

# Annual Comprehensive Financial Report

## Fiscal Year Ended June 30, 2022

### City of Springfield, OR



[springfield-or.gov](http://springfield-or.gov)

**SPRINGFIELD**



**OREGON**

CITY OF SPRINGFIELD, OREGON

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2022

Prepared by:

Finance Department  
Accounting Division

**SPRINGFIELD**



**OREGON**

City of Springfield, Oregon

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2022

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# Introductory Section

**SPRINGFIELD**



**OREGON**



## **FINANCE DEPARTMENT**

ACCOUNTING / REPORTING  
ACCOUNTS RECEIVABLE / PAYABLE  
ASSESSMENTS  
BUDGETING / TREASURY  
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December 27, 2022

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, 2022.

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, 2022, 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, 2022, 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 62,189 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 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, 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, 2018. 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, 2022, the amount of the tax levy for general obligation debt was \$0.80 per thousand.

### **Local Economy July 2021-June 2022**

The impacts of the global Coronavirus pandemic were felt globally and continued to generate unforeseen impacts to the Springfield, Oregon economy throughout 2022. 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.

Along with the impacts to our health sector, the COVID-19 pandemic drastically impacted supply chains and inflation. The supply chain saw a dramatic decline in numerous markets, but the key fields impacting Springfield included computer chips, lumber, and steel. These areas stalled construction of new buildings, even as home improvement projects drastically increased as community members were staying home more and improving their homes. The number of residential permits increased over the past year. With issues facing supply, the value of goods and services increased and was pushed even further by inflation due to several factors, including the increase in federal support and market forecasters. This directly impacted the City's ability to complete capital construction projects and our Master Fees & Charges Schedule.

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 FY22, with many employers maintaining their workforce or quickly bringing back those employees impacted by temporary, early, layoffs.

### **Property Values**

Per the Lane County Taxation and Assessors office, total assessed property values have steadily increased over the last decade, although slowing during FY20 and FY21. From FY21 to FY22, assessed value increased 3.5%, up from FY21's increases of 2.6%. This growth reflects the resiliency of the Springfield housing market as it is becoming a more desirable place for people to purchase homes. In total, FY22 assessed property values in the City of Springfield totaled over \$5.3 billion, an increase of \$181 million over FY21.

### **Population Growth**

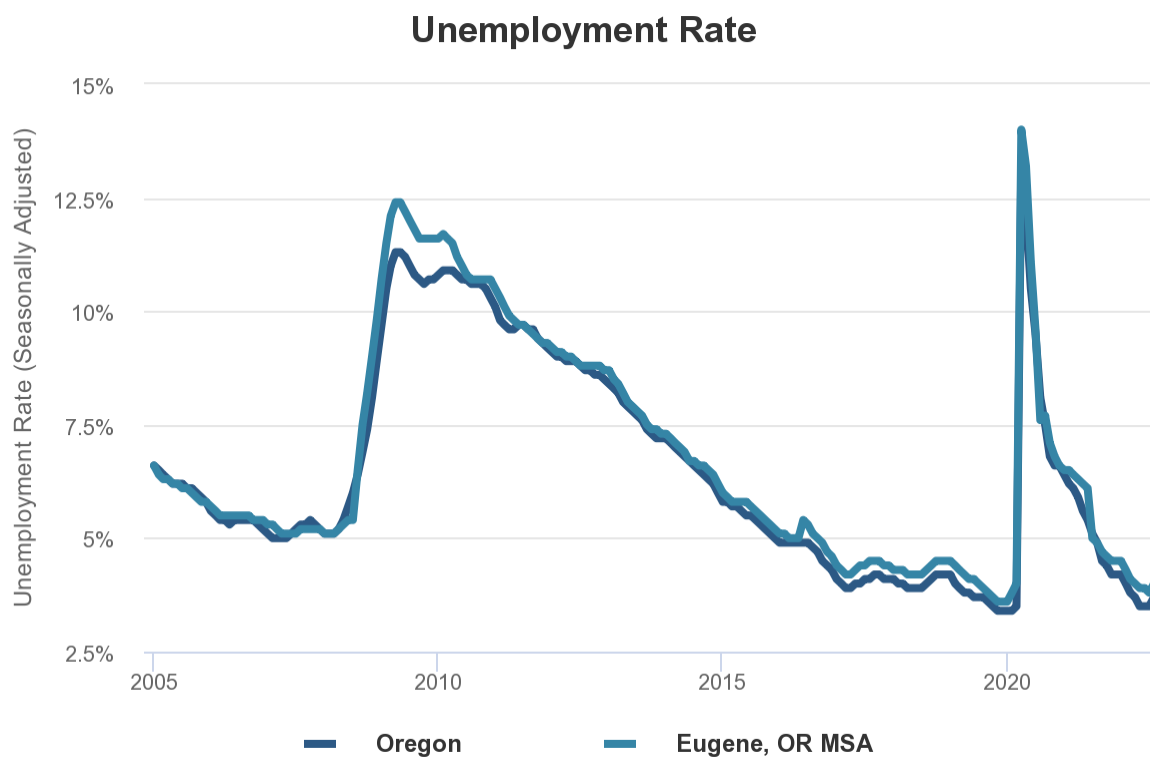
According to the Portland State University Population Research Center, Springfield's population decreased in FY22 with an estimated population of 62,189, a decrease of 163 community members (0.2%) from 2021. This is a faster decrease than the broader Lane County Region, which had a 0.07% decrease or the neighboring community of Eugene, which saw a 1.48% increase from FY21. 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 and FY22, 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 2021 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 jobs regained 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.

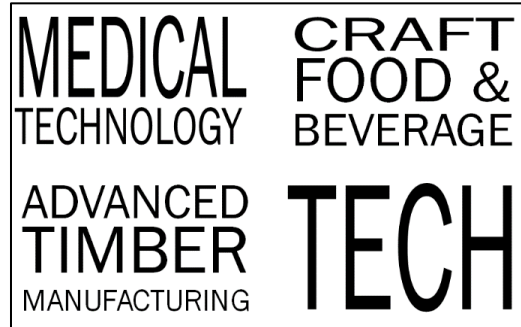


Source: Oregon Employment Department Qualityinfo.org  
Source: Oregon Employment Department Qualityinfo.org

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. At the beginning of 2021, unemployment rates were at 6.5% and at the beginning of 2022 rates were at 4.0% and have maintained that level throughout the year.

## Springfield Target Industries

Springfield's diversity of target industries has allowed the local economy to remain active throughout FY22, 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 FY22, 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 4,400 employees, as well as PacificSource Health Plans and Wayfair call centers.

## Springfield Significant Event Sampling

- **COVID-19 Pandemic Response and Recovery Preparation.** FY22 saw the closing of the City's Emergency Operations Center as COVID support begin to fit into the general duties of the City's department. This transition from central command style to decentralized services has allowed each department to identify and focus on how they can support the community coming through the COVID-19 pandemic.
- **Street Bond Completion.** In 2018, 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. We are proud to announce that – construction is now complete for 42<sup>nd</sup> Street, Highbanks Road, Thurston Road and Centennial Blvd which were the last projects of the bond package. 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 with construction of two more phases continuing through FY22. It is anticipated that FY23 will see the completion of the required public improvements and submittal of the remaining subdivisions.



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

- **Glenwood Riverfront Master Developer RFQ.** The Springfield Economic Development Agency successfully completed an RFQ to retain the services of a Master Developer for the Glenwood Riverfront Development Project. Edlen & Co. and DeChasis Miksis were selected to partner with SEDA and City Staff for this project. The next steps will be to hire a Master Planner and wrap up property purchasing in the area.

## 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, Police Local Option Levy, Special Revenue, Sewer, and Storm Drainage 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. The FY23-FY27 CIP was adopted by the City Council in January 2022. More capital projects for the Sanitary programs will be scheduled in the upcoming years beginning in FY23 as an update of the hydraulic model has been complete and a consultant has been hired to help the City update the Wastewater Master Plan. Planning and projects in the stormwater program are also scheduled in the FY23-FY27 CIP with significant efforts planned to begin FY24. 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 5-year \$10 million general obligation bond in November of 2018, which passed with 55% voter approval, to address the most immediate needs. All of the bond projects were designed and constructed ahead of schedule and are now complete.

#### *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. The Glenwood District, established in 2004, is located at the south western most edge of the City and presents an area of riverfront opportunity immediately adjacent to Downtown Springfield

and the City of Eugene's University and Waterfront areas. The Downtown district, established in 2007, is located in Downtown Springfield and stretches from the Willamette River east to 21<sup>st</sup> Street. These urban renewal areas provide the community with the tools and resources necessary to influence and generate substantial revitalization and redevelopment.

The Glenwood District is the least developed of the two urban renewal areas and requiring the most infrastructure and revisioning investment. At 618 acres, it is also the largest. By the end of FY22, the urban renewal agency had assembled over 10 acres of undeveloped riverfront property, established a Refinement Plan setting the community vision for redevelopment, secured substantial Federal funds for the reconstruction of Franklin Boulevard through Glenwood, and selected a qualified developer to lead redevelopment efforts. In FY23 the City will continue land assembly in the north riverfront area and begin the process of master planning a mixed-use, north riverfront area, redevelopment.

The Downtown District includes 417 acres encompassing the current Downtown core area, commercial opportunity areas to the east of the Downtown core, and key industrial lands primarily along the south edge of the district. Valuable early investments by the district included improved lighting, signage, and street markings as well as ongoing investments in business retention and relationship building, the Systems Development Charge Payment Program, the Downtown parking program, and key property purchases. FY22 saw significant continued and expanded investments which include the return of a key industrial employer's 2018 facility investment to the tax rolls following their initial enterprise zone tax abatement window, the negotiation of a building purchase and resale to a long-standing local downtown business, and final design and initial permit review for the first mid-rise, mass-timber, mixed-use building in Springfield, expected to break ground in FY23.

