\$ 216,154,029	\$ 219,652,489	\$ 222,304,549	\$ 219,780,446	\$ 212,881,070	\$ 218,598,373	\$ 220,866,512	\$ 236,924,522

Source: Financial Statements

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 3,560,757	\$ 5,386,231	\$ 4,724,454	\$ 5,932,778	\$ 4,928,452	\$ 5,194,119	\$ 8,055,900	\$ 8,105,716	\$ 7,450,495	\$ 8,570,530
Fire and life safety	10,691,161	11,760,498	11,847,128	11,340,166	11,736,970	9,905,694	14,789,977	13,351,001	13,890,821	14,187,421
Police	17,259,569	18,444,853	19,694,617	19,561,178	20,708,780	18,007,975	26,060,501	22,068,423	22,233,956	23,962,665
Library	1,382,782	1,513,148	1,519,866	1,515,697	1,508,178	1,477,854	2,131,183	1,981,508	1,727,501	2,065,860
Development and public works	13,560,283	12,804,723	11,384,695	11,658,254	11,925,811	10,605,607	15,857,538	12,483,443	12,687,939	13,921,361
Depreciation, unallocated	283,227	283,227	284,439	297,774	270,618	270,619	250,942	207,852	250,435	207,852
Interest on long-term debt	1,373,371	1,301,309	1,220,457	1,143,393	1,027,212	909,122	744,674	518,495	457,480	488,109
Total governmental activities expense	48,111,150	51,493,989	50,675,656	51,449,240	52,106,021	46,370,990	67,890,715	58,716,438	58,698,627	63,403,798
Business-type activities:										
Sanitary sewer	4,803,431	4,886,099	5,190,475	6,155,571	6,848,708	6,340,495	7,523,149	7,158,008	7,269,835	7,304,346
Storm drainage	3,956,135	4,031,641	3,843,225	3,984,400	4,407,437	4,259,913	5,982,172	5,559,128	6,316,516	5,968,181
Booth Kelly	1,433,965	1,334,099	1,430,803	1,463,621	1,611,902	1,649,088	1,507,253	1,424,527	1,410,609	1,300,368
Ambulance	5,000,748	5,202,146	5,184,271	4,948,503	5,525,464	5,082,272	7,073,633	6,574,936	6,515,453	7,212,214
Business-type activities expenses	15,194,279	15,453,985	15,648,774	16,552,099	18,393,511	17,331,768	22,086,207	20,716,599	21,512,413	21,785,109
Total primary government expenses	\$ 63,305,429	\$ 66,947,974	\$ 66,324,430	\$ 68,001,335	\$ 70,499,532	\$ 63,702,758	\$ 89,976,922	\$ 79,433,037	\$ 80,211,040	\$ 85,188,907
Program Revenue										
Governmental activities:										
Charges for services:										
General government	\$ 1,940,273	\$ 3,360,519	\$ 3,759,347	\$ 3,874,817	\$ 3,766,791	\$ 3,868,870	\$ 3,888,018	\$ 4,078,095	\$ 4,248,830	\$ 4,194,777
Fire and life safety	1,716,417	1,725,642	1,764,798	1,769,064	1,874,473	1,809,091	1,921,748	1,984,859	1,916,552	2,012,641
Police	246,682	513,759	529,998	493,254	429,497	408,750	346,629	422,625	715,863	1,041,123
Library	103,475	97,718	99,186	105,329	102,737	125,482	106,200	120,912	117,372	118,372
Development and public works	2,168,001	1,544,638	1,749,513	2,263,872	2,054,066	2,710,606	3,420,717	2,884,311	2,626,049	2,880,108
Operating grants and contributions	6,436,204	5,616,572	5,514,649	4,428,156	5,039,850	4,444,185	4,184,978	4,954,592	5,135,869	5,626,172
Capital grants and contributions	3,994,233	3,661,254	1,109,866	2,192,135	481,598	9,934,788	4,841,296	4,085,842	2,177,260	4,181,484
Total governmental activities program revenues	16,605,285	16,520,102	14,527,357	15,126,627	13,749,012	23,301,772	18,709,586	18,531,236	16,937,537	20,054,677
Business-type activities:										
Charges for services:										
Sanitary sewer	6,325,689	6,927,642	7,261,314	7,324,173	7,536,486	7,738,487	7,224,927	8,798,173	7,709,636	7,541,750
Storm drainage	4,984,732	5,694,208	5,789,080	6,032,530	6,347,901	6,613,264	6,892,114	7,408,192	7,194,627	7,259,708
Booth Kelly	1,381,649	1,443,802	1,412,841	1,348,308	1,355,337	1,412,722	1,532,687	1,537,293	1,630,764	1,481,538
Ambulance	4,834,330	5,173,527	4,849,894	5,255,068	5,612,386	6,119,908	6,599,690	6,046,048	5,383,760	7,239,771
Capital grants and contributions	1,001,635	1,129,770	1,448,360	16,729	16,848	199,269	2,088,254	1,033,069	1,164,761	2,540,505
Total business-type activities program revenues	18,528,035	20,368,949	20,761,489	19,976,808	20,868,958	22,083,650	24,337,672	24,822,775	23,083,548	26,063,272
Total primary government program revenues	\$ 35,133,320	\$ 36,889,051	\$ 35,288,846	\$ 35,103,435	\$ 34,617,970	\$ 45,385,422	\$ 43,047,258	\$ 43,354,011	\$ 40,021,085	\$ 46,117,949
Net (Expense) Revenue										
Governmental activities	\$ (31,505,865)	\$ (34,973,887)	\$ (36,148,299)	\$ (36,322,613)	\$ (38,357,009)	\$ (23,069,218)	\$ (49,181,129)	\$ (40,227,785)	\$ (41,761,090)	\$ (43,349,121)
Business-type activities	3,333,756	4,914,964	5,112,715	3,424,713	2,475,447	4,751,882	2,251,465	4,106,176	1,571,135	4,278,163
Total primary government net expense	\$ (28,172,109)	\$ (30,058,923)	\$ (31,035,584)	\$ (32,897,900)	\$ (35,881,562)	\$ (18,317,336)	\$ (46,929,664)	\$ (36,121,609)	\$ (40,189,955)	\$ (39,070,958)

