

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021

City of Springfield, OR



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SPRINGFIELD



CITY OF SPRINGFIELD, OREGON

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2021

Prepared by:

Finance Department
Accounting Division

SPRINGFIELD



OREGON

City of Springfield, Oregon

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2021

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Introductory Section

SPRINGFIELD



OREGON



FINANCE DEPARTMENT

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ASSESSMENTS
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December 24, 2021

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 Annual Comprehensive Financial Report of the City of Springfield for the fiscal year ended June 30, 2021.

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, 2021, 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, 2021, 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 62,352 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 Custodial 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 2015, Springfield voters renewed a special purpose five-year property tax levy for fire and life-safety services at a rate of \$0.36 per thousand beginning July 1, 2016. Subsequently, in November 2020, voters reauthorized that levy for another five years at a rate of \$0.38 per thousand beginning July 1, 2021. In November 2017, Springfield voters renewed a special

purpose five-year property tax levy for police, municipal court, and jail services at a rate of \$1.40 per thousand for five years beginning July 1, 2019. 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, 2021, the amount of the tax levy for general obligation debt was \$0.82 per thousand.

Local Economy July 2020-June 2021

The impacts of the global Coronavirus pandemic were felt globally and continued to generate unforeseen impacts to the Springfield, Oregon economy throughout 2021. The local responses to the pandemic also provided a glimpse into the desirability, accessibility, and diversity of Springfield industries, market rate housing options, and infrastructure.

Based on ongoing conversations and interviews with local housing developers, realtors and contractors, housing inventories through the majority of FY20 and FY21 reflected less than two months of inventory, often dropping to as little as two weeks. Housing rental markets reflected historically low vacancies, fueled by gains in population and a structurally high share of renters (47% of households are renters).

Overall residential vacancy rates have declined sharply from the pre-pandemic 2019 timeframe. In 2019 vacancies were estimated at only 3.3%. This data was identified on the eve of COVID-19 and did not yet reflect the real or perceived impacts of the global pandemic. By FY21, Springfield was experiencing a record low 1.9% multifamily residential vacancy rate, the lowest point within a 10-year lookback.

Despite patterns associated with COVID-19 cases and safety requirements and guidelines, Springfield continues to see patterns of investments in residential lands, local manufacturing and traded sector activities, increased values of property, and momentum in private and public projects and infrastructure investments. Springfield is made up of a mix of industries and balance of mature phase and startup phase companies. This diversification has contributed to levels of stability within the local economy during FY21, with many employers maintaining their workforce or quickly bringing back those employees impacted by temporary, early, layoffs.

Property Values

Total assessed property values have steadily increased over the last decade, although slowing during FY20 and FY21 with an increase of 2.6%, down from FY20 increases of almost 3%. Some of this loss was anticipated due to a mix of finalized property tax appeals on several key employer campuses and potential impacts of COVID-19. In total, FY21 assessed property values in the City of Springfield totaled over \$5.1 billion, an increase of \$127 million over FY20.

Population Growth

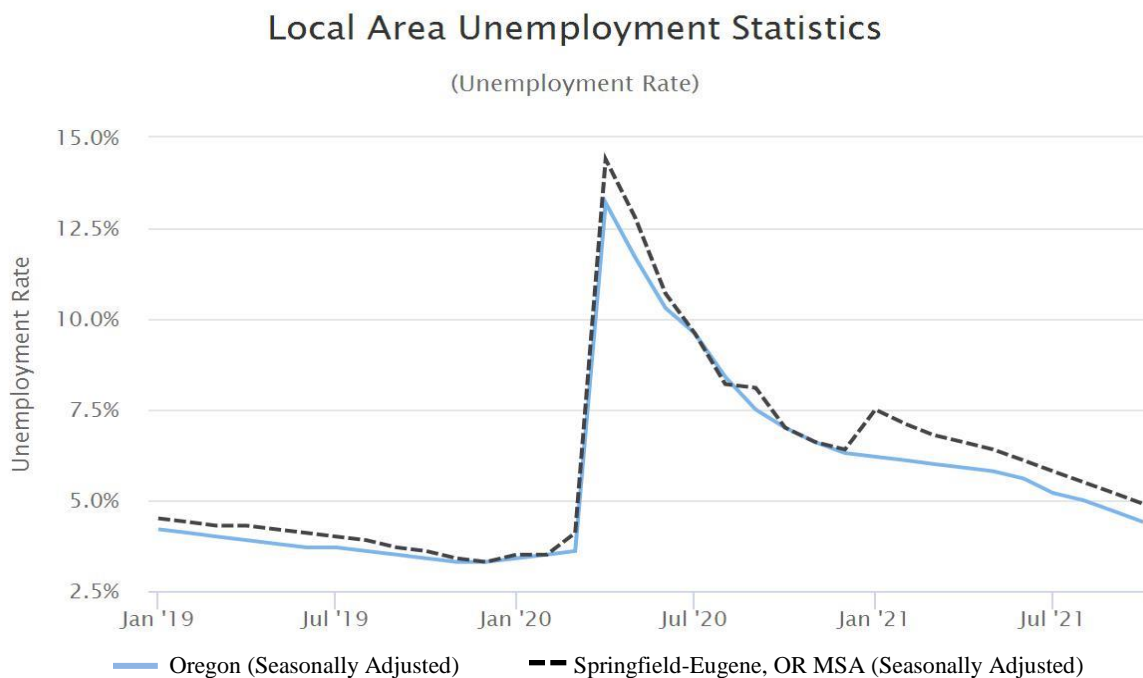
Springfield's population growth in FY21 reflects positive gains with an estimated population of 62,352, an increase of 817 community members (1.3%) from 2020. This is the first time in a 10-year look-back period that Springfield's population grew at a faster rate than its neighboring community of Eugene and the broader Lane County region. With residential inventories historically low and a substantial subdivision in construction phases, future years are anticipated to reflect resumed and higher than average growth.

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 which saw historically high unit and labor pricing in FY21, trends in new single and multi-family housing starts, and intentional investments in policy by the City Council.

Job Growth

Job growth saw substantial years of increase prior to 2020 in Lane County, with unemployment in Springfield maintaining all time historic lows. While job gains were not expected during the COVID-19 pandemic shut down, Springfield companies involved in manufacturing saw robust quarters of product demand.

Notable trends are reflected in the job regains following initial pandemic caused layoffs. Many of these layoffs were seen temporarily in medical and retail fields, with jobs returning as early shutdowns eased and consumers regained confidence in daily activities.

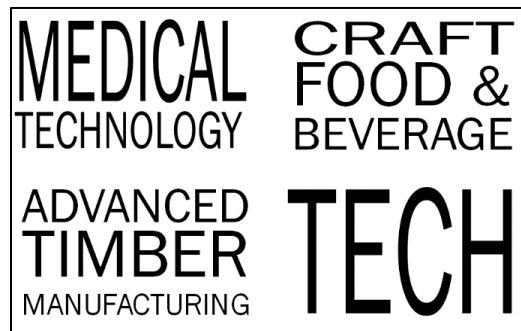


Source: Oregon Employment Department [Qualityinfo.org](https://qualityinfo.org)

At the height of the FY20 COVID-19 job loss, unemployment rates in the Springfield-Eugene metro area rose from 3.5% on the eve of the 'stay at home' orders in March to over 16% in April and May. By the end of June 2020, rehires of lost jobs brought unemployment to 10%. As we moved into the recovery in FY21, the unemployment rate came down and leveled off at 6.1% in June, 2021.

Springfield Target Industries

Springfield's diversity of target industries has allowed the local economy to remain active throughout FY21, as companies, consumers, and community members adjust to living with the concerns and safety policies associated with COVID-19. During FY21, the medical profession especially saw strain on the labor force as they experienced higher than average levels of fatigue. While the travel industry was impacted negatively in the early months of the pandemic, jobs and productivity associated with advanced timber manufacturing remained strong and, in some cases, reported record productivity and sales quarters.



Springfield Target Industries
Source: Springfield Economic Development Strategic Plan

Throughout FY21, 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, Oregon target industries include; advanced timber manufacturing, technology, craft food and beverage, and medical technology.

Springfield Industry Employers

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. Springfield's primary employment bases are health care, education, wood products and technology. The City is home to two hospitals employing approximately 3,800 employees, as well as PacificSource Health Plans, Royal Caribbean and Wayfair call centers.

Springfield Significant Event Sampling

- **COVID-19 Pandemic Response and Recovery Preparation.** Throughout FY21, the City of Springfield, Oregon maintained a responsive and organized emergency operations command system, maintaining a nimble and effective response structure that allowed city staff to continue operations and provide resources, services and important programmatic support and information to community members at large. This effort also resulted in early recovery strategy work focused on immediate and long-term policy and built efforts to support the community's ability to continue operating during the changing COVID-19 environment. This thoughtful and organized approach will continue to be a contributing factor to Springfield's ability to maintain the positive pre-COVID-19 growth and economic trends beyond FY21.
- **Wildfire.** During FY21, the Springfield community also experienced one of the worst wildfire seasons in the region's recent history. The Holiday Farm fire, which erupted on the evening of September 7th, took nearly two months to substantially contain, resulted in ongoing emergency evacuations and warnings to areas within and around Springfield, business closures, community health issues, and the tragic loss of life and over 430 homes

in nearby communities. No structures within the city limits of Springfield were lost as part of this event. In total, approximately 200,000 acres of land burned, a substantial portion classified as managed private timberlands. This loss of planned harvest land will create impacts to the local wood products manufacturing industry in the years to come, as they look to alternative sources to meet supply needs. While the Holiday Farm fire is discussed here due to its proximity and direct impact on Springfield, it is also important to note that multiple other substantial/complex fires across the state started around the similar timeframe, had equally devastating impacts within their adjacent communities, and will also impact Springfield timber industry supply and forest management.

- **Weyerhaeuser-Wildish Glenwood Development.** During FY21, Weyerhaeuser officially completed construction on a new regional headquarters. As part of a competitive selection process, Springfield secured the project which is now located in the developing area of Glenwood on Wildish Land Development Company owned land along Franklin Blvd. This project was a result of the City's efforts to partner with the land owner and make proactive investments in planning, infrastructure and strategic use of urban renewal resources. The site will function as the office space for local Weyerhaeuser operations, including their forestry staff. The project reflects the first ground-up new construction in 10 years along the south stretch of Franklin Blvd in Glenwood.
- **Street Bond Passing.** In 2019, the Springfield voters approved a five year \$10M general obligation bond to fund repairs for a list of proposed city streets. Streets identified for improvement serve both residential and commercial neighborhoods. Design and bidding of multiple bond funded projects began in FY20, including substantial Olympic Street and Mohawk Blvd overlays, with construction completed in FY21. Overlay project design has also been completed for 42nd Street, Highbanks Road and Thurston Road with construction beginning in FY21 and continuing into FY22. These projects mark substantial accomplishments for staff and the community, showcasing significant investment in maintaining and improving key infrastructure. This work has maintained pace throughout the COVID-19 pandemic restrictions and extended periods of remote work.
- **Marcola Meadows.** In late FY20, initial ground and infrastructure work began in the mid-Springfield area Marcola Meadows subdivision. The subdivision includes over 100 acres and an anticipated total 750 residential units. Construction began on the first phase of 29 residential units in FY21.



Marcola Meadows Subdivision
Source: Jeff Paschall, Springfield Development and Public Works

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.

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 through FY24.

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 reauthorized 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 recently renewed for an additional five years beginning in FY22. The levy for police services funds additional services for patrol, dispatch, records, and our municipal jail and was last approved for an additional five years beginning in FY19.

Urban Renewal:

The City established, with voter approval, two urban renewal districts within our community. One in the core downtown area (2007) and the other in the Glenwood area (2004), 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 to our area new and additional commercial, industrial, and residential uses and associated taxable value. 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 matched by \$3.6 million from the City to complete Phase I of the planned improvement to Franklin Boulevard. Construction began in June 2017 and was completed in FY18. Phase II is in design stage with federal grant funding opportunities identified as a potential match. In late FY21, the Agency directed staff to begin the process for issuance of a Request for Qualified (RFQ) developers, specific to Agency owned riverfront land. This is expected to open and close in FY22, with a Board selection of a preferred developer also anticipated in FY22.

For the Downtown District, the City has continued investments in improved pedestrian lighting within the Downtown core and scoped additional phases of expansion to impact the outer areas of the district. 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. The Agency continues to invest in the Systems Development Payment Program for all expansion and redevelopment projects and has successfully implemented a Downtown Loan Program, both programs reflecting the intent to decrease costs and risk of investing in Downtown Springfield. Substantial investments have been made in the acquisition of key Downtown parcels, positioning the agency to participate in more direct incenting of private redevelopment. The Agency has also initiated its first substantial new construction design loan, with a targeted construction start date of late FY22. The Urban Renewal Agency Board, and staff, are actively evaluating near term strategies to support upcoming substantial borrowing, specifically in the Downtown Area. The purpose of the Agency and Urban Renewal Areas are to invest in projects through maximization of borrowing capacity of the Agency and Area increment.

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 typically approves biennially 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** – The Franklin Boulevard Reconstruction Project will construct modern urban standards improvements on the old Hwy 99 alignment in Glenwood called Franklin Boulevard between the Franklin/Glenwood intersection and the Franklin/McVay intersection to support Glenwood redevelopment and regional safety and mobility for transit, bicycles/pedestrians, and autos. This portion of phase 2 will include design of the boulevard from Mississippi Street to Henderson Avenue. In partnership with the City of Eugene, the City has applied for a federal grant to construct improvements through the Mississippi intersection.
- **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 through an intergovernmental agreement, with preliminary engineering in process and construction anticipated in 2023.

Wastewater:

- **Jasper Trunk Sewer – Phase 3** – The City Council approved funding for the extension of the Jasper Trunk Sewer with adoption of the 2020-2024 Capital Improvement Program. Phase 3 will extend wastewater service approximately 5,280 feet southeast across Bob Straub Parkway terminating near Brand S Road. Further extension of the Jasper Trunk Sewer provides a key City service for urban level development of the Jasper-Natron area. Construction of this project is anticipated in 2022.
- **Local Sewer Extensions** – Within the City of Springfield's city limits and urban growth boundary (UGB) are several areas that are fully developed but lack wastewater service. This project would fund the design and construction of wastewater main line pipes to these areas upon request of affected property owners or annexation, with some or all of the cost possibly reimbursable through assessments. It is anticipated that extensions will be completed in two locations in south Springfield in 2022.
- **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 2022. 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. The City is well into the process of micro-basin monitoring and modeling, with two basins identified for rehabilitation and programmed in the upcoming FY23-FY27 CIP. The City will also 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 levee 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, and Mill Street Reconstruction.

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 intersections 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

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. This was the fortieth 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 Annual Comprehensive 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 annual comprehensive 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.

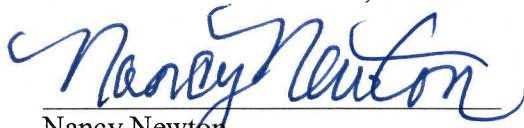
Acknowledgments

The preparation of the Annual Comprehensive 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,

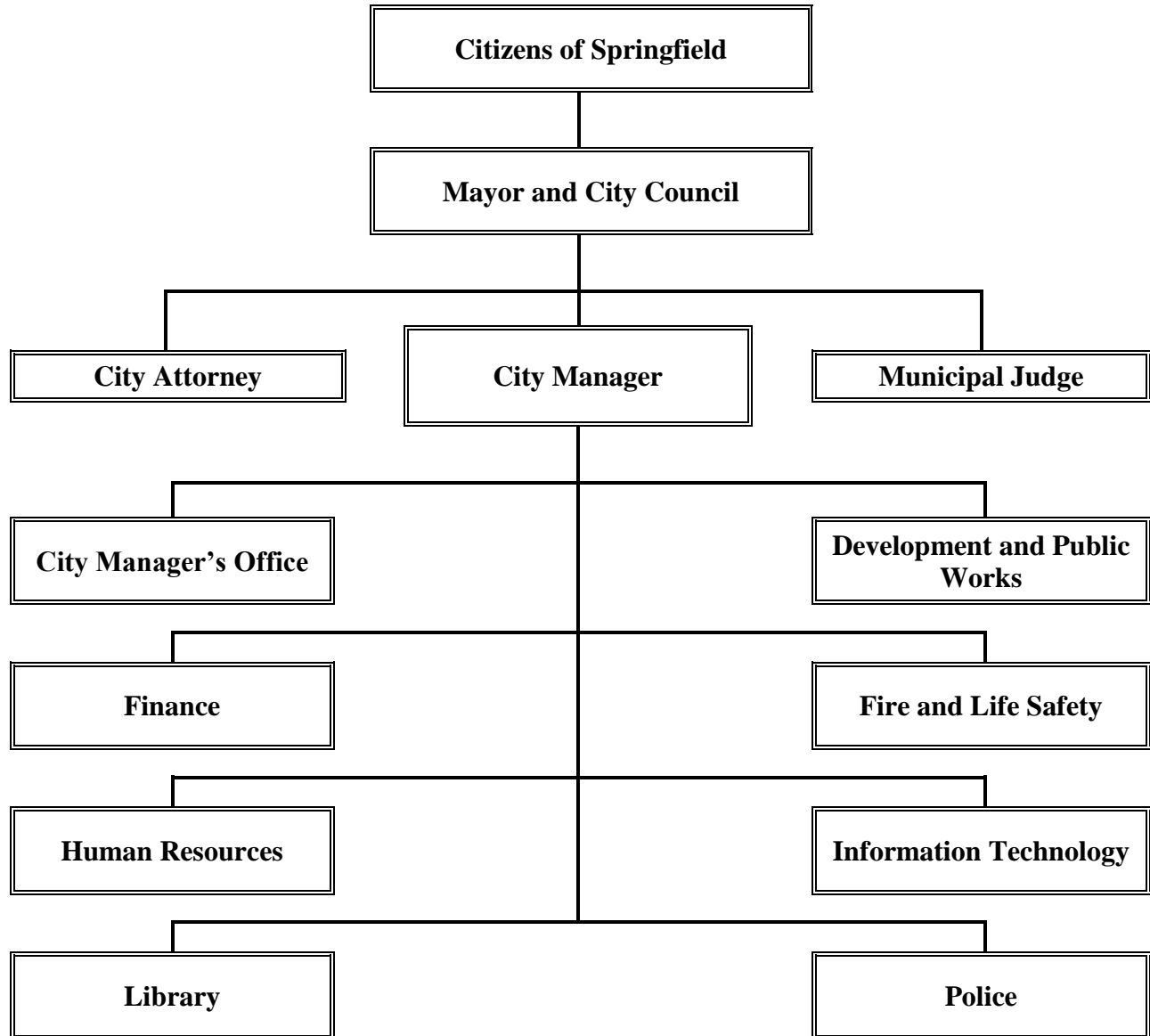
CITY OF SPRINGFIELD, OREGON


Nancy Newton,
City Manager


Nathan Bell,
Finance Director

CITY OF SPRINGFIELD

Organization Chart



City of Springfield, Oregon

Principal City Officials June 30, 2021

Elected Officials
225 Fifth Street
Springfield, Oregon 97477

Mayor

Sean VanGordon

Term Expiration

December 31, 2022

Council Members

Damien Pitts	Ward 1	December 31, 2022
Steve Moe	Ward 2	December 31, 2022
Kori Rodley	Ward 3	December 31, 2024
Leonard Stoeher	Ward 4	December 31, 2024
Marilee Woodrow	Ward 5	December 31, 2022
Joe Pishioneri	Ward 6	December 31, 2024

The City Council can be contacted at the address above.

Administrative Officials

Nancy Newton
Nathan Bell

City Manager
Finance Director



Government Finance Officers Association

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

Presented to

**City of Springfield
Oregon**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

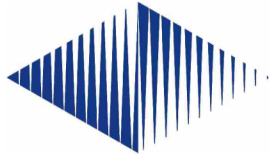


Financial Section



Independent Auditor's Report





GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

www.gmscpa.com

(503) 581-7788 • FAX (503) 581-0152

475 Cottage Street NE, Suite 200 • Salem, Oregon 97301-3814

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor, Members of the
City Council and the City Manager
City of Springfield
225 Fifth 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, 2021, 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, 2021, 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 (non GAAP budgetary basis) – budget to actual for the General Fund, Police Local Option Levy Fund, and Special Revenue 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 (non GAAP budgetary basis) – 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 to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Supplementary Information

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

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

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

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 22, 2021 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 22, 2021, 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 22, 2021



Management's Discussion and Analysis



City of Springfield, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2021

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, 2021. 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, 2021 increased \$27.5 million from \$373.5 million to \$401.0 million, or 7.4% from the prior year. This increase in total assets and deferred outflows of resources was primarily due to \$12.8 million increase in the carrying value of capital assets and a \$1.7 million increase in receivables, a \$0.4 million increase in due from other governments, a \$8.3 million increase in cash and investments, and an increase of \$3.9 million increase in the deferred outflows of resources.
- The City's total liabilities and deferred inflows of resources increased by \$15.1 million from \$130.0 million to \$145.1 million, or 11.6% from the prior year. This increase was primarily due to a \$7.1 million increase in unearned revenue (American Rescue Plan), a \$7.8 million increase in net pension liability, a \$3.7 million increase in accounts payable, and a \$0.2 million increase in deferred on refunding of the 2017 revenue bond. These are offset by a \$3.5 million decrease in deferred pension and OPEB inflows.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$255.9 million at the close of fiscal year 2021. Unrestricted net position totaled \$29.1 million with the remainder of the City's net position invested in capital assets (\$199.1 million) and restricted for capital projects, public safety, transportation, community development, debt service, and other purposes (\$27.7 million).
- At June 30, 2021, the City's governmental funds reported a combined ending fund balance of \$43.1 million, a decrease of \$1.5 million (3.3%) from the prior year. Of this total amount, \$10.4 million (24.0%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$32.3 million (74.9%) 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, \$0.5 million (1.1%) is in a nonspendable form.
- At the end of fiscal year 2021, the unassigned fund balance in the General Fund was \$10.4 million which was 25.7% 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 financial statements

Government-wide Financial Statements

The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position presents

information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

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

The business-type activities of the City include:

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

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

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

The government-wide financial statements can be found on pages 55-57 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 64 and 66 in the basic financial statements.

The City maintains 15 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 major funds: General Fund, Special Revenue Fund, Police Local Option Levy Fund and the Street Capital Projects Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the General Fund and other major funds as required supplementary information on pages 117-119. Budgetary comparisons for all other governmental funds have been provided elsewhere in this report.

The governmental funds financial statements can be found at pages 58-60 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 Sanitary Sewer operations, Storm Drainage operations, Ambulance Service, and Booth-Kelly operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its equipment, including its fleet of vehicles and its computer and telecommunication equipment, for employee benefits and risk management activities, and for administrative activities related to the System Development Charge program. Because all three of these services predominantly benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the Sanitary Sewer 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 61-63 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 Custodial Fund. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. 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 statements can be found on pages 64-65 in the basic financial statements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 67-114 of this report.

Required supplementary information. This report also presents certain required supplementary information concerning budgetary comparisons for the general and major 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 117-127 of this report.

Other supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds, as well as budgetary comparisons for proprietary funds are included in this report and can be found on pages 133-174.

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 \$255.9 million at the close of the most recent fiscal year.

The largest portion of the City's net position, \$199.1 million (77.8%) 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 Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 84,263,948	\$ 75,592,988	\$ 61,549,675	\$ 59,373,156	\$145,813,623	\$134,966,144
Capital assets, net, where applicable, of accumulated depreciation	157,370,190	144,980,802	73,826,838	73,424,968	231,197,028	218,405,770
Total assets	241,634,138	220,573,790	135,376,513	132,798,124	377,010,651	353,371,914
Deferred outflows of resources	18,450,771	15,319,122	5,558,632	4,828,251	24,009,403	20,147,373
Noncurrent liabilities	83,853,818	82,442,522	31,899,935	32,060,669	115,753,753	114,503,191
Other liabilities	16,878,902	7,599,694	2,808,594	1,983,120	19,687,496	9,582,814
Total liabilities	100,732,720	90,042,216	34,708,529	34,043,789	135,441,249	124,086,005
Deferred inflows of resources	8,079,855	4,778,455	1,562,928	1,175,589	9,642,783	5,954,044
Net position:						
Net investment in capital assets	139,384,434	122,555,408	59,677,720	56,619,451	199,062,154	179,174,859
Restricted	18,318,226	20,426,784	9,429,173	8,505,363	27,747,399	28,932,147
Unrestricted	(6,430,326)	(1,909,951)	35,556,795	37,282,183	29,126,469	35,372,232
Total net position	\$151,272,334	\$141,072,241	\$104,663,688	\$102,406,997	\$255,936,022	\$243,479,238

A portion of the City's net position, \$27.7 million (10.8%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$29.1 million (11.4%) 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	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 9,776,266	\$ 10,808,992	\$ 20,909,129	\$ 21,880,352	\$ 30,685,395	\$ 32,689,344
Operating grants and contributions	7,781,066	7,465,635	167,977	222,080	7,949,043	7,687,715
Capital grants and contributions	10,947,796	4,820,681	3,922,047	1,874,362	14,869,843	6,695,043
General revenues:						
Taxes	42,377,456	41,533,991	-	-	42,377,456	41,533,991
Payment in lieu of taxes	2,318,473	2,336,861	-	-	2,318,473	2,336,861
Shared revenue	2,334,354	2,212,330	-	-	2,334,354	2,212,330
Investment earnings	600,210	1,745,096	283,940	1,154,005	884,150	2,899,101
Miscellaneous receipts	1,789,005	1,227,437	12,467	24,317	1,801,472	1,251,754
Total revenues	<u>77,924,626</u>	<u>72,151,023</u>	<u>25,295,560</u>	<u>25,155,116</u>	<u>103,220,186</u>	<u>97,306,139</u>
Expenses:						
General government	8,809,340	8,652,793	-	-	8,809,340	8,652,793
Fire and life safety	15,675,680	14,732,495	-	-	15,675,680	14,732,495
Police	25,222,243	25,654,527	-	-	25,222,243	25,654,527
Library	2,245,447	2,266,167	-	-	2,245,447	2,266,167
Development & public works	15,977,248	16,950,960	-	-	15,977,248	16,950,960
Depreciation and amortization	231,809	231,808	-	-	231,809	231,808
Interest on long-term debt	452,538	556,436	-	-	452,538	556,436
Sanitary sewer	-	-	7,591,941	7,212,599	7,591,941	7,212,599
Storm drainage	-	-	6,860,432	6,633,084	6,860,432	6,633,084
Booth-Kelly	-	-	502,562	837,049	502,562	837,049
Ambulance	-	-	7,194,162	6,886,133	7,194,162	6,886,133
Total expenses	<u>68,614,305</u>	<u>69,045,186</u>	<u>22,149,097</u>	<u>21,568,865</u>	<u>90,763,402</u>	<u>90,614,051</u>
Increase (decrease) in net position before transfers	9,310,321	3,105,837	3,146,463	3,586,251	12,456,784	6,692,088
Transfers	<u>889,772</u>	<u>80,000</u>	<u>(889,772)</u>	<u>(80,000)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	10,200,093	3,185,837	2,256,691	3,506,251	12,456,784	6,692,088
Net position - beginning, previously reported	141,072,241	138,023,776	102,406,997	98,900,746	243,479,238	236,924,522
Prior period adjustment	-	(137,372)	-	-	-	(137,372)
Net position - beginning, as restated	<u>141,072,241</u>	<u>137,886,404</u>	<u>102,406,997</u>	<u>98,900,746</u>	<u>243,479,238</u>	<u>236,787,150</u>
Net position - ending	<u>\$151,272,334</u>	<u>\$141,072,241</u>	<u>\$104,663,688</u>	<u>\$102,406,997</u>	<u>\$255,936,022</u>	<u>\$243,479,238</u>

Entity-wide change in net position: Entity-wide net position increased by \$12.5 million in the current fiscal year compared to an increase of \$6.7 million in the prior year. This \$5.8 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 \$10.2 million, an increase from a prior year surplus of \$3.2 million, explained by the following highlights:

- Capital grants and contributions increased by \$6.1 million (127.1%) 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 increase 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 \$.3 million (4.2%) from the prior year. This is relatively flat as the City continued to have CARES Act reimbursements received for spending related to the pandemic. The City continued to have the Emergency Operations Center activated, which is part of the general fund expenditures.
- Taxes increased by \$.8 million (2.0%) from the prior year and can be partially attributed to a modest \$.6 million increase in property tax receipts resulting from a continuation of appreciation of property values in the City. This was offset by a decrease in fuel tax (10.0%) with more people working remotely this year. The continued appreciation in property values is a strong indicator of a healthy local economy and a strong housing market
- Shared revenue increased by \$0.1 million (5.5%) 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 decreased by \$1.1 million (65.6%) from the prior year and can be attributed to significantly lower interest earned on LGIP pool and investments throughout the year.
- Primary government expenses as a whole decreased 0.6%, while charges for services saw a decrease of \$1.0 million (9.6%) from the prior year. This was primarily due to impacts of COVID-19 that lingered into this fiscal year.
- Interest on long-term debt decreased by \$103,898 (18.7%) from the prior year and can be attributed to the reduction of existing debt and no new issuances in the current year.