Both urban renewal areas evaluated and took early steps to outline financial borrowings during FY22 to support next investment steps anticipated by the agency to occur in FY23. The purpose of the urban renewal tool is to invest in key projects through maximization of borrowing capacity of the Agency and Area increment. The borrowed funds are then intended for investment in projects which are anticipated to substantially increase the taxable value within the urban renewal areas.

### *Capital Improvements:*

The City of Springfield's [Capital Improvement Program \(CIP\)](https://springfield-or.gov/city/development-public-works/current-construction-projects/) 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. Information on our various projects are located on our Current Construction webpage located here <https://springfield-or.gov/city/development-public-works/current-construction-projects/>. Some of the major projects in each of these program areas include the following:

### *Transportation and Streets:*

- **Street Bond Measure 20-296** - The bond proposed a five-year \$10 million general obligation bond to fund repairs of a list of proposed city streets. Thanks to Springfield voters' support, the bond passed during the November 6, 2018 election. Even before the taxes were being collected, City staff began planning and designing the first projects. All of the bond projects were constructed ahead of schedule and include the following:
  - Commercial Ave- 42nd St west approx. 450 feet - Completed 2019
  - 14th St - Main St to A St & E St to G St - Completed 2019
  - Mohawk Blvd - G St to Hwy 126 - Completed 2021
  - Highbanks Rd/58th St - 52nd St to Thurston Rd - Completed 2021
  - Olympic St - Mohawk Blvd to 28th St - Completed 2021
  - Thurston Rd - 58th St to 69th St- Completed 2021
  - 42nd St - Main St to approx. International Paper - Completed 2021
  - Centennial Blvd - Aspen St to Prescott Ln - Completed 2022
- **Franklin Blvd.** - The Franklin Boulevard Reconstruction Project includes constructing modern urban standards improvements on the old Hwy 99 alignment in Glenwood called Franklin Boulevard between the Franklin Blvd./Glenwood Blvd. intersection and the Franklin Blvd./ Franklin Blvd (Hwy 225) intersection. This goal of the project is to support Glenwood redevelopment and regional safety and mobility for transit, bicycles/pedestrians, and autos. Phase 1 construction was complete in 2018. Phase 2 includes the remaining design and construction of the roundabout at the intersection of Mississippi Boulevard and Franklin Blvd. In partnership with the City of Eugene, the City applied for and received a federal grant for these Phase 2 improvements.
- **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.
- **Projects In Design** – Many transportation and street projects are in design and include the following:
  - Sidewalk Filling the Gaps
  - Jasper Road/Dondea Street and Jasper Road/Filbert Lane – Safe Routes to School Pedestrian Crossings
  - West 'D' Street Improvement Project
  - Mill Street Reconstruct: South 'A' Street to Centennial Blvd

#### *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. Design is nearing completion and the construction of this project is planned for 2023.
- **Mill Street Reconstruction** – As part of the reconstruction of Mill Street from S.'A' Street to Centennial Blvd., the City will replace the wastewater line from Main Street to just north of 'G' Street and line the wastewater laterals. The project is currently in design and is planned to go out to bid early 2024.
- **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 2023.
- **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, 5<sup>th</sup> 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, 2021. This was the forty-first consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized 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

A handwritten signature in blue ink, appearing to read "Nancy Newton", written over a horizontal line.

Nancy Newton,  
City Manager

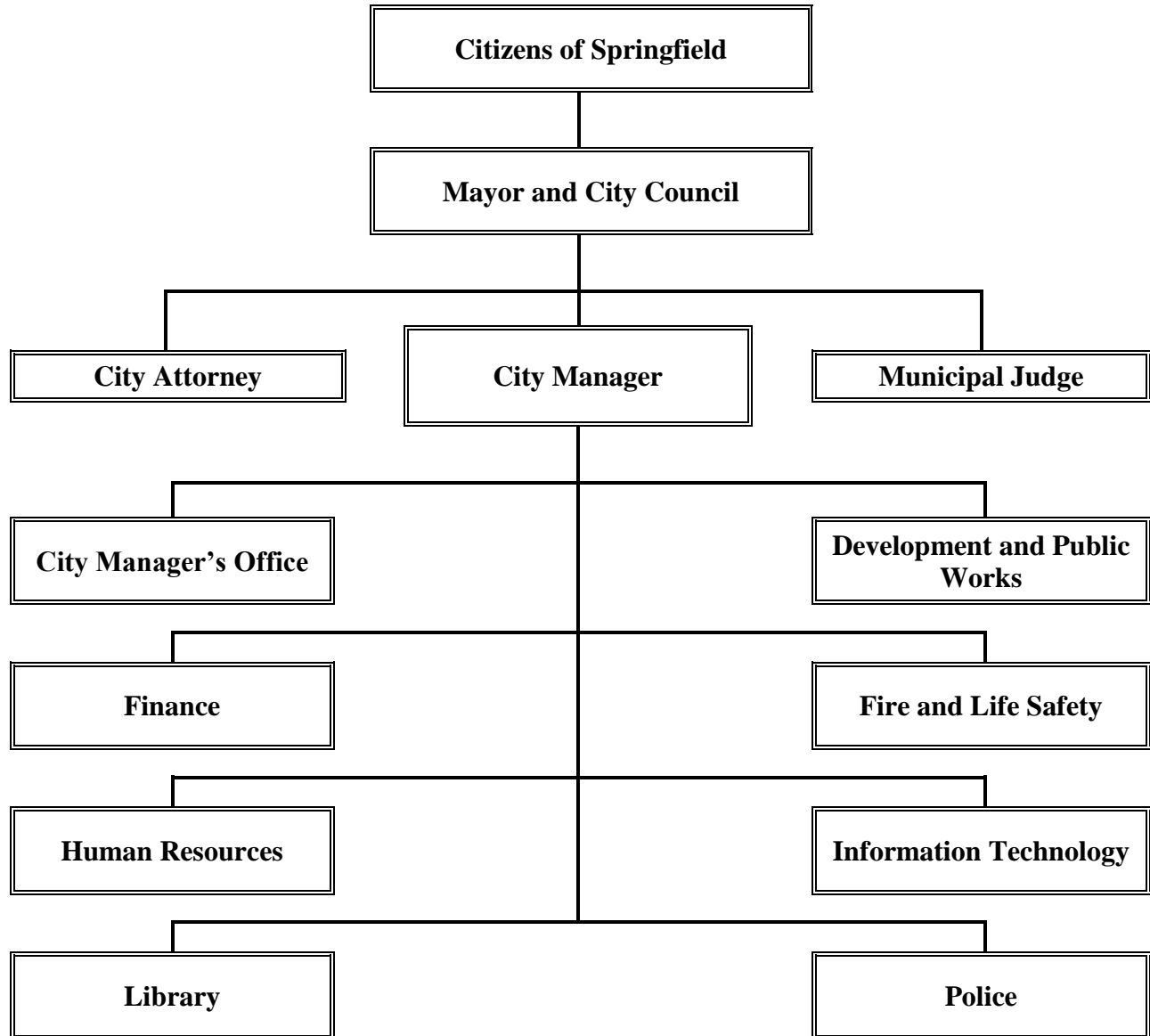
A handwritten signature in blue ink, appearing to read "Nathan Bell", written over a horizontal line.

Nathan Bell,  
Finance Director



# CITY OF SPRINGFIELD

## Organization Chart



# City of Springfield, Oregon

## Principal City Officials June 30, 2022

**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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO



# Financial Section





# **Independent Auditor's Report**

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# GROVE, MUELLER & SWANK, P.C.

Certified Public Accountants and Consultants

475 Cottage Street NE, Suite 200, Salem, OR 97301  
(503) 581-7788 • FAX (503) 581-0152 • [www.gms.cpa](http://www.gms.cpa)

## ***INDEPENDENT AUDITOR'S REPORT***

To the Honorable Mayor, Members of the  
City Council and the City Manager  
City of Springfield  
Springfield, Oregon

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Springfield, as of June 30, 2022, 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.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

As discussed in the notes to the financial statements, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 87 *Leases*, in the current period, which resulted in changes to the presentation of lease related activity. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Required Supplementary Information***

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

(except as mentioned in the following paragraph) 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 and actual as required supplementary information, 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***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 introductory section, other supplementary information, and statistical section as listed in the table of contents, 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information Included in the Annual Comprehensive Financial Report (ACFR)***

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Reports on Other Legal and Regulatory Requirements**

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2022 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.

*Other Reporting Required by Oregon Minimum Standards*

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 19, 2022, 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 19, 2022



# **Management's Discussion and Analysis**

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**City of Springfield, Oregon**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended June 30, 2022**

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, 2022. 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, 2022 increased \$25.7 million from \$401.0 million to \$426.7 million, or 6.4% from the prior year. This increase in total assets and deferred outflows of resources was primarily due to \$12.2 million increase in the carrying value of capital assets, a \$1.2 million increase in receivables, a \$0.8 million increase in the OPEB asset, a \$12.8 million increase in cash and investments, and a decrease of \$2.1 million in the deferred outflows of resources.

- The City's total liabilities and deferred inflows of resources decreased by \$4.8 million from \$145.1 million to \$140.3 million, or 3.3% from the prior year. This decrease was primarily due to a \$6.6 million decrease in long term debt, a \$27.4 million decrease in net pension liability, and a \$3.3 million decrease in accounts payable, offset by a \$22.8 million increase in deferred pension inflow and a \$9.6 million increase in unearned revenue (American Rescue Plan).
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$286.4 million at the close of fiscal year 2022. Unrestricted net position totaled \$24.9 million with the remainder of the City's net position invested in capital assets (\$218.2 million) and restricted for capital projects, public safety, transportation, community development, debt service, and other purposes (\$43.3 million).
- At June 30, 2022, the City's governmental funds reported a combined ending fund balance of \$42.8 million, a decrease of \$.3 million (.76%) from the prior year. Of this total amount, \$9.8 million (23.0%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$32.4 million (75.8%) 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 (1.2%) is in a nonspendable form.
- At the end of fiscal year 2022, the unassigned fund balance in the General Fund was \$9.8 million which was 23.9% 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 57-59 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 60 and 62 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, Police Local Option Levy Fund, Special Revenue Fund, and the Street Capital 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 special revenue funds as required supplementary information on pages 125-127. Budgetary comparisons for all other governmental funds have been provided elsewhere in this report.