Continued

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 26,616,211	\$ 25,890,066	\$ 27,056,405	\$ 27,891,748	\$ 28,735,713	\$ 30,497,567	\$ 29,449,109	\$ 30,691,286	\$ 30,910,303	\$ 33,272,981
Room tax	679,566	777,085	901,665	973,830	1,070,722	1,219,497	1,373,464	1,445,031	1,553,872	1,356,155
Other taxes	3,088,825	3,018,549	2,744,424	2,754,883	3,158,101	3,288,462	3,387,888	3,446,975	3,567,850	3,473,477
Payment in lieu of taxes	2,346,889	2,373,660	2,358,273	2,375,949	2,390,734	2,404,859	2,392,729	2,353,365	2,414,018	2,403,565
Investment earnings	664,423	421,956	337,514	333,178	361,323	305,267	416,909	573,280	783,330	1,557,790
Miscellaneous	201,184	486,358	727,049	985,770	908,413	857,657	867,789	972,473	1,345,586	1,351,036
Gain (loss) on disposition of capital assets	(57,355)	-	-	-	-	-	149,687	-	-	-
Shared revenue	1,247,546	1,387,527	1,400,459	1,460,463	1,533,466	1,579,978	1,584,743	2,019,553	1,743,533	2,026,255
Transfers	(30,673)	107,047	142,115	71,894	64,344	71,311	100,000	-	63,000	67,548
Total governmental activities	\$ 34,756,616	\$ 34,462,248	\$ 35,667,904	\$ 36,847,715	\$ 38,222,816	\$ 40,224,598	\$ 39,722,318	\$ 41,501,963	\$ 42,381,492	\$ 45,508,807
Business-type activities:										
Investment earnings	409,360	292,416	237,091	211,730	282,238	162,671	227,641	317,398	528,250	1,176,791
Miscellaneous	186,763	368,134	16,990	78,204	92,912	446,106	180,329	19,552	209,703	127,215
Transfers	30,673	(107,047)	(142,115)	(71,894)	(64,344)	(71,311)	(100,000)	-	(63,000)	(67,548)
Total business-type activities	\$ 626,796	\$ 553,503	\$ 111,966	\$ 218,040	\$ 310,806	\$ 537,466	\$ 307,970	\$ 336,950	\$ 674,953	\$ 1,236,458
Total primary government	\$ 35,383,412	\$ 35,015,751	\$ 35,779,870	\$ 37,065,755	\$ 38,533,622	\$ 40,762,064	\$ 40,030,288	\$ 41,838,913	\$ 43,056,445	\$ 46,745,265
Change in Net Position										
Governmental activities	\$ (217,271)	\$ (1,686,051)	\$ (654,709)	\$ (1,509,294)	\$ (134,193)	\$ 17,155,380	\$ (9,458,811)	\$ 1,316,761	\$ 620,402	\$ 2,159,686
Business-type activities	5,541,760	5,666,218	3,536,679	2,693,487	2,786,253	5,289,348	2,559,435	4,443,126	2,246,088	5,514,621
Total primary government	\$ 5,324,489	\$ 3,980,167	\$ 2,881,970	\$ 1,184,193	\$ 2,652,060	\$ 22,444,728	\$ (6,899,376)	\$ 5,759,887	\$ 2,866,490	\$ 7,674,307