The net position increased in governmental activities by \$10.2 million due primarily to capital contributions.

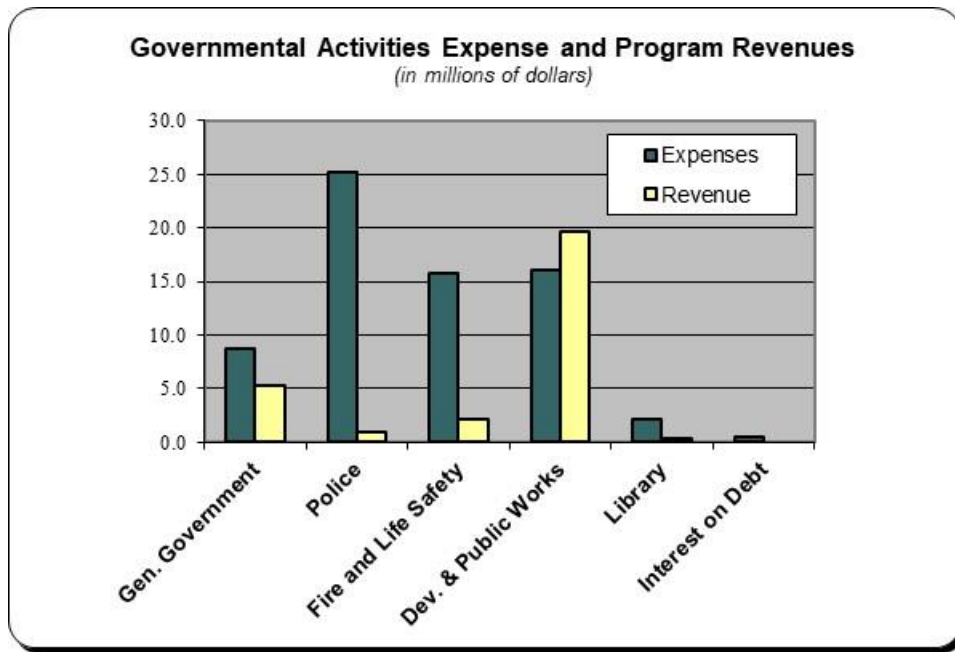


Chart 1

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.

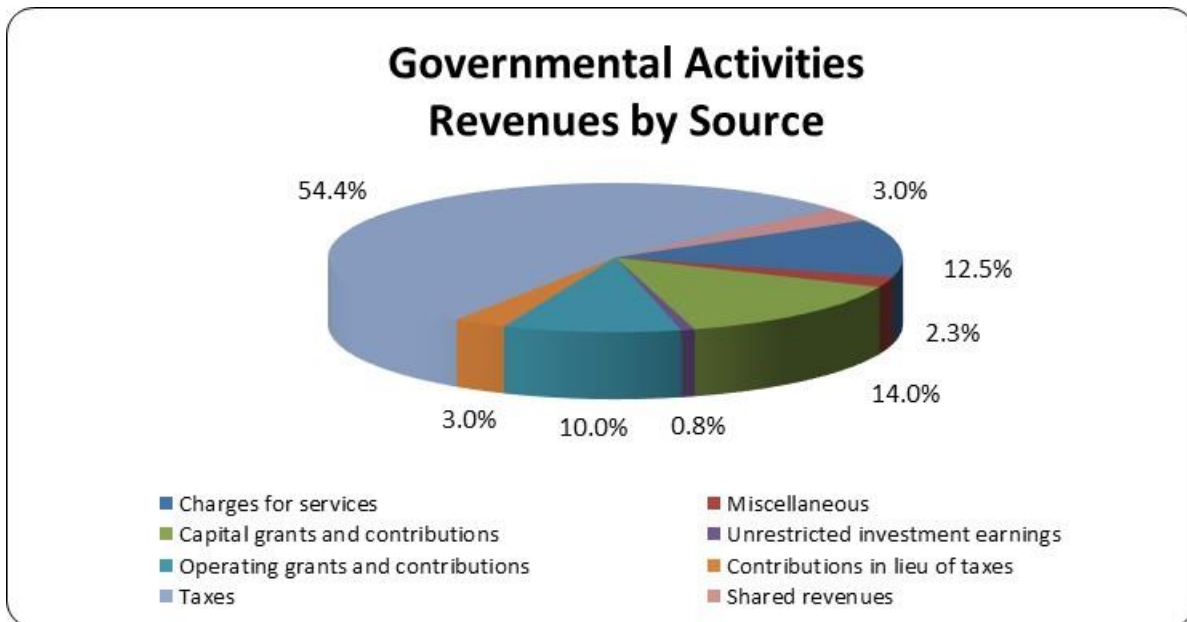


Chart 2

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 net position for business-type activities decreased from a \$3.5 million surplus in the prior year to a \$2.3 million surplus in the current year. This decrease of \$1.2 million can be explained by the following highlights:

- Total program revenues increased by \$1.0 million (4.3%) from the prior year and can be primarily attributed to \$0.7 and \$1.3 million increases in capital contributions for both the Sanitary Sewer and Storm Drainage Funds, respectively, and a decrease of \$1.2 million in Ambulance revenues. The increases in capital contributions are a result of the increase in development projects and subsequent donated sewer infrastructure. The decrease in Ambulance revenues are related to the continued reduction in medical transports, and a result of a slight delay in the collections of billing revenues due to the transition to a new software billing platform.
- Total operating expenses for all business-type activities increased by \$0.6 million (2.7%) from the prior year. This is due to normal inflationary costs across all funds. In addition, the Sewer fund saw an increase in maintenance staff positions. The Ambulance fund saw increases related to the BLS program, Fire Captain training position and the Fire Dispatch contract, which are shared program costs with the City of Eugene. The overall increase was slightly offset by a decrease in depreciation in the Booth-Kelly fund, as facilities became fully depreciated.

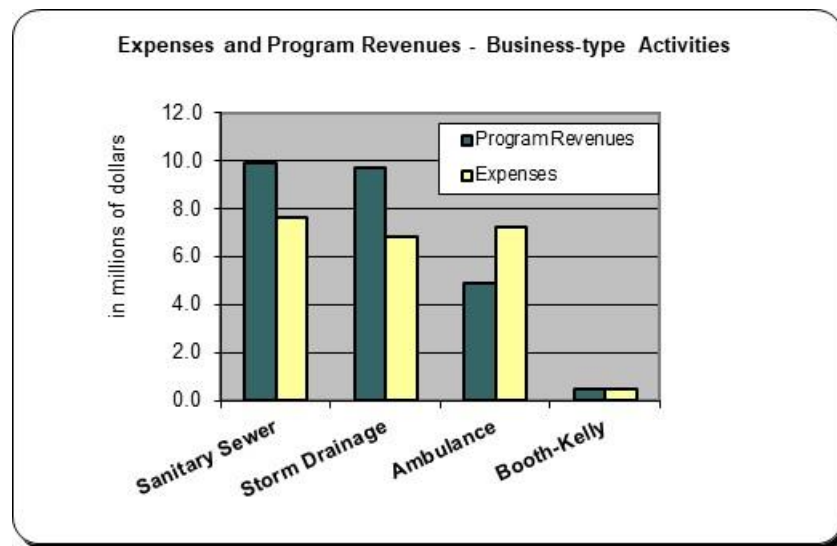


Chart 3

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

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

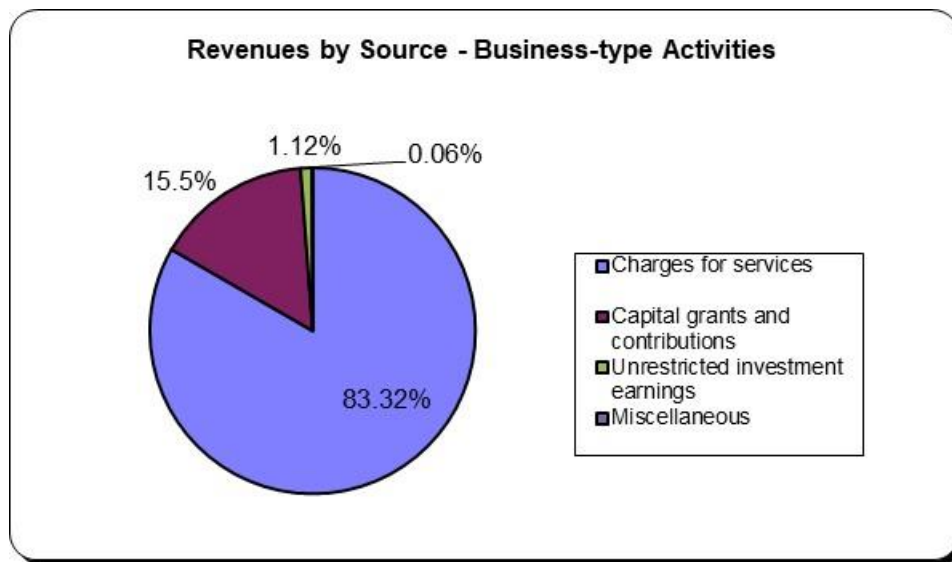


Chart 4

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

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$43.1 million. Of this total amount, \$10.3 million (24.0%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$32.3 million (74.9%) 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, \$0.5 million (1.1%) is in a nonspendable form.

The General Fund is the chief operating fund of the City of Springfield. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10.4 million, while the total fund balance was \$11.5 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

25.7% of total General Fund expenditures, while total fund balance represents 28.6% of that same amount.

The fund balance of the City's General Fund increased by \$0.5 million during the current fiscal year which is slightly more than the \$0.3 million increase in the prior year. While the increase is small, there are still some highlights worth mentioning:

- Property taxes remained relatively flat from the prior year, increasing 2.9%, this can be attributed to normal appreciation.
- Licenses, permits, and fees remained relatively flat, increasing (1.4%) from the prior year and can be attributed to activity increasing in the wake of COVID-19 as the City recovers some from the economic impact.
- General government expenditures increased by \$1.9 million (5.1%) from the prior year and can be primarily attributed to inflationary pressures as well as the City's Emergency Operations Center (EOC) which remained activated due to the pandemic. Some of these costs were reimbursed by the CARES Act and are reported as revenue.
- Fire and Life Safety expenditures increased by \$1.0 million (8.5%) from the prior year and can be primarily attributed normal inflationary pressures, increased PERS costs and pandemic related expenses.
- Police expenditures experienced an increase of \$0.2 million (1.4%) due to increased costs as body worn cameras were implemented. This was more than offset by reduced personal services as there are more unfilled positions.
- The City Managers' Office (CMO) expenditures decreased by \$80,024 (5.1%) primarily attributed to a program in the prior year to help small businesses during the pandemic. These were one-time costs and not repeated in the current year.

The Special Revenue Fund is a major fund for the first time this year. The total assets and liabilities both increased by \$7.0 million in the current fiscal year. This increase is due almost entirely to the receipt of American Rescue Plan (ARP) funds in the current year that have not yet been spent. As of the end of the fiscal year, the City was in the process of planning the projects this money will fund.

The Police Local Option Levy Fund balance increased \$0.5 million in the current year which is \$0.1 million less than the increase the prior year. While revenues remained flat, expenses were slightly higher (2.0%) due to Courts being back in operation after COVID-19 and normal inflationary costs. These costs were partially offset with police vacancies that remain unfilled,

The Street Capital Projects Fund continues to be a major fund this year for the second time. This is driven by large capital project expenses as the City continues implementing the Street Improvement Plan financed by the sale of General Obligation bonds in the prior year of \$10.0 million dollars. These projects are expected to continue into FY22 and FY23.

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 \$104.7 million. Of this amount, \$35.1 million (33.5%) constitutes unrestricted net position. Proprietary fund highlights are as follows:

The Sewer Fund reported a \$1.9 million increase in net position. The user rate increase for FY21 was 0%, a choice made by City Council to assist citizens dealing with COVID-19. 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 change in net position was largely driven by underspending the capital budget, robust development activity which in turn created increased SDC revenues and significant donated sewer infrastructure.

The Storm Drainage Fund reported a \$2.4 million increase in net position. The user rate increase for FY21 was 0%. The storm 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 change in net position was largely driven by underspending the budgeted amount for capital construction combined with significant donated infrastructure.

The Ambulance Fund reported a \$2.4 million decrease in net position compared to last year's decrease of \$0.8 million. This decrease was primarily due to a \$1.2 million decrease in operating revenues, with the major contributing factor being the continuing reduction in medical transports, in part related to the COVID-19 pandemic, and the transition to a new billing software platform that has caused a slight delay in the receipt of billing revenues. Additionally, operating expenses increased \$0.3 million due to inflationary factors and a new training program. The fund continues to actively seek efficiencies to increase the health of the fund in a challenging and competitive market.

General Fund Budgetary Highlights -

The difference between the original budget and the final amended budget was a net increase of \$1,305,576. Details of this increase are as follows:

- \$ 92,730 increase to General Government
- 15,097 increase to Library
- 255,961 increase to Development Services
- 805,800 increase in Fire & Life Safety
- 2,000 increase to City Attorney
- 41,216 increase in transfers
- 613,647 decrease in Contingency
- 706,419 increase in the City reserves

For actual expenditures, the City General Fund under-spent the amended budget by \$1,428,611.

While the COVID pandemic has negatively impacted many sectors of the economy, the construction and development sectors have continued to experience strong growth, primarily driven by housing. This is due to a combination of a decade of suppressed housing development following the burst of the housing bubble in the early 2000's and continued positive migration trends to the State. This has resulted in consistent growth in our property tax base as well as growth in our planning and development revenues and State shared revenues. These differences in actual revenue received compared to the amended budget are as follows:

- \$ 132,575 increase in taxes
- 54,963 increase in licenses, permits and fees

- 673,861 increase in intergovernmental revenues
- 216,040 decrease in interest and investment earnings
- 152,567 increase in charges for service
- 323,306 decrease in fines and forfeitures
- 436,785 increase in miscellaneous revenues
- 324,309 decrease in internal transfers and indirect charges
- 791,162 increase in beginning cash (amended over adopted budget)

For the year ended June 30, 2021, 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 1.4%, where actual revenues were more than budgeted revenues. The combined actual current and delinquent property tax revenues exceeded the budgeted amounts by 0.6%. Licenses and permits exceeded budgeted projections by 1.9% with the impacts of the COVID pandemic on these revenues being less than anticipated. However, fines and forfeitures were below amended budget by 4.2% which can be directly attributed to the impacts of COVID-19 on municipal court operations. Beginning fund balance on July 1, 2020 was \$791,162 greater than budgeted (9.82%) while ending fund balance on June 30, 2021 was \$1,389,793 (13.67%) greater than was projected in the FY22 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, 2021 amounts to \$231.2 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:

- Donated streets and right-of-way were recorded at an estimated cost of \$9.6 million
- Donated Sewer and Storm sewer lines were recorded at an estimated cost of \$2.3 million
- A Body-Cam system was purchased for the Police Department at a cost of \$153 thousand.
- A SCBA (self contained breathing apparatus) system was purchased for the Fire and Life Safety Department for \$587 thousand.
- Nineteen vehicles were purchased during the year, most as replacements for vehicles retired after the end of the fiscal year, including two large public works apparatus with a combined cost of \$260 thousand.

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 80,618,658	\$ 75,901,450	\$ 6,411,506	\$ 6,411,506	\$ 87,030,164	82,312,956
Land improvements	-	-	16,585	17,829	16,585	17,829
Work in progress	5,890,629	1,489,440	2,788,154	1,365,397	8,678,783	2,854,837
Buildings	16,221,505	16,455,194	64,390,823	65,223,488	80,612,328	81,678,682
Infrastructure	46,745,748	43,957,893	-	-	46,745,748	43,957,893
Machinery & equipment	7,471,156	6,749,327	18,532	72,194	7,489,688	6,821,521
Studies	422,494	427,498	201,238	334,554	623,732	762,052
Total	<u>\$ 157,370,190</u>	<u>\$ 144,980,802</u>	<u>\$ 73,826,838</u>	<u>\$ 73,424,968</u>	<u>\$ 231,197,028</u>	<u>218,405,770</u>

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

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of \$28.1 million. Of this amount, \$14.5 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	
	2021	2020	2021	2020	2021	2020
General obligation bonds -2019	\$ 5,921,000	\$ 7,825,000	\$ -	\$ -	\$ 5,921,000	\$ 7,825,000
General obligation bonds - 2016	8,555,000	10,125,000	-	-	8,555,000	10,125,000
Revenue bonds series 2010	-	-	-	6,305,000	-	6,305,000
Revenue bonds series 2020	-	-	5,199,936	-	5,199,936	-
Revenue bonds series 2017	-	-	8,445,000	9,765,000	8,445,000	9,765,000
Total	<u>\$ 14,476,000</u>	<u>\$ 17,950,000</u>	<u>\$ 13,644,936</u>	<u>\$ 16,070,000</u>	<u>\$ 28,120,936</u>	<u>\$ 34,020,000</u>

The City's total bonded debt decreased by \$5.9 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 FY22 budget:

- The COVID-19 pandemic has had an impact on the local economy, primarily in the hospitality and entertainment sectors and has resulted in reduced transient room tax receipts. With the robust vaccination initiative beginning in early 2021, we anticipated that room tax receipts would start to return to their pre-pandemic levels over the coming couple years.
- Assessed (taxable) value for the City is projected to increase by 1.50%. Taxable value increases were projected to come in lower than historical average of 3.00% due to the impacts of COVID-19. 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 until FY22.
- Due to the federal response to the COVID-19 pandemic earnings on investments, primarily government and corporate bonds are at historical lows. We projected a 0.5% return on the City's investments.
- Inflation was projected to not be a major factor during the next fiscal year as a result of slowdown in the economy resulting COVID-19 lockdowns.
- AFSCME employees, the City's smallest employee group, received a cost of living adjustment on July 1, 2020 based on the CPI-U, not to exceed 3%. 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, FY20, or FY21. Non-union employees received their first increase in 3 years on July 1, 2018, also a result of a completed market study and will receive a 1.5% adjustment on 7/1/2020. The next market survey will be implemented 7/1/2021.
- Springfield Police Association (SPA) employee's current contract covers the 3 year period from July 1, 2020 through June 30, 2023 and provided for a 2.5% cost of living increase effective for the years beginning July 1, 2020 through July 1, 2022. For dispatchers and detention officers only, there is a cost of living increase of 1% on January 12, 2022 and January 1, 2023.
- 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 contract will receive a cost of living increase on July 1, 2018 of 2.5%, July 1, 2019 of 2.5%, and July 1, 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, 2021, the City held rates flat. For the plan year beginning January 1, 2022, the City is not projecting an increase.

- Oregon PERS rates are bi-annual with the last rate adjustment occurring in 2021 for FY22 and FY23. State legislation intended to help control the growth of PERS costs for local governments has started to influence rate adjustments and has reduced the rate of increases for this biennium. For FY22, the City had three separate PERS retirement rates for its employees with the lowest % rate increase being 0.14% (PERS Tier 1 / 2) and the highest rate increase at 17.76% (OPSRP General Service) with an estimated dollar impact over the two-year period of \$925k.
- 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 early 2021 and implemented on July 1, 2021. 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, 2021. An increase to 33% will be effective July 1, 2021.
- 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 continue to be strong with increased activity in the housing sector.
- User rates for both the City's sewer and storm water drainage programs were increased on July 1, 2021 by 3% and 2.5% respectively for the fiscal year through June 30, 2022.

Requests for Information

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

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



City of Springfield, Oregon

Basic Financial Statements



City of Springfield, Oregon
STATEMENT OF NET POSITION
June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 75,306,949	\$ 54,577,823	\$ 129,884,772
Receivables, net of allowance for uncollectable receivables	7,635,588	3,962,501	11,598,089
Internal balances	(553,306)	553,306	-
Inventory	287,011	-	287,011
Investment in foreclosed properties	1,970	-	1,970
Prepaid items	955,266	52,760	1,008,026
Deposits	200,000	-	200,000
Accrued interest	122,467	87,257	209,724
Net OPEB asset - RHIA	308,003	90,373	398,376
Due from other governments	-	2,225,655	2,225,655
Capital assets:			
Land and work in progress	86,509,287	9,199,659	95,708,946
Other capital assets, net of accumulated depreciation	70,860,903	64,627,179	135,488,082
Total assets	241,634,138	135,376,513	377,010,651
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension outflow	17,427,635	4,834,299	22,261,934
Deferred OPEB outflow	847,966	215,211	1,063,177
Deferred charge for debt refunding	175,170	509,122	684,292
Total deferred outflows of resources	18,450,771	5,558,632	24,009,403
LIABILITIES			
Current liabilities:			
Accounts payable	5,313,354	1,706,407	7,019,761
Accrued payroll and other liabilities	4,008,154	946,304	4,954,458
Unearned revenue	7,337,130	21,461	7,358,591
Accrued interest payable	40,191	100,050	140,241
Deposits	135,297	34,372	169,669
Due to other governments	44,776	-	44,776
Noncurrent liabilities:			
Due within one year:			
Accrued claims liabilities	247,810	-	247,810
General obligation long-term debt	3,564,000	-	3,564,000
Revenue bonds payable	-	1,862,195	1,862,195
Notes payable	643,247	-	643,247
Due in more than one year:			
Accrued absence payable	2,910,556	356,614	3,267,170
Accrued claims liabilities	354,190	-	354,190
General obligation long-term debt (net of unamortized premium)	12,064,404	-	12,064,404
Revenue bonds payable (net of unamortized discount)	-	12,692,916	12,692,916
Notes and contracts payable	2,099,275	478,621	2,577,896
Net pension liability	56,269,201	15,159,010	71,428,211
OPEB liability - City Plan	5,701,135	1,350,579	7,051,714
Total liabilities	100,732,720	34,708,529	135,441,249
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflow	6,648,928	793,920	7,442,848
Deferred OPEB inflow	1,430,927	527,533	1,958,460
Deferred on refunding	-	241,475	241,475
Total deferred inflows of resources	8,079,855	1,562,928	9,642,783
NET POSITION			
Net investment in capital assets	139,384,434	59,677,720	199,062,154
Restricted for:			
Capital projects	1,386,946	9,429,173	10,816,119
Public safety	4,709,724	-	4,709,724
Transportation	3,235,315	-	3,235,315
Urban renewal	1,328,993	-	1,328,993
Community development	6,091,860	-	6,091,860
Debt service	408,152	-	408,152
Other purposes	1,157,236	-	1,157,236
Unrestricted	(6,430,326)	35,556,795	29,126,469
Total net position	\$ 151,272,334	\$ 104,663,688	\$ 255,936,022

The accompanying notes are an integral part of this statement

City of Springfield, Oregon
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 8,809,340	\$ 4,046,675	\$ 1,205,094	\$ -
Fire and life safety	15,675,680	1,970,004	264,117	-
Police	25,222,243	636,755	387,141	-
Library	2,245,447	80,274	240,977	-
Development and public works	15,977,248	3,042,558	5,683,737	10,947,796
Depreciation and amortization, unallocated	231,809	-	-	-
Interest on long-term debt	452,538	-	-	-
Total governmental activities	68,614,305	9,776,266	7,781,066	10,947,796
Business-type activities:				
Sanitary sewer	7,591,941	7,740,534	64,539	2,077,065
Storm drainage	6,860,432	7,766,070	103,438	1,844,982
Booth-Kelly	502,562	547,906	-	-
Ambulance	7,194,162	4,854,619	-	-
Total business-type activities	22,149,097	20,909,129	167,977	3,922,047
Total primary government	\$ 90,763,402	\$ 30,685,395	\$ 7,949,043	\$ 14,869,843

General revenues:

- Property taxes
- Payment in lieu of taxes
- Franchise & utility taxes
- Local fuel tax
- Transient room tax
- Shared revenue
- Investment earnings
- Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning

Net position, ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Total Governmental Activities	Total Business-type Activities	Total
\$ (3,557,571)	\$ -	\$ (3,557,571)
(13,441,559)	-	(13,441,559)
(24,198,347)	-	(24,198,347)
(1,924,196)	-	(1,924,196)
3,696,843	-	3,696,843
(231,809)	-	(231,809)
(452,538)	-	(452,538)
(40,109,177)	-	(40,109,177)
-	2,290,197	2,290,197
-	2,854,058	2,854,058
-	45,344	45,344
-	(2,339,543)	(2,339,543)
-	2,850,056	2,850,056
(40,109,177)	2,850,056	(37,259,121)
37,426,263	-	37,426,263
2,318,473	-	2,318,473
2,881,045	-	2,881,045
863,663	-	863,663
1,206,485	-	1,206,485
2,334,354	-	2,334,354
600,210	283,940	884,150
1,789,005	12,467	1,801,472
889,772	(889,772)	-
50,309,270	(593,365)	49,715,905
10,200,093	2,256,691	12,456,784
141,072,241	102,406,997	243,479,238
\$ 151,272,334	\$ 104,663,688	\$ 255,936,022