The governmental funds financial statements can be found at pages 60-62 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 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 63-65 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 66-67 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 69-121 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 125-135 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 141-182.

## 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 \$286.4 million at the close of the most recent fiscal year.

The largest portion of the City's net position, \$218.2 million (76.2%) 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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 93,533,089	\$ 84,263,948	\$ 67,844,788	\$ 61,549,675	\$161,377,877	\$145,813,623
Capital assets, net, where applicable, of accumulated depreciation	169,125,208	157,370,190	74,221,845	73,826,838	243,347,053	231,197,028
Total assets	262,658,297	241,634,138	142,066,633	135,376,513	404,724,930	377,010,651
Deferred outflows of resources	16,845,438	18,450,771	5,109,092	5,558,632	21,954,530	24,009,403
Noncurrent liabilities	24,391,802	83,853,818	1,813,273	31,899,935	26,205,075	115,753,753
Other liabilities	58,145,973	16,878,902	23,176,260	2,808,594	81,322,233	19,687,496
Total liabilities	82,537,775	100,732,720	24,989,533	34,708,529	107,527,308	135,441,249
Deferred inflows of resources	25,023,275	8,079,855	7,720,468	1,562,928	32,743,743	9,642,783
Net position:						
Net investment in capital assets	156,787,166	139,384,434	61,382,119	59,677,720	218,169,285	199,062,154
Restricted	31,386,128	18,318,226	11,980,398	9,429,173	43,366,526	27,747,399
Unrestricted	(16,230,609)	(6,430,326)	41,103,207	35,556,795	24,872,598	29,126,469
Total net position	\$171,942,685	\$151,272,334	\$114,465,724	\$104,663,688	\$286,408,409	\$255,936,022

A portion of the City's net position, \$43.3 million (15.1%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$24.9 million (8.7%) 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	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 10,829,486	\$ 9,776,266	\$ 25,306,668	\$ 20,909,129	\$ 36,136,154	\$ 30,685,395
Operating grants and contributions	6,055,257	7,781,066	52,239	167,977	6,107,496	7,949,043
Capital grants and contributions	13,921,588	10,947,796	5,863,574	3,922,047	19,785,162	14,869,843
General revenues:						
Taxes	44,387,412	42,377,456	-	-	44,387,412	42,377,456
Payment in lieu of taxes	2,821,285	2,318,473	-	-	2,821,285	2,318,473
Shared revenue	2,152,946	2,334,354	-	-	2,152,946	2,334,354
Investment earnings	(156,863)	600,210	(264,079)	283,940	(420,942)	884,150
Miscellaneous receipts	2,098,685	1,789,005	91,665	12,467	2,190,350	1,801,472
Total revenues	82,109,796	77,924,626	31,050,067	25,295,560	113,159,863	103,220,186
Expenses:						
General government	9,053,662	8,809,340	-	-	9,053,662	8,809,340
Fire and life safety	13,521,804	15,675,680	-	-	13,521,804	15,675,680
Police	22,635,549	25,222,243	-	-	22,635,549	25,222,243
Library	2,116,123	2,245,447	-	-	2,116,123	2,245,447
Development & public works	13,014,042	15,977,248	-	-	13,014,042	15,977,248
Depreciation and amortization	147,249	231,809	-	-	147,249	231,809
Interest on long-term debt	325,776	452,538	-	-	325,776	452,538
Sanitary sewer	-	-	7,470,840	7,591,941	7,470,840	7,591,941
Storm drainage	-	-	6,326,880	6,860,432	6,326,880	6,860,432
Booth-Kelly	-	-	553,805	502,562	553,805	502,562
Ambulance	-	-	7,036,505	7,194,162	7,036,505	7,194,162
Total expenses	60,814,205	68,614,305	21,388,030	22,149,097	82,202,235	90,763,402
Increase (decrease) in net position before transfers	21,295,591	9,310,321	9,662,037	3,146,463	30,957,628	12,456,784
Transfers	(625,240)	889,772	625,240	(889,772)	-	-
Increase (decrease) in net position	20,670,351	10,200,093	10,287,277	2,256,691	30,957,628	12,456,784
Net position - beginning, previously reported	151,272,334	141,072,241	104,663,688	102,406,997	255,936,022	243,479,238
Prior period adjustment	-	-	(485,241)	-	(485,241)	-
Net position - beginning, as restated	151,272,334	141,072,241	104,178,447	102,406,997	255,450,781	243,479,238
Net position - ending	\$171,942,685	\$151,272,334	\$114,465,724	\$104,663,688	\$286,408,409	\$255,936,022

**Entity-wide change in net position:** Entity-wide net position increased by \$31.0 million in the current fiscal year compared to an increase of \$12.5 million in the prior year. This \$18.5 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 \$20.7 million, an increase from a prior year surplus of \$10.2 million, explained by the following highlights:

- Capital grants and contributions increased by \$3.0 million (27.2%) 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 decreased by \$1.7 million (22.2%) from the prior year. This is primarily related to the end of CARES Act reimbursements received in the prior year due to the pandemic. While the American Rescue Plan has provided funding that will materialize in the next couple years, the projects were just starting at the end of FY22.
- Taxes increased by \$2.0 million (4.7%) from the prior year and can be partially attributed to an increase in property tax receipts resulting from a continuation of appreciation of property values in the City. Additionally, the transient room taxes saw an increase of 56.3% as travel opened up after the pandemic. Fuel taxes remained flat as some industries continued the trend of working remotely. The continued appreciation in property values is a strong indicator of a healthy local economy and a strong housing market.
- Shared revenue decreased by \$0.18 million (7.8%) from the prior year. This decrease 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 \$0.8 million (126.1%) from the prior year and can be attributed to a large market value adjustment to investments. This is driven by the fast changing interest rates in the second half of the fiscal year. The investments held by the City would be sold at a loss if sold before maturity. This is a required accounting adjustment that will reverse in the next fiscal year, since the City does not sell their securities before maturity.
- Primary government expenses as a whole decreased \$7.8 million (11.4%), This decrease was mainly in police, fire and life safety, and development and public works. Charges for services saw an increase of \$1.0 million (10.8%) from the prior year. This was primarily due to impacts of COVID-19 that lingered into the prior fiscal year.
- Interest on long-term debt decreased by \$127 thousand (28.0%) from the prior year and can be attributed to the reduction of existing debt and no new issuances in the current year.



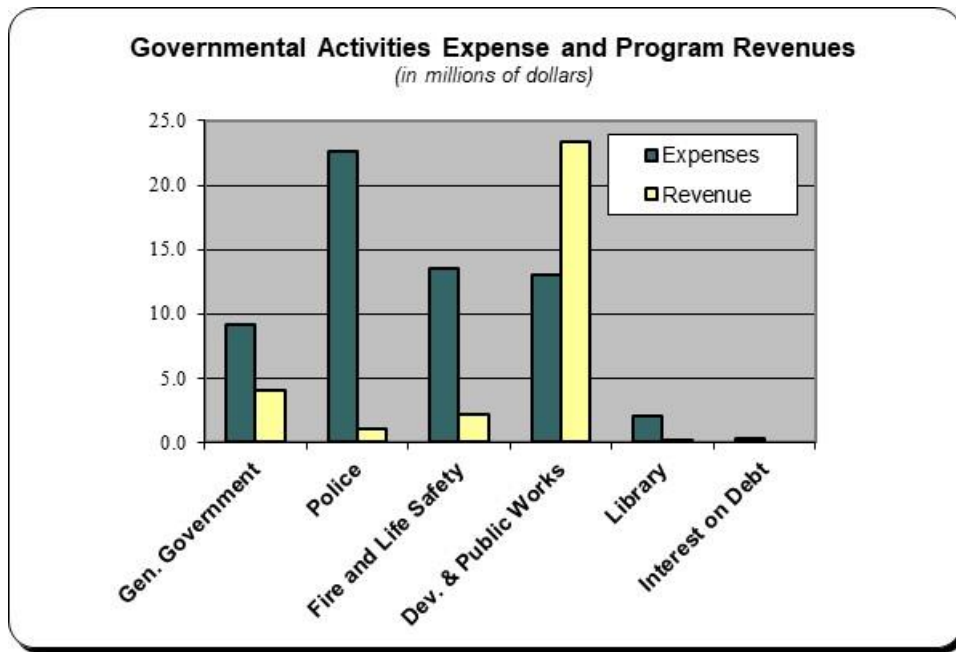


Chart 1 compares program revenues and expenses for the individual governmental activities for the current year. As the chart reflects, most governmental activities relied on general revenues to support the function.