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 10,546	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	7,843,269	-	-	-	-	-	-	-	-	-
Nonspendable	-	5,420	5,589	49,644	22,109	86,584	98,292	83,602	64,408	118,343
Restricted	-	600,000	632	-	-	-	-	-	-	-
Committed	-	65,721	37,863	12,764	25,902	83,224	172,840	293,004	293,004	472,153
Assigned	-	39,224	600,000	600,000	600,000	600,000	600,000	1,000,000	1,000,000	1,000,000
Unassigned	-	6,872,613	7,134,387	7,538,441	7,698,382	8,553,497	7,999,863	7,387,428	8,388,052	9,176,504
Total general fund	\$ 7,853,815	\$ 7,582,978	\$ 7,778,471	\$ 8,200,849	\$ 8,346,393	\$ 9,323,305	\$ 8,870,995	\$ 8,764,034	\$ 9,745,464	\$ 10,767,000
All Other Governmental Funds										
Reserved	\$ 4,492,479	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	4,459,760	-	-	-	-	-	-	-	-	-
Capital projects funds	4,030,636	-	-	-	-	-	-	-	-	-
Debt service funds	1,257,621	-	-	-	-	-	-	-	-	-
Nonspendable	-	179,198	160,531	151,297	147,593	205,477	223,261	219,897	243,998	520,564
Restricted	-	7,022,919	8,020,323	8,535,571	9,060,917	13,642,430	14,194,470	13,672,194	18,873,553	16,461,113
Committed	-	4,546,915	4,024,188	3,130,187	2,460,530	2,617,234	1,980,130	2,036,262	2,200,742	2,569,918
Assigned	-	1,009,473	426,016	410,941	443,945	644,492	1,493,031	808,377	920,076	1,261,961
Unassigned	-	-	-	(26,365)	(64,907)	(23,321)	(37,306)	(142,091)	-	-
Total all other governmental funds	\$ 14,240,496	\$ 12,758,505	\$ 12,631,058	\$ 12,201,631	\$ 12,048,078	\$ 17,086,312	\$ 17,853,586	\$ 16,594,639	\$ 22,238,369	\$ 20,813,556