City of Springfield, Oregon
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General	Police Local Option Levy	Special Revenue	Street Capital	Nonmajor Governmental	Total Governmental
ASSETS						
Cash and investments	\$ 11,950,888	\$ 3,200,663	\$ 8,552,458	\$ 12,614,123	\$ 15,230,090	\$ 51,548,222
Receivables:						
Accounts	1,698,303	78,225	7,874	358,802	1,567,540	3,710,744
Taxes	740,519	257,098	-	-	343,792	1,341,409
Grants	56,767	-	246,537	-	355,404	658,708
Accrued interest	29,807	5,264	-	21,743	28,473	85,287
Assessments and liens	-	-	-	-	37,970	37,970
Notes	-	-	-	-	1,728,657	1,728,657
Deferred system development charges	1,233	-	-	990,175	26	991,434
Inventory	2,488	-	-	-	249,304	251,792
Investment in foreclosed property	1,970	-	-	-	-	1,970
Prepaid items	164,835	17,425	-	-	34,445	216,705
Advance to other funds	564,490	-	-	-	400,000	964,490
Total assets	<u>\$ 15,211,300</u>	<u>\$ 3,558,675</u>	<u>\$ 8,806,869</u>	<u>\$ 13,984,843</u>	<u>\$ 19,975,701</u>	<u>\$ 61,537,388</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,226,804	\$ 86,831	\$ 61,849	\$ 1,444,363	\$ 1,247,970	\$ 4,067,817
Accrued payroll and other liabilities	825,733	121,547	1,011	-	178,840	1,127,131
Unearned revenue	142,297	145,000	6,984,917	-	2,170	7,274,384
Due to other funds	-	-	-	-	400,000	400,000
Deposits	-	-	-	53,075	82,222	135,297
Total liabilities	<u>2,194,834</u>	<u>353,378</u>	<u>7,047,777</u>	<u>1,497,438</u>	<u>1,911,202</u>	<u>13,004,629</u>
Deferred inflows of resources:						
Unavailable revenue	<u>1,493,642</u>	<u>276,637</u>	<u>7,874</u>	<u>1,348,977</u>	<u>2,294,596</u>	<u>5,421,726</u>
Fund balances:						
Nonspendable	169,293	17,425	-	-	283,749	470,467
Restricted	-	2,911,235	239,926	11,138,428	11,763,937	26,053,526
Committed	-	-	709,060	-	2,675,019	3,384,079
Assigned	1,000,000	-	802,232	-	1,047,198	2,849,430
Unassigned	<u>10,353,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,353,531</u>
Total fund balances	<u>11,522,824</u>	<u>2,928,660</u>	<u>1,751,218</u>	<u>11,138,428</u>	<u>15,769,903</u>	<u>43,111,033</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,211,300</u>	<u>\$ 3,558,675</u>	<u>\$ 8,806,869</u>	<u>\$ 13,984,843</u>	<u>\$ 19,975,701</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.						5,421,726
Capital assets are not financial resources in governmental funds, but are reported in the statement of net position at their net depreciable value.						151,895,172
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.						(76,100,571)
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.						26,944,974
Net position of governmental activities						<u>\$ 151,272,334</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, 2021

	General	Police Local Option Levy	Special Revenue	Street Capital	Nonmajor Governmental	Total Governmental
Revenues:						
Taxes	\$ 23,171,809	\$ 6,665,942	\$ -	\$ -	\$ 9,610,885	\$ 39,448,636
Licenses, permits and fees	2,945,851	82,720	140,800	-	252,561	3,421,932
Intergovernmental	5,992,936	16,750	1,249,873	427,021	5,746,935	13,433,515
Charges for services	6,517,508	543,489	-	870,569	1,981,029	9,912,595
Fines and forfeitures	1,289,694	-	23,237	-	3,474	1,316,405
Investment earnings	89,397	17,608	1,722	70,693	96,412	275,832
Special assessments	-	-	-	-	6,621	6,621
Miscellaneous revenues	778,195	3,652	269,689	15,932	498,534	1,566,002
Total revenues	40,785,390	7,330,161	1,685,321	1,384,215	18,196,451	69,381,538
Expenditures:						
Current operating:						
General government	7,207,996	643,675	80,802	-	1,153,389	9,085,862
Fire and life safety	12,689,622	-	-	-	1,629,298	14,318,920
Police	15,705,446	6,195,456	451,189	-	-	22,352,091
Library	1,704,318	-	171,437	-	179,646	2,055,401
Development and public works	3,019,700	-	743,243	162,474	8,305,354	12,230,771
Capital projects	-	-	-	4,367,924	2,464,000	6,831,924
Debt service:						
Principal	-	-	-	-	4,093,807	4,093,807
Interest	-	-	-	-	653,938	653,938
Total expenditures	40,327,082	6,839,131	1,446,671	4,530,398	18,479,432	71,622,714
Excess of revenues over (under) expenditures	458,308	491,030	238,650	(3,146,183)	(282,981)	(2,241,176)
Other financing sources (uses):						
Transfers in	1,073,771	-	5,616	1,014,330	645,662	2,739,379
Transfers out	(1,051,278)	-	(191,452)	(13,646)	(657,499)	(1,913,875)
Total other financing sources (uses)	22,493	-	(185,836)	1,000,684	(11,837)	825,504
Net change in fund balance	480,801	491,030	52,814	(2,145,499)	(294,818)	(1,415,672)
Fund balances, beginning	11,042,023	2,437,630	1,698,404	13,283,927	16,127,942	44,589,926
Change in reserve for inventories	-	-	-	-	(63,221)	(63,221)
Fund balances, ending	\$ 11,522,824	\$ 2,928,660	\$ 1,751,218	\$ 11,138,428	\$ 15,769,903	\$ 43,111,033

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds \$ (1,415,672)

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

Internal service funds are used by management to charge the costs of certain activities, such as insurance, vehicle and equipment replacement, and SDC administration to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 1,484,756

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. (660,910)

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. 12,053,444

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. (5,403,359)

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. 4,205,055

Decreases in inventory in governmental funds increase expenses. (63,221)

Change in net position of governmental activities \$ 10,200,093

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	Business-type Activities - Enterprise Funds					Governmental Activities
	Sewer	Storm Drainage	Ambulance	Nonmajor Booth Kelly	Total	Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	\$ 30,993,814	\$ 21,873,468	\$ -	\$ 1,710,541	\$ 54,577,823	\$ 23,758,727
Accounts receivable, net of allowance for estimated uncollectibles	1,267,585	1,298,727	1,389,372	6,817	3,962,501	158,100
Prepays	20,184	14,226	18,350	-	52,760	738,561
Deposits	-	-	-	-	-	200,000
Accrued interest	47,937	35,128	1,418	2,774	87,257	37,180
Deferred system development fees	632,867	48,540	-	-	681,407	89,529
Inventory	-	-	-	-	-	35,219
Total current assets	32,962,387	23,270,089	1,409,140	1,720,132	59,361,748	25,017,316
Noncurrent assets:						
Capital assets - net	51,075,622	12,596,180	5,830	949,547	64,627,179	5,475,018
Construction in progress	1,195,661	1,540,928	-	51,564	2,788,153	-
Land and land rights	2,048,070	1,721,879	-	2,641,557	6,411,506	-
Net OPEB asset - RHIA	31,233	25,981	32,452	707	90,373	5,841
Due from other governments	2,225,655	-	-	-	2,225,655	-
Total noncurrent assets	56,576,241	15,884,968	38,282	3,643,375	76,142,866	5,480,859
Total assets	89,538,628	39,155,057	1,447,422	5,363,507	135,504,614	30,498,175
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension outflow	1,730,038	1,439,673	1,621,811	42,777	4,834,299	298,024
Deferred OPEB outflows	71,071	60,465	82,352	1,323	215,211	10,065
Deferred charge for debt refunding	509,122	-	-	-	509,122	-
Total deferred outflows of resources	2,310,231	1,500,138	1,704,163	44,100	5,558,632	308,089
LIABILITIES						
Current liabilities:						
Accounts payable	638,582	535,583	522,580	9,662	1,706,407	1,245,537
Accrued payroll and other liabilities	408,440	221,074	314,346	2,444	946,304	340,150
Accrued claims liabilities, current portion	-	-	-	-	-	247,810
Accrued interest payable	84,450	15,600	-	-	100,050	-
Due to other funds	-	-	564,490	-	564,490	-
Deposits	-	-	-	34,372	34,372	-
Unearned revenues	-	-	18,461	3,000	21,461	62,746
Revenue bonds payable - current maturity	1,370,000	492,195	-	-	1,862,195	-
Total current liabilities	2,501,472	1,264,452	1,419,877	49,478	5,235,279	1,896,243
Noncurrent liabilities:						
Accrued absence payable	250,314	39,301	66,999	-	356,614	33,849
Accrued claims liabilities	-	-	-	-	-	354,190
Revenue bonds payable (net of unamortized premium)	7,985,175	4,707,741	-	-	12,692,916	-
Contracts payable	478,621	-	-	-	478,621	-
Net pension liability	5,348,959	4,511,135	5,164,424	134,492	15,159,010	945,212
Net OPEB obligation payable	365,996	341,053	630,232	13,298	1,350,579	67,983
Total noncurrent liabilities	14,429,065	9,599,230	5,861,655	147,790	30,037,740	1,401,234
Total liabilities	16,930,537	10,863,682	7,281,532	197,268	35,273,019	3,297,477
DEFERRED INFLOWS OF RESOURCES						
Deferred pension inflow	279,254	227,704	280,488	6,474	793,920	48,366
Deferred OPEB inflow	201,344	184,584	135,163	6,442	527,533	34,282
Deferred amount on refunding	-	241,475	-	-	241,475	-
Total deferred inflows of resources	480,598	653,763	415,651	12,916	1,562,928	82,648
FUND NET POSITION						
Net investment in capital assets	45,473,300	10,659,051	5,830	3,539,539	59,677,720	5,475,018
Restricted for capital projects	7,053,690	2,375,484	-	-	9,429,173	-
Unrestricted	21,910,734	16,103,215	(4,551,428)	1,657,884	35,120,406	21,951,121
Total fund net position	\$ 74,437,724	\$ 29,137,750	\$ (4,545,598)	\$ 5,197,423	104,227,299	\$ 27,426,139
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds.					436,389	
Net position of business-type activities					\$ 104,663,688	

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds					Governmental Activities
				Nonmajor		
	Sewer	Storm Drainage	Ambulance	Booth-Kelly	Total	Internal Service Funds
Operating revenues						
Charges for services	\$ 7,740,534	\$ 7,766,070	\$ 16,998,910	\$ 547,467	\$ 33,052,981	13,402,361
Less: Contractual adjustments	-	-	(12,174,486)	-	(12,174,486)	-
Licenses, permits and fees	-	-	-	-	-	145,766
Intergovernmental revenues	64,539	103,438	30,195	439	198,611	76,165
Miscellaneous revenue	2,035	375	9,869	188	12,467	45,574
Total operating revenues	7,807,108	7,869,883	4,864,488	548,094	21,089,573	13,669,866
Operating expenses:						
Legal and judicial services	-	-	-	-	-	1,444
Human resources	-	-	-	-	-	9,500,740
Finance	41,776	41,776	-	-	83,552	34,608
Information technology	282,196	217,595	-	-	499,791	565,930
Library	-	-	-	-	-	3,236
Fire and life safety	-	-	7,235,150	-	7,235,150	8,401
Police	-	-	-	-	-	70
Development and public works	4,424,079	6,023,736	-	414,900	10,862,715	768,574
Depreciation	2,773,657	491,916	7,963	79,354	3,352,890	1,149,683
Total operating expenses	7,521,708	6,775,023	7,243,113	494,254	22,034,098	12,032,686
Operating income (loss)	285,400	1,094,860	(2,378,625)	53,840	(944,525)	1,637,180
Nonoperating revenues (expenses):						
Investment earnings	160,372	112,208	2,529	8,831	283,940	120,627
Bond costs	-	(53,800)	-	-	(53,800)	-
Interest expense	(310,466)	(97,547)	-	-	(408,013)	(2,765)
Gain on disposal of equipment	-	-	-	-	-	23,474
Total nonoperating revenues (expenses)	(150,094)	(39,139)	2,529	8,831	(177,873)	141,336
Income (loss) before contributions and transfers	135,306	1,055,721	(2,376,096)	62,671	(1,122,398)	1,778,516
Transfers in	91,411	-	-	-	91,411	400,000
Transfers out	(432,165)	(475,392)	-	(73,626)	(981,183)	(335,732)
Capital contributions	2,077,065	1,844,982	-	-	3,922,047	-
Change in fund net position	1,871,617	2,425,311	(2,376,096)	(10,955)	1,909,877	1,842,784
Fund net position, beginning of year	72,566,107	26,712,439	(2,169,502)	5,208,378		25,583,355
Fund net position, end of year	\$ 74,437,724	\$ 29,137,750	\$ (4,545,598)	\$ 5,197,423		\$ 27,426,139
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					346,814	
Change in net position of business-type activities					\$ 2,256,691	

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2021

	Business type activities - Enterprise Funds					Governmental Activities
	Sewer	Storm Drainage	Ambulance	Nonmajor Booth Kelly	Total	Internal Service Funds
Cash flows from operating activities:						
Cash received from customers	\$ 7,702,137	\$ 8,525,212	\$ 4,759,834	\$ 545,424	\$ 21,532,607	\$ 13,300,454
Cash paid for employee services	(2,283,083)	(3,937,122)	(2,855,923)	(60,702)	(9,136,830)	(747,550)
Cash paid to suppliers for goods and services	(1,386,433)	(1,884,579)	(3,198,327)	(328,585)	(6,797,924)	(10,847,580)
Other operating receipts	64,539	103,813	40,064	628	209,044	267,505
Net cash provided by (used in) operating activities	<u>4,097,160</u>	<u>2,807,324</u>	<u>(1,254,352)</u>	<u>156,765</u>	<u>5,806,897</u>	<u>1,972,829</u>
Cash flows from noncapital financing activities:						
Operating transfers in from other funds	-	-	-	-	-	400,000
Transfers to/from other funds	(340,754)	(475,392)	-	(73,626)	(889,772)	(335,732)
Net cash provided by (used in) noncapital financing activities	<u>(340,754)</u>	<u>(475,392)</u>	<u>-</u>	<u>(73,626)</u>	<u>(889,772)</u>	<u>64,268</u>
Cash flows from capital and related financing activities:						
System development charges	1,235,575	390,670	-	-	1,626,245	-
Acquisition and construction of capital assets	(494,683)	(913,051)	-	(51,564)	(1,459,298)	(1,534,046)
Disposition of capital assets	-	-	-	-	-	71,892
Cost of bond refunding	-	(53,800)	-	-	(53,800)	-
Principal paid on long-term debt	(1,306,800)	(1,326,949)	-	-	(2,633,749)	(150,385)
Interest paid on long-term debt	(488,770)	(186,965)	-	-	(675,735)	(3,496)
Net cash used in capital and related financing activities	<u>(1,054,678)</u>	<u>(2,090,095)</u>	<u>-</u>	<u>(51,564)</u>	<u>(3,196,337)</u>	<u>(1,616,035)</u>
Cash flows from investing activities:						
Interest received	175,577	126,362	4,550	10,006	316,495	134,740
Net change in cash and investments	<u>2,877,305</u>	<u>368,199</u>	<u>(1,249,802)</u>	<u>41,581</u>	<u>2,037,283</u>	<u>555,802</u>
Cash and investments, beginning of year	28,116,509	21,505,269	1,249,802	1,668,960	52,540,540	23,202,925
Cash and investments, end of year	<u>\$ 30,993,814</u>	<u>\$ 21,873,468</u>	<u>\$ -</u>	<u>\$ 1,710,541</u>	<u>\$ 54,577,823</u>	<u>\$ 23,758,727</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 285,400	\$ 1,094,860	\$ (2,378,625)	\$ 53,840	\$ (944,525)	\$ 1,637,180
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	2,773,657	491,916	7,963	79,354	3,352,890	1,149,683
Changes in assets and liabilities:						
Accounts receivable	(38,397)	(29,229)	59,362	1,198	(7,066)	(101,907)
Due from other governments	(417,128)	-	-	-	(417,128)	-
Prepaid expenses	(15,449)	(10,624)	23,211	-	(2,862)	(709,624)
Accounts payable	515,442	390,932	(22,728)	8,994	892,640	(20,815)
Due to/from other funds	-	-	564,490	-	564,490	-
Accrued payroll and other liabilities	209,334	49,293	(33,879)	373	225,121	10,866
Accrued claims liabilities	-	-	-	-	-	(128,000)
Net pension liability and related deferrals	786,571	823,152	649,128	16,305	2,275,156	128,201
Net OPEB obligation and related deferrals	(2,270)	(2,976)	678	(58)	(4,626)	(303)
Deposits	-	-	-	134	134	-
Unearned revenue	-	-	(123,952)	(3,375)	(127,327)	30,642
Inventory	-	-	-	-	-	(23,094)
Net cash provided by (used in) operating activities	<u>\$ 4,097,160</u>	<u>\$ 2,807,324</u>	<u>\$ (1,254,352)</u>	<u>\$ 156,765</u>	<u>\$ 5,806,897</u>	<u>\$ 1,972,829</u>
Noncash capital and related financing activities:						
Contributed capital assets	<u>\$ 841,156</u>	<u>\$ 1,454,311</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,295,467</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
June 30, 2021

ASSETS	
Cash and investments	<u>\$ 93,667,144</u>
LIABILITIES	
Accounts payable	<u>4,267,854</u>
NET POSITION	
Restricted for HRA participants	1,657,459
Restricted for Bail	62,134
Restricted for Regional Fiber Consortium	449,162
Restricted for Metropolitan Wastewater Management Commission	86,331,141
Net position restricted for individuals, organizations and other governments	<u>899,394</u>
Total fiduciary net position	<u>\$ 89,399,290</u>

The accompanying notes are an integral part of the basic financial statements

City of Springfield, Oregon
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
Year Ended June 30, 2021

ADDITIONS	
HRA contributions from employer	\$ 891,426
Ambulance service collections for other governments	4,962,509
Bail receipts from individuals	436,777
Miscellaneous receipts from individuals, organizations	5,662,969
Receipts from Regional Fiber Consortium	832,445
Receipts from Metropolitan Wastewater Management Commission	234,230,867
Total additions	<u>247,016,993</u>
DEDUCTIONS	
HRA disbursements by employer	783,803
Ambulance service disbursements to other governments	4,962,508
Bail refunds to individuals	568,261
Miscellaneous disbursements to individuals, organizations	5,313,179
Disbursements by Regional Fiber Consortium	728,154
Disbursements by Metropolitan Wastewater Management Commission	229,885,070
Total deductions	<u>242,240,975</u>
CHANGE IN FUND NET POSITION	4,776,018
Fund net position - beginning	<u>84,623,272</u>
Fund net position - ending	<u><u>\$ 89,399,290</u></u>

The accompanying notes are an integral part of the basic financial statements



City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

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, 2021

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 Custodial 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 Police Local Option 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The Special Revenue Fund accounts for revenue received for specific, restricted purposes. Grant funds from the American Recovery Act were received in FY21 and are accounted for in this fund.

The Street Capital Fund accounts for revenue and expenses related to public transportation capital improvements. Financing is provided by bond sales and system development charges.

The City reports the following major proprietary funds:

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.

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.

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 Custodial 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Ambulance Fund are ambulance fees and billing and collection charges. The principal operating revenues of the 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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, 2021 the City's tax levy did not exceed the Oregon constitutional limitation. The total property tax levy was \$38,412,008. This includes general property taxes to support general obligation bond debt service of \$4,198,287.

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, 2021 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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

i. Deferred Outflows/Inflows of Resources

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

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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

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, 2021 were as follows:

<u>Fund Balances</u>	General	Police Local Option Levy	Special Revenue	Street Capital	Nonmajor Governmental	Total Governmental Funds
Nonspendable:						
Inventories	\$ 2,488	\$ -	\$ -	\$ -	\$ 249,304	\$ 251,792
Prepays	164,835	17,425	-	-	34,445	216,705
Investment in foreclosed property	1,970	-	-	-	-	1,970
Restricted:						
Debt service	-	-	-	-	530,680	530,680
Urban renewal	-	-	-	-	1,268,484	1,268,484
Capital projects	-	-	-	-	1,634,724	1,634,724
Street repairs and maintenance	-	-	-	-	2,299,864	2,299,864
Street improvements	-	-	-	11,138,428	-	11,138,428
Public Safety - Fire	-	-	1,000	-	1,216,189	1,217,189
Public Safety - Police general	-	2,911,235	381	-	-	2,911,616
Public Safety - Police forfeitures	-	-	209,615	-	-	209,615
Building code	-	-	-	-	3,247,946	3,247,946
Economic development	-	-	7,203	-	1,566,050	1,573,253
Library services	-	-	21,727	-	-	21,727
Committed:						
Development assessment	-	-	-	-	650,779	650,779
Capital projects	-	-	-	-	2,024,240	2,024,240
Technology fee reserve	-	-	709,060	-	-	709,060
Assigned:						
Capital projects	-	-	-	-	1,047,198	1,047,198
Contingency reserve	1,000,000	-	-	-	-	1,000,000
Public Safety - Police K9	-	-	109,926	-	-	109,926
Public Safety - Police general	-	-	436,791	-	-	436,791
Other purposes	-	-	255,515	-	-	255,515
Unassigned	10,353,531	-	-	-	-	10,353,531
Total fund balances	<u>\$ 11,522,824</u>	<u>\$ 2,928,660</u>	<u>\$ 1,751,218</u>	<u>\$ 11,138,428</u>	<u>\$ 15,769,903</u>	<u>\$ 43,111,033</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

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, 2021, the City implemented the following GASB pronouncements:

- GASB Statement No. 84 – *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The adoption and implementation of Statement No. 84 did not have a significant impact to the City.
- GASB Statement No. 90 – *Majority Equity Interests*. The primary objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.
- GASB Statement No. 98 – *The Annual Comprehensive Financial Report*.
- GASB Statements No. 87, 89, 91, 92, 93, 94, 96, and 97 – 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 \$76,100,571 difference are as follows:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

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

Bonds payable, net of original issue premium and deferred charges	\$ 15,453,234
Notes payable	2,532,521
Interfund loan payable	1,762,369
Due to developer (contracts payable)	210,000
Accrued interest payable	40,192
Compensated absences	5,417,582
Net pension liability and related deferrals	44,794,939
Net OPEB obligation and related deferrals	<u>5,889,734</u>
Total	<u>\$ 76,100,571</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 \$151,895,172 are as follows:

Capital assets (net of accumulated depreciation) reported in the Statement of Net Position - governmental activities column:	
Land and work in progress	\$ 86,509,287
Other capital assets (net of accumulated depreciation)	70,860,903
Total capital assets reported in internal service funds included in the Statement of Net Position - governmental activities column (net of accumulated depreciation)	<u>(5,475,018)</u>
	<u>\$ 151,895,172</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 “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.” The details of this \$12,053,444 difference are as follows:

Capital outlay	\$ 7,785,246
Donated capital assets	9,587,061
Depreciation	<u>(5,318,863)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 12,053,444</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

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 \$4,205,055 difference are as follows:

Principal repayment of general obligation debt	\$ 3,474,000
Principal repayment of note payable	619,807
Amortization of deferred charges	(35,034)
Amortization of bond premiums	230,481
Increase in interfund loan payable	(92,916)
Decrease in accrued interest payable	8,717
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 4,205,055</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 \$(5,403,359) difference are as follows:

Increase in accrued compensated absences	\$ (211,919)
Increase in net pension liability and related deferrals	(5,001,823)
Increase in net OPEB obligation and related deferrals	<u>(189,617)</u>
Net adjust to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (5,403,359)</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, 2021

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, 2021, the City Council approved several transfer resolutions and supplemental budgets increasing appropriations by \$13,334,107.

The Ambulance Fund reported a GAAP basis negative fund balance of \$4,545,598. This negative fund balance was the result of the Fund not receiving the anticipated ambulance billing revenue in the current and prior fiscal years dating back to June 30, 2017.

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, 2021, cash and investments are comprised of the following:

Cash on hand	\$ 5,350
Cash with Fiscal Agent	5,500
Deposits	11,504,803
Local Government Investment Pool Accounts	119,829,178
Investments	92,207,085
	<u>\$ 223,551,916</u>

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

Governmental Funds	\$ 75,306,949
Business-type Funds	54,577,823
Not Appearing on Statement of Net Position	
Fiduciary Fund	93,667,144
	<u>\$ 223,551,916</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE D – CASH AND INVESTMENTS - Continued

Deposits

Deposits with financial institutions are comprised of checking, money market and certificate of deposit accounts. As of June 30, 2021, the City of Springfield had a book balance of \$11,504,803 and a bank balance of \$12,968,215. The difference is due to transactions in process. Of this amount, \$750,000 was covered by federal depository insurance, and the remainder was collateralized by the statewide pool.

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

Local Government Investment Pool

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

The Oregon Audits Division of the Secretary of State's Office audits the Pool annually. The Division's report on the Pool as of and for the year ended June 30, 2021 was unmodified and may be obtained at the Oregon State Treasury, 350 Winter St. NE, Ste 100, Salem, OR 97310 or at www.oregon.gov/treasury. At June 30, 2021, the fair value of the City's deposits with the LGIP approximates cost.

Cash and Investments

On June 30, 2021, the City of Springfield held \$92,207,085 of investments; corporate indebtedness of \$27,985,013, and government agency securities totaling \$64,222,072.

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, 2021

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, 2021, 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, 2021.