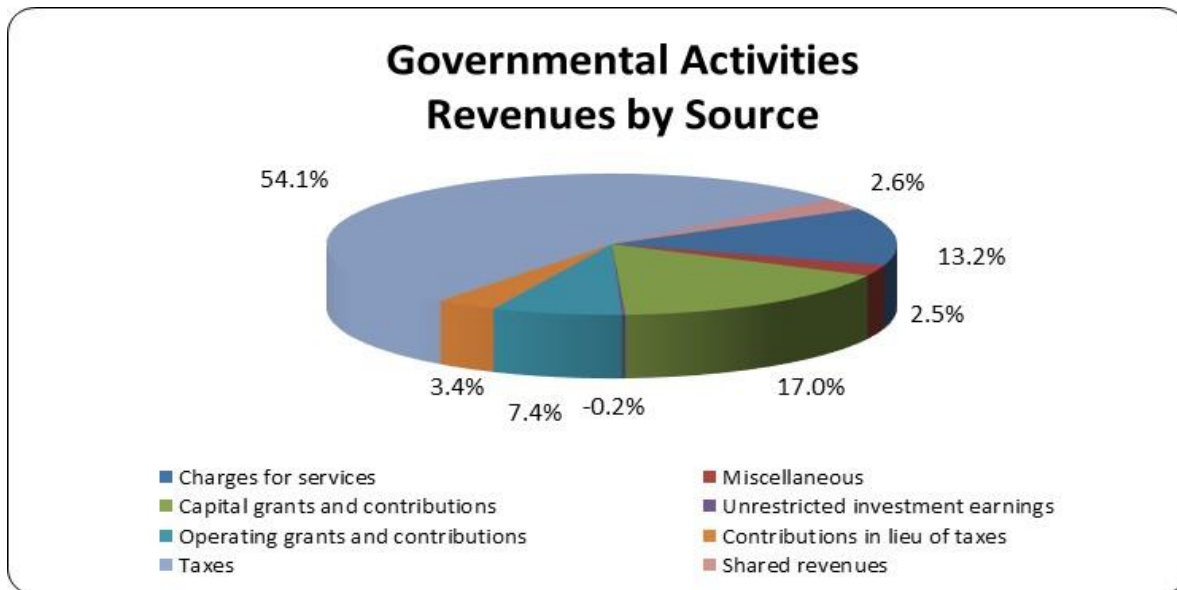


Chart 2

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 increased from a \$2.3 million surplus in the prior year to a \$10.3 million surplus in the current year. This increase of \$8.0 million can be explained by the following highlights:

- Total program revenues increased by \$6.2 million (24.9%) from the prior year and can be primarily attributed to \$0.3 and \$0.6 million increases in charges for services for both the Sewer and Storm Drainage funds, respectively, as well as \$1.5 and \$0.4 million increases in capital contributions also for both the Sewer and Storm Drainage Funds, respectively, and an increase of \$3.5 million in Ambulance revenues. The increases in the Sewer and Storm Drainage funds charges for services and capital contributions can be attributed to continued robust development activity which in turn created increased SDC revenues and significant donated sewer infrastructure. The increase in Ambulance revenues is related to the increase in collections of billing revenues, mostly as a result of the delay in collections in the prior fiscal year which was due to the transition to a new software billing platform, and new revenues for participation in a Ground Emergency Medical Transport-Coordinated Care Organization (GEMT-COO) program.
- Total operating expenses for all business-type activities decreased by \$0.8 million (3.4%) from the prior year. The Sewer, Storm Drainage and Ambulance funds all saw a decrease in net pension liability. The decrease in net pension liability was offset by a general overall increase in contractual services and merchant fees, also across all the funds.

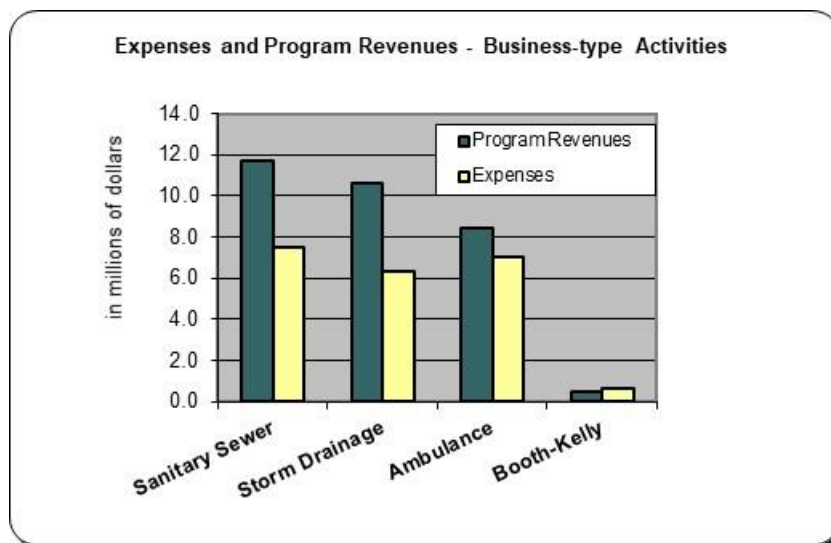


Chart 3

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

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

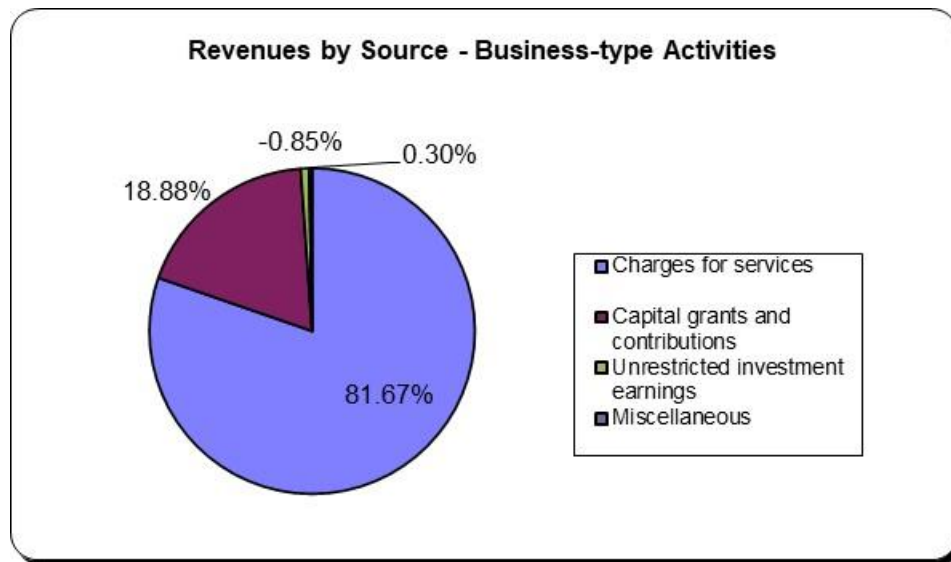


Chart 4

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

### Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$42.8 million. Of this total amount, \$9.8 million (23.0%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$32.4 million (75.8%) 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 (1.2%) is in a nonspendable form.

The General Fund is the chief operating fund of the City of Springfield. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$9.8 million, while the total fund balance was \$11.0 million. As measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 23.9% of total General Fund expenditures, while total fund balance represents 26.8% of that same amount.

The fund balance of the City's General Fund decreased by \$0.5 million during the current fiscal year compared to the prior year increase of \$0.5 million. There are some highlights worth mentioning:

- Property taxes remained relatively flat from the prior year, increasing 2.8%, this can be attributed to normal appreciation.
- Licenses, permits, and fees increased (4.2%) from the prior year and can be attributed to activity increasing in the wake of COVID-19 as the City recovers from the economic impact.
- General government expenditures increased by \$0.2 million (2.3%) from the prior year and can be primarily attributed to inflationary pressures offset by reduced staff in finance and information technology.
- Fire and Life Safety expenditures remained flat from the prior year as several positions remained unfilled but personnel savings were more than offset by increased overtime costs. Normal inflationary pressures were offset by reduced contractual service costs and the increased overtime.
- Police expenditures experienced an increase of \$0.8 million (5.2%) due to increased costs for contracted mental health services (Cahoots) and additional fuel costs as gasoline prices increased significantly more than projected.
- Transfers to other funds increased by \$0.2 million over the prior year. This is due to a \$0.3 million increase in the transfer to the Ambulance Fund, offset by a reduction of \$0.1 million to the development capital fund.

The Police Local Option Levy Fund balance increased \$0.4 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 fully back in operation after COVID-19 and normal inflationary costs. These costs were partially offset with police vacancies that remain unfilled.

The Special Revenue Fund continues to be a major fund again this year. The total assets increased by \$10.0 million, while liabilities increased by \$9.7 million in the current fiscal year. This increase is almost entirely related to the American Rescue Plan (ARP) funds. Many of the projects were in the planning stages, or just beginning, at the end of the fiscal year and are expected to continue throughout FY23 and into FY24.

The Street Capital Projects Fund continues to be a major fund this year for the third 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 fiscal year 2020 of \$10.0 million dollars. In the current year, the fund balance decreased by \$3.1 million as projects were completed. These projects are expected to continue into FY23.

The Non-Major Governmental Funds balances increased \$2.5 million in the current year compared to decreasing \$0.3 million in the prior year. This was due to significant improvements in the Street Fund (\$0.3 million), Transient Room Tax Fund (\$0.5 million) and the Building Code Fund (\$0.8 million) as life in the City returns to pre-pandemic activities.

***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 \$114.5 million. Of this amount, \$40.6 million (35.5%) constitutes unrestricted net position. Proprietary fund highlights are as follows:

The Sewer Fund reported a \$4.0 million increase in net position. The user rate increase for FY22 was 3%, which is a return to the normal yearly increase following FY21 where the increase was dropped to 0% due to the pandemic and the decision 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 \$4.3 million increase in net position. The user rate increase for FY22 was 2.5%. Like the Sewer Fund, this represents a return to the normal yearly rate increase after FY21 which had a rate of 0% increase. 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 an increase in charges for services revenue, decrease in public works operating expenditures, decreases in capital expenditures, and increases to donated infrastructure.