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue:										
Taxes	\$ 28,121,897	\$ 28,169,922	\$ 28,838,941	\$ 30,059,119	\$ 31,087,716	\$ 33,065,500	\$ 31,862,305	\$ 33,098,818	\$ 33,794,986	\$ 36,654,081
Licenses and permits	2,583,181	2,538,309	2,300,827	2,463,338	2,700,850	2,783,280	3,122,149	3,325,162	3,251,909	3,184,547
Intergovernmental	9,857,571	9,405,123	8,974,691	8,475,485	8,576,500	12,172,857	8,484,882	9,224,182	9,515,619	10,388,913
Charges for services	7,041,256	7,417,478	6,958,019	7,022,389	7,142,048	7,670,658	9,247,507	8,410,972	8,740,655	8,255,515
Fines & forfeitures	1,437,612	1,807,580	1,736,722	1,497,458	1,673,933	1,688,251	1,652,415	1,655,009	1,813,942	1,819,429
Use of money & property	452,130	263,317	170,279	191,559	141,996	109,373	170,631	276,286	427,571	1,017,688
Special assessments	10,856	25,625	48,934	42,569	31,651	45,618	25,265	18,989	13,082	17,098
Miscellaneous revenue	267,380	664,045	648,988	306,085	570,176	708,847	775,308	743,777	785,899	1,205,665
Total Revenues	49,771,883	50,291,399	49,677,401	50,058,002	51,924,870	58,244,384	55,340,462	56,753,195	58,343,663	62,522,936
Expenditures:										
Current Operating:										
General government	5,536,753	5,825,159	6,083,214	6,306,579	6,042,155	6,643,279	8,240,463	8,509,994	7,901,804	8,571,201
Fire and life safety	10,651,586	11,373,445	11,514,553	11,242,700	11,515,444	11,237,818	11,848,268	12,380,622	12,894,682	13,114,125
Police	16,185,060	16,757,981	17,744,329	18,318,088	19,118,811	18,997,316	20,231,011	19,388,013	19,748,479	21,115,709
Library	1,360,464	1,375,033	1,426,083	1,457,714	1,440,438	1,610,330	1,706,475	1,848,510	1,646,799	1,904,135
Development and public works	12,085,092	10,925,370	9,283,821	9,041,272	9,427,305	9,233,725	9,063,061	9,285,822	9,036,058	9,628,378
Capital Projects	12,119,784	2,845,047	1,001,890	789,407	1,232,663	1,354,801	2,187,974	6,204,622	967,170	6,095,447
Debt service:										
Principal	2,173,240	2,251,618	2,330,192	2,418,973	2,507,974	2,602,206	1,630,000	2,156,706	1,695,530	2,021,673
Interest	1,364,942	1,283,376	1,197,635	1,108,223	1,011,446	913,103	807,469	650,730	653,657	674,222
Bond issue costs	-	-	-	-	-	-	131,205	-	-	-
Arbitrage	49,406	-	-	-	-	-	-	-	-	-
Total expenditures	61,526,327	52,637,029	50,581,717	50,682,956	52,296,236	52,592,578	55,845,926	60,425,019	54,544,179	63,124,890
Excess of revenues over (under) expenditures	(11,754,444)	(2,345,630)	(904,316)	(624,954)	(371,366)	5,651,806	(505,464)	(3,671,824)	3,799,484	(601,954)
Other financing sources (uses):										
Transfers in	4,647,041	4,050,527	5,079,050	5,073,111	4,754,376	4,874,912	6,369,454	1,775,328	2,729,248	1,458,838
Transfers out	(4,146,202)	(3,458,750)	(4,120,498)	(4,458,815)	(4,409,317)	(4,506,705)	(5,801,301)	(1,459,296)	1,229,455	(1,278,261)
Issuance of debt	-	-	-	-	-	-	16,994,808	2,000,000	(1,166,455)	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	(16,863,603)	-	-	-
Total other financing sources (uses)	500,839	591,777	958,552	614,296	345,059	368,207	699,358	2,316,032	2,792,248	180,577
Net changes in fund balances	\$ (11,253,605)	\$ (1,753,853)	\$ 54,236	\$ (10,658)	\$ (26,307)	\$ 6,020,013	\$ 193,894	\$ (1,355,792)	\$ 6,591,732	\$ (421,377)
Debt services as a percentage of non-capital expenditures *	7.14%	7.03%	7.09%	7.05%	6.83%	6.84%	4.59%	5.21%	4.39%	4.71%