Short-Term Investments:

<u>Maturity</u>	<u>Amount</u>	<u>Actual %</u>	<u>Investment Policy %</u>
Under 30 days	\$ 131,344,831	59%	10 % minimum
Under 90 days	131,344,831	59%	25 % minimum
Under 270 days	142,030,051	64%	50 % minimum
Under one year	181,513,738	81%	80 % minimum
Under 18 months	223,551,916	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, 2021, 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, 2021

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, 2021 were delivered by book entry to the account of BNY Mellon 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, 2021, 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	\$ 119,829,178	54%	100%
Interest Bearing Checking Account	2,993,578	1%	50%
Money Market Account	3,459,603	2%	50%
Time Certificates of Deposit	5,051,622	2%	25%
Corporate Bonds	27,985,013	12%	25%
Government Agency Securities - U.S.	64,222,072	29%	50%
Other	10,850	0%	0%
Totals	<u>\$ 223,551,916</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, 2021

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, 2021, 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, 2021 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	\$ 740,519	\$ 1,698,303	\$ -	\$ 56,767	\$ 29,807	\$ -	\$ 1,233	\$ 2,526,629
Police Local Option Levy	257,098	78,225	-	-	5,264	-	-	340,587
Special Revenue funds	-	7,874	-	246,537	-	-	-	254,411
Street Capital Projects	-	358,802	-	-	21,743	-	990,175	1,370,720
Sewer	-	1,267,585 *	-	-	47,937	-	632,867	1,948,389
Storm Drainage	-	1,298,727 *	-	-	35,128	-	48,540	1,382,395
Ambulance	-	1,389,372 *	-	-	1,418	-	-	1,390,790
Nonmajor governmental	343,792	1,567,540	37,970	355,404	28,473	1,728,657	26	4,061,862
Nonmajor enterprise	-	6,817	-	-	2,774	-	-	9,591
Internal Service	-	158,100	-	-	37,180	-	89,529	284,809
	<u>\$1,341,409</u>	<u>\$7,831,345</u>	<u>\$ 37,970</u>	<u>\$ 658,708</u>	<u>\$ 209,724</u>	<u>\$ 1,728,657</u>	<u>\$ 1,762,370</u>	<u>\$ 13,570,183</u>

*Net of allowances for uncollectible accounts totalling \$2,310,080

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

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, 2021, the various components of unavailable revenue (deferred inflows of resources) consist of the following:

FUND BY TYPE	Property taxes receivable	Fees and charges	Mortgage notes receivable	Assessments	Other	Total Unavailable revenue
General	\$ 698,120	\$ 795,132	\$ -	\$ -	\$ 390	\$ 1,493,642
Police Local Option Levy	245,037	31,600	-	-	-	276,637
Special Revenue funds	-	7,874	-	-	-	7,874
Street Capital Projects	-	1,348,977	-	-	-	1,348,977
Nonmajor governmental	330,322	887,565	1,038,740	37,969	-	2,294,596
Total unavailable revenue	<u>\$ 1,273,479</u>	<u>\$ 3,071,148</u>	<u>\$ 1,038,740</u>	<u>\$ 37,969</u>	<u>\$ 390</u>	<u>\$ 5,421,726</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE F – CAPITAL ASSETS

Governmental activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 75,901,450	\$ 4,933,522	\$ (216,314)	\$ 80,618,658
Work in progress	1,489,440	4,906,122	(504,933)	5,890,629
Total capital assets, not being depreciated	77,390,890	9,839,644	(721,247)	86,509,287
Capital assets, being depreciated:				
Buildings	47,921,491	1,617,884	-	49,539,375
Infrastructure	90,397,449	5,940,669	-	96,338,118
Machinery & equipment	24,787,608	2,146,715	(475,466)	26,458,857
Studies	1,205,886	82,688	-	1,288,574
Total capital assets, being depreciated	164,312,434	9,787,955	(475,466)	173,624,923
Less accumulated depreciation for:				
Buildings	(31,466,297)	(1,851,573)	-	(33,317,870)
Infrastructure	(46,439,556)	(3,152,812)	-	(49,592,368)
Machinery & equipment	(18,038,281)	(1,376,468)	427,048	(18,987,701)
Studies	(778,388)	(87,692)	-	(866,080)
Total depreciation	(96,722,522)	(6,468,546)	427,048	(102,764,020)
Total capital assets, being depreciated, net	67,589,912	3,319,410	(48,418)	70,860,903
Governmental activities capital assets, net	\$ 144,980,802	\$ 13,159,054	\$ (769,663)	\$ 157,370,190

Business-type activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 6,411,506	\$ -	\$ -	\$ 6,411,506
Work in progress	1,365,397	1,480,501	(57,745)	2,788,153
Total capital assets, not being depreciated	7,776,903	1,480,501	(57,745)	9,199,659
Capital assets, being depreciated:				
Buildings & infrastructure	114,210,246	2,332,005	(6,289,941)	110,252,310
Land improvements	532,806	-	-	532,806
Equipment	1,843,318	-	(80,889)	1,762,429
Studies	1,872,456	-	-	1,872,456
Total capital assets, being depreciated	118,458,826	2,332,005	(6,370,830)	114,420,001
Less accumulated depreciation for:				
Land improvements	(514,977)	(1,244)	-	(516,221)
Buildings & infrastructure	(48,986,758)	(3,164,668)	6,289,941	(45,861,485)
Equipment	(1,771,124)	(53,662)	80,889	(1,743,897)
Studies	(1,537,902)	(133,316)	-	(1,671,218)
Total depreciation	(52,810,761)	(3,352,890)	6,370,830	(49,792,822)
Total capital assets, being depreciated, net	65,648,065	(1,020,885)	-	64,627,179
Business-type activities capital assets, net	\$ 73,424,968	\$ 459,616	\$ (57,745)	\$ 73,826,838

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE F – CAPITAL ASSETS – Continued

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

Governmental activities:	
General government	\$ 172,300
Fire and life safety	562,864
Police	1,514,372
Library	13,696
Development and public works	3,973,505
Unallocated	<u>231,809</u>
Total depreciation expense - governmental activities	<u>\$ 6,468,546</u>
Business activities:	
Sanitary sewer	\$ 2,773,657
Storm drainage	491,916
Booth-Kelly	79,354
Ambulance	<u>7,963</u>
Total depreciation expense - business-type activities	<u>\$ 3,352,890</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, 2021

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
2020	1,114,259	5,599,898	(5,975,269)	738,888
2021	738,888	5,699,761	(5,638,464)	800,185

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 Loss & ALAE Liabilities by Category and Year* as of June 30, 2021
(\$000s)

Year	Case Reserves	IBNR Reserves	Outstanding LCF	Closeout Risk Adj.	Net Outstanding Liabilities
Prior	\$ 14	\$ -	\$ -	\$ -	\$ 14
2017-18	5	35	8	5	53
2018-19	9	48	11	5	73
2019-20	63	63	25	7	158
2020-21	116	141	51	7	315
Total	<u>\$ 207</u>	<u>\$ 287</u>	<u>\$ 95</u>	<u>\$ 24</u>	<u>613</u>
Less investment income offset					<u>(11)</u>
Net accrued claims liability					<u>\$ 602</u>

*At expected (no risk margin), and not discounted to reflect net present value.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE G - RISK MANAGEMENT – Continued

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

NOTE H - CAPITAL LEASES

The City periodically purchases equipment with no down payment and annual payments over 5 years. These lease agreements qualify as capital leases for accounting purposes and, therefore, we record them 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.

All capital leases were paid in full in fiscal year ending June 30, 2021, and there are currently no future lease obligations.

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 the Series 2016 general obligation bonds was \$14,690,000.

The original amount of the Series 2020 general obligation bonds was \$10,000,000. This issue was a direct placement and is subject to a default interest rate that is 1.50% higher than the bond interest rate. A default is defined as failure to pay principal or interest within ten days of the due date, a determination by the Internal Revenue Service that interest on the bond is includable in gross income due to actions or omissions of the Borrower or failure by the City to comply with any of its obligations, or to perform any of its duties under the bond, which failure continues and is not cured for a period of more than 60 days after the Lender has made written demand on the City to cure such failure.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE I - LONG-TERM DEBT – continued

General obligation bonds payable transactions for the year ended June 30, 2021 are as follows:

	Issue Date	Final Maturity Date	Effective Interest Rate	Outstanding July 1, 2020	Issued During year	Retired During Year	Outstanding June 30, 2021	Due Within One Year
Series 2016	6/29/2016	2026	1.36%	\$ 10,125,000	\$ -	\$ (1,570,000)	\$ 8,555,000	\$ 1,625,000
Series 2019	8/6/2019	2024	1.80%	7,825,000	-	(1,904,000)	5,921,000	1,939,000
					Unamortized premium		1,152,404	
					Due in current year		(3,564,000)	
					Total general obligation long-term debt		<u>\$ 12,064,404</u>	

Revenue Bonds

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

During the fiscal year ended June 30, 2021, the City issued Series 2020 Sewer System (stormwater) Revenue Refunding bond to provide funds for advance refunding of Series 2010 Sewer System (stormwater) Revenue bonds. The \$5,199,936 issue closed on November 10, 2020 at an interest rate of 1.2% maturing in 2031. The Series 2010 Bonds' interest rate was 3.49%. Net present value of the savings, due to the lower interest rate on the refunding bonds, is \$823,423.

The Series 2020 issue was a direct placement and is subject to a default interest rate that is 4.0% higher than the bond interest rate until such time that the default is cured. A default is defined as failure to pay principal or interest when due, a failure to comply with any obligations or to perform any of its duties under the bonds, which continues and is not cured for a period of more than 60 days after the lender has made a written demand, or a material misrepresentation by the borrower to the lender. The Series 2010 Sewer System Revenue bonds were retired.

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE I - LONG-TERM DEBT – Continued

Revenue obligation bonds payable transactions for the year ended June 30, 2021 are as follows:

	Issue Date	Final Maturity Date	Effective Interest Rate	Outstanding July 1, 2020	Issued During year	Retired During Year	Outstanding June 30, 2021	Due Within One Year
Series 2010	10/6/2010	2030	3.149%	\$ 6,305,000	\$ -	\$ (6,305,000)	\$ -	\$ -
Series 2017	6/27/2017	2027	1.725%	9,765,000	-	(1,320,000)	8,445,000	1,370,000
Series 2020	11/10/2020	2031	1.200%	-	5,199,936	-	5,199,936	492,195
Unamortized premium							1,151,650	
Deferred on refunding							(241,475)	
Due in current year							<u>(1,862,195)</u>	
Total revenue bonds payable							<u>\$ 12,692,916</u>	

Maturities of bond principal and interest are as follows:

Year	General Obligation Bonds		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021-22	\$ 3,564,000	\$ 448,778	\$ 1,862,195	\$ 397,246	\$ 5,426,195	\$ 846,024
2022-23	3,668,000	348,876	1,923,213	336,504	5,591,213	685,380
2023-24	3,774,000	245,562	1,986,164	273,477	5,760,164	519,039
2024-25	1,830,000	138,800	2,050,866	208,175	3,880,866	346,975
2025-26	1,640,000	65,600	2,119,820	140,421	3,759,820	206,021
2026-31	-	-	3,702,678	122,030	3,702,678	122,030
Total	<u>\$ 14,476,000</u>	<u>\$ 1,247,616</u>	<u>\$ 13,644,936</u>	<u>\$ 1,477,853</u>	<u>\$ 28,120,936</u>	<u>\$ 2,725,469</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE I - LONG-TERM DEBT – Continued

The City issues debt backed solely by future fees received for certain services. At June 30, 2021, future pledged revenues are as follows:

Purpose	Revenue Stream	Year end of final payments	Future pledged revenue debt outstanding	Approx % of future revenues pledged to gross revenues	Revenue, net of related expenses Y/E 6/30/2021	Debt payments Y/E 6/30/2021	2021 Gross Revenues
Revenue bonds:							
Sewer System series 2017	Sewer system fees	2027	\$ 8,445,000	10.9%	\$ 3,696,673	* \$ 1,710,600	\$ 15,676,991
Revenue bonds:							
Storm System series 2020	Sewer system fees	2031	<u>5,199,936</u>	0.2%	3,696,673	* <u>24,440</u>	
Business-type activities			<u>\$ 13,644,936</u>			<u>\$ 1,735,040</u>	

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 and prepayment fees. The 2016 Note has 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 unassigned fund balance of at least \$125,000.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE I - LONG-TERM DEBT – Continued

Notes Payable

At June 30, 2021 notes payable are as follows:

Governmental activities:

Bank of Cascades (SEDA), payable in monthly installments including interest at 3.08%, due 2024	\$ 894,928
Bank of Cascades (SEDA), payable in monthly installments including interest at 4.15%, due 2025	<u>1,637,593</u>
Total governmental activities	<u><u>\$ 2,532,521</u></u>

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>
2021-22	\$ 645,041
2022-23	668,173
2023-24	691,380
2024-25	<u>527,927</u>
	<u><u>\$ 2,532,521</u></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. The 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.

Legal Debt Margin

The City of Springfield is subject to a debt limit that is 3% of the real market value of taxable property. As of June 30, 2021, that amount was \$287,845,035. As of June 30, 2021, the total outstanding debt applicable to the limit was \$14,476,000 which is 5.03% of the total debt limit.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE I - LONG-TERM DEBT – Continued

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 17,950,000	\$ -	\$ (3,474,000)	\$ 14,476,000	\$ 3,564,000
Less deferred amounts for issuance premiums	1,382,885	-	(230,481)	1,152,404	-
Total bonds payable	19,332,885	-	(3,704,481)	15,628,404	3,564,000
Notes payable	3,152,328	-	(619,807)	2,532,521	645,041
Deferred system development fees	1,669,453	92,916	-	1,762,369	-
Contracts payable	210,000	-	-	210,000	-
Capital leases	150,385	-	(150,385)	-	-
Accrued claims liability	730,000	-	(128,000)	602,000	247,810
Compensated absences	5,261,904	2,675,681	(2,475,872)	5,461,713	2,551,156
Net OPEB liability	5,831,921	-	(130,786)	5,701,135	-
Net pension liability	51,094,631	5,174,570	-	56,269,201	-
Governmental activity long-term liabilities	<u>\$ 87,433,507</u>	<u>\$ 7,943,167</u>	<u>\$ (7,209,331)</u>	<u>\$ 88,167,343</u>	<u>\$ 7,008,007</u>
<u>Business-type activities:</u>					
Bonds payable:					
Revenue bonds	\$ 16,070,000	\$ 5,199,936	\$ (7,625,000)	\$ 13,644,936	\$ 1,862,195
Less deferred amounts for issuance premiums	1,329,607	-	(419,432)	910,175	-
Total bonds payable	17,399,607	5,199,936	(8,044,432)	14,555,111	1,862,195
Contracts payable	478,956	-	(335)	478,621	-
Compensated absences	861,307	751,351	(565,999)	1,046,659	690,045
Net OPEB liability	1,392,797	-	(42,218)	1,350,579	-
Net pension liability	12,540,812	2,618,198	-	15,159,010	-
Business-type activities long-term liabilities	<u>\$ 32,673,479</u>	<u>\$ 8,569,485</u>	<u>\$ (8,652,984)</u>	<u>\$ 32,589,980</u>	<u>\$ 2,552,240</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

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	\$ 95,249
Storm Drainage	Internal service funds	136,543
Booth-Kelly	Internal service funds	6,616
Ambulance	Internal service funds	197,981
Total due to/from other funds (different fund types)		<u>\$ 436,389</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>Amount</u>
Sewer	SEDA Glenwood	\$ 498,057
Sewer	SEDA Downtown	134,810
Storm Drainage	SEDA Glenwood	48,218
Storm Drainage	SEDA Downtown	322
Total Advance to/from other funds (different fund types)		<u>681,407</u>

<u>Receivable Fund</u>		<u>Amount</u>
Street Capital	SEDA Glenwood	\$ 687,566
Street Capital	SEDA Downtown	302,609
Internal Service Funds	SEDA Glenwood	67,641
Internal Service Funds	SEDA Downtown	21,887
General Fund	SEDA Glenwood	1,233
Building Code	SEDA Glenwood	26
Total due to/from other funds (similar fund types)		<u>\$ 1,080,962</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

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

Interfund Transfers

Fund description	General	Street Capital	Special Revenue Fund	Nonmajor Governmental Funds	Internal Service	Sanitary Sewer	Total Transfers Out
General	\$ -	\$ -	\$ 5,616	\$ 645,662	\$ 400,000	\$ -	\$ 1,051,278
Special Revenue	191,452	-	-	-	-	-	191,452
Street Capital	13,646	-	-	-	-	-	13,646
Nonmajor Governmental	459,315	150,000	-	-	-	48,184	657,499
Sanitary Sewer	-	432,165	-	-	-	-	432,165
Storm Drainage	-	432,165	-	-	-	43,227	475,392
Nonmajor Proprietary	73,626	-	-	-	-	-	73,626
Internal Service Funds	335,732	-	-	-	-	-	335,732
Total Transfers In	<u>\$ 1,073,771</u>	<u>\$ 1,014,330</u>	<u>\$ 5,616</u>	<u>\$ 645,662</u>	<u>\$ 400,000</u>	<u>\$ 91,411</u>	<u>\$ 3,230,790</u>

Transfers are routinely made for the following purposes:

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

NOTE K – REBATABLE ARBITRAGE

The City has two general obligation bonds payable. The Series 2016 bond, originally issued for \$14,690,000, has no arbitrage liability as of June 30, 2021.

The Series 2019 bond, originally issued for \$10,000,000, has a contingent arbitrage liability of \$40,471.21 as of June 30, 2021. Arbitrage reporting on this bond is not due until 2024, by which time there may or may not be a liability.

The City has two revenue bonds payable. The Sewer Series 2017 bond, originally issued for \$13,610,000 and the Series 2020 Sewer Refunding bond, originally issued for \$5,199,936 have no arbitrage liability as of June 30, 2021.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

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, 2021, there were 20 participants in the plan, of which 7 are active employees and 13 are inactive employees or their beneficiaries. The CRP is subject to Oregon PERS “equal to or better than” statutory requirements. PERS completed its latest “equal to or better than” testing in July of 2005. The most recent testing prior to July 2005 was in 1995. The plan does not issue a separate stand-alone report.

City Retirement Plan Benefits

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

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

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

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,

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

taking into account the closed status of the plan. The funding policy may be amended by the City Council at any time for any reason.

The City completes an actuarial study of the CRP as of June 30 every 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 33.0%. The annual lump sum contribution for the current bi-annual period is \$896,000.

Employer contributions for the year ended June 30, 2021 were \$1,700,288. 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, 2021, the City reported a net pension liability of \$4,668,400. The net pension liability and fiduciary net position were measured as of June 30, 2021. The total pension liability was determined using actuarial valuation results as of July 1, 2020 rolled forward to June 30, 2021. The following table presents the changes in the net pension liability for the fiscal year ended June 30, 2021:

<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, 2020	\$ 31,464,475	\$ 22,161,549	\$ 9,302,926
Changes for the year:			
Service cost	424,658	-	424,658
Interest on total pension liability	1,648,210	-	1,648,210
Effect of economic/demographic (gains) or losses	(313,972)	-	(313,972)
Effect of assumptions changes or inputs	492,811	-	492,811
Benefit payments	(3,843,362)	(3,843,362)	-
Administrative expenses	-	(78,351)	78,351
Net investment income	-	5,264,296	(5,264,296)
Employer contributions	-	1,700,288	(1,700,288)
Net changes	(1,591,655)	3,042,871	(4,634,526)
Balances as of June 30, 2021	\$ 29,872,820	\$ 25,204,420	\$ 4,668,400

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

For the year ended June 30, 2021, the City recognized pension expense of \$14,437,646 between the City Retirement Plan and PERS, the details of which are presented in the following table:

	City Retirement Plan	PERS (Note M)	Total July 1, 2020 to June 30, 2021
<u>Pension expense</u>			
Service Cost	\$ 424,658	\$ 15,228,729	\$ 15,653,387
Interest on total pension liability	1,648,210	-	1,648,210
Administrative expenses	78,351	-	78,351
Expected investment return net of investment expenses	(1,052,542)	-	(1,052,542)
Net amortization of employer-specific deferred amounts from:			
Changes in proportionate share	-	40,235	40,235
Differences between employer contributions and proportionate share of system contributions	-	(688,394)	(688,394)
Recognition of Deferred (Inflows)/Outflows of Resources:			
Recognition of economic/demographic (gains) losses	(410,861)	-	(410,861)
Recognition of assumption changes or inputs	433,386	-	433,386
Recognition of investment (gains) losses	(1,264,126)	-	(1,264,126)
Pension Expense	<u>\$ (142,924)</u>	<u>\$ 14,580,570</u>	<u>\$ 14,437,646</u>

At June 30, 2021, 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	\$ (410,190)	\$ -
Changes of assumptions or inputs	-	731,121
Net difference between projected and actual earnings	(3,570,509)	-
Total	<u>\$ (3,980,699)</u>	<u>\$ 731,121</u>

The \$3,249,578 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>
2022	\$ (804,688)
2023	(797,368)
2024	(805,172)
2025	(842,350)
2026	-
Thereafter	-
Total	<u>\$ (3,249,578)</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

Actuarial Valuations – The total pension liability in the July 1, 2020 actuarial valuation rolled forward to June 30, 2021 was determined using the following actuarial assumptions:

Actuarial Valuation Assumptions

Valuation date	June 30, 2020 rolled forward to June 30, 2021.
Actuarial cost method	Individual entry age normal, level percentage of base salary
Amortization method	Fixed amortization period of 16 years starting July 1, 2020, 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	5.00%
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 5.0%.

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 5.0%, 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 (4.0%) or 1-percentage-point higher (6.0%) than the current rate:

Sensitivity

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Total pension liability	\$ 31,217,862	\$ 29,872,820	\$ 29,027,737
Fiduciary net position	25,204,420	25,204,420	25,204,420
Net pension liability	<u>\$ 6,013,442</u>	<u>\$ 4,668,400</u>	<u>\$ 3,823,317</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, 2020 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, 2021

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	3.3%	1.82%
Core Fixed Income	35.8%	2.65%
Broad US Equities	7.8%	5.59%
Large Cap US Equities	25.0%	5.55%
Small Cap US Equities	12.8%	5.85%
Developed Economy Foreign Equities	12.4%	6.62%
Emerging Markets Equity	2.9%	7.40%
Assumed Inflation – Mean		2.20%

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, 2021

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 (COLA). Under current law, the COLA is capped at 2.0%.

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, 2021

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, 2017 actuarial valuation. The City contribution rates in effect for the fiscal year ended June 30, 2021 were 21.59% for Tier One/Tier Two covered members, 17.30% for OPSRP Pension Program Police and Fire Members, and 12.67% for OPSRP Pension Program General Service Members.

Employer contributions for the year ended June 30, 2021 were \$5,878,193. 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, 2021, the City reported a liability of \$66,759,811 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. 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, 2020, the City's proportion was 0.3059%, which was changed from 0.3141% measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$14,580,570. At June 30, 2021, 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, 2021

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,938,239	\$ -
Changes of assumptions	3,582,788	(125,533)
Net difference between projected and actual earnings of pension plan investments	7,850,086	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,281,507	(1,225,561)
Differences between employer contributions and employer's proportionate share of system contributions	-	(2,111,054)
Total (prior to post measurement date contributions)	15,652,620	(3,462,148)
Contributions subsequent to the measurement date	5,878,193	-
Total Deferred Outflow/Inflow of Resources	<u>\$ 21,530,813</u>	<u>\$ (3,462,148)</u>

The \$5,878,193 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, 2022. 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,	
2022	\$ 2,780,403
2023	3,741,139
2024	3,487,902
2025	2,272,279
2026	<u>(91,251)</u>
Total	<u>\$ 12,190,472</u>

Actuarial Valuations – The employer contribution rates effective July 1, 2019, through June 30, 2021, 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, 2018 actuarial valuation was determined using the following actuarial assumptions:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

Actuarial Assumptions

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, published July 24, 2019
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 <i>Moro</i> decision: Blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled Retirees: Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

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, 2021

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)	\$99,132,806	\$66,759,811	\$39,613,554

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 2018 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, 2021

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

Asset Class	Target	20-Year Annualized (Geometric) Mean
Core Fixed Income	9.60 %	4.07 %
Short-Term Bonds	9.60	3.68
Bank/Leveraged Loans	3.60	5.19
High Yield Bonds	1.20	5.74
Large/Mid Cap US Equities	16.17	6.30
Small Cap US Equities	1.35	6.68
Micro Cap US Equities	1.35	6.79
Developed Foreign Equities	13.48	6.91
Emerging Market Equities	4.24	7.69
Non-US Small Cap Equities	1.93	7.25
Private Equity	17.50	8.33
Real Estate (Property)	10.00	5.55
Real Estate (REITS)	2.50	6.69
Hedge Fund of Funds - Diversified	1.50	4.06
Hedge Fund - Event-driven	0.38	5.59
Timber	1.13	5.61
Farmland	1.13	6.12
Infrastructure	2.25	6.67
Commodities	1.13	3.79
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, 2021

NOTE N – PERS DEFINED CONTRIBUTION PENSION PLAN – Continued

of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

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

Death Benefits – Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments 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, 2021, the City's contribution to the IAP plan was \$1,508,712.

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, 2021

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

	Implicit Rate Subsidy Plan	RHIA Cost Sharing Plan	Total Reported
OPEB Liability	\$ (7,051,714)	\$ -	\$ (7,051,714)
OPEB Asset	-	398,376	398,376
Deferred Outflows of Resources			
Difference in expected and actual experience	398,151	44,303	442,454
Changes of assumptions	178,204	-	178,204
Changes in proportionate share	-	105,210	105,210
Contributions after the measurement date	324,876	12,434	337,310
Deferred Inflows of Resources			
Difference in expected and actual experience	-	(40,726)	(40,726)
Changes of assumptions	(1,893,699)	(21,176)	(1,914,875)
Change in proportionate share	-	(2,860)	(2,860)
OPEB Expense	467,856	(10,894)	456,962

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, 2021, 32 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, 2021 was \$41,303.

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, 2021, there were no employees receiving this benefit.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

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 \$7,051,714 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2020 (plan details outlined in the next page).

For the fiscal year ended June 30, 2021, the City recognized OPEB expense from this plan of \$467,856. At June 30, 2021, 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	\$ -	\$ 398,151	\$ 398,151
Changes of assumptions or inputs	(1,893,699)	178,204	(1,715,495)
Contributions made subsequent to measurement date	-	324,876	324,876
	<u>\$ (1,893,699)</u>	<u>\$ 901,231</u>	<u>\$ (992,468)</u>

Deferred outflows of resources related to OPEB of \$324,876 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, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	<u>Annual Recognition</u>
2022	\$ (208,607)
2023	(208,607)
2024	(208,607)
2025	(208,607)
2026	(203,037)
Thereafter	<u>(279,879)</u>
Total	<u>\$ (1,317,344)</u>

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2020 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, 2021

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

Valuation date	July 1, 2020
Measurement Date	June 30, 2020
Discount rate	2.21%
Inflation	2.50%
Salary Increases	3.50%
Withdrawal, retirement, and mortality rates	December 31, 2019 Oregon PERS valuation and July 1, 2020 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, 2020	\$ 7,224,719
Changes for the year:	
Service cost	414,080
Interest on total OPEB liability	262,383
Effect of economic/demographic gains or losses	326,881
Effect of assumptions changes or inputs	(892,059)
Benefit payments	<u>(284,290)</u>
Balance as of June 30, 2021	<u>\$ 7,051,714</u>

Sensitivity of the Total OPEB Liability - The following presents the total OPEB liability of the Plan, calculated using the discount rate of 2.21%, 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 (1.21%) or 1 percentage point higher (3.21%) 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, 2021

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	\$ 7,620,438	\$ 7,051,714	\$ 6,518,486

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 6,314,172	\$ 7,051,714	\$ 7,920,495

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 0.06% of annual covered payroll for PERS Plan members, and 0.0% 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, 2021 contributions was \$12,134.