The Ambulance Fund reported a \$2.0 million increase in net position compared to last year's decrease of \$2.4 million. This increase was primarily due to a \$3.5 million increase in operating revenues, with the major contributing factor being the increase in collections of billing revenues, mostly resulting from the prior fiscal year delay in collections as a result of the transition to a new software billing platform and new revenues for participation in a Ground Emergency Medical Transport-Coordinated Care Organization (GEMT-COO) program. Additionally, operating expenses decreased a net of \$0.2 million due to a decrease in net pension liability and an increase in contractual services related to the GEMT-COO 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 \$1,524,025. Details of this increase are as follows:

- \$ 226,543 increase to General Government
- 13,240 increase to Library
- 36,350 increase to Development Services
- 410,407 increase in Fire & Life Safety
- 35,000 increase to City Attorney
- 4,500 increase to City Prosecutor's Office
- 336,000 increase to Police Department
- 817,185 increase in transfers
- 553,850 decrease in Contingency
- 198,650 increase in the City reserves

For actual expenditures and transfers out, the City General Fund under-spent the amended budget by \$1,482,936.

While the COVID-19 pandemic has continued to negatively impact some City revenues, 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. The differences in actual revenue received compared to the amended budget are as follows:

- \$ 945,649 increase in taxes
- 167,316 increase in licenses, permits and fees
- 382,815 increase in intergovernmental revenues
- 280,072 decrease in interest and investment earnings
- 92,910 increase in charges for service
- 542,652 decrease in fines and forfeitures
- 595,442 increase in miscellaneous revenues
- 75,205 increase in internal transfers and indirect charges
- 1,389,794 increase in beginning cash (amended over adopted budget)

For the year ended June 30, 2022, 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 3.5%, where actual revenues were more than budgeted revenues. The combined actual current and delinquent property tax revenues exceeded the budgeted amounts by 3.8%. Licenses and permits exceeded budgeted projections by 5.8% with the impacts of the COVID-19 pandemic on these revenues being less than anticipated. However, fines and forfeitures were below amended budget by 35.2% which can be attributed to the impacts of COVID-19 on municipal court operations along with state sentencing reforms. Beginning fund balance on July 1, 2021 was \$1,389,794 greater than budgeted (13.7%) while ending fund balance on June 30, 2022 was \$470,019 (4.2%) greater than was projected in the FY23 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, 2022 amounts to \$243.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, sewer pipes, improvements, machinery and equipment and roads.

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

- Donated streets and right-of-way were recorded at an estimated cost of \$11.4 million
- Donated Sewer and Storm sewer lines were recorded at an estimated cost of \$2.9 million
- Projects that are not yet complete will be capitalized to Work In Process (WIP) until completion. Once complete, they are reclassified to a specific asset category and depreciation begins. Among the large projects capitalized to WIP this fiscal year were the High Banks and 58<sup>th</sup> Thurston Overlay project at \$2.1 million, the Street Design Services project at \$447 thousand, the Centennial Overlay project at \$359 thousand, and the Jasper Trunk Sewer project at \$552 thousand.
- Work was completed on several large projects, the prior year Work in Process along with current year expenses were moved to corresponding asset accounts. Large completed projects for FY22 included the Mohawk and Olympic Overlay at \$3.5 million and the Virginia-Daisy Bikeway at \$1.6 million.

- A Network Server was purchased, as a replacement, for the IT Department for \$238 thousand.
- An ambulance was purchased for the Fire and Life Safety Department for \$303 thousand.
- Seven vehicles were purchased during the year, most as replacement for vehicles retired after the end of the fiscal year, including two large public works apparatus and two street sweepers with a combined cost of \$1.3 million.

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 84,411,069	\$ 80,618,658	\$ 6,411,506	\$ 6,411,506	\$ 90,822,575	\$ 87,030,164
Land improvements	-	-	15,341	16,585	15,341	16,585
Work in progress	6,027,758	5,890,629	1,104,278	2,788,153	7,132,036	8,678,782
Buildings	14,467,460	16,221,504	65,704,377	64,390,824	80,171,837	80,612,328
Infrastructure	56,037,202	46,745,749	-	-	56,037,202	46,745,749
Machinery & equipment	7,791,769	7,471,157	12,088	18,532	7,803,857	7,489,689
Studies	389,950	422,493	974,255	201,238	1,364,205	623,731
Total	<u>\$ 169,125,208</u>	<u>\$ 157,370,190</u>	<u>\$ 74,221,845</u>	<u>\$ 73,826,838</u>	<u>\$ 243,347,053</u>	<u>\$ 231,197,028</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 \$22.7 million. Of this amount, \$10.9 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	
	2022	2021	2022	2021	2022	2021
General obligation bonds -2019	\$ 3,982,000	\$ 5,921,000	\$ -	\$ -	\$ 3,982,000	\$ 5,921,000
General obligation bonds - 2016	6,930,000	8,555,000	-	-	6,930,000	8,555,000
Revenue bonds series 2020	-	-	4,707,741	5,199,936	4,707,741	5,199,936
Revenue bonds series 2017	-	-	7,075,000	8,445,000	7,075,000	8,445,000
Total	<u>\$ 10,912,000</u>	<u>\$ 14,476,000</u>	<u>\$ 11,782,741</u>	<u>\$ 13,644,936</u>	<u>\$ 22,694,741</u>	<u>\$ 28,120,936</u>

The City's total bonded debt decreased by \$5.4 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 FY23 budget:

- The COVID-19 pandemic had an immediate impact on the local economy, primarily in the hospitality and entertainment sectors and resulted in reduced transient room tax receipts. With the robust vaccination initiative beginning in early 2021 and pent-up demand for travel and entertainment, staff anticipated transient room tax receipts would be returning to pre-pandemic levels.
- Assessed (taxable) value for the City is projected to increase by 3.0%. Taxable value increases were projected to come in in-line with the historical average of 3.00%.
- 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 0.3% return on the City's investments.
- Inflation was projected to begin to filter into the next fiscal year's budget. As a result a 2% increase to General Fund M&S was approved to allow departments to respond to increased operating costs.
- AFSCME employees, the City's smallest employee group, received a 2.5% cost of living adjustment on July 1, 2021. SEIU employees received market pay adjustments July 1, 2021 as a result of a market survey completed in the spring of 2021 that resulted in an average increase of approximately 3%. Non-union employee compensation followed the market study with individuals moving to the new pay plans to the closest step that provides a 3% increase. On average non-union employees experienced an increase of 4.9% on July 1, 2021. The next market survey will be implemented 7/1/2024.
- 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 covers the period from July 1, 2021 through June 30, 2024. Firefighters and engineers represented by this contract will receive a cost of living increase on July 1, 2021 of 2.25%, July 1, 2022 of 2.25%, and July 1, 2023 of 2.25%. Captains represented by this contract will receive a cost of living increase on July 1, 2021 of 3.5%, July 1, 2022 of 3.5%, and July 1, 2023 of 3.5%. 40 hour positions represented by this contract will receive a cost of living increase on July 1, 2021 of 3%, July 1, 2022 of 3%, and July 1, 2023 of 3%. The battalion chief's contract will expire on June 30, 2024 and calls for a cost of living increase on July 1, 2021 of 3%, July 1, 2022 of 3%, and July 1, 2023 of 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, 2022, the City held rates flat. For the plan year beginning January 1, 2023, 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 (FY22-FY23) of \$925 thousand.
- The City schedules an updated actuarial study of its City Retirement Plan every two years. The last update was as of July 1, 2020, completed in April 2021, and implemented on July 1, 2021. Effective July 1, 2021 the contribution rate of covered payroll contributed to the plan increased from 30% to 33%. This rate will remain constant through June 30, 2023.
- 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, 2022 by 3% and 2.5% respectively for the fiscal year through June 30, 2023.

### **Requests for Information**

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

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



# **City of Springfield, Oregon**

## **Basic Financial Statements**

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City of Springfield, Oregon  
STATEMENT OF NET POSITION  
June 30, 2022

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 83,504,932	\$ 59,162,716	\$ 142,667,648
Receivables, net of allowance for uncollectable receivables	8,097,757	4,716,373	12,814,130
Internal balances	(1,201,307)	1,201,307	-
Inventories	363,189	-	363,189
Investment in foreclosed properties	1,970	-	1,970
Prepaid items	1,195,645	57,355	1,253,000
Grant receivable	222,140	2,261	224,401
Lease receivable	4,038	142,117	146,155
Deposits	200,800	-	200,800
Accrued interest	248,336	172,365	420,701
Net OPEB asset - RHIA	895,589	261,786	1,157,375
Due from other governments	-	2,128,509	2,128,509
Capital assets:			
Land and work in progress	90,438,827	7,515,784	97,954,611
Other capital assets, net of accumulated depreciation	78,686,381	66,706,060	145,392,441
Total assets	262,658,297	142,066,633	404,724,930
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension outflow	15,974,930	4,505,736	20,480,666
Deferred OPEB outflow	730,372	179,204	909,576
Deferred charge for debt refunding	140,136	424,152	564,288
Total deferred outflows of resources	16,845,438	5,109,092	21,954,530
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	2,902,272	834,930	3,737,202
Accrued payroll and other liabilities	4,320,173	834,701	5,154,874
Unearned revenue	16,950,039	22,172	16,972,211
Accrued interest payable	29,793	84,873	114,666
Deposits	126,227	36,597	162,824
Due to other governments	63,298	-	63,298
Noncurrent liabilities:			
Due within one year:			
Lease payable	31,652	-	31,652
General obligation long-term debt	3,668,000	-	3,668,000
Revenue bonds payable	-	1,923,213	1,923,213
Notes payable	668,173	-	668,173
Due in more than one year:			
Accrued absence payable	2,191,573	433,062	2,624,635
Accrued claims liabilities	336,000	-	336,000
General obligation long-term debt (net of unamortized premium)	8,165,923	-	8,165,923
Revenue bonds payable (net of unamortized discount)	-	10,617,799	10,617,799
Notes and contracts payable	1,429,307	476,986	1,906,293
Net pension liability	35,745,137	8,307,117	44,052,254
OPEB liability - City Plan	5,910,208	1,418,083	7,328,291
Total liabilities	82,537,775	24,989,533	107,527,308
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension inflow	23,469,498	6,809,070	30,278,568
Deferred OPEB inflow	1,549,754	555,444	2,105,198
Deferred on refunding	-	215,421	215,421
Deferred lease resources	4,023	140,533	144,556
Total deferred inflows of resources	25,023,275	7,720,468	32,743,743
<b>NET POSITION</b>			
Net investment in capital assets	156,787,166	61,382,119	218,169,285
Restricted for:			
Capital projects	3,218,949	11,980,398	15,199,347
Public safety	5,426,086	-	5,426,086
Transportation	12,424,882	-	12,424,882
Urban renewal	1,436,914	-	1,436,914
Community development	7,261,532	-	7,261,532
Debt service	219,350	-	219,350
Other purposes	1,398,415	-	1,398,415
Unrestricted	(16,230,609)	41,103,207	24,872,598
Total net position	\$ 171,942,685	\$ 114,465,724	\$ 286,408,409