Revenue Capacity Information

SPRINGFIELD



City of Springfield, Oregon

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal year ended June 30,	Real Property	Manufactured Structures	Personal Property	Utilities	Total Taxable Assessed Value Including Urban Renewal and Exempt Property	Total City Direct Tax Rate	Total Urban Renewal Tax Rate	Estimated Actual Taxable Value
2010	*	*	*	*	\$ 3,726,631,985	7.13	0.11	\$ 7,309,497,628
2011	*	*	*	*	3,747,745,557	7.06	0.09	6,750,427,991
2012	*	*	*	*	3,883,712,564	6.99	0.09	6,716,253,056
2013	*	*	*	*	3,998,513,269	6.94	0.15	6,399,350,681
2014	*	*	*	*	4,043,528,204	7.15	0.18	6,450,348,959
2015	*	*	*	*	4,253,901,084	7.03	0.22	6,782,631,808
2016	*	*	*	*	4,339,850,283	6.78	0.21	6,939,893,310
2017	*	*	*	*	4,471,924,355	6.79	0.21	7,145,332,593
2018	*	*	*	*	4,624,303,479	6.68	0.24	7,841,457,283
2019	4,541,773,087	29,429,233	197,693,142	88,220,300	4,857,115,762	6.77	0.30	8,492,723,597

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	Springfield Economic Development Agency	
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	
2017	4.65	0.50	1.28	0.36	6.79	5.88	1.65	0.83	0.22	2.31	0.21	
2018	4.64	0.40	1.28	0.36	6.68	5.84	1.64	0.83	0.22	2.28	0.24	
2019	4.62	0.39	1.40	0.36	6.77	5.78	1.77	0.83	0.22	2.25	0.30	

Source: Lane County Department of Assessment & Taxation

City of Springfield, Oregon

PRINCIPAL PROPERTY TAX PAYERS

Current Year and Nine Years Ago

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank *	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank *	Percentage of Total City Taxable Assessed Value
IP Eat Three LLC (Weyerhauser)	\$ 307,230,254	1	6.33%	\$ 196,148,058	1	5.26%
PeaceHealth	473,085,851	2	9.74%	293,157,502	3	7.87%
Gateway Mall Partners	75,125,501	3	1.55%	57,854,704	4	1.55%
McKenzie Willamette Hospital	63,108,805	4	1.30%	21,669,902	9	0.58%
PacificSource Properties LLC	42,839,994	5	0.88%	-		-
Rosboro LLC	37,849,980	6	0.78%	31,085,137	5	0.83%
Borden Chemical Inc	29,941,115	7	0.62%	-		-
HSRE NW Spec Clinics Mob LLC	29,542,738	8	0.61%	-		-
United States Bakery	29,386,258	9	0.61%	-		-
RC Springfield 2007 LLC	27,042,740	10	0.56%	22,086,216	7	0.59%
Symantec Corporation	-		-	77,524,843	2	2.08%
Kingsford Manufacturing	-		-	25,104,328	8	0.67%
Comcast Corporation	-		-	27,229,200	6	0.73%
Brentwood Estates LLC	-		-	18,375,885	10	0.49%
Total	\$ 1,115,153,236		22.96%	\$ 770,235,775		20.67%

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
2010	\$ 27,170,891	\$ 25,473,655	93.8%	\$ 1,578,792	\$ 27,052,447	99.56%
2011	26,956,427	25,339,490	94.0%	1,493,287	26,832,777	99.54%
2012	27,667,002	26,127,844	94.4%	1,411,491	27,539,335	99.54%
2013	28,646,245	26,967,621	94.1%	1,528,148	28,495,769	99.47%
2014	29,539,586	27,866,138	94.3%	1,508,620	29,374,758	99.44%
2015	31,427,683	29,665,353	94.4%	1,544,561	31,209,914	99.31%
2016	30,360,092	28,616,502	94.3%	1,503,897	30,120,399	99.21%
2017	31,525,757	29,852,562	94.7%	1,304,237	31,156,799	98.83%
2018	32,210,580	30,617,910	95.1%	1,029,269	31,647,179	98.25%
2019	34,341,345	32,759,524	95.4%	976,702	33,736,226	98.24%