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, 2021, the City's proportion was 0.1955%, which was a decrease from its proportion of 0.2985% at the prior measurement date.

For the year ended June 30, 2021, the City recognized deferred outflows of resources and deferred inflows of resources in the amount of \$161,947 and \$64,762. For the year ended June 30, 2021, the City recognized OPEB income of \$10,894 for this plan.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

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	\$ (40,726)	\$ -	\$ (40,726)
Changes of assumptions	(21,176)	-	(21,176)
Net difference between projected and actual earnings	-	44,303	44,303
Changes in proportionate share	(2,860)	105,210	102,350
Subtotal	(64,762)	149,513	84,751
Contributions subsequent to the measurement date	-	12,434	12,434
Total	<u>\$ (64,762)</u>	<u>\$ 161,947</u>	<u>\$ 97,185</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
2022	\$ 13,149
2023	41,251
2024	16,377
2025	13,974
2026	-
Thereafter	-
Total	<u>\$ 84,751</u>

Change in Net OPEB Liability (RHIA)

<u>Oregon Public Employees Retirement System Cost-sharing Plan</u>	<u>2021</u>
Net OPEB Liability:	
Difference between expected and actual experience	\$ (40,726)
Changes in assumptions	(21,176)
Net difference between projected and actual earnings	44,303
Change in proportionate share	194,489
OPEB income	(10,894)
Benefit payments	12,434
Net changes in OPEB liability	<u>178,430</u>
Net OPEB liability (asset) - beginning	<u>(576,806)</u>
Net OPEB liability (asset) - ending	<u>\$ (398,376)</u>
City's proportionate share at measurement date	0.19551218%
City's covered employee payroll	\$ 34,220,410
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-1.2%

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

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)	\$ (321,622)	\$ (398,376)	\$ (464,004)

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, 2021, the City was obligated under incomplete construction contracts in the amount of \$3,200,772.

The Sick Leave Reserve Program allows AFSCME, SEIU and Non-Union employees to join annually for a calendar year of coverage during open enrollment by contributing hours from their accrued sick leave or PTO bank. The number of hours required to join is based on the employee's FTE and is pro-rated for mid-year hires who elect to join the program for the remainder of the calendar year at hire. Employees may draw from the reserve bank under certain circumstances as defined in the policy. Prior to drawing, employees must exhaust all their own leave accruals first. At June 30, 2021, the Sick Leave Reserve Program bank contained 8,247 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE Q – CONSTITUTIONAL PROPERTY TAX LIMITATION

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

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

NOTE R – TAX ABATEMENT

As of June 30, 2021, the City of Springfield provided tax abatements through the Enterprise Zone and Low Income Rental Housing Programs. 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.

Low Income Rental Housing (ORS 307.517)

Low Income Rental Housing property, or a portion of the property, qualifies for this exemption if it is offered for rent or held for the purpose of developing low income rental housing for a period not exceeding a reasonable maximum period, if any, adopted by the governing body. The property, if occupied, must be occupied solely by low income persons; the required rent payment reflects the full value of the property tax exemption; the exemption

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2021

NOTE R – TAX ABATEMENT – Continued

has been approved as provided in ORS 307-523, pursuant to an application filed before July 1, 2030; the housing units on the property were constructed after the local governing body adopted the provisions of ORS 307.515 to 307.523 and the information disclosed on the application filed pursuant to ORS 307.521 meets any other criteria adopted by the governing body.

For the fiscal year ended June 30, 2021, the City of Springfield abated taxes totaling \$1,423,414 under the Enterprise Zone program.

Tax Abatement Program	Amount of Taxes Abated during the Fiscal Year	
Enterprise Zone	\$	1,420,609
Housing for Low Income Rental		2,805
	\$	<u>1,423,414</u>

NOTE S – SUBSEQUENT EVENTS

In October of 2021, per the loan agreement, the interest rate was adjusted on the 2016 SEDA Note Payable. The original interest rate was 3.08% and the adjusted interest rate is 2.34%.

Required Supplementary Information



City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2021

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 23,039,234	\$ 23,039,234	\$ 23,171,809	\$ 132,575	\$ -	\$ 23,171,809
Licenses, permits and fees	2,890,888	2,890,888	2,945,851	54,963	-	2,945,851
Intergovernmental revenue	4,863,961	5,319,075	5,992,936	673,861	-	5,992,936
Charges for services	6,305,580	6,364,880	6,517,508	152,628	-	6,517,508
Fines and forfeitures	1,613,000	1,613,000	1,289,694	(323,306)	-	1,289,694
Investment earnings	307,000	307,000	90,959	(216,041)	(1,562)	89,397
Miscellaneous revenue	340,000	340,000	776,785	436,785	1,410	778,195
Total revenues	39,359,663	39,874,077	40,785,542	911,465	(152)	40,785,390
Expenditures:						
Current operating:						
City manager's office	1,552,858	1,645,588	1,473,741	171,847	1,481	1,475,222
Legal and judicial services	740,916	742,916	741,325	1,591	-	741,325
Human resources	657,730	657,730	624,410	33,320	-	624,410
Finance	2,348,379	2,348,379	2,240,960	107,419	-	2,240,960
Information technology	1,976,896	1,976,896	1,921,776	55,120	204,303	2,126,079
Fire and life safety	11,973,034	12,778,834	12,686,131	92,703	3,491	12,689,622
Police	16,152,892	16,152,892	15,665,164	487,728	40,282	15,705,446
Library	1,702,509	1,717,606	1,704,318	13,288	-	1,704,318
Development and public works	2,709,832	2,965,793	2,886,551	79,242	133,149	3,019,700
Contingency	1,000,000	386,353	-	386,353	-	-
Total expenditures	40,815,046	41,372,987	39,944,376	1,428,611	382,706	40,327,082
Excess of revenues over (under) expenditures	(1,455,383)	(1,498,910)	841,166	2,340,076	(382,858)	458,308
Other financing sources (uses):						
Interfund loan	2,175,000	2,175,000	2,175,000	-	(2,175,000)	-
Transfers in	1,062,300	1,062,300	738,039	(324,261)	335,732	1,073,771
Transfers out	(1,010,062)	(1,051,278)	(1,051,278)	-	-	(1,051,278)
Total other financing sources (uses)	2,227,238	2,186,022	1,861,761	(324,261)	(1,839,268)	22,493
Net change in fund balance	771,855	687,112	2,702,927	2,015,815	(2,222,126)	480,801
Fund balance, beginning of year	8,059,126	8,850,288	8,850,288	-	2,191,735	11,042,023
Fund balance, end of year	\$ 8,830,981	\$ 9,537,400	\$ 11,553,215	\$ 2,015,815	\$ (30,391)	\$ 11,522,824

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
Year Ended June 30, 2021

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Licenses, permits and fees	\$ 100,000	\$ 100,000	\$ 140,800	\$ 40,800	\$ -	\$ 140,800
Intergovernmental revenue	219,000	2,049,922	8,227,984	6,178,062	(6,978,111)	1,249,873
Fines and forfeitures	-	-	23,237	23,237	-	23,237
Investment earnings	-	-	1,722	1,722	-	1,722
Miscellaneous revenue	175,029	213,577	269,689	56,112	-	269,689
Total revenues	494,029	2,363,499	8,663,432	6,299,933	(6,978,111)	1,685,321
Expenditures:						
Current operating:						
City manager's office	38,230	153,346	64,239	89,107	-	64,239
Information Technology	22,000	22,000	16,563	5,437	-	16,563
Police	175,300	688,935	451,189	237,746	-	451,189
Library	128,213	185,832	171,437	14,395	-	171,437
Development and public works	15,500	1,419,352	743,243	676,109	-	743,243
Total expenditures	379,243	2,469,465	1,446,671	1,022,794	-	1,446,671
Excess of revenues over (under) expenditures	114,786	(105,966)	7,216,761	7,322,727	(6,978,111)	238,650
Other financing sources (uses):						
Transfers in	-	33,116	5,616	(27,500)	-	5,616
Transfers out	(191,452)	(191,452)	(191,452)	-	-	(191,452)
Total other financing sources (uses)	(191,452)	(158,336)	(185,836)	(27,500)	-	(185,836)
Net change in fund balance	(76,666)	(264,302)	7,030,925	7,295,227	(6,978,111)	52,814
Fund balance, beginning of year	1,534,187	1,698,404	1,698,404	-	-	1,698,404
Fund balance, end of year	\$ 1,457,521	\$ 1,434,102	\$ 8,729,329	\$ 7,295,227	\$ (6,978,111)	\$ 1,751,218

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
POLICE LOCAL OPTION LEVY FUND
Year Ended June 30, 2021

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 6,489,095	\$ 6,489,095	\$ 6,665,942	\$ 176,847	\$ -	\$ 6,665,942
Licenses, permits, and fees	90,500	90,500	82,720	(7,780)	-	82,720
Charge for services	820,600	820,600	543,489	(277,111)	-	543,489
Investment earnings	43,000	43,000	17,582	(25,418)	26	17,608
Intergovernmental revenue	-	-	16,750	16,750	-	16,750
Miscellaneous receipts	-	-	3,652	3,652	-	3,652
Total revenues	<u>7,443,195</u>	<u>7,443,195</u>	<u>7,330,135</u>	<u>(113,060)</u>	<u>26</u>	<u>7,330,161</u>
Expenditures:						
Current operating:						
Finance	667,541	667,541	557,995	109,546	(1,796)	556,199
Legal services	89,700	89,700	87,476	2,224	-	87,476
Police	<u>6,542,604</u>	<u>6,542,604</u>	<u>6,187,807</u>	<u>354,797</u>	<u>7,649</u>	<u>6,195,456</u>
Total expenditures	<u>7,299,845</u>	<u>7,299,845</u>	<u>6,833,278</u>	<u>466,567</u>	<u>5,853</u>	<u>6,839,131</u>
Net change in fund balance	143,350	143,350	496,857	353,507	(5,827)	491,030
Fund balance, beginning of year	<u>2,039,933</u>	<u>2,435,917</u>	<u>2,435,918</u>	<u>1</u>	<u>1,712</u>	<u>2,437,630</u>
Fund balance, end of year	<u>\$ 2,183,283</u>	<u>\$ 2,579,267</u>	<u>\$ 2,932,775</u>	<u>\$ 353,508</u>	<u>\$ (4,115)</u>	<u>\$ 2,928,660</u>

City of Springfield, Oregon
REQUIRED SUPPLEMENTARY INFORMATION
CITY RETIREMENT PLAN (CRP)
Year Ended June 30, 2021

Schedule of CRP Employer Contributions

	2021	2020	2019
Actuarially determined contribution	\$ 1,336,000	\$ 1,469,000	\$ 1,652,000
Actual employer contribution	1,700,288	1,895,516	1,842,671
Contribution deficiency (Excess)	(364,288)	(426,516)	(190,671)
Covered payroll	1,085,680	1,529,732	1,573,655
Contribution as a % of covered payroll	156.61%	123.91%	117.09%
Valuation Date	7/1/2018	7/1/2018	7/1/2016
Investment Rate of Return Assumption	5.50%	5.50%	6.50%

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

	2021	2020	2019
Total Pension Liability			
Service cost	\$ 424,658	\$ 473,416	\$ 409,467
Interest on total pension liability	1,648,210	1,690,860	1,942,409
Effect of economic/demographic (gains) or losses	(313,972)	-	(606,741)
Effect of assumptions changes or inputs	492,811	-	1,241,053
Benefit payments	(3,843,362)	(1,938,600)	(2,442,290)
Net change in total pension liability	(1,591,655)	225,676	543,898
Total pension liability, beginning	31,464,475	31,238,799	30,694,901
Total pension liability, ending (a)	29,872,820	31,464,475	31,238,799
Fiduciary Net Position			
Employer contributions	1,700,288	1,895,516	1,842,671
Investment income net of investment expenses	5,264,296	1,123,428	1,387,284
Benefit payments	(3,843,362)	(1,938,600)	(2,442,290)
Administrative expenses	(78,351)	(73,200)	(71,812)
Net change in plan net position	3,042,871	1,007,144	715,853
Fiduciary net position, beginning	22,161,549	21,154,405	20,438,552
Fiduciary net position, ending (b)	25,204,420	22,161,549	21,154,405
Net pension liability, ending (a) - (b)	\$ 4,668,400	\$ 9,302,926	\$ 10,084,394
Fiduciary net position as a % of total pension liability	84%	70%	68%
Covered payroll	\$ 1,085,680	\$ 1,529,732	\$ 1,573,655
Net pension liability as a % of covered payroll	430%	608%	641%

*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.

** Note: GAAP serves as the basis of budgeting

Fiscal Year Ended June 30,

2018	2017	2016	2015	2014	2013	2012
\$ 1,754,000	\$ 1,874,000	\$ 1,875,000	\$ 1,936,000	\$ 2,088,000	\$ 1,790,000	\$ 1,810,000
1,949,686	1,916,262	1,953,954	1,964,977	2,088,000	1,790,000	1,810,000
(195,686)	(42)	(79)	(29)	-	-	-
1,915,136	2,027,175	2,034,238	2,100,871	2,426,000	2,498,000	2,535,000
101.80%	94.52%	96.07%	93.53%	86.07%	71.66%	71.40%
7/1/2016	7/1/2014	7/1/2014	7/1/2012	7/1/2012	7/1/2010	7/1/2010
6.50%	6.50%	6.50%	6.50%	6.50%	7.50%	7.50%

Fiscal Year Ended June 30,

2018	2017	2016	2015
\$ 576,750	\$ 596,684	\$ 608,191	\$ 611,102
2,137,457	2,333,205	2,199,860	2,186,388
-	(1,642,892)	-	-
-	70,885	-	-
(8,653,011)	(45,910)	(1,444,246)	(3,730,383)
(5,938,804)	1,311,972	1,363,805	(932,893)
36,633,705	35,321,733	33,957,928	34,890,821
30,694,901	36,633,705	35,321,733	33,957,928
1,949,686	1,916,262	1,953,954	1,964,977
1,973,759	2,717,812	(12,259)	708,524
(8,653,011)	(45,910)	(1,444,246)	(3,730,383)
(86,436)	(76,423)	(68,077)	(70,078)
(4,816,002)	4,511,741	429,372	(1,126,960)
25,254,554	20,742,813	20,313,441	21,440,401
20,438,552	25,254,554	20,742,813	20,313,441
\$ 10,256,349	\$ 11,379,151	\$ 14,578,920	\$ 13,644,487
67%	69%	59%	60%
\$ 1,915,136	\$ 2,027,175	\$ 2,034,238	\$ 2,100,871
536%	561%	717%	649%

City of Springfield, Oregon
REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC EMPLOYEE RETIREMENT SYSTEM (OPERS)
Year Ended June 30, 2021

OPERS RETIREMENT PLAN PENSION BENEFITS

Schedule of Proportionate Share of the Net Pension Liability (Asset)

	2021	2020
Proportion of the net pension liability (asset)	0.3059%	0.3141%
Proportionate share of the net pension liability (asset)	\$ 66,759,811	\$ 54,332,518
Covered payroll	31,984,379	31,987,774
Proportionate share of the pension liability (asset) as a percentage of its covered payroll	208.73%	169.85%
Plan net position as a percentage of the total pension liability	75.8%	80.2%

*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.

*** No assets accumulated in a trust that meets the criteria of GASB to pay related benefits for the pension plan.

Schedule of Contributions

	2021	2020
Contractually required contribution	\$ 5,878,193	\$ 5,667,777
Contributions in relation to the contractually required contribution	5,878,193	5,667,777
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 34,220,410	\$ 31,984,379
Contributions as a percentage of covered payroll	17.18%	17.72%

*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.

** Note: GAAP serves as the basis of budgeting

Fiscal Year Ended June 30,

2019	2018	2017	2016	2015	2014
0.3009%	0.3053%	0.2894%	0.3089%	0.2801%	0.2801%
\$ 45,585,971	\$ 41,153,474	\$ 43,443,622	\$ 17,733,343	\$ (6,349,764)	\$ 14,295,480
29,957,604	29,371,018	28,785,414	27,340,088	26,270,045	26,151,761
152.17%	140.12%	150.92%	64.86%	-24.17%	54.42%
82.1%	83.1%	80.5%	91.9%	103.6%	92.0%

Fiscal Year Ended June 30,

2019	2018	2017	2016	2015	2014
\$ 4,190,470	\$ 3,930,696	\$ 2,875,247	\$ 2,718,458	\$ 2,393,904	\$ 2,371,838
4,190,470	3,930,696	2,875,247	2,718,458	2,393,904	2,371,838
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 31,987,774	\$ 29,957,604	\$ 29,371,018	\$ 27,340,088	\$ 27,340,088	\$ 26,270,045
13.10%	13.12%	9.79%	9.94%	8.76%	9.03%

City of Springfield, Oregon
REQUIRED SUPPLEMENTARY INFORMATION
IMPLICIT RATE SUBSIDY PLAN
Year Ended June 30, 2021

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY

	2021	2020
Total OPEB Liability:		
Services cost	\$ 414,080	\$ 372,531
Interest on total OPEB liability	262,383	266,338
Difference between expected and actual experience		
Effect of economic/demographic (gains) or losses	326,881	-
Effect of assumptions, changes or inputs	(892,059)	226,366
Benefit payments	(284,290)	(300,212)
Net change in total OPEB liability	<u>\$ (173,005)</u>	<u>\$ 565,023</u>
 Total OPEB liability - beginning	 7,224,719	 6,659,696
Restatement for GASB 75 Implementation	<u>-</u>	<u>-</u>
 Total OPEB liability - beginning as restated	 <u>7,224,719</u>	 <u>6,659,696</u>
Total OPEB liability - ending	<u>\$ 7,051,714</u>	<u>\$ 7,224,719</u>
 Covered-employee payroll	 \$ 31,984,379	 \$ 31,987,774
Total OPEB liability as a percentage of covered payroll	22.0%	22.6%

*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

*** No assets accumulated in a trust that meets the criteria of GASB to pay related benefits for the OPEB plan.

***** Note: GAAP serves as the basis of budgeting

Fiscal Year Ended June 30,

2019	2018
\$ 395,930	\$ 453,737
273,058	223,423
159,236	-
(1,219,048)	(495,892)
(361,763)	(309,306)
<u>\$ (752,587)</u>	<u>\$ (128,038)</u>
7,412,283	6,559,960
-	980,361
<u>7,412,283</u>	<u>7,540,321</u>
<u>\$ 6,659,696</u>	<u>\$ 7,412,283</u>
\$ 29,957,604	\$ 29,371,018
22.2%	25.2%

City of Springfield, Oregon
REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
RHIA COST SHARING PLAN
Year Ended June 30, 2021

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)

	2021	2020
Net OPEB Liability:		
Proportion of the net pension liability (asset)	0.1955%	0.2985%
Proportionate share of the net pension liability (asset)	\$ (398,376)	\$ (576,806)
Covered payroll	31,984,379	31,987,774
Proportionate share of the pension liability (asset) as a percentage of its covered payroll	-1.2%	-1.8%
Plan net position as a percentage of the total pension liability	150.1%	144.4%

*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

Oregon Public Employees Retirement System

	2021	2020
Contractually required contribution	\$ 9,018	\$ 13,962
Contributions in relation to the contractually required contribution	12,434	148,101
Contribution deficiency (excess)	<u>\$ (3,416)</u>	<u>\$ (134,139)</u>
Covered payroll	\$ 34,220,410	\$ 31,984,379
Contributions as a percentage of covered payroll	0.03%	0.04%

*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.

**Note: GAAP serves as the basis of budgeting

Fiscal Year Ended June 30,

2019	2018
0.2885%	0.2986%
\$ (322,081)	\$ (124,618)
29,957,604	29,371,018
-1.1%	-0.4%
124.0%	108.9%

Fiscal Year Ended June 30,

2019	2018
\$ 147,942	\$ 139,708
138,490	148,660
<u>\$ 9,452</u>	<u>\$ (8,952)</u>
\$ 31,987,774	\$ 29,957,604
0.46%	0.47%



Other Supplementary Information



Nonmajor Governmental Funds Combining Statements



City of Springfield, Oregon
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 9,752,136	\$ 4,958,395	\$ 519,559	\$ 15,230,090
Receivables:				
Accounts	1,567,540	-	-	1,567,540
Taxes	132,811	-	210,981	343,792
Grants	355,404	-	-	355,404
Accrued interest	16,058	8,199	4,216	28,473
Assessments and liens	-	37,970	-	37,970
Notes	1,728,657	-	-	1,728,657
Deferred system development charges	26	-	-	26
Prepaid items	34,445	-	-	34,445
Inventory	249,304	-	-	249,304
Advance to other funds	-	400,000	-	400,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 13,836,381</u>	<u>\$ 5,404,564</u>	<u>\$ 734,756</u>	<u>\$ 19,975,701</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,247,970	\$ -	\$ -	\$ 1,247,970
Accrued payroll and other liabilities	169,186	9,654	-	178,840
Unearned revenue	2,170	-	-	2,170
Due to other fund	400,000	-	-	400,000
Deposits	82,222	-	-	82,222
Total liabilities	<u>1,901,548</u>	<u>9,654</u>	<u>-</u>	<u>1,911,202</u>
Deferred inflows of resources:				
Unavailable revenue	<u>2,052,551</u>	<u>37,969</u>	<u>204,076</u>	<u>2,294,596</u>
Fund Balances:				
Nonspendable	283,749	-	-	283,749
Restricted	9,598,533	1,634,724	530,680	11,763,937
Committed	-	2,675,019	-	2,675,019
Assigned	-	1,047,198	-	1,047,198
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>9,882,282</u>	<u>5,356,941</u>	<u>530,680</u>	<u>15,769,903</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,836,381</u>	<u>\$ 5,404,564</u>	<u>\$ 734,756</u>	<u>\$ 19,975,701</u>

City of Springfield, Oregon
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2021

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 5,531,424	\$ -	\$ 4,079,461	\$ 9,610,885
Licenses, permits and fees	252,561	-	-	252,561
Intergovernmental	5,733,927	13,008	-	5,746,935
Charges for services	1,683,892	297,137	-	1,981,029
Fines and forfeitures	3,474	-	-	3,474
Investment earnings	56,337	26,370	13,705	96,412
Special assessments	-	6,621	-	6,621
Miscellaneous revenues	498,534	-	-	498,534
Total revenues	<u>13,760,149</u>	<u>343,136</u>	<u>4,093,166</u>	<u>18,196,451</u>
Expenditures:				
Current operating:				
General government	1,153,389	-	-	1,153,389
Fire and life safety	1,629,298	-	-	1,629,298
Library	179,646	-	-	179,646
Development and public works	8,305,354	-	-	8,305,354
Capital projects	2,339,066	124,934	-	2,464,000
Debt service:				
Principal	619,807	-	3,474,000	4,093,807
Interest	108,088	-	545,850	653,938
Total expenditures	<u>14,334,648</u>	<u>124,934</u>	<u>4,019,850</u>	<u>18,479,432</u>
Excess of revenues over (under) expenditures	<u>(574,499)</u>	<u>218,202</u>	<u>73,316</u>	<u>(282,981)</u>
Other financing sources (uses):				
Transfers in	489,350	156,312	-	645,662
Transfers out	<u>(622,961)</u>	<u>(34,538)</u>	<u>-</u>	<u>(657,499)</u>
Total other financing sources (uses)	<u>(133,611)</u>	<u>121,774</u>	<u>-</u>	<u>(11,837)</u>
Net change in fund balances	<u>(708,110)</u>	<u>339,976</u>	<u>73,316</u>	<u>(294,818)</u>
Fund balance, beginning of year	10,653,613	5,016,965	457,364	16,127,942
Change in reserve for inventory	<u>(63,221)</u>	<u>-</u>	<u>-</u>	<u>(63,221)</u>
Fund balance, end of year	<u>\$ 9,882,282</u>	<u>\$ 5,356,941</u>	<u>\$ 530,680</u>	<u>\$ 15,769,903</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:

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.

Police Local Option Levy Fund – 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.