The accompanying notes are an integral part of this statement

City of Springfield, Oregon  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2022

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 9,053,662	\$ 3,851,633	\$ 133,883	\$ -
Fire and life safety	13,521,804	1,969,783	137,722	-
Police	22,635,549	768,141	272,073	-
Library	2,116,123	92,961	136,062	-
Development and public works	13,014,042	4,146,968	5,375,517	13,921,588
Depreciation and amortization, unallocated	147,249	-	-	-
Interest on long-term debt	325,776	-	-	-
Total governmental activities	60,814,205	10,829,486	6,055,257	13,921,588
Business-type activities:				
Sanitary sewer	7,470,840	8,060,782	1,037	3,610,556
Storm drainage	6,326,880	8,341,425	51,202	2,253,018
Booth-Kelly	553,805	549,184	-	-
Ambulance	7,036,505	8,355,277	-	-
Total business-type activities	21,388,030	25,306,668	52,239	5,863,574
Total primary government	\$ 82,202,235	\$ 36,136,154	\$ 6,107,496	\$ 19,785,162

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

Prior period adjustments (Note S)

Net position, beginning (as restated)

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
\$ (5,068,146)	\$ -	\$ (5,068,146)
(11,414,299)	-	(11,414,299)
(21,595,335)	-	(21,595,335)
(1,887,100)	-	(1,887,100)
10,430,031	-	10,430,031
(147,249)	-	(147,249)
(325,776)	-	(325,776)
(30,007,874)	-	(30,007,874)
-	4,201,535	4,201,535
-	4,318,765	4,318,765
-	(4,621)	(4,621)
-	1,318,772	1,318,772
-	9,834,451	9,834,451
(30,007,874)	9,834,451	(20,173,423)
38,733,351	-	38,733,351
2,821,285	-	2,821,285
2,903,916	-	2,903,916
864,877	-	864,877
1,885,268	-	1,885,268
2,152,946	-	2,152,946
(156,863)	(264,079)	(420,942)
2,098,685	91,665	2,190,350
(625,240)	625,240	-
50,678,225	452,826	51,131,051
20,670,351	10,287,277	30,957,628
151,272,334	104,663,688	255,936,022
-	(485,241)	(485,241)
151,272,334	104,178,447	255,450,781
\$ 171,942,685	\$ 114,465,724	\$ 286,408,409

City of Springfield, Oregon  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2022

	General	Police Local Option Levy	Special Revenue	Street Capital	Nonmajor Governmental	Total Governmental
<b>ASSETS</b>						
Cash and investments	\$ 12,324,846	\$ 3,462,347	\$ 18,763,035	\$ 8,622,247	\$ 16,041,602	\$ 59,214,077
Receivables:						
Accounts	1,217,260	112,711	31,754	179,445	2,344,619	3,885,789
Taxes	824,397	279,668	-	-	380,275	1,484,340
Grants	8,105	-	22,850	-	191,140	222,095
Accrued interest	82,385	12,426	-	28,891	52,932	176,634
Assessments and liens	-	-	-	-	19,558	19,558
Leases	-	-	-	-	4,038	4,038
Notes	-	-	-	-	2,627,642	2,627,642
Deferred system development charges	1,233	-	-	990,175	26	991,434
Inventories	1,505	-	-	-	286,123	287,628
Investment in foreclosed property	1,970	-	-	-	-	1,970
Deposits	-	-	-	-	800	800
Prepaid items	190,866	-	9,140	-	41,605	241,611
Advance to other funds	-	-	-	-	1,300,000	1,300,000
Total assets	<u>\$ 14,652,567</u>	<u>\$ 3,867,152</u>	<u>\$ 18,826,779</u>	<u>\$ 9,820,758</u>	<u>\$ 23,290,360</u>	<u>\$ 70,457,616</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 956,337	\$ 133,272	\$ 92,886	\$ 522,839	\$ 423,706	\$ 2,129,040
Accrued payroll and other liabilities	882,757	151,478	7,407	-	197,796	1,239,438
Unearned revenue	151,005	-	16,694,548	-	39,160	16,884,713
Due to other funds	-	-	-	-	1,300,000	1,300,000
Deposits	-	-	-	53,075	73,152	126,227
Total liabilities	<u>1,990,099</u>	<u>284,750</u>	<u>16,794,841</u>	<u>575,914</u>	<u>2,033,814</u>	<u>21,679,418</u>
Deferred inflows of resources:						
Deferred lease revenue	-	-	-	-	4,023	4,023
Unavailable revenue	<u>1,619,692</u>	<u>266,168</u>	<u>8,108</u>	<u>1,169,619</u>	<u>2,925,624</u>	<u>5,989,211</u>
	1,619,692	266,168	8,108	1,169,619	2,929,647	5,993,234
Fund balances:						
Nonspendable	194,341	-	9,140	-	328,528	532,009
Restricted	-	3,316,234	302,512	8,075,225	14,203,543	25,897,514
Committed	-	-	852,444	-	2,747,630	3,600,074
Assigned	1,000,000	-	859,734	-	1,047,198	2,906,932
Unassigned	<u>9,848,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,848,435</u>
Total fund balances	<u>11,042,776</u>	<u>3,316,234</u>	<u>2,023,830</u>	<u>8,075,225</u>	<u>18,326,899</u>	<u>42,784,964</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,652,567</u>	<u>\$ 3,867,152</u>	<u>\$ 18,826,779</u>	<u>\$ 9,820,758</u>	<u>\$ 23,290,360</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.						5,989,211
Capital assets are not financial resources in governmental funds, but are reported in the statement of net position at their net depreciable value.						163,128,328
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.						(68,828,993)
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.						28,869,175
Net position of governmental activities						<u>\$ 171,942,685</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, 2022

	General	Police Local Option Levy	Special Revenue	Street Capital	Nonmajor Governmental	Total Governmental
Revenues:						
Taxes	\$ 23,831,507	\$ 6,798,821	\$ -	\$ -	\$ 10,767,286	\$ 41,397,614
Licenses, permits and fees	3,069,155	64,478	185,051	-	261,332	3,580,016
Intergovernmental	5,703,422	5,738	314,780	361,318	5,923,249	12,308,507
Charges for services	6,507,184	509,647	-	1,275,001	2,755,803	11,047,635
Fines and forfeitures	998,348	-	126,892	-	13,314	1,138,554
Investment earnings	(134,234)	(19,289)	704	(44,355)	(73,914)	(271,088)
Special assessments	-	-	-	-	18,111	18,111
Miscellaneous revenues	942,042	1,101	143,243	7,064	253,817	1,347,267
Total revenues	40,917,424	7,360,496	770,670	1,599,028	19,918,998	70,566,616
Expenditures:						
Current operating:						
General government	7,376,294	658,799	87,021	-	1,126,313	9,248,427
Fire and life safety	12,676,273	-	-	-	1,710,672	14,386,945
Police	16,519,419	6,314,123	176,557	-	-	23,010,099
Library	1,892,930	-	146,442	-	252,143	2,291,515
Development and public works	2,752,105	-	94,038	166,026	7,976,587	10,988,756
Capital projects	-	-	-	4,650,628	1,145,634	5,796,262
Debt service:						
Principal	5,290	-	-	-	4,209,041	4,214,331
Interest	277	-	-	-	531,344	531,621
Total expenditures	41,222,588	6,972,922	504,058	4,816,654	16,951,734	70,467,956
Excess of revenues over (under) expenditures	(305,164)	387,574	266,612	(3,217,626)	2,967,264	98,660
Other financing sources (uses):						
Transfers in	1,067,584	-	6,000	154,423	529,262	1,757,269
Transfers out	(1,242,468)	-	-	-	(976,349)	(2,218,817)
Total other financing sources (uses)	(174,884)	-	6,000	154,423	(447,087)	(461,548)
Net change in fund balance	(480,048)	387,574	272,612	(3,063,203)	2,520,177	(362,888)
Fund balances, beginning	11,522,824	2,928,660	1,751,218	11,138,428	15,769,903	43,111,033
Change in reserve for inventories	-	-	-	-	36,819	36,819
Fund balances, ending	\$ 11,042,776	\$ 3,316,234	\$ 2,023,830	\$ 8,075,225	\$ 18,326,899	\$ 42,784,964

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, 2022

Net change in fund balances - total governmental funds	\$ (362,888)
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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.	1,924,200
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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.	567,487
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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.	11,233,156
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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.	2,905,157
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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.	4,366,420
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Decreases in inventory in governmental funds increase expenses.	<u>36,819</u>
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Change in net position of governmental activities	<u><u>\$ 20,670,351</u></u>
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The accompanying notes are an integral part of this statement.