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	Capital Leases	Notes Payable	Contracts Payable	Revenue Bonds	Notes Payable	Revenue Bonds	Notes Payable				
2010	\$ 29,464,188	\$ 1,382,311	\$ 1,920,962	\$ 210,000	\$ 23,463,735	\$ 6,697,965	\$ 63,139,161	0.54%	1,063			
2011	27,217,526	1,108,535	1,699,344	210,000	32,916,000	5,834,566	68,985,971	0.56%	1,156			
2012	25,130,137	1,114,360	1,469,152	210,000	31,445,204	5,068,098	64,436,951	0.50%	1,077			
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%	917			
2015	18,400,955	676,209	715,000	210,000	26,752,681	3,011,742	49,766,587	0.34%	828			
2016	17,194,064	535,062	520,000	210,000	25,318,704	2,198,125	45,975,955	0.30%	764			
2017	15,717,891	789,049	1,873,246	210,000	23,123,478	1,494,105	43,207,769	0.27%	712			
2018	13,992,095	440,990	4,296,965	210,000	21,190,522	739,418	40,869,990	*	674			
2019	13,243,365	297,355	3,720,293	210,000	19,317,564	505,833	37,294,410	*	608			

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>
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
2017	15,717,891	0.35%	260
2018	13,992,095	0.30%	230
2019	13,243,365	0.27%	216

Source: Annual Financial Statements,
Lane County Department of Assessment & Taxation
Population Research Center Portland State University

City of Springfield, Oregon

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

June 30, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage applicable</u>	<u>City's share of</u>
City of Springfield - general obligation bonds	\$ 13,243,366	100.00%	\$ 13,243,366
City of Springfield - notes payable	3,720,292	100.00%	3,720,292
City of Springfield - contracts payable	210,000	100.00%	210,000
City of Springfield - capital leases	<u>297,355</u>	100.00%	<u>297,355</u>
Total Direct debt	<u>\$ 17,471,013</u>		<u>\$ 17,471,013</u>
<u>Overlapping Debt</u>			
Lane Community College	\$ 100,900,000	14.71%	\$ 14,841,886
Lane County	71,928,282	14.92%	10,730,117
School District 19	156,993,582	75.81%	118,032,014
School District 4J	430,439,572	4.87%	20,977,473
Lane Education Service District	6,140,000	14.96%	918,243
Willamalane Park & Recreation District	15,789,483	94.02%	14,844,782
Goshen RFPD	286,075	0.52%	1,484
Lane County Housing Authority	9,200,000	14.92%	1,372,438
Total overlapping debt	791,676,994		<u>181,718,437</u>
Total direct and overlapping debt			<u>\$ 199,189,450</u>

Source: Oregon State Treasury

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, 2019</u>												
Real market value	\$ 8,492,723,597												
Debt limit 3% of real market value	\$ 254,781,708												
Amount of debt applicable to debt limit:	<u>11,630,000</u>												
Total debt margin	<u>\$ 243,151,708</u>												

	Fiscal Year										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Debt Limit	\$ 219,284,929	\$ 202,512,840	\$ 201,487,592	\$ 191,980,520	\$ 193,510,469	\$ 203,478,954	\$ 208,196,799	\$ 214,359,978	\$ 235,243,718	\$ 254,781,708	
Total net debt applicable to limit	29,210,296	27,242,807	25,845,000	23,665,000	21,410,000	19,070,000	15,975,000	14,465,000	13,075,000	11,630,000	
Legal debt margin	\$ 190,074,633	\$ 175,270,033	\$ 175,642,592	\$ 168,315,520	\$ 172,100,469	\$ 184,408,954	\$ 192,221,799	\$ 199,894,978	\$ 222,168,718	\$ 243,151,708	
Total net debt applicable to the limit as a percentage of debt limit	13.32%	13.45%	12.83%	12.33%	11.06%	9.37%	7.67%	6.75%	5.56%	4.56%	