Nonmajor Special Revenue Funds:

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

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

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

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

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

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

Fire Local Option Levy Fund – 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
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2021

	Street	Transient Room Tax	Community Development	Building Code	SEDA Glenwood	SEDA Downtown General	Fire Local Option Levy	Total
ASSETS								
Cash and investments	\$ 2,326,795	\$ 1,354,219	\$ 279,856	\$ 3,269,076	\$ 944,183	\$ 342,305	\$ 1,235,702	\$ 9,752,136
Receivables:								
Accounts	1,178,396	354,523	-	-	-	-	34,621	1,567,540
Taxes	-	-	-	-	36,584	27,367	68,860	132,811
Grants	13,962	-	341,442	-	-	-	-	355,404
Accrued interest	2,960	2,313	-	4,932	1,517	2,264	2,072	16,058
Notes	-	-	1,038,740	-	-	689,917	-	1,728,657
Deferred system development fees	-	-	-	26	-	-	-	26
Prepaid items	34,445	-	-	-	-	-	-	34,445
Inventory	249,304	-	-	-	-	-	-	249,304
Total assets	<u>\$ 3,805,862</u>	<u>\$ 1,711,055</u>	<u>\$ 1,660,038</u>	<u>\$ 3,274,034</u>	<u>\$ 982,284</u>	<u>\$ 1,061,853</u>	<u>\$ 1,341,255</u>	<u>\$ 13,836,381</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 479,456	\$ 218,208	\$ 288,360	\$ 5,259	\$ 58,319	\$ 174,603	\$ 23,765	\$ 1,247,970
Accrued payroll and other liabilities	92,183	13,710	6,926	20,803	-	-	35,564	169,186
Unearned revenue	2,170	-	-	-	-	-	-	2,170
Deposits	-	-	-	-	80,839	1,383	-	82,222
Due to other funds	-	-	-	-	-	400,000	-	400,000
Total liabilities	<u>573,809</u>	<u>231,918</u>	<u>295,286</u>	<u>26,062</u>	<u>139,158</u>	<u>575,986</u>	<u>59,329</u>	<u>1,901,548</u>
Deferred inflows of resources:								
Unavailable revenue	<u>648,440</u>	<u>239,099</u>	<u>1,038,740</u>	<u>26</u>	<u>34,636</u>	<u>25,873</u>	<u>65,737</u>	<u>2,052,551</u>
Fund balances:								
Nonspendable	283,749	-	-	-	-	-	-	283,749
Restricted	<u>2,299,864</u>	<u>1,240,038</u>	<u>326,012</u>	<u>3,247,946</u>	<u>808,490</u>	<u>459,994</u>	<u>1,216,189</u>	<u>9,598,533</u>
Total fund balances	<u>2,583,613</u>	<u>1,240,038</u>	<u>326,012</u>	<u>3,247,946</u>	<u>808,490</u>	<u>459,994</u>	<u>1,216,189</u>	<u>9,882,282</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,805,862</u>	<u>\$ 1,711,055</u>	<u>\$ 1,660,038</u>	<u>\$ 3,274,034</u>	<u>\$ 982,284</u>	<u>\$ 1,061,853</u>	<u>\$ 1,341,255</u>	<u>\$ 13,836,381</u>

City of Springfield, Oregon
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
Year ended June 30, 2021

	Street	Transient Room Tax	Community Development	Building Code	SEDA Glenwood General	SEDA Downtown General	Fire Local Option Levy	Total
Revenues:								
Taxes	\$ 860,440	\$ 1,032,879	\$ -	\$ -	\$ 1,075,514	\$ 847,600	\$ 1,714,991	\$ 5,531,424
Licenses, permits and fees	224,849	-	-	-	-	27,712	-	252,561
Intergovernmental revenue	4,878,542	3,153	805,511	5,835	5,712	553	34,621	5,733,927
Charges for services	150,206	-	-	1,488,861	44,825	-	-	1,683,892
Fines and forfeitures	-	-	-	-	-	3,474	-	3,474
Investment earnings	9,120	6,472	-	16,426	4,727	12,261	7,331	56,337
Miscellaneous revenue	7,173	-	491,005	188	-	168	-	498,534
Total revenues	<u>6,130,330</u>	<u>1,042,504</u>	<u>1,296,516</u>	<u>1,511,310</u>	<u>1,130,778</u>	<u>891,768</u>	<u>1,756,943</u>	<u>13,760,149</u>
Expenditures:								
Current operating:								
City manager's office	297,933	364,176	-	-	97,971	313,624	-	1,073,704
Finance	38,983	-	21,106	-	9,798	9,798	-	79,685
Fire and life safety	-	-	-	76,249	-	-	1,553,049	1,629,298
Library	-	179,646	-	-	-	-	-	179,646
Development and public works	6,026,138	39,893	1,134,612	1,104,711	-	-	-	8,305,354
Capital projects	-	347,458	238,588	-	173,700	1,579,320	-	2,339,066
Debt service:								
Principal	-	-	-	-	619,807	-	-	619,807
Interest	-	-	-	-	108,088	-	-	108,088
Total expenditures	<u>6,363,054</u>	<u>931,173</u>	<u>1,394,306</u>	<u>1,180,960</u>	<u>1,009,364</u>	<u>1,902,742</u>	<u>1,553,049</u>	<u>14,334,648</u>
Excess of revenues over (under) expenditures	<u>(232,724)</u>	<u>111,331</u>	<u>(97,790)</u>	<u>330,350</u>	<u>121,414</u>	<u>(1,010,974)</u>	<u>203,894</u>	<u>(574,499)</u>
Other financing sources (uses):								
Transfers in	489,350	-	-	-	-	-	-	489,350
Transfers out	<u>(150,000)</u>	<u>(472,961)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(622,961)</u>
Total other financing sources (uses)	<u>339,350</u>	<u>(472,961)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(133,611)</u>
Net change in fund balances	106,626	(361,630)	(97,790)	330,350	121,414	(1,010,974)	203,894	(708,110)
Fund balances, beginning of year	2,540,208	1,601,668	423,802	2,917,596	687,076	1,470,968	1,012,295	10,653,613
Change in reserve for inventory	<u>(63,221)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(63,221)</u>
Fund balances, end of year	<u>\$ 2,583,613</u>	<u>\$ 1,240,038</u>	<u>\$ 326,012</u>	<u>\$ 3,247,946</u>	<u>\$ 808,490</u>	<u>\$ 459,994</u>	<u>\$ 1,216,189</u>	<u>\$ 9,882,282</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
STREET FUND
Year Ended June 30, 2021

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,160,520	\$ 1,160,520	\$ 860,440	\$ (300,080)	\$ -	\$ 860,440
Licenses, permits and fees	155,000	155,000	224,487	69,487	362	224,849
Intergovernmental revenue	5,111,500	5,111,500	4,878,542	(232,958)	-	4,878,542
Charges for services	75,515	75,515	150,206	74,691	-	150,206
Investment earnings	71,000	71,000	9,393	(61,607)	(273)	9,120
Miscellaneous revenue	4,000	4,000	2,107	(1,893)	5,066	7,173
Total revenues	<u>6,577,535</u>	<u>6,577,535</u>	<u>6,125,175</u>	<u>(452,360)</u>	<u>5,155</u>	<u>6,130,330</u>
Expenditures:						
Current operating:						
Information technology	374,485	374,485	297,933	76,552	-	297,933
Development and public works	6,047,893	6,080,632	6,037,262	43,370	(11,124)	6,026,138
Finance	39,659	39,659	38,983	676	-	38,983
Total expenditures	<u>6,462,037</u>	<u>6,494,776</u>	<u>6,374,178</u>	<u>120,598</u>	<u>(11,124)</u>	<u>6,363,054</u>
Excess of revenues over (under) expenditures	115,498	82,759	(249,003)	(331,762)	16,279	(232,724)
Other financing sources (uses):						
Transfers in	453,750	489,350	489,350	-	-	489,350
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
Total other financing sources (uses)	<u>303,750</u>	<u>339,350</u>	<u>339,350</u>	<u>-</u>	<u>-</u>	<u>339,350</u>
Net change in fund balance	419,248	422,109	90,347	(331,762)	16,279	106,626
Fund balance, beginning of year	2,468,812	2,402,135	2,402,135	-	138,073	2,540,208
Change in reserve for inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(63,221)</u>	<u>(63,221)</u>
Fund balance, end of year	<u>\$ 2,888,060</u>	<u>\$ 2,824,244</u>	<u>\$ 2,492,482</u>	<u>\$ (331,762)</u>	<u>\$ 91,131</u>	<u>\$ 2,583,613</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
TRANSIENT ROOM TAX FUND
Year Ended June 30, 2021

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,435,000	\$ 1,435,000	\$ 1,032,879	\$ (402,121)	\$ -	\$ 1,032,879
Investment earnings	35,000	35,000	6,926	(28,074)	(454)	6,472
Intergovernmental revenue	-	-	3,153	3,153	-	3,153
Total revenues	<u>1,470,000</u>	<u>1,470,000</u>	<u>1,042,958</u>	<u>(427,042)</u>	<u>(454)</u>	<u>1,042,504</u>
Expenditures:						
Current operating:						
City manager's office	440,862	452,862	364,180	88,682	(4)	364,176
Library	179,769	185,346	179,646	5,700	-	179,646
Development and public works	39,897	39,897	39,893	4	-	39,893
Capital Projects	<u>-</u>	<u>360,000</u>	<u>347,458</u>	<u>12,542</u>	<u>-</u>	<u>347,458</u>
Total expenditures	<u>660,528</u>	<u>1,038,105</u>	<u>931,177</u>	<u>106,928</u>	<u>(4)</u>	<u>931,173</u>
Excess of revenues over (under) expenditures	809,472	431,895	111,781	(320,114)	(450)	111,331
Other financing sources (uses):						
Transfers out	<u>(797,222)</u>	<u>(797,222)</u>	<u>(472,961)</u>	<u>324,261</u>	<u>-</u>	<u>(472,961)</u>
Net change in fund balance	12,250	(365,327)	(361,180)	4,147	(450)	(361,630)
Fund balance, beginning of year	<u>1,539,276</u>	<u>1,600,112</u>	<u>1,600,112</u>	<u>-</u>	<u>1,556</u>	<u>1,601,668</u>
Fund balance, end of year	<u>\$ 1,551,526</u>	<u>\$ 1,234,785</u>	<u>\$ 1,238,932</u>	<u>\$ 4,147</u>	<u>\$ 1,106</u>	<u>\$ 1,240,038</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT FUND
Year Ended June 30, 2021

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ 1,680,234	\$ 2,374,525	\$ 805,511	\$ (1,569,014)	\$ -	\$ 805,511
Miscellaneous receipts	<u>414,992</u>	<u>414,992</u>	<u>491,005</u>	<u>76,013</u>	<u>-</u>	<u>491,005</u>
Total revenues	<u>2,095,226</u>	<u>2,789,517</u>	<u>1,296,516</u>	<u>(1,493,001)</u>	<u>-</u>	<u>1,296,516</u>
Expenditures:						
Current operating:						
Finance	22,278	22,278	21,106	1,172	-	21,106
Development and public works	1,697,948	2,142,239	1,134,612	1,007,627	-	1,134,612
Capital projects	<u>-</u>	<u>250,000</u>	<u>238,588</u>	<u>11,412</u>	<u>-</u>	<u>238,588</u>
Total expenditures	<u>1,720,226</u>	<u>2,414,517</u>	<u>1,394,306</u>	<u>1,020,211</u>	<u>-</u>	<u>1,394,306</u>
Net change in fund balance	375,000	375,000	(97,790)	(472,790)	-	(97,790)
Fund balance, beginning of year	<u>521,988</u>	<u>423,802</u>	<u>423,802</u>	<u>-</u>	<u>-</u>	<u>423,802</u>
Fund balance, end of year	<u>\$ 896,988</u>	<u>\$ 798,802</u>	<u>\$ 326,012</u>	<u>\$ (472,790)</u>	<u>\$ -</u>	<u>\$ 326,012</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
BUILDING CODE FUND
Year Ended June 30, 2021

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,339,000	\$ 1,339,000	\$ 1,488,861	\$ 149,861	\$ -	\$ 1,488,861
Investment earnings	60,000	60,000	16,427	(43,573)	(1)	16,426
Intergovernmental income	-	-	5,835	5,835	-	5,835
Miscellaneous receipts	-	-	188	188	-	188
Total revenues	<u>1,399,000</u>	<u>1,399,000</u>	<u>1,511,311</u>	<u>112,311</u>	<u>(1)</u>	<u>1,511,310</u>
Expenditures:						
Current operating:						
Fire and life safety	77,340	77,340	76,249	1,091	-	76,249
Development and public works	<u>1,224,985</u>	<u>1,264,985</u>	<u>1,103,928</u>	<u>161,057</u>	<u>783</u>	<u>1,104,711</u>
Total expenditures	<u>1,302,325</u>	<u>1,342,325</u>	<u>1,180,177</u>	<u>162,148</u>	<u>783</u>	<u>1,180,960</u>
Net change in fund balance	96,675	56,675	331,134	274,459	(784)	330,350
Fund balance, beginning of year	<u>3,053,866</u>	<u>2,914,507</u>	<u>2,914,507</u>	<u>-</u>	<u>3,089</u>	<u>2,917,596</u>
Fund balance, end of year	<u>\$ 3,150,541</u>	<u>\$ 2,971,182</u>	<u>\$ 3,245,641</u>	<u>\$ 274,459</u>	<u>\$ 2,305</u>	<u>\$ 3,247,946</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
SEDA GLENWOOD GENERAL FUND
Year Ended June 30, 2021

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,030,000	\$ 1,030,000	\$ 1,075,514	\$ 45,514	\$ -	\$ 1,075,514
Intergovernmental revenue	-	-	5,712	5,712	-	5,712
Charges for services	25,800	25,800	44,825	19,025	-	44,825
Investment earnings	14,500	14,500	4,809	(9,691)	(82)	4,727
Total revenues	1,070,300	1,070,300	1,130,860	60,560	(82)	1,130,778
Expenditures:						
Current operating:						
City manager's office	211,717	311,717	97,971	213,746	-	97,971
Finance	12,000	12,000	9,798	2,202	-	9,798
Capital projects	-	473,700	236,889	236,811	(63,189)	173,700
Debt service:						
Principal	619,810	619,810	619,807	3	-	619,807
Interest	108,095	108,095	108,088	7	-	108,088
Total expenditures	951,622	1,525,322	1,072,553	452,769	(63,189)	1,009,364
Net change in fund balance	118,678	(455,022)	58,307	513,329	63,107	121,414
Fund balance, beginning of year	720,850	829,994	829,994	-	(142,918)	687,076
Fund balance, end of year	<u>\$ 839,528</u>	<u>\$ 374,972</u>	<u>\$ 888,301</u>	<u>\$ 513,329</u>	<u>\$ (79,811)</u>	<u>\$ 808,490</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
SEDA DOWNTOWN GENERAL FUND
Year Ended June 30, 2021

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 770,000	\$ 770,000	\$ 847,600	\$ 77,600	\$ -	\$ 847,600
Licenses, permits and fees	50,000	50,000	27,712	(22,288)	-	27,712
Intergovernmental revenue	-	-	553	553	-	553
Fines and forfeitures	30,000	30,000	3,474	(26,526)	-	3,474
Investment earnings	30,000	30,000	12,154	(17,846)	107	12,261
Miscellaneous revenue	-	-	168	168	-	168
Total revenues	<u>880,000</u>	<u>880,000</u>	<u>891,661</u>	<u>11,661</u>	<u>107</u>	<u>891,768</u>
Expenditures:						
Current operating:						
City manager's office	478,487	1,164,487	878,858	285,629	(565,234)	313,624
Finance	12,000	12,000	9,798	2,202	-	9,798
Capital projects	-	1,690,000	1,579,320	110,680	-	1,579,320
Total expenditures	<u>490,487</u>	<u>2,866,487</u>	<u>2,467,976</u>	<u>398,511</u>	<u>(565,234)</u>	<u>1,902,742</u>
Excess of revenues over (under) expenditures	389,513	(1,986,487)	(1,576,315)	410,172	565,341	(1,010,974)
Other financing sources (uses):						
Interfund loan proceeds	-	850,000	400,000	(450,000)	(400,000)	-
Net change in fund balance	389,513	(1,136,487)	(1,176,315)	(39,828)	165,341	(1,010,974)
Fund balance, beginning of year	<u>1,228,387</u>	<u>1,344,858</u>	<u>1,344,858</u>	<u>-</u>	<u>126,110</u>	<u>1,470,968</u>
Fund balance, end of year	<u>\$ 1,617,900</u>	<u>\$ 208,371</u>	<u>\$ 168,543</u>	<u>\$ (39,828)</u>	<u>\$ 291,451</u>	<u>\$ 459,994</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
FIRE LOCAL OPTION LEVY FUND
Year Ended June 30, 2021

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,660,338	\$ 1,660,338	\$ 1,714,991	\$ 54,653	\$ -	\$ 1,714,991
Investment earnings	15,000	15,000	7,176	(7,824)	155	7,331
Intergovernmental revenue	-	37,753	34,621	(3,132)	-	34,621
Total revenues	<u>1,675,338</u>	<u>1,713,091</u>	<u>1,756,788</u>	<u>43,697</u>	<u>155</u>	<u>1,756,943</u>
Expenditures:						
Current operating:						
Fire and life safety	<u>1,540,916</u>	<u>1,578,669</u>	<u>1,550,347</u>	<u>28,322</u>	<u>2,702</u>	<u>1,553,049</u>
Net change in fund balance	134,422	134,422	206,441	72,019	(2,547)	203,894
Fund balance, beginning of year	<u>841,882</u>	<u>1,011,065</u>	<u>1,011,065</u>	<u>-</u>	<u>1,230</u>	<u>1,012,295</u>
Fund balance, end of year	<u>\$ 976,304</u>	<u>\$ 1,145,487</u>	<u>\$ 1,217,506</u>	<u>\$ 72,019</u>	<u>\$ (1,317)</u>	<u>\$ 1,216,189</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
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 June 30, 2021

	General Obligation Debt Service	Bancroft Redemption	Total
ASSETS			
Cash and investments	\$ 519,559	\$ -	\$ 519,559
Receivables:			
Property taxes	210,981	-	210,981
Accrued interest	4,216	-	4,216
	<u>519,559</u>	<u>-</u>	<u>519,559</u>
Total assets	<u>\$ 734,756</u>	<u>\$ -</u>	<u>\$ 734,756</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Deferred inflows of resources:			
Unavailable revenue	\$ 204,076	\$ -	\$ 204,076
	<u>204,076</u>	<u>-</u>	<u>204,076</u>
Total fund balance	<u>530,680</u>	<u>-</u>	<u>530,680</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 734,756</u>	<u>\$ -</u>	<u>\$ 734,756</u>

City of Springfield, Oregon
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 Year Ended June 30, 2021

	General Obligation Debt Service	Bancroft Redemption	Total
Revenues:			
Taxes	\$ 4,079,461	\$ -	\$ 4,079,461
Investment earnings	13,705	-	13,705
Total revenues	<u>4,093,166</u>	<u>-</u>	<u>4,093,166</u>
Expenditures:			
Debt service:			
Principal	3,474,000	-	3,474,000
Interest	545,850	-	545,850
Total expenditures	<u>4,019,850</u>	<u>-</u>	<u>4,019,850</u>
Excess of revenues over (under) expenditures	<u>73,316</u>	<u>-</u>	<u>73,316</u>
Net change in fund balance	73,316	-	73,316
Fund balance, beginning of year	<u>457,364</u>	<u>-</u>	<u>457,364</u>
Fund balance, end of year	<u><u>\$ 530,680</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 530,680</u></u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
GENERAL OBLIGATION DEBT SERVICE FUND
Year Ended June 30, 2021

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 4,059,860	\$ 4,059,860	\$ 4,079,461	\$ 19,601	\$ -	\$ 4,079,461
Investment earnings	6,000	6,000	13,830	7,830	(125)	13,705
Total revenues	<u>4,065,860</u>	<u>4,065,860</u>	<u>4,093,291</u>	<u>27,431</u>	<u>(125)</u>	<u>4,093,166</u>
Expenditures:						
Debt service:						
Principal	3,474,000	3,474,000	3,474,000	-	-	3,474,000
Interest	545,860	545,860	545,850	10	-	545,850
Total expenditures	<u>4,019,860</u>	<u>4,019,860</u>	<u>4,019,850</u>	<u>10</u>	<u>-</u>	<u>4,019,850</u>
Excess of revenues over (under) expenditures	<u>46,000</u>	<u>46,000</u>	<u>73,441</u>	<u>27,441</u>	<u>(125)</u>	<u>73,316</u>
Other financing sources (uses):						
Interfund loan repayments	<u>(2,175,000)</u>	<u>(2,175,000)</u>	<u>(2,175,000)</u>	<u>-</u>	<u>2,175,000</u>	<u>-</u>
Net change in fund balance	<u>(2,129,000)</u>	<u>(2,129,000)</u>	<u>(2,101,559)</u>	<u>27,441</u>	<u>2,174,875</u>	<u>73,316</u>
Fund balance, beginning of year	<u>2,585,159</u>	<u>2,629,382</u>	<u>2,629,382</u>	<u>-</u>	<u>(2,172,018)</u>	<u>457,364</u>
Fund balance, end of year	<u>\$ 456,159</u>	<u>\$ 500,382</u>	<u>\$ 527,823</u>	<u>\$ 27,441</u>	<u>\$ 2,857</u>	<u>\$ 530,680</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
BANCROFT REDEMPTION FUND
Year Ended June 30, 2021

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	160	-	-	-	-	-
Total revenues	160	-	-	-	-	-
Other financing sources (uses):						
Transfers out	-	-	-	-	-	-
Net change in fund balance	160	-	-	-	-	-
Fund balance, beginning of year	5,530	-	-	-	-	-
Fund balance, end of year	\$ 5,690	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Projects Funds

The City has three 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.

Major Capital Projects Funds:

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.

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.



City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
STREET CAPITAL PROJECTS FUND
Year Ended June 30, 2021

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 177,000	\$ 177,000	\$ 71,211	\$ (105,789)	\$ (518)	\$ 70,693
Charges for services	600,000	600,000	870,569	270,569	-	870,569
Miscellaneous revenue	-	-	15,932	15,932	-	15,932
Intergovernmental revenue	-	-	74,096	74,096	352,925	427,021
Total revenues	<u>777,000</u>	<u>777,000</u>	<u>1,031,808</u>	<u>254,808</u>	<u>352,407</u>	<u>1,384,215</u>
Expenditures:						
Current operating						
Development and public works	148,726	162,576	162,474	102	-	162,474
Capital projects	<u>9,716,514</u>	<u>11,874,514</u>	<u>3,517,904</u>	<u>8,356,610</u>	<u>850,020</u>	<u>4,367,924</u>
Total expenditures	<u>9,865,240</u>	<u>12,037,090</u>	<u>3,680,378</u>	<u>8,356,712</u>	<u>850,020</u>	<u>4,530,398</u>
Excess of revenues over (under) expenditures	(9,088,240)	(11,260,090)	(2,648,570)	8,611,520	(497,613)	(3,146,183)
Other financing sources (uses):						
Transfer in	150,000	150,000	150,000	-	864,330	1,014,330
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,646)</u>	<u>(13,646)</u>
Total other financing sources	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>850,684</u>	<u>1,000,684</u>
Net change in fund balance	(8,938,240)	(11,110,090)	(2,498,570)	8,611,520	353,071	(2,145,499)
Fund balance, beginning of year	<u>11,823,370</u>	<u>13,622,265</u>	<u>13,622,266</u>	<u>1</u>	<u>(338,339)</u>	<u>13,283,927</u>
Fund balance, end of year	<u>\$ 2,885,130</u>	<u>\$ 2,512,175</u>	<u>\$ 11,123,696</u>	<u>\$ 8,611,521</u>	<u>\$ 14,732</u>	<u>\$ 11,138,428</u>

City of Springfield, Oregon
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2021

	Development Assessments Capital Projects	Development Capital Projects	SEDA Glenwood Capital Projects	Total
ASSETS				
Cash and investments	\$ 649,776	\$ 4,248,411	\$ 60,208	\$ 4,958,395
Receivables:				
Accrued interest	1,002	7,197	-	8,199
Assessments and liens	37,970	-	-	37,970
Advance to other funds	-	400,000		400,000
Total assets	<u>\$ 688,748</u>	<u>\$ 4,655,608</u>	<u>\$ 60,208</u>	<u>\$ 5,404,564</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accrued payroll and other liabilities	\$ -	\$ 9,654	\$ -	\$ 9,654
Deferred inflows of resources:				
Unavailable revenue	37,969	-	-	37,969
Fund balances:				
Restricted	-	1,574,516	60,208	1,634,724
Committed	650,779	2,024,240	-	2,675,019
Assigned	-	1,047,198	-	1,047,198
Total fund balances	<u>650,779</u>	<u>4,645,954</u>	<u>60,208</u>	<u>5,356,941</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 688,748</u>	<u>\$ 4,655,608</u>	<u>\$ 60,208</u>	<u>\$ 5,404,564</u>

City of Springfield, Oregon
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
Year Ended June 30, 2021

	Development Assessments Capital Projects	Development Capital Projects	SEDA Glenwood Capital Projects	Total
Revenues:				
Intergovernmental revenues	\$ 241	\$ 12,767	\$ -	\$ 13,008
Charges for services	-	297,137	-	297,137
Investment earnings	4,006	22,364	-	26,370
Special assessments	6,621	-	-	6,621
Total revenues	10,868	332,268	-	343,136
Expenditures:				
Capital projects	-	124,934	-	124,934
Excess of revenues over (under) expenditures	10,868	207,334	-	218,202
Other financing sources (uses):				
Transfer in	56,312	100,000	-	156,312
Transfer out	(34,538)	-	-	(34,538)
Total other financing sources (uses)	21,774	100,000	-	121,774
Net change in fund balances	32,642	307,334	-	339,976
Fund balance, beginning of year	618,137	4,338,620	60,208	5,016,965
Fund balance, end of year	\$ 650,779	\$ 4,645,954	\$ 60,208	\$ 5,356,941

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
DEVELOPMENT ASSESSMENTS CAPITAL PROJECTS FUND
Year Ended June 30, 2021

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ -	\$ -	\$ 241	\$ 241	\$ -	241
Investment earnings	17,025	17,025	4,028	(12,997)	(22)	4,006
Special assessments	10,800	10,800	6,621	(4,179)	-	6,621
Total revenues	27,825	27,825	10,890	(16,935)	(22)	10,868
Expenditures:						
Capital Projects	-	35,000	34,538	462	(34,538)	-
Excess of revenues over (under) expenditures	27,825	(7,175)	(23,648)	(17,397)	34,516	10,868
Other financing sources (uses):						
Transfer in	56,312	56,312	56,312	-	-	56,312
Transfer out	-	-	-	-	(34,538)	(34,538)
Total other financing sources (uses)	56,312	56,312	56,312	-	(34,538)	21,774
Net change in fund balance	84,137	49,137	32,664	(17,397)	(22)	32,642
Fund balance, beginning of year	614,196	617,436	617,435	(1)	702	618,137
Fund balance, end of year	<u>\$ 698,333</u>	<u>\$ 666,573</u>	<u>\$ 650,099</u>	<u>\$ (17,398)</u>	<u>\$ 680</u>	<u>\$ 650,779</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
DEVELOPMENT CAPITAL PROJECTS FUND
Year Ended June 30, 2021

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ -	\$ -	\$ 12,767	\$ 12,767	\$ -	\$ 12,767
Charges for services	297,132	297,132	297,137	5	-	297,137
Investment earnings	75,000	75,000	22,957	(52,043)	(593)	22,364
Total revenues	372,132	372,132	332,861	(39,271)	(593)	332,268
Expenditures:						
Capital projects	297,132	297,132	124,934	172,198	-	124,934
Excess of revenues over (under) expenditures	75,000	75,000	207,927	132,927	(593)	207,334
Other financing sources (uses):						
Interfund loans issued	-	(850,000)	(400,000)	450,000	400,000	-
Transfer in	100,000	100,000	100,000	-	-	100,000
Total other financing sources (uses)	100,000	(750,000)	(300,000)	450,000	400,000	100,000
Net change in fund balance	175,000	(675,000)	(92,073)	582,927	399,407	307,334
Fund balance, beginning of year	4,195,533	4,333,150	4,333,150	-	5,470	4,338,620
Fund balance, end of year	<u>\$ 4,370,533</u>	<u>\$ 3,658,150</u>	<u>\$ 4,241,077</u>	<u>\$ 582,927</u>	<u>\$ 404,877</u>	<u>\$ 4,645,954</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
SEDA GLENWOOD CAPITAL PROJECTS
Year Ended June 30, 2021

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Expenditures:						
Capital projects	\$ 60,000	\$ 60,000	\$ -	\$ 60,000	\$ -	\$ -
Net change in fund balance	(60,000)	(60,000)	-	60,000	-	-
Fund balance, beginning of year	60,208	60,208	60,208	-	-	60,208
Fund balance, end of year	<u>\$ 208</u>	<u>\$ 208</u>	<u>\$ 60,208</u>	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ 60,208</u>

Enterprise Funds

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

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

Major Enterprise Funds:

Sewer 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 Fund:

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



City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
SEWER FUND
Year Ended June 30, 2021