City of Springfield, Oregon  
STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
June 30, 2022

	Business-type Activities - Enterprise Funds					Governmental Activities
				Nonmajor		Internal Service Funds
	Sewer	Storm Drainage	Ambulance	Booth Kelly	Total	
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ 33,952,055	\$ 23,318,676	\$ 192,632	\$ 1,699,353	\$ 59,162,716	\$ 24,290,855
Accounts receivable, net of allowance for estimated uncollectibles	1,321,200	1,390,281	1,995,238	9,654	4,716,373	80,428
Prepays	19,915	13,795	23,645	-	57,355	954,034
Grant receivable	1,037	1,224	-	-	2,261	45
Deposits	-	-	-	-	-	200,000
Accrued interest	99,627	69,292	-	5,336	174,255	71,701
Lease receivable, current portion	-	-	-	93,515	93,515	-
Deferred system development fees	648,880	48,540	-	-	697,420	90,329
Inventory	-	-	-	-	-	75,560
Total current assets	36,042,714	24,841,808	2,211,515	1,807,858	64,903,895	25,762,952
Noncurrent assets:						
Capital assets - net	50,470,660	15,314,559	-	920,841	66,706,060	5,996,880
Construction in progress	591,010	513,268	-	-	1,104,278	-
Land and land rights	2,048,070	1,721,879	-	2,641,557	6,411,506	-
Lease receivable	-	-	-	48,602	48,602	-
Net OPEB asset - RHIA	95,223	72,527	92,157	1,879	261,786	15,765
Due from other governments	2,128,509	-	-	-	2,128,509	-
Total noncurrent assets	55,333,472	17,622,233	92,157	3,612,879	76,660,741	6,012,645
Total assets	91,376,186	42,464,041	2,303,672	5,420,737	141,564,636	31,775,597
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred pension outflow	1,606,445	1,313,841	1,546,845	38,605	4,505,736	272,844
Deferred OPEB outflows	58,725	50,223	69,296	960	179,204	7,864
Deferred charge for debt refunding	424,152	-	-	-	424,152	-
Total deferred outflows of resources	2,089,322	1,364,064	1,616,141	39,565	5,109,092	280,708
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	190,094	120,041	519,711	5,084	834,930	773,232
Accrued payroll and other liabilities	260,169	220,043	344,351	10,138	834,701	377,196
Accrued interest payable	70,750	14,123	1,890	-	86,763	-
Deposits	-	-	-	36,597	36,597	-
Unearned revenues	-	-	22,172	-	22,172	65,326
Revenue bonds payable - current maturity	1,425,000	498,213	-	-	1,923,213	-
Total current liabilities	1,946,013	852,420	888,124	51,819	3,738,376	1,988,986
Noncurrent liabilities:						
Accrued absence payable	272,709	94,592	65,761	-	433,062	15,261
Accrued claims liabilities	-	-	-	-	-	336,000
Revenue bonds payable (net of unamortized premium)	6,408,271	4,209,528	-	-	10,617,799	-
Contracts payable	476,986	-	-	-	476,986	-
Net pension liability	2,791,099	2,650,509	2,777,849	87,660	8,307,117	548,542
Net OPEB obligation payable	392,557	364,160	647,497	13,869	1,418,083	71,741
Total noncurrent liabilities	10,341,622	7,318,789	3,491,107	101,529	21,253,047	971,544
Total liabilities	12,287,635	8,171,209	4,379,231	153,348	24,991,423	2,960,530
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred pension inflow	2,524,753	1,861,112	2,375,618	47,587	6,809,070	396,594
Deferred OPEB inflow	210,352	187,210	151,363	6,519	555,444	36,054
Deferred amount on refunding	-	215,421	-	-	215,421	-
Deferred lease resources	-	-	-	140,533	140,533	-
Total deferred inflows of resources	2,735,105	2,263,743	2,526,981	194,639	7,720,468	432,648
<b>FUND NET POSITION</b>						
Net investment in capital assets	45,193,177	12,626,544	-	3,562,398	61,382,119	5,947,884
Restricted for capital projects	9,206,695	2,773,703	-	-	11,980,398	-
Unrestricted	24,042,896	17,992,906	(2,986,399)	1,549,917	40,599,320	23,488,475
Total fund net position	\$ 78,442,768	\$ 33,393,153	\$ (2,986,399)	\$ 5,112,315	113,961,837	\$ 29,436,359
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds.					503,887	
Net position of business-type activities					\$ 114,465,724	

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, 2022

	Business-type Activities - Enterprise Funds					Governmental Activities
				Nonmajor		Internal Service Funds
	Sewer	Storm Drainage	Ambulance	Booth-Kelly	Total	
Operating revenues						
Charges for services	\$ 8,060,782	\$ 8,341,425	\$ 24,662,275	\$ 549,184	\$ 41,613,666	14,209,861
Less: Contractual adjustments	-	-	(16,312,281)	-	(16,312,281)	-
Licenses, permits and fees	-	-	-	-	-	242,212
Intergovernmental revenues	-	49,978	5,283	-	55,261	33,158
Miscellaneous revenue	7	71,057	12,131	8,470	91,665	68,211
Total operating revenues	8,060,789	8,462,460	8,367,408	557,654	25,448,311	14,553,442
Operating expenses:						
City manager's office	50,646	51,235	-	-	101,881	-
Human resources	-	-	-	-	-	9,568,226
Finance	44,274	44,274	-	-	88,548	36,892
Information technology	317,467	243,574	-	-	561,041	594,387
Library	-	-	-	-	-	1,168
Fire and life safety	-	-	7,021,852	-	7,021,852	7,571
Police	-	-	-	-	-	2,270
Development and public works	4,090,612	5,472,293	-	474,900	10,037,805	917,498
Depreciation	2,758,032	511,188	5,830	80,269	3,355,319	1,194,209
Total operating expenses	7,261,031	6,322,564	7,027,682	555,169	21,166,446	12,322,221
Operating income (loss)	799,758	2,139,896	1,339,726	2,485	4,281,865	2,231,221
Nonoperating revenues (expenses):						
Investment earnings	(153,476)	(106,819)	3,158	(6,942)	(264,079)	(110,744)
Grant revenues	1,037	1,224	-	-	2,261	45
Interest expense	(257,166)	(31,916)	-	-	(289,082)	-
Gain on disposal of equipment	-	-	-	-	-	53,390
Total nonoperating revenues (expenses)	(409,605)	(137,511)	3,158	(6,942)	(550,900)	(57,309)
Income (loss) before contributions and transfers	390,153	2,002,385	1,342,884	(4,457)	3,730,965	2,173,912
Transfers in	4,335	-	701,556	-	705,891	5,650
Transfers out	-	-	-	(80,651)	(80,651)	(169,342)
Capital contributions	3,610,556	2,253,018	-	-	5,863,574	-
Change in fund net position	4,005,044	4,255,403	2,044,440	(85,108)	10,219,779	2,010,220
Net position, beginning of year as originally stated	74,437,724	29,137,750	(4,545,598)	5,197,423		27,426,139
Prior period adjustment (Note S)	-	-	(485,241)	-		-
Fund net position, beginning of year restated	74,437,724	29,137,750	(5,030,839)	5,197,423		27,426,139
Fund net position, end of year	\$ 78,442,768	\$ 33,393,153	\$ (2,986,399)	\$ 5,112,315		\$ 29,436,359
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					67,498	
Change in net position of business-type activities					\$ 10,287,277	

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2022

	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	\$ 8,006,130	\$ 8,248,647	\$ 7,262,598	\$ 545,572	\$ 24,062,947	\$ 14,286,734
Cash paid for employee services	(2,742,201)	(3,598,818)	(4,298,656)	(67,766)	(10,707,442)	(943,462)
Cash paid to suppliers for goods and services	(2,373,626)	(2,711,420)	(3,496,746)	(407,309)	(8,989,100)	(11,183,086)
Other operating receipts	-	121,035	17,414	8,470	146,919	343,581
Net cash provided by (used in) operating activities	<u>2,890,303</u>	<u>2,059,444</u>	<u>(515,390)</u>	<u>78,967</u>	<u>4,513,324</u>	<u>2,503,767</u>
Cash flows from noncapital financing activities:						
Noncapital grants	1,037	1,224	-	-	2,261	-
Operating transfers in from other funds	-	-	-	-	-	5,650
Transfers to/from other funds	<u>4,335</u>	<u>-</u>	<u>701,556</u>	<u>(80,651)</u>	<u>625,240</u>	<u>(169,342)</u>
Net cash provided by (used in) noncapital financing activities	<u>5,372</u>	<u>1,224</u>	<u>701,556</u>	<u>(80,651)</u>	<u>627,501</u>	<u>(163,692)</u>
Cash flows from capital and related financing activities:						
System development charges	2,440,201	508,560	-	-	2,948,761	-
Acquisition and construction of capital assets	(379,699)	(457,449)	-	-	(837,148)	(1,847,380)
Disposition of capital assets	-	-	-	-	-	184,697
Principal paid on long-term debt	(1,356,300)	(464,665)	-	-	(1,820,965)	-
Interest paid on long-term debt	(436,470)	(60,923)	-	-	(497,393)	-
Net cash used in capital and related financing activities	<u>267,732</u>	<u>(474,477)</u>	<u>-</u>	<u>-</u>	<u>(206,745)</u>	<u>(1,662,682)</u>
Cash flows from investing activities:						
Interest received	<u>(205,166)</u>	<u>(140,983)</u>	<u>6,466</u>	<u>(9,504)</u>	<u>(349,187)</u>	<u>(145,265)</u>
Net change in cash and investments	<u>2,958,241</u>	<u>1,445,208</u>	<u>192,632</u>	<u>(11,188)</u>	<u>4,584,893</u>	<u>532,128</u>
Cash and investments, beginning 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>
Cash and investments, end of year	<u>\$ 33,952,055</u>	<u>\$ 23,318,676</u>	<u>\$ 192,632</u>	<u>\$ 1,699,353</u>	<u>\$ 59,162,716</u>	<u>\$ 24,290,855</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 799,758	\$ 2,139,896	\$ 1,339,726	\$ 2,485	\$ 4,281,865	\$ 2,231,221
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	2,758,032	511,188	5,830	80,269	3,355,319	1,194,209
Changes in assets and liabilities:						
Accounts receivable	(54,652)	(92,778)	(605,866)	(2,837)	(756,133)	76,873
Due from other governments	81,133	-	-	-	81,133	-
Prepaid expenses	269	431	(5,295)	-	(4,595)	(215,473)
Accounts payable	(448,488)	(415,542)	(2,869)	(4,577)	(871,476)	(472,305)
Due to/from other funds	-	-	(564,490)	-	(564,490)	-
Accrued payroll and other liabilities	(125,876)	54,260	28,767	7,694	(35,155)	18,458
Accrued claims liabilities	-	-	-	-	-	(266,000)
Net pension liability and related deferrals	(82,444)	(114,572)	(672,464)	(1,107)	(870,587)	(22,267)
Net OPEB obligation and related deferrals	(37,429)	(23,439)	(42,440)	(601)	(103,909)	(3,188)
Net lease receivable	-	-	-	(1,584)	(1,584)	-
Deposits	-	-	-	2,225	2,225	-
Unearned revenue	-	-	3,711	(3,000)	711	2,580
Inventory	-	-	-	-	-	(40,341)
Net cash provided by (used in) operating activities	<u>\$ 2,890,303</u>	<u>\$ 2,059,444</u>	<u>\$ (515,390)</u>	<u>\$ 78,967</u>	<u>\$ 4,513,324</u>	<u>\$ 2,503,767</u>
Noncash capital and related financing activities:						
Contributed capital assets	<u>\$ 1,168,719</u>	<u>\$ 1,744,458</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,913,177</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, 2022