Source: Lane County Assessment & Taxation
City of Springfield Financials

City of Springfield, Oregon

Pledged-Revenue Coverage

Last Ten Fiscal Years

Fiscal Year	Local Sewer Revenue Bonds					
	System Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2017	17,544,930	8,584,216	8,960,714	1,425,000	988,281	3.71
2018	16,755,001	9,117,789	7,637,212	1,755,000	656,409	3.17
2019	17,132,240	9,117,789	8,014,451	1,740,000	673,400	3.32

Source: Annual Financial Reports

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



Demographic and Economic Information

SPRINGFIELD



OREGON

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
2010	59,425	\$ 11,669,824	\$ 33,160	10,622	11.0%
2011	59,695	12,235,553	34,614	10,565	9.9%
2012	59,840	12,784,129	36,062	10,494	8.9%
2013	59,990	13,047,961	36,630	10,479	8.0%
2014	60,065	13,392,647	37,374	10,384	6.9%
2015	60,135	14,597,955	40,259	10,249	5.9%
2016	60,140	15,160,278	41,027	10,315	5.3%
2017	60,655	16,275,200	43,430	10,366	4.6%
2018	60,865	*	47,710	10,133	3.8%
2019	61,355	*	*	*	4.5%

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
all of Lane County; for FY2018, Per Capita Income is from the U.S. Census: data.census.gov
Beginning with FY2018, Per Capita Personal Income becoming unavailable, we are reporting Lane County
Median Household Income derived from the U.S. Census: data.census.gov
School enrollment data provided by Springfield School District No. 19.
Unemployment data provided by Bureau of Labor Statistics, United States Department of Labor and
represents the adjusted yearly average for the entire Eugene-Springfield Metropolitan area

* Not yet available

City of Springfield, Oregon

Principal Employers

Current Year and Nine Years Ago

<u>Employer**</u>	2019		
	Estimated average Employees	Rank	Percentage of Total City Employment
Peace Health Oregon Region	3,000	1	10.72%
Springfield School District #19	1,560	2	5.58%
Top 3 Technology employers	1,180	3	4.22%
McKenzie Willamette Hospital	850	4	3.04%
Top 3 Wood product employers	820	5	2.93%
Top 3 Food and beverage employers	490	6	1.75%
City of Springfield	402	7	1.44%
Willamalane Park and Recreational District	362	8	1.29%
State Government	320	9	1.14%
Federal Government	204	10	0.73%
Total	<u>9,188</u>		<u>32.84%</u>

<u>Employer</u>	2010		
	Estimated average Employees	Rank	Percentage of Total City Employment
Peace Health Oregon Region	3,350	1	13.75%
Springfield School District #19	1,403	2	5.76%
Symantic	1,253	3	5.14%
McKenzie Willamette Hospital	780	4	3.20%
City of Springfield	454	5	1.86%
Wal-Mart	425	6	1.74%
Willamalane Park and Recreation District	329	7	1.35%
Rosboro Lumber Company	320	8	1.31%
Royal Caribbean Cruise Lines	307	9	1.26%
Lane Transit District	304	10	1.25%
Total	<u>8,925</u>		<u>36.62%</u>