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 7,946,000	\$ 7,946,000	\$ 7,707,139	\$ (238,861)	\$ 33,395	\$ 7,740,534
Investment earnings	498,000	498,000	160,343	(337,657)	29	160,372
Intergovernmental revenue	-	-	91,915	91,915	(27,376)	64,539
Miscellaneous revenue	-	-	2,035	2,035	-	2,035
Total revenues	8,444,000	8,444,000	7,961,432	(482,568)	6,048	7,967,480
Expenses:						
Current operating:						
Information technology	359,866	359,866	282,196	77,670	-	282,196
Development and public works	4,301,895	4,330,295	3,875,160	455,135	548,919	4,424,079
Finance	42,277	42,277	41,776	501	-	41,776
Debt service:						
Principal	1,320,000	1,320,000	1,320,000	-	(1,320,000)	-
Interest	390,605	390,605	390,600	5	(80,134)	310,466
Capital projects	7,029,924	7,029,924	870,100	6,159,824	(870,100)	-
Depreciation	-	-	-	-	2,773,657	2,773,657
Total expenses	13,444,567	13,472,967	6,779,832	6,693,135	1,052,342	7,832,174
Excess of revenues over (under) expenses	(5,000,567)	(5,028,967)	1,181,600	6,210,567	(1,046,294)	135,306
Other financing sources (uses):						
Capital contributions	620,000	620,000	1,205,044	585,044	872,021	2,077,065
Transfers in	-	-	-	-	91,411	91,411
Transfers out	-	-	-	-	(432,165)	(432,165)
Total other financing sources (uses)	620,000	620,000	1,205,044	585,044	531,267	1,736,311
Change in fund net position	(4,380,567)	(4,408,967)	2,386,644	6,795,611	(515,027)	1,871,617
Fund net position, beginning of year	23,251,261	28,532,073	28,532,073	-	44,034,034	72,566,107
Fund net position, end of year	\$ 18,870,694	\$ 24,123,106	\$ 30,918,717	\$ 6,795,611	\$ 43,519,007	\$ 74,437,724

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
STORM DRAINAGE FUND
Year Ended June 30, 2021

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 7,575,000	\$ 7,575,000	\$ 7,708,428	\$ 133,428	\$ 57,642	\$ 7,766,070
Investment earnings	356,000	356,000	113,780	(242,220)	(1,572)	112,208
Intergovernmental revenue	-	-	141,170	141,170	(37,732)	103,438
Miscellaneous revenue	38,700	38,700	375	(38,325)	-	375
Total revenues	7,969,700	7,969,700	7,963,753	(5,947)	18,338	7,982,091
Expenses:						
Current operating:						
Information technology	279,518	279,518	217,595	61,923	-	217,595
Development and public works	5,952,670	6,250,754	5,380,373	870,381	643,363	6,023,736
Finance	42,278	42,278	41,776	502	-	41,776
Debt service:						
Principal	475,000	422,331	475,000	(52,669)	(475,000)	-
Interest	230,380	230,380	143,190	87,190	(45,643)	97,547
Capital projects	8,213,925	8,213,925	1,401,447	6,812,478	(1,401,447)	-
Depreciation	-	-	-	-	491,916	491,916
Total expenses	15,193,771	15,439,186	7,659,381	7,779,805	(786,811)	6,872,570
Excess of revenues over (under) expenses	(7,224,071)	(7,469,486)	304,372	7,773,858	805,149	1,109,521
Other financing sources (uses):						
Capital contributions	300,000	300,000	390,574	90,574	1,454,408	1,844,982
Proceeds of revenue bond sale	-	5,300,000	5,199,936	(100,064)	(5,199,936)	-
Bond refunding escrow	-	(5,952,669)	(5,854,185)	98,484	5,854,185	-
Bond sale costs	-	(108,050)	(53,800)	54,250	-	(53,800)
Transfers out	-	-	-	-	(475,392)	(475,392)
Total other financing sources (uses)	300,000	(460,719)	(317,475)	143,244	1,633,265	1,315,790
Change in fund net position	(6,924,071)	(7,930,205)	(13,103)	7,917,102	2,438,414	2,425,311
Fund net position, beginning of year	19,169,009	21,913,436	21,913,438	-	4,799,001	26,712,439
Fund net position, end of year	<u>\$ 12,244,938</u>	<u>\$ 13,983,231</u>	<u>\$ 21,900,335</u>	<u>\$ 7,917,102</u>	<u>\$ 7,237,415</u>	<u>\$ 29,137,750</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
AMBULANCE FUND
Year Ended June 30, 2021

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 5,785,500	\$ 6,121,775	\$ 4,852,372	\$ (1,269,403)	\$ 12,146,538	\$ 16,998,910
Less: Contractual adjustments	-	-	-	-	(12,174,486)	(12,174,486)
Intergovernmental revenue	78,650	157,962	30,289	(127,673)	(94)	30,195
Investment earnings	15,000	15,000	3,337	(11,663)	(808)	2,529
Miscellaneous revenue	6,500	6,500	5,536	(964)	4,333	9,869
Total revenues	<u>5,885,650</u>	<u>6,301,237</u>	<u>4,891,534</u>	<u>(1,409,703)</u>	<u>(24,517)</u>	<u>4,867,017</u>
Expenses:						
Current operating:						
Fire and life safety	6,648,376	6,811,513	6,608,002	203,511	627,148	7,235,150
Depreciation	-	-	-	-	7,963	7,963
Total expenses	<u>6,648,376</u>	<u>6,811,513</u>	<u>6,608,002</u>	<u>203,511</u>	<u>635,111</u>	<u>7,243,113</u>
Change in fund net position	(762,726)	(510,276)	(1,716,468)	(1,206,192)	(659,628)	(2,376,096)
Fund net position, beginning of year	<u>1,104,549</u>	<u>1,008,173</u>	<u>1,008,173</u>	<u>-</u>	<u>(3,177,675)</u>	<u>(2,169,502)</u>
Fund net position, end of year	<u>\$ 341,823</u>	<u>\$ 497,897</u>	<u>\$ (708,295)</u>	<u>\$ (1,206,192)</u>	<u>\$ (3,837,303)</u>	<u>\$ (4,545,598)</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
BOOTH-KELLY FUND
Year Ended June 30, 2021

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 726,650	\$ 726,650	\$ 545,645	\$ (181,005)	\$ 1,822	\$ 547,467
Intergovernmental revenue	-	-	820	820	(381)	439
Investment earnings	15,000	15,000	8,982	(6,018)	(151)	8,831
Miscellaneous revenue	-	-	188	188	-	188
Total revenues	<u>741,650</u>	<u>741,650</u>	<u>555,635</u>	<u>(186,015)</u>	<u>1,290</u>	<u>556,925</u>
Expenses:						
Current operating:						
Development and public works	520,701	520,701	398,755	121,946	16,145	414,900
Capital projects	220,000	220,000	51,564	168,436	(51,564)	-
Depreciation	-	-	-	-	79,354	79,354
Total expenses	<u>740,701</u>	<u>740,701</u>	<u>450,319</u>	<u>290,382</u>	<u>43,935</u>	<u>494,254</u>
Excess of revenues over (under) expenses	949	949	105,316	104,367	(42,645)	62,671
Other financing sources (uses):						
Transfers out	<u>(73,626)</u>	<u>(73,626)</u>	<u>(73,626)</u>	<u>-</u>	<u>-</u>	<u>(73,626)</u>
Change in fund net position	<u>(72,677)</u>	<u>(72,677)</u>	<u>31,690</u>	<u>104,367</u>	<u>(42,645)</u>	<u>(10,955)</u>
Fund net position, beginning of year	<u>1,381,895</u>	<u>1,631,003</u>	<u>1,631,003</u>	<u>-</u>	<u>3,577,375</u>	<u>5,208,378</u>
Fund net position, end of year	<u>\$ 1,309,218</u>	<u>\$ 1,558,326</u>	<u>\$ 1,662,693</u>	<u>\$ 104,367</u>	<u>\$ 3,534,730</u>	<u>\$ 5,197,423</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
COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2021

	Vehicle and Equipment	Insurance	SDC Administration	Total
ASSETS				
Current assets:				
Cash and investments	\$ 10,055,747	\$ 13,339,715	\$ 363,265	\$ 23,758,727
Prepays	703,584	34,977	-	738,561
Deposits	-	200,000	-	200,000
Accounts receivable	62,212	55,223	40,665	158,100
Accrued interest receivable	16,696	20,075	409	37,180
Deferred system development fees	-	-	89,529	89,529
Inventory	35,219	-	-	35,219
Total current assets	10,873,458	13,649,990	493,868	25,017,316
Noncurrent assets				
Capital assets				
Machinery and equipment	20,262,037	-	-	20,262,037
Less accumulated depreciation	(14,787,019)	-	-	(14,787,019)
Total net capital assets	5,475,018	-	-	5,475,018
Net OPEB Asset - RHIA	-	3,061	2,780	5,841
Total non-current assets	5,475,018	3,061	2,780	5,480,859
Total assets	16,348,476	13,653,051	496,648	30,498,175
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflow	-	146,654	151,370	298,024
Deferred OPEB outflow	-	5,293	4,772	10,065
Total deferred outflows	-	151,947	156,142	308,089
LIABILITIES				
Current liabilities:				
Accounts payable	276,169	968,778	590	1,245,537
Accrued claims liabilities, current portion	-	247,810	-	247,810
Accrued payroll and other related liabilities	-	332,117	8,033	340,150
Unearned revenue	-	62,746	-	62,746
Total current liabilities	276,169	1,611,451	8,623	1,896,243
Noncurrent liabilities:				
Accrued absence payable	-	33,849	-	33,849
Accrued claims liabilities, less current portion	-	354,190	-	354,190
Net pension liability	-	469,961	475,251	945,212
Net OPEB obligation payable	-	37,269	30,714	67,983
Total noncurrent liabilities	-	895,269	505,965	1,401,234
Total liabilities	276,169	2,506,720	514,588	3,297,477
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflow	-	24,076	24,290	48,366
Deferred OPEB inflow	-	17,836	16,446	34,282
Total deferred inflows	-	41,912	40,736	82,648
FUND NET POSITION				
Net investment in capital assets	5,475,018	-	-	5,475,018
Unrestricted	10,597,289	11,256,366	97,466	21,951,121
Total fund net position	<u>\$ 16,072,307</u>	<u>\$ 11,256,366</u>	<u>\$ 97,466</u>	<u>\$ 27,426,139</u>

City of Springfield, Oregon
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
Year ended June 30, 2021

	Vehicle and Equipment	Insurance	SDC Administration	Total
Operating revenues:				
Intergovernmental revenue	\$ -	\$ 69,322	\$ 6,843	\$ 76,165
Charges for services	2,688,001	10,324,846	389,514	13,402,361
Licenses and permits	-	-	145,766	145,766
Miscellaneous revenue	-	45,386	188	45,574
Total operating revenues	2,688,001	10,439,554	542,311	13,669,866
Operating expenses:				
Current operating:				
Legal and judicial services	1,444	-	-	1,444
Human resources	3,206	9,497,534	-	9,500,740
Finance	585	-	34,023	34,608
Information technology	504,986	-	60,944	565,930
Library	3,236	-	-	3,236
Fire and life safety	8,401	-	-	8,401
Police	70	-	-	70
Development and public works	371,297	-	397,277	768,574
Depreciation	1,149,683	-	-	1,149,683
Total operating expenses	2,042,908	9,497,534	492,244	12,032,686
Operating income	645,093	942,020	50,067	1,637,180
Nonoperating revenues (expenses):				
Investment earnings	54,225	65,688	714	120,627
Interest expense	(2,765)	-	-	(2,765)
Gain/(loss) on disposition of equipment	23,474	-	-	23,474
Total nonoperating revenues (expenses)	74,934	65,688	714	141,336
Income before capital contributions and transfers	720,027	1,007,708	50,781	1,778,516
Other financing sources (uses)				
Transfers in	400,000	-	-	400,000
Transfers out	(335,732)	-	-	(335,732)
Total other financing sources (uses)	64,268	-	-	64,268
Change in fund net position	784,295	1,007,708	50,781	1,842,784
Fund net position, beginning of year	15,288,012	10,248,658	46,685	25,583,355
Fund net position, end of year	\$ 16,072,307	\$ 11,256,366	\$ 97,466	\$ 27,426,139

City of Springfield, Oregon
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year ended June 30, 2021

	Vehicle and Equipment	Insurance	SDC Administration	Total
Cash flows from operating activities:				
Cash received from interfund services provided	\$ 2,638,012	\$ 10,287,446	\$ 374,996	\$ 13,300,454
Cash paid for employee services	-	(422,233)	(325,318)	(747,550)
Cash paid to suppliers for goods and services	(1,414,871)	(9,325,097)	(107,611)	(10,847,580)
Other operating receipts	-	114,708	152,797	267,505
Net cash provided by operating activities	<u>1,223,141</u>	<u>654,824</u>	<u>94,864</u>	<u>1,972,829</u>
Cash flows from noncapital financing activities:				
Operating transfers in from other funds	400,000	-	-	400,000
Transfers to other funds	(335,732)	-	-	(335,732)
Net cash provided by noncapital financing activities	<u>64,268</u>	<u>-</u>	<u>-</u>	<u>64,268</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(1,534,046)	-	-	(1,534,046)
Disposition of capital assets	71,892	-	-	71,892
Principal paid on long-term debt	(150,385)	-	-	(150,385)
Interest paid	(3,496)	-	-	(3,496)
Net cash used in capital and related financing activities	<u>(1,616,035)</u>	<u>-</u>	<u>-</u>	<u>(1,616,035)</u>
Cash flows from investing activities:				
Interest received	60,519	72,910	1,311	134,740
Net change in cash and investments	<u>(268,107)</u>	<u>727,734</u>	<u>96,175</u>	<u>555,802</u>
Cash and investments, beginning of year	<u>10,323,854</u>	<u>12,611,981</u>	<u>267,090</u>	<u>23,202,925</u>
Cash and investments, end of year	<u>\$ 10,055,747</u>	<u>\$ 13,339,715</u>	<u>\$ 363,265</u>	<u>\$ 23,758,727</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 645,093	\$ 942,020	\$ 50,067	\$ 1,637,180
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,149,683	-	-	1,149,683
Changes in assets and liabilities:				
Prepays	(675,082)	(34,977)	435	(709,624)
Accounts receivable	(49,989)	(37,400)	(14,518)	(101,907)
Inventory	(23,094)	-	-	(23,094)
Net pension liability and related deferrals	-	65,418	62,783	128,201
Accounts payable	176,530	(194,931)	(2,414)	(20,815)
Accrued payroll and other liabilities	-	10,313	553	10,866
Accrued claims liabilities	-	(128,000)	-	(128,000)
Unearned revenue	-	30,642	-	30,642
Net OPEB obligation and related deferrals	-	1,739	(2,042)	(303)
Net cash provided by operating activities	<u>\$ 1,223,141</u>	<u>\$ 654,824</u>	<u>\$ 94,864</u>	<u>\$ 1,972,829</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
VEHICLE AND EQUIPMENT FUND
Year ended June 30, 2021

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ -	\$ -	\$ 3,963	\$ 3,963	\$ (3,963)	\$ -
Charges for services	2,731,931	3,061,806	2,558,899	(502,907)	129,102	2,688,001
Investment earnings	150,000	150,000	54,738	(95,262)	(513)	54,225
Miscellaneous revenue	-	8,325	71,892	63,567	(71,892)	-
Total revenues	2,881,931	3,220,131	2,689,492	(530,639)	52,734	2,742,226
Expenses:						
Current operating:						
Legal services	-	2,886	1,444	1,442	-	1,444
Human resources	4,000	4,000	3,206	794	-	3,206
Finance	10,000	10,000	8,951	1,049	(8,366)	585
Information technology	612,292	1,085,586	709,289	376,297	(204,303)	504,986
Library	8,000	8,000	3,236	4,764	-	3,236
Fire and life safety	1,839,000	1,839,000	608,993	1,230,007	(600,592)	8,401
Police	381,000	411,000	290,007	120,993	(289,937)	70
Development and public works	825,018	1,703,796	1,137,876	565,920	(766,579)	371,297
Debt service:						
Principal	150,390	150,390	150,386	4	(150,386)	-
Interest	3,505	3,505	3,496	9	(731)	2,765
Depreciation	-	-	-	-	1,149,683	1,149,683
Total expenses	3,833,205	5,218,163	2,916,884	2,301,279	(871,211)	2,045,673
Excess of revenues over (under) expenses	(951,274)	(1,998,032)	(227,392)	1,770,640	923,945	696,553
Other financing sources (uses):						
Gain on disposal of assets	-	-	-	-	23,474	23,474
Transfers out	-	(27,500)	-	27,500	(335,732)	(335,732)
Transfers in	400,000	400,000	400,000	-	-	400,000
Total other financing sources (uses)	400,000	372,500	400,000	27,500	(312,258)	87,742
Change in fund net position	(551,274)	(1,625,532)	172,608	1,798,140	611,687	784,295
Fund net position, beginning of year	9,231,256	10,282,473	10,282,473	-	5,005,539	15,288,012
Fund net position, end of year	\$ 8,679,982	\$ 8,656,941	\$ 10,455,081	\$ 1,798,140	\$ 5,617,226	\$ 16,072,307

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
INSURANCE FUND
Year ended June 30, 2021

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ 48,636	\$ 48,636	\$ 85,650	\$ 37,014	\$ (16,328)	\$ 69,322
Charges for services	10,159,964	10,159,964	10,324,846	164,882	-	10,324,846
Investment earnings	100,000	100,000	66,126	(33,874)	(438)	65,688
Miscellaneous revenue	35,000	35,000	25,453	(9,547)	19,933	45,386
Total revenues	<u>10,343,600</u>	<u>10,343,600</u>	<u>10,502,075</u>	<u>158,475</u>	<u>3,167</u>	<u>10,505,242</u>
Expenses:						
Current operating:						
Human resources	779,623	842,623	696,294	146,329	90,916	787,210
Health insurance	9,236,983	9,236,983	7,170,995	2,065,988	52,111	7,223,106
Risk services	1,835,820	1,899,040	1,591,283	307,757	(104,065)	1,487,218
Total expenses	<u>11,852,426</u>	<u>11,978,646</u>	<u>9,458,572</u>	<u>2,520,074</u>	<u>38,962</u>	<u>9,497,534</u>
Change in fund net position	(1,508,826)	(1,635,046)	1,043,503	2,678,549	(35,795)	1,007,708
Fund net position, beginning of year	<u>10,571,869</u>	<u>11,198,908</u>	<u>11,198,908</u>	<u>-</u>	<u>(950,250)</u>	<u>10,248,658</u>
Fund net position, end of year	<u>\$ 9,063,043</u>	<u>\$ 9,563,862</u>	<u>\$ 12,242,411</u>	<u>\$ 2,678,549</u>	<u>\$ (986,045)</u>	<u>\$ 11,256,366</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
SDC ADMINISTRATION FUND
Year ended June 30, 2021

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 375,000	\$ 375,000	\$ 375,279	\$ 279	\$ 14,235	\$ 389,514
Licenses and permits	85,000	85,000	140,976	55,976	4,790	145,766
Investment earnings	4,600	4,600	955	(3,645)	(241)	714
Intergovernmental revenue	-	-	11,354	11,354	(4,511)	6,843
Miscellaneous Revenue	-	-	188	188	-	188
Total revenues	<u>464,600</u>	<u>464,600</u>	<u>528,752</u>	<u>64,152</u>	<u>14,273</u>	<u>543,025</u>
Expenses:						
Current operating:						
Information services	71,662	71,662	60,944	10,718	-	60,944
Finance	34,056	34,056	34,023	33	-	34,023
Development and public works	<u>407,906</u>	<u>407,906</u>	<u>336,845</u>	<u>71,061</u>	<u>60,432</u>	<u>397,277</u>
Total expenses	<u>513,624</u>	<u>513,624</u>	<u>431,812</u>	<u>81,812</u>	<u>60,432</u>	<u>492,244</u>
Change in fund net position	(49,024)	(49,024)	96,940	145,964	(46,159)	50,781
Fund net position, beginning of year	<u>212,296</u>	<u>257,835</u>	<u>257,835</u>	<u>-</u>	<u>(211,150)</u>	<u>46,685</u>
Fund net position, end of year	<u>\$ 163,272</u>	<u>\$ 208,811</u>	<u>\$ 354,775</u>	<u>\$ 145,964</u>	<u>\$ (257,309)</u>	<u>\$ 97,466</u>

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.	178-185
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	189-193
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.	197-202
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.	208-213

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



Financial Trend Information

City of Springfield, Oregon
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	\$ 108,631,529	\$ 108,731,315	\$ 107,219,252	\$ 112,632,832
Restricted	11,424,559	13,171,125	14,144,006	18,977,155
Unrestricted	21,514,015	19,835,794	20,240,783	4,394,678
Total governmental activities net position	<u>\$ 141,570,103</u>	<u>\$ 141,738,234</u>	<u>\$ 141,604,041</u>	<u>\$ 136,004,665</u>
Business-type activities				
Net investment in capital assets	\$ 57,872,702	\$ 51,972,745	\$ 54,491,005	\$ 52,836,347
Restricted	3,236,454	3,273,179	3,072,205	3,348,526
Unrestricted	13,474,770	22,668,331	23,137,298	27,590,908
Total business-type activities net position	<u>\$ 74,583,926</u>	<u>\$ 77,914,255</u>	<u>\$ 80,700,508</u>	<u>\$ 83,775,781</u>
Primary government				
Net investment in capital assets	\$ 166,504,231	\$ 160,704,060	\$ 161,710,257	\$ 165,469,179
Restricted	14,661,013	16,444,304	17,216,211	22,325,681
Unrestricted	34,988,785	42,504,125	43,378,081	31,985,586
Total primary government net position	<u>\$ 216,154,029</u>	<u>\$ 219,652,489</u>	<u>\$ 222,304,549</u>	<u>\$ 219,780,446</u>

Source: Financial Statements

2016	2017	2018	2019	2020	2021
\$ 115,176,581	\$ 122,230,625	\$ 120,175,702	\$ 129,324,764	\$ 122,555,408	\$ 139,384,434
17,357,721	17,295,648	22,674,644	20,647,784	20,426,784	18,318,226
(5,988,448)	(11,706,242)	(15,369,959)	(11,948,772)	(1,909,951)	(6,430,326)
<u>\$ 126,545,854</u>	<u>\$ 127,820,031</u>	<u>\$ 127,480,387</u>	<u>\$ 138,023,776</u>	<u>\$ 141,072,241</u>	<u>\$ 151,272,334</u>
\$ 54,212,835	\$ 54,802,364	\$ 55,901,549	\$ 57,366,837	\$ 56,619,451	\$ 59,677,720
3,976,909	4,733,337	5,457,331	6,575,305	8,505,363	9,429,173
28,145,472	31,242,641	32,027,245	34,958,604	37,282,183	35,556,795
<u>\$ 86,335,216</u>	<u>\$ 90,778,342</u>	<u>\$ 93,386,125</u>	<u>\$ 98,900,746</u>	<u>\$ 102,406,997</u>	<u>\$ 104,663,688</u>
\$ 169,389,416	\$ 177,032,989	\$ 176,077,251	\$ 186,691,601	\$ 179,174,859	\$ 199,062,154
21,334,630	22,028,985	28,131,975	27,223,089	28,932,147	27,747,399
22,157,024	19,536,399	16,657,286	23,009,832	35,372,232	29,126,469
<u>\$ 212,881,070</u>	<u>\$ 218,598,373</u>	<u>\$ 220,866,512</u>	<u>\$ 236,924,522</u>	<u>\$ 243,479,238</u>	<u>\$ 255,936,022</u>

City of Springfield, Oregon
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year					
	2012	2013	2014	2015	2016	2017
Expenses						
Governmental activities:						
General government	\$ 4,724,454	\$ 5,932,778	\$ 4,928,452	\$ 5,194,119	\$ 8,055,900	\$ 8,105,716
Fire and life safety	11,847,128	11,340,166	11,736,970	9,905,694	14,789,977	13,351,001
Police	19,694,617	19,561,178	20,708,780	18,007,975	26,060,501	22,068,423
Library	1,519,866	1,515,697	1,508,178	1,477,854	2,131,183	1,981,508
Development and public works	11,384,695	11,658,254	11,925,811	10,605,607	15,857,538	12,483,443
Depreciation, unallocated	284,439	297,774	270,618	270,619	250,942	-
Interest on long-term debt	1,220,457	1,143,393	1,027,212	909,122	744,674	518,495
Total governmental activities expense	50,675,656	51,449,240	52,106,021	46,370,990	67,890,715	58,508,586
Business-type activities:						
Sanitary sewer	5,190,475	6,155,571	6,848,708	6,340,495	7,523,149	7,158,008
Storm drainage	3,843,225	3,984,400	4,407,437	4,259,913	5,982,172	5,559,128
Booth Kelly	1,430,803	1,463,621	1,611,902	1,649,088	1,507,253	1,424,527
Ambulance	5,184,271	4,948,503	5,525,464	5,082,272	7,073,633	6,574,936
Business-type activities expenses	15,648,774	16,552,095	18,393,511	17,331,768	22,086,207	20,716,599
Total primary government expenses	\$ 66,324,430	\$ 68,001,335	\$ 70,499,532	\$ 63,702,758	\$ 89,976,922	\$ 79,225,185
Program Revenue						
Governmental activities:						
Charges for services:						
General government	\$ 3,759,347	\$ 3,874,817	\$ 3,766,791	\$ 3,868,870	\$ 3,888,018	\$ 4,078,095
Fire and life safety	1,764,798	1,769,064	1,874,473	1,809,091	1,921,748	1,984,859
Police	529,998	493,254	429,497	408,750	346,629	422,625
Library	99,186	105,329	102,737	125,482	106,200	120,912
Development and public works	1,749,513	2,263,872	2,054,066	2,710,606	3,420,717	2,884,311
Operating grants and contributions	5,514,649	4,428,156	5,039,850	4,444,185	4,184,978	4,954,592
Capital grants and contributions	1,109,866	2,192,135	481,598	9,934,788	4,841,296	4,085,842
Total governmental activities program revenues	14,527,357	15,126,627	13,749,012	23,301,772	18,709,586	18,531,236
Business-type activities:						
Charges for services:						
Sanitary sewer	7,261,314	7,324,173	7,536,486	7,738,487	7,224,927	8,798,173
Storm drainage	5,789,080	6,032,530	6,347,901	6,613,264	6,892,114	7,408,192
Booth Kelly	1,412,841	1,348,308	1,355,337	1,412,722	1,532,687	1,537,293
Ambulance	4,849,894	5,255,068	5,612,386	6,119,908	6,599,690	6,046,048
Operating grants and contributions	-	-	-	-	-	167,977
Capital grants and contributions	1,448,360	16,729	16,848	199,269	2,088,254	1,033,069
Total business-type activities program revenues	20,761,489	19,976,808	20,868,958	22,083,650	24,337,672	24,990,752
Total primary government program revenues	\$ 35,288,846	\$ 35,103,435	\$ 34,617,970	\$ 45,385,422	\$ 43,047,258	\$ 43,521,988
Net (Expense) Revenue						
Governmental activities	\$ (36,148,299)	\$ (36,322,613)	\$ (38,357,009)	\$ (23,069,218)	\$ (49,181,129)	\$ (40,227,785)
Business-type activities	5,112,715	3,424,713	2,475,447	4,751,882	2,251,465	4,106,176
Total primary government net expense	\$ (31,035,584)	\$ (32,897,900)	\$ (35,881,562)	\$ (18,317,336)	\$ (46,929,664)	\$ (36,121,609)
Governmental activities:						
Taxes:						
Property taxes	\$ 27,056,405	\$ 27,891,748	\$ 28,735,713	\$ 30,497,567	\$ 29,449,109	\$ 30,691,286
Room tax	901,665	973,830	1,070,722	1,219,497	1,373,464	1,445,031
Other taxes	2,744,424	2,754,883	3,158,101	3,288,462	3,387,888	3,446,975
Payment in lieu of taxes	2,358,273	2,375,949	2,390,734	2,404,859	2,392,729	2,353,365
Investment earnings	337,514	333,178	361,323	305,267	416,909	573,280
Miscellaneous	727,049	985,770	908,413	857,657	867,789	972,473
Gain (loss) on disposition of capital assets	-	-	-	-	149,687	-
Shared revenue	1,400,459	1,460,463	1,533,466	1,579,978	1,584,743	2,019,553
Transfers	142,115	71,894	64,344	71,311	100,000	-
Total governmental activities	35,667,904	36,847,715	38,222,816	40,224,598	39,722,318	41,501,963
Business-type activities:						
Investment earnings	237,091	211,730	282,238	162,671	227,641	317,398
Miscellaneous	16,990	78,204	92,912	446,106	180,329	19,552
Transfers	(142,115)	(71,894)	(64,344)	(71,311)	(100,000)	-
Total business-type activities	111,966	218,040	310,806	537,466	307,970	336,950
Total primary government	\$ 35,779,870	\$ 37,065,755	\$ 38,533,622	\$ 40,762,064	\$ 40,030,288	\$ 41,838,913
Change In Net Position						
Governmental activities	\$ (654,709)	\$ (1,509,294)	\$ (134,193)	\$ 17,155,380	\$ (9,458,811)	\$ 1,524,613
Business-type activities	3,536,679	2,693,487	2,786,253	5,289,348	2,559,435	4,611,103
Total primary government	\$ 2,881,970	\$ 1,184,193	\$ 2,652,060	\$ 22,444,728	\$ (6,899,376)	\$ 6,135,716