ASSETS

Current assets:

Cash and investments	\$ 104,065,889
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LIABILITIES

Accounts payable	3,245,508
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NET POSITION

Restricted for HRA participants	1,876,267
Restricted for Bail	60,414
Restricted for Regional Fiber Consortium	517,691
Restricted for Metropolitan Wastewater Management Commission	96,952,975
Net position restricted for individuals, organizations and other governments	1,413,034
Total fiduciary net position	\$ 100,820,381

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, 2022

ADDITIONS	
HRA contributions from employer	\$ 1,106,674
Ambulance service collections for other governments	4,998,622
Bail receipts from individuals	407,401
Miscellaneous receipts from individuals, organizations	2,376,440
Receipts from Regional Fiber Consortium	1,919,914
Receipts from Metropolitan Wastewater Management Commission	<u>410,336,519</u>
Total additions	<u>421,145,570</u>
DEDUCTIONS	
HRA disbursements by employer	887,866
Ambulance service disbursements to other governments	4,628,171
Bail refunds to individuals	409,121
Miscellaneous disbursements to individuals, organizations	2,233,253
Disbursements by Regional Fiber Consortium	1,851,384
Disbursements by Metropolitan Wastewater Management Commission	<u>399,714,684</u>
Total deductions	<u>409,724,479</u>
CHANGE IN FUND NET POSITION	11,421,091
Fund net position - beginning	<u>89,399,290</u>
Fund net position - ending	<u><u>\$ 100,820,381</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, 2022

**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 Annual Comprehensive 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](http://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, 2022

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, uses the economic resources 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, 2022

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 FY22 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, 2022

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, 2022

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 15<sup>th</sup>, 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, 2022 the City's tax levy did not exceed the Oregon constitutional limitation. The total property tax levy was \$39,739,637. This includes general property taxes to support general obligation bond debt service of \$4,257,597.

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. Inventories

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, 2022 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, 2022

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	10 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, 2022

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 assets 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 assets 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, 2022

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, 2022 were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Police Local Option Levy</u>	<u>Special Revenue</u>	<u>Street Capital</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Nonspendable:						
Inventories	\$ 1,505	\$ -	\$ -	\$ -	\$ 286,123	\$ 287,628
Prepaid items	190,866	-	9,140	-	41,605	241,611
Investment in foreclosed property	1,970	-	-	-	-	1,970
Deposits	-	-	-	-	800	800
Restricted:						
Debt service	-	-	-	-	634,400	634,400
Urban renewal	-	-	-	-	1,307,050	1,307,050
Capital projects	-	-	-	-	2,088,379	2,088,379
Street repairs and maintenance	-	-	-	-	2,629,903	2,629,903
Street improvements	-	-	-	8,075,225	-	8,075,225
Public Safety - Fire	-	-	1,000	-	1,465,490	1,466,490
Public Safety - Police general	-	3,316,234	381	-	-	3,316,615
Public Safety - Police forfeitures	-	-	270,112	-	-	270,112
Building code	-	-	-	-	4,011,379	4,011,379
Economic development	-	-	7,203	-	2,066,942	2,074,145
Library services	-	-	23,816	-	-	23,816
Committed:						
Development assessment	-	-	-	-	723,390	723,390
Capital projects	-	-	-	-	2,024,240	2,024,240
Technology fee reserve	-	-	852,444	-	-	852,444
Assigned:						
Capital projects	-	-	-	-	1,047,198	1,047,198
Contingency reserve	1,000,000	-	-	-	-	1,000,000
Public Safety - Police K9	-	-	88,010	-	-	88,010
Public Safety - Police general	-	-	586,611	-	-	586,611
Other purposes	-	-	185,112	-	-	185,112
Unassigned	9,848,436	-	-	-	-	9,848,436
Total fund balances	<u>\$ 11,042,777</u>	<u>\$ 3,316,234</u>	<u>\$ 2,023,829</u>	<u>\$ 8,075,225</u>	<u>\$ 18,326,899</u>	<u>\$ 42,784,964</u>



City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

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, 2022, the City implemented the following GASB pronouncements:

- GASB Statement No. 87 – *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.
- GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. The adoption and implementation of Statement No. 89 did not have a significant impact to the City.
- GASB Statement No. 92 – *Omnibus 2020*. The objective of this statement is to enhance comparability in the accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during application and implementation of certain GASB Statements. The adoption and implementation of Statement No. 89 did not have a significant impact to the City.
- GASB Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. The adoption and implementation of Statement No. 93 did not have a significant impact to the City.
- GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal revenue Code Section 457 Deferred Compensation Plans*. The primary objective of this statement is to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. The adoption and implementation of Statement No. 97 did not have a significant impact to the City.
- GASB Statements *No. 91, 94, 96, 100 and 101* – These are other pronouncements that have been issued by the GASB but not yet required to be implemented.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

**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 \$68,828,993 difference are as follows:

Bonds payable, net of original issue premium and deferred charges	\$ 11,693,787
Notes payable	1,887,480
Interfund loan payable	1,779,183
Due to developer (contracts payable)	210,000
Accrued interest payable	29,793
Lease liability	31,652
Compensated absences	4,879,850
Net pension liability and related deferrals	42,567,413
Net OPEB obligation and related deferrals	<u>5,749,835</u>
Total	<u>\$ 68,828,993</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 \$163,128,328 are as follows:

Capital assets (net of accumulated depreciation) reported in the Statement of Net Position - governmental activities column:	
Land and work in progress	\$ 90,438,827
Other capital assets (net of accumulated depreciation)	78,686,381
Total capital assets reported in internal service funds included in the Statement of Net Position - governmental activities column (net of accumulated depreciation)	<u>(5,996,880)</u>
	<u>\$ 163,128,328</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 \$11,233,156 difference are as follows:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

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

Capital outlay	\$ 5,187,268
Donated capital assets	11,419,694
Leased equipment	31,578
Depreciation	<u>(5,405,384)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 11,233,156</u>

Another element of that reconciliation states that the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$4,366,420 difference are as follows:

Principal repayment of general obligation debt	\$ 3,564,000
Principal repayment of note payable	645,041
Amortization of deferred charges	(35,034)
Amortization of bond premiums	230,481
Increase in interfund loan payable	(16,814)
Increase in lease liability	(31,652)
Decrease in accrued interest payable	<u>10,398</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 4,366,420</u>

Another element of the reconciliation states that governmental funds do not report expenditures for unpaid compensated absences or other post-employment benefits since they do not use current financial resources. The details of this \$2,905,157 difference are as follows:

Decrease in accrued compensated absences	\$ 537,731
Decrease in net pension liability and related deferrals	2,227,526
Decrease in net OPEB obligation and related deferrals	<u>139,900</u>
Net adjust to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 2,905,157</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

**NOTE C – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

In April of each year, the City Manager submits a recommended budget to the Budget Committee (which consists of the City Council and an equal number of citizens of the City). The City's budget is prepared for each fund on the modified accrual basis of accounting. Estimated receipts and expenditures are budgeted for by fund, program and object. Information on the past two year's actual receipts and expenditures and current-year amended budgets are included in the budget document.

The Budget Committee conducts public hearings for the purpose of obtaining citizens' comments.

The Budget Committee then presents an approved budget to the City Council for final adoption. The adopted expenditures for each fund may not be increased by more than 10% during the year without a special public hearing of the governing body with notice to the citizens published 5 to 30 days in advance. After the Council adopts the budget and certifies the total of ad valorem taxes to be levied, no additional tax levy may be made for that fiscal year.

The City Council legally adopts the budget before July 1, by resolution. The resolution authorizes fund appropriations as current annual departmental requirements, debt service, capital projects, interfund transfers, interfund loans, statutory payments, contingencies, unappropriated fund balances and reserves. Expenditures cannot legally exceed appropriations at these control levels. Appropriations lapse as of the end of the year.

The City Council may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Oregon Revised statutes. Management may administratively transfer budget amounts between individual line items within the control level, but cannot make changes between the legal levels of control. During the fiscal year ended June 30, 2022, the City Council approved several transfer