Source: City Economic Development Division

** Due to confidentiality - the department of labor no longer discloses employee numbers for private companies.

Operating Information

SPRINGFIELD



City of Springfield, Oregon

Full-time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

<u>Function/Program</u>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government										
City management	8.00	8.00	7.00	7.00	7.00	7.50	7.50	7.50	7.00	7.00
Finance	10.30	10.30	9.80	9.50	9.50	9.50	11.70	11.70	9.70	9.70
Human resources	6.00	6.00	6.00	6.00	6.00	6.00	6.00	8.00	8.00	7.00
Information technology	10.00	10.00	10.00	10.00	10.00	10.00	15.00	15.00	14.80	15.80
Legal/Judicial services	8.55	8.55	8.85	8.84	8.84	8.84	8.84	8.84	8.84	11.84
Police	123.00	126.00	124.16	122.99	122.99	123.00	123.00	124.00	123.00	123.00
Fire and Life Safety	108.00	106.00	103.00	101.00	100.00	99.00	99.00	97.50	95.75	101.65
Development and public works	155.75	149.25	140.75	130.56	129.75	130.00	123.00	123.00	126.38	126.55
Library	13.20	13.40	12.40	12.60	12.60	13.10	13.50	13.50	14.13	15.06
Total	442.80	437.50	421.96	408.49	406.68	406.94	407.54	409.04	407.60	417.60

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Criminal arrests (charges)	7,107	7,527	7,148	8,577	9,221	7,672	8,506	9,348	9,367	8,462
Parking violations	354	***	237	185	360	209	244	607	558	818
Traffic violations	9,423	10,299	10,122	10,648	7,517	7,775	8,219	8,087	7,997	7,644
Fire and life safety										
Number of fire stations	5	5	5	5	5	5	5	5	5	5
Incident responses	*	*	*	*	8,076	8,651	8,626	8,625	8,714	9,283
Fire incidents	*	*	*	*	206	177	185	167	162	180
Inspections	*	*	*	*	121	138	123	214	262	257
Library										
Number of public computer log-ins	60,335	59,994	46,797	64,065	70,756	56,666	53,733	25,683	21,958	22,220
Total volumes loaned	344,809	344,586	354,120	354,538	354,503	365,497	364,823	355,848	365,763	376,622
Development and public works										
Crack sealing (in miles)	12	9	3	40	28	11	12	0.14	2	4
Potholes repaired	1,569	1,062	1,364	1,124	1,047	775	***	***	1,103	1,634
Storm lines high velocity cleaning (in feet)	7,810	9,452	3,835	1,909	1,811	2,200	1,500	2,000	4,661	20,000
Sanitary lines high velocity cleaning (in feet)	965,853	653,641	652,069	587,954	363,748	426,466	601,920	786,000	646,635	510,000
Number of building permits **	491	400	428	382	433	466	224	427	1,541	2,236
Building valuation (in thousands)	\$ 48,150	\$ 38,067	\$ 40,698	\$ 44,388	\$ 44,621	\$ 51,818	\$ 77,150	\$ 91,011	\$ 71,631	\$ 88,928

Sources: Various city departments

* City of Eugene provides Fire and life safety statistics - between 2011 and 2014, the Cities of Eugene and Springfield were working through a merger of the departments. From 2014 on, the statistics represent Incident Responses, Fire Incidents and Inspections done inside the City of Springfield by employees who may be Springfield employees or Eugene employees. Prior to 2014, comparable data is unavailable.

** New constructions permits

*** Data not available

City of Springfield, Oregon

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

<u>Function/Program</u>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	20	20	20	20	20	20	20	24	24	26
Fire stations	5	5	5	5	5	5	5	5	5	5
Public works										
Streets (lane miles)	412	420	423	423	423	444	442	443	447	447
Street lights	4,160	4,208	4,350	4,530	4,300	4,362	4,338	4,227	4,431	4,518
Traffic signals	69	68	73	83	68	83	93	78	72	44 *

Sources: Various city departments

* Number of traffic signals for 2019 includes only those owned by Springfield. Prior years include signals installed within Springfield but owned by ODOT (Oregon Department of Transportation)



Compliance Section



Audit Comments





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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of Springfield, Oregon as of and for the year ended June 30, 2019, and have issued our report thereon dated December 27, 2019.

Compliance and Order Matters

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

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

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

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


Internal Control Over Financial Reporting

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

Restriction on Use

This report is intended solely for the information and use of the Honorable Mayor, 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 27, 2019