1 This schedule reports using the accrual basis of accounting.

2 Expenses include allocated indirect expenses.

Source: Financial Statements

Fiscal Year			
2018	2019	2020	2021
\$ 7,450,495	\$ 8,570,530	\$ 8,652,793	\$ 8,809,340
13,890,821	14,187,421	14,732,495	15,675,680
22,233,956	23,962,665	25,654,527	25,222,243
1,727,501	2,065,860	2,266,167	2,245,447
12,687,939	13,921,361	16,950,960	15,977,248
250,435	207,852	231,808	231,809
457,480	488,109	556,436	452,538
58,698,627	63,403,798	69,045,186	68,614,305
7,269,835	7,304,346	7,212,599	7,591,941
6,316,516	5,968,181	6,633,084	6,860,432
1,410,609	1,300,368	837,049	502,562
6,515,453	7,212,214	6,886,133	7,194,162
21,512,413	21,785,109	21,568,865	22,149,097
\$ 80,211,040	\$ 85,188,907	\$ 90,614,051	\$ 90,763,402
\$ 4,248,830	\$ 4,194,777	\$ 4,116,660	\$ 4,046,675
1,916,552	2,012,641	1,963,379	1,970,004
715,863	1,041,123	1,013,728	636,755
117,114	118,372	97,423	80,274
2,626,049	2,880,108	3,617,802	3,042,558
5,135,869	5,626,172	7,465,635	7,781,066
2,177,260	4,181,484	4,820,681	10,947,796
16,937,537	20,054,677	23,095,308	28,505,128
7,709,636	7,541,750	7,698,075	7,740,534
7,194,627	7,259,708	7,483,023	7,766,070
1,630,764	1,481,538	638,301	547,906
5,383,760	7,239,771	6,060,953	4,854,619
-	-	222,080	167,977
1,164,761	2,540,505	1,874,362	3,922,047
23,083,548	26,063,272	23,976,794	24,999,153
\$ 40,021,085	\$ 46,117,949	\$ 47,072,102	\$ 53,504,281
\$ (41,761,090)	\$ (43,349,121)	\$ (45,949,878)	\$ (40,109,177)
1,571,135	4,278,163	2,407,929	2,850,056
\$ (40,189,955)	\$ (39,070,958)	\$ (43,541,949)	\$ (37,259,121)
\$ 30,910,303	\$ 33,272,981	\$ 36,796,537	\$ 37,426,263
1,553,872	1,356,155	1,119,292	1,206,485
3,567,850	3,473,477	3,618,162	3,744,708
2,414,018	2,403,565	2,336,861	2,318,473
783,330	1,557,790	1,745,096	600,210
1,345,586	1,351,036	1,227,437	1,789,005
-	-	-	-
1,743,533	2,026,255	2,212,330	2,334,354
63,000	67,548	80,000	889,772
42,381,492	45,508,807	49,135,715	50,309,270
528,250	1,176,791	1,154,005	283,940
209,703	127,215	24,317	12,467
(63,000)	(67,548)	(80,000)	(889,772)
674,953	1,236,458	1,098,322	(593,365)
\$ 43,056,445	\$ 46,745,265	\$ 50,234,037	\$ 49,715,905
\$ 620,402	\$ 2,159,686	\$ 3,185,837	\$ 10,200,093
2,246,088	5,514,621	3,506,251	2,256,691
\$ 2,866,490	\$ 7,674,307	\$ 6,692,088	\$ 12,456,784

City of Springfield, Oregon
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 5,589	\$ 49,644	\$ 22,109	\$ 86,584
Restricted	632	-	-	-
Committed	37,863	12,764	25,902	83,224
Assigned	600,000	600,000	600,000	600,000
Unassigned	7,134,387	7,538,441	7,698,382	8,553,497
Total general fund	<u>\$ 7,778,471</u>	<u>\$ 8,200,849</u>	<u>\$ 8,346,393</u>	<u>\$ 9,323,305</u>
 All Other Governmental Funds				
Nonspendable	\$ 160,531	\$ 151,297	\$ 147,593	\$ 205,477
Restricted	8,020,323	8,535,571	9,060,917	13,642,430
Committed	4,024,188	3,130,187	2,460,530	2,617,234
Assigned	426,016	410,941	443,945	644,492
Unassigned	-	(26,365)	(64,907)	(23,321)
Total all other governmental funds	<u>\$ 12,631,058</u>	<u>\$ 12,201,631</u>	<u>\$ 12,048,078</u>	<u>\$ 17,086,312</u>

Source: Financial Statements

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 98,292	\$ 83,602	\$ 64,408	\$ 118,343	\$ 110,259	\$ 169,293
-	-	-	-	-	-
172,840	293,004	293,004	472,153	-	-
600,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
7,999,863	7,387,428	8,388,052	9,176,504	9,931,764	10,353,531
<u>\$ 8,870,995</u>	<u>\$ 8,764,034</u>	<u>\$ 9,745,464</u>	<u>\$ 10,767,000</u>	<u>\$ 11,042,023</u>	<u>\$ 11,522,824</u>
\$ 223,261	\$ 219,897	\$ 243,998	\$ 520,564	\$ 344,309	\$ 301,174
14,194,470	13,672,194	18,873,553	16,461,113	28,651,926	26,053,526
1,980,130	2,036,262	2,200,742	2,569,918	3,209,955	3,384,079
1,493,031	808,377	920,076	1,261,961	1,341,713	1,849,430
(37,306)	(142,091)	-	-	-	-
<u>\$ 17,853,586</u>	<u>\$ 16,594,639</u>	<u>\$ 22,238,369</u>	<u>\$ 20,813,556</u>	<u>\$ 33,547,903</u>	<u>\$ 31,588,209</u>

City of Springfield, Oregon
CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year		
	2012	2013	2014
Taxes	\$ 28,838,941	\$ 30,059,119	\$ 31,087,716
Licenses and permits	2,300,827	2,463,338	2,700,850
Intergovernmental	8,974,691	8,475,485	8,576,500
Charges for services	6,958,019	7,022,389	7,142,048
Fines & forfeitures	1,736,722	1,497,458	1,673,933
Use of money & property	170,279	191,559	141,996
Special assessments	48,934	42,569	31,651
Miscellaneous revenue	648,988	306,085	570,176
Total Revenues	49,677,401	50,058,002	51,924,870
Current Operating:			
General government	6,083,214	6,306,579	6,042,155
Fire and life safety	11,514,553	11,242,700	11,515,444
Police	17,744,329	18,318,088	19,118,811
Library	1,426,083	1,457,714	1,440,438
Development and public works	9,283,821	9,041,272	9,427,305
Capital Projects	1,001,890	789,407	1,232,663
Debt service:			
Principal	2,330,192	2,418,973	2,507,974
Interest	1,197,635	1,108,223	1,011,446
Total expenditures	50,581,717	50,682,956	52,296,236
Excess of revenues over (under) expenditures	(904,316)	(624,954)	(371,366)
Transfers in	5,079,050	5,073,111	4,754,376
Transfers out	(4,120,498)	(4,458,815)	(4,409,317)
Bond sale costs	-	-	-
Issuance of debt	-	-	-
Payment to refunded bond escrow agent	-	-	-
Total other financing sources (uses)	958,552	614,296	345,059
Net changes in fund balances	\$ 54,236	\$ (10,658)	\$ (26,307)
Debt services as a percentage of noncapital expenditures	7.09%	7.05%	6.83%

Notes:

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

Source: Financial Statements

Fiscal Year						
2015	2016	2017	2018	2019	2020	2021
\$ 33,065,500	\$ 31,862,305	\$ 33,098,818	\$ 33,794,986	\$ 36,634,081	\$ 38,889,782	\$ 39,448,636
2,783,280	3,122,149	3,325,162	3,251,909	3,184,547	3,384,446	3,421,932
12,172,857	8,484,882	9,224,182	9,515,619	10,388,913	12,054,048	13,433,515
7,670,658	9,247,507	8,410,972	8,740,655	8,255,515	9,824,965	9,912,595
1,688,251	1,652,415	1,655,009	1,813,942	1,819,429	1,577,656	1,316,405
109,373	170,631	276,286	427,571	1,017,688	1,205,189	275,832
45,618	25,265	18,989	13,082	17,098	15,062	6,621
708,847	775,308	743,777	785,899	1,205,665	1,057,800	1,566,002
58,244,384	55,340,462	56,753,195	58,343,663	62,522,936	68,008,948	69,381,538
6,643,279	8,240,463	8,509,994	7,901,804	8,571,201	8,616,360	9,085,862
11,237,818	11,848,268	12,380,622	12,894,682	13,114,125	13,149,807	14,318,920
18,997,316	20,231,011	19,388,013	19,748,479	21,115,709	22,052,943	22,352,091
1,610,330	1,706,475	1,848,510	1,646,799	1,904,135	2,063,085	2,055,401
9,233,725	9,063,061	9,285,822	9,036,058	9,628,378	11,004,908	12,230,771
1,354,801	2,187,974	6,204,622	967,170	6,095,447	2,758,368	6,831,924
2,602,206	1,630,000	2,156,706	1,695,530	2,021,673	4,247,965	4,093,807
913,103	807,469	650,730	653,657	674,222	735,544	653,938
52,592,578	55,845,926	60,425,019	54,544,179	63,124,890	64,628,980	71,622,714
5,651,806	(505,464)	(3,671,824)	3,799,484	(601,954)	3,379,968	(2,241,176)
4,874,912	6,369,454	1,775,328	2,729,248	1,458,838	2,025,984	2,739,379
(4,506,705)	(5,801,301)	(1,459,296)	1,229,455	(1,278,261)	(2,271,493)	(1,913,875)
-	-	-	-	-	(39,159)	-
-	16,994,808	2,000,000	(1,166,455)	-	10,000,000	-
-	(16,863,603)	-	-	-	-	-
368,207	699,358	2,316,032	2,792,248	180,577	9,715,332	825,504
\$ 6,020,013	\$ 193,894	\$ (1,355,792)	\$ 6,591,732	\$ (421,377)	\$ 13,095,300	\$ (1,415,672)
6.84%	4.59%	5.21%	4.39%	4.71%	7.87%	7.44%



Revenue Capacity Information



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
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
2020	4,685,349,599	32,414,522	193,329,553	83,515,100	4,994,608,774	7.27	0.29	9,110,886,037
2021	4,984,917,360	37,273,263	194,341,228	86,663,100	5,122,187,950	7.20	0.30	9,594,834,513

Source: Lane County Department of Assessment and Taxation

* Breakdown of assessed value into categories is not available

City of Springfield, Oregon

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

City Direct Rates					
Fiscal Year	Basic Rate	General Obligation Debt Service	Police Operating Levy	Fire Operating Levy	Total Direct
2012	\$ 4.71	\$ 0.84	\$ 1.09	\$ 0.36	\$ 6.99
2013	4.68	0.82	1.09	0.36	6.94
2014	4.67	0.84	1.28	0.36	7.15
2015	4.65	0.74	1.28	0.36	7.03
2016	4.65	0.49	1.28	0.36	6.78
2017	4.65	0.50	1.28	0.36	6.79
2018	4.64	0.40	1.28	0.36	6.68
2019	4.62	0.39	1.40	0.36	6.77
2020	4.62	0.89	1.40	0.36	7.27
2021	4.62	0.82	1.40	0.36	7.20

Source: Lane County Department of Assessment & Taxation

Overlapping Rates

School District No. 19	Lane County	Lane Community College	Lane County I.E.D. (E.S.D.)	Willamalane Park District	Springfield Economic Development Agency
\$ 5.63	\$ 1.38	\$ 0.87	\$ 0.22	\$ 1.99	\$ 0.09
5.63	1.37	0.85	0.22	1.98	0.15
5.61	1.91	0.85	0.22	2.42	0.18
5.61	1.91	0.85	0.22	2.33	0.22
5.79	1.80	0.81	0.22	2.30	0.21
5.88	1.65	0.83	0.22	2.31	0.21
5.84	1.64	0.83	0.22	2.28	0.24
5.78	1.77	0.83	0.22	2.25	0.30
5.79	1.81	0.82	0.22	2.24	0.29
5.79	1.81	0.95	0.22	2.21	0.30

City of Springfield, Oregon

PRINCIPAL PROPERTY TAX PAYERS

Current Year and Nine Years Ago

Taxpayer	2021			2012		
	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)	\$ 311,002,365	1	6.08%	\$ 221,235,262	2	5.70%
McKenzie Willamette Hospital	83,506,840	2	1.63%	23,156,243	8	
BRFI Gateway LLC	80,689,443	3	1.58%	61,378,057	4	1.58%
PeaceHealth	503,468,354	4	9.83%	359,271,157	1	9.25%
Rosboro LLC	34,974,317	5	0.68%	27,459,771	6	0.71%
HSRE NW Spec Clinics Mob LLC	30,839,663	6	0.60%			
PacificSource Properties LLC	29,570,722	7	0.58%			
Kingsford Manufacturing	30,471,252	8	0.60%	21,836,613	10	
Borden Chemical Inc	29,783,086	9	0.58%			
Countryside Partners Springfield, LLC	25,741,081	10	0.50%			
Symantec Corporation				77,845,836	3	2.00%
RC Springfield 2007 LLC				23,431,266	7	0.60%
Comcast Corporation				34,133,300	5	0.88%
NCS Properties LLC				23,773,954	9	0.61%
Total	<u>\$ 1,160,047,123</u>		<u>22.66%</u>	<u>\$ 873,521,459</u>		<u>21.33%</u>

Source: Lane County Department of Assessment and Taxation

* Ranked by total taxes paid

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
2012	\$ 27,667,002	\$ 26,127,844	94.4%	\$ 1,529,555	\$ 27,657,976	99.97%
2013	28,646,245	26,967,621	94.1%	1,661,461	28,638,320	99.97%
2014	29,539,586	27,866,138	94.3%	1,648,963	29,530,460	99.97%
2015	31,427,683	29,665,353	94.4%	1,706,964	31,418,080	99.97%
2016	30,360,092	28,616,502	94.3%	1,616,030	30,342,929	99.94%
2017	31,525,757	29,852,562	94.7%	1,314,687	31,501,272	99.92%
2018	32,210,580	30,617,910	95.1%	935,026	32,155,214	99.83%
2019	34,341,345	32,759,524	95.4%	976,702	34,213,785	99.63%
2020	37,806,421	36,667,691	97.0%	1,007,340	37,447,913	99.05%
2021	38,412,008	37,489,935	97.6%	967,899	37,754,364	98.29%

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			
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
2020	19,332,885	150,385	3,152,328	210,000	17,399,607	478,956	40,724,161	*	662
2021	15,628,404	-	2,532,520	210,000	14,555,111	478,621	33,404,656	*	536

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>
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
2020	19,332,885	0.39%	314
2021	15,628,404	0.31%	251

Source: Annual Financial Statements,
Lane County Department of Assessment & Taxation
Population Research Center Portland State University
U.S. Census 4/1/2020

City of Springfield, Oregon

COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

JUNE 30, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage applicable to the City</u>	<u>City's share of overlapping debt</u>
City of Springfield - general obligation bond	\$ 14,476,000	100.00%	\$ 14,476,000
City of Springfield - notes payable	2,532,521	100.00%	2,532,521
City of Springfield - contracts payable	<u>210,000</u>	100.00%	<u>210,000</u>
Total Direct debt	<u>\$ 17,218,521</u>		<u>\$ 17,218,521</u>
<u>Overlapping Debt</u>			
Lane Community College	\$ 199,335,000	14.79%	\$ 29,486,032
Lane County	61,313,282	15.00%	9,199,322
School District 19	141,111,344	75.50%	106,542,734
School District 4J	393,572,762	4.94%	19,442,494
Lane Education Service District	6,001,972	15.04%	902,655
Willamalane Park & Recreation District	13,005,000	94.07%	12,233,231
Goshen RFPD	147,251	0.42%	620
Lane County Housing Authority	8,533,828	15.00%	1,280,399
Total overlapping debt	823,020,439		<u>179,087,487</u>
Total direct and overlapping debt			<u>\$ 196,306,008</u>

Source: Oregon State Treasury

Notes:

- 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.
- 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, 2021</u>
Real market value	<u>\$ 9,594,834,513</u>
Debt limit 3% of real market value	\$ 287,845,035
Amount of debt applicable to debt limit:	<u>14,476,000</u>
Total debt margin	<u>\$ 273,369,035</u>

	Fiscal Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Limit	\$ 201,487,592	\$ 191,980,520	\$ 193,510,469	\$ 203,478,954
Total net debt applicable to limit	<u>25,845,000</u>	<u>23,665,000</u>	<u>21,410,000</u>	<u>19,070,000</u>
Legal debt margin	<u>\$ 175,642,592</u>	<u>\$ 168,315,520</u>	<u>\$ 172,100,469</u>	<u>\$ 184,408,954</u>
Total net debt applicable to the limit as a percentage of debt limit	12.83%	12.33%	11.06%	9.37%

Source: Lane County Assessment & Taxation
City of Springfield Financials

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 208,196,799	\$ 214,359,978	\$ 235,243,718	\$ 254,781,708	\$ 273,326,581	\$ 287,845,035
<u>15,975,000</u>	<u>14,465,000</u>	<u>13,075,000</u>	<u>11,630,000</u>	<u>17,950,000</u>	<u>14,476,000</u>
<u>\$ 192,221,799</u>	<u>\$ 199,894,978</u>	<u>\$ 222,168,718</u>	<u>\$ 243,151,708</u>	<u>\$ 255,376,581</u>	<u>\$ 273,369,035</u>
7.67%	6.75%	5.56%	4.56%	6.57%	5.03%

City of Springfield, Oregon
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS

Local Sewer Revenue Bonds						
Fiscal Year	System Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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	9,430,586	7,324,415	1,755,000	656,409	3.04
2019	17,132,240	9,117,789	8,014,451	1,695,000	724,400	3.31
2020	17,822,336	9,955,541	7,866,795	1,740,000	673,400	3.26
2021	17,576,152	11,031,158	6,544,994	1,795,000	533,790	2.81

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



City of Springfield, Oregon

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
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	*	57,325	10,200	4.5%
2020	61,535	*	*	9,746	6.0%
2021	62,352	*	*	*	7.2%

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 Oregon Employment Department 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

	2021		
<u>Employer**</u>	Estimated average <u>Employees</u>	<u>Rank</u>	Percentage of Total City <u>Employment</u>
Peace Health Oregon Region	2,900	1	11.40%
Springfield School District #19	1,380	2	5.43%
McKenzie Willamette Hospital	940	3	3.70%
Top 3 Technology Employers	900	4	3.54%
Top 3 Wood product employers	850	5	3.34%
Top 3 Food and beverage employers	525	6	2.06%
City of Springfield	400	7	1.57%
State Government	300	8	1.18%
Willamalane Park and Recreational District	275	9	1.08%
Federal Government	200	10	0.79%
Total	<u>8,670</u>		<u>34.09%</u>

	2012		
<u>Employer**</u>	Estimated average <u>Employees</u>	<u>Rank</u>	Percentage of Total City <u>Employment</u>
Peace Health Oregon Region	3430	1	14.13%
Symantic	1442	2	5.94%
Springfield School District #19	1258	3	5.18%
McKenzie Willamette Hospital	863	4	3.55%
Royal Caribbean Cruise Lines	650	5	2.68%
Peace Health Medical Laboratories	419	6	1.73%
City of Springfield	415	7	1.71%
Wal-Mart	375	8	1.54%
Willamalane Park and Recreation District	348	9	1.43%
Rosboro Lumber Company	320	10	1.32%
Total	<u>9520</u>		<u>19.15%</u>

Source: City Economic Development Division

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

Operating Information

City of Springfield, Oregon

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	Fiscal Year			
	2012	2013	2014	2015
<u>Function/Program</u>				
General government				
City management	7.00	7.00	7.00	7.50
Finance	9.80	9.50	9.50	9.50
Human resources	6.00	6.00	6.00	6.00
Information technology	10.00	10.00	10.00	10.00
Legal/Judicial services	8.85	8.84	8.84	8.84
Police	124.16	122.99	122.99	123.00
Fire and Life Safety	103.00	101.00	100.00	99.00
Development and public works	140.75	130.56	129.75	130.00
Library	12.40	12.60	12.60	13.10
Total	421.96	408.49	406.68	406.94

Source:

City Budget Office- Based on published Budgeted FTE as of July 1, prior year

2016	2017	2018	2019	2020	2021
7.50	7.50	7.00	7.00	7.00	7.00
11.70	11.70	9.70	9.70	9.65	9.95
6.00	8.00	8.00	7.00	7.00	7.00
15.00	15.00	14.80	15.80	15.80	14.80
8.84	8.84	8.84	11.84	12.09	12.09
123.00	124.00	123.00	123.00	123.00	123.50
99.00	97.50	95.75	101.65	101.65	92.00
123.00	123.00	126.38	126.55	128.55	134.05
13.50	13.50	14.13	15.06	15.13	16.03
407.54	409.04	407.60	417.60	419.87	416.42

City of Springfield, Oregon
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	Fiscal Year		
	2012	2013	2014
Police			
Criminal arrests (charges)	7,148	8,577	9,221
Parking violations	237	185	360
Traffic violations	10,122	10,648	7,517
Fire and life safety			
Number of fire stations	5	5	5
Incident responses	*	*	8,076
Fire incidents	*	*	206
Inspections	*	*	121
Library			
Number of public computer log-ins ****	46,797	64,065	70,756
Number of phone calls answered ****			
Total volumes loaned ****	354,120	354,538	354,503
Development and public works			
Crack sealing (in miles)	3	40	28
Potholes repaired	1,364	1,124	1,047
Storm lines high velocity cleaning (in feet)	3,835	1,909	1,811
Sanitary lines high velocity cleaning (in fee	652,069	587,954	363,748
Number of building permits **	428	382	433
Building valuation (in thousands)	\$ 40,698	\$ 44,388	\$ 44,621

Sources: Various city departments

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

** New constructions permits

*** Data not available

**** During FY21, the Library was mostly not open to patrons due to COVID19. Loaned materials were delivered curbside to patrons who reserved them online and public computers were seldom available.

2015	2016	2017	2018	2019	2020	2021
7,672	8,506	9,348	9,367	8,462	7,282	6,721
209	244	607	558	818	736	599
7,775	8,219	8,087	7,997	7,644	7,633	6,130
5	5	5	5	5	5	5
8,651	8,626	8,625	8,714	9,283	8,985	9,159
177	185	167	162	180	132	221
138	123	214	262	257	236	67
56,666	53,733	25,683	21,958	22,220	14,373	1,990
						4,225
365,497	364,823	355,848	365,763	376,622	321,688	107,256
11	12	0.14	2	4	18	7
775	***	***	1,103	1,634	1,705	1,705
2,200	1,500	2,000	4,661	20,000	3,600	3,613
426,466	601,920	786,000	646,635	510,000	331,601	333,600
466	224	427	1,541	2,236	2,349	2,575
\$ 51,818	\$ 77,150	\$ 91,011	\$ 71,631	\$ 88,928	\$ 115,946	\$ 91,536

City of Springfield, Oregon

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<u>Function/Program</u>	Fiscal Year				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Police					
Stations	1	1	1	1	1
Patrol units	20	20	20	20	20
Fire stations	5	5	5	5	5
Public works					
Streets (lane miles)	423	423	423	444	442
Street lights	4,350	4,530	4,300	4,362	4,338
Traffic signals	73	83	68	83	93

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)

** Unavailable

2017	2018	2019	2020	2021
1	1	1	1	1
24	24	26	30	30
5	5	5	5	5
443	447	447	448	449.6
4,227	4,431	4,518	**	4,385
78	72 *	44	40	43

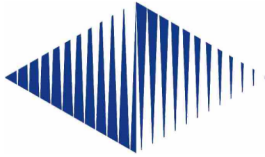


Compliance Section



Audit Comments





GROVE, MUELLER & SWANK, P.C.

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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 Fifth 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, 2021, and have issued our report thereon dated December 22, 2021.

Compliance and Other 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 Corporations except that the City exceed Local Government Investment Pool maximum balance during the fiscal year.


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 22, 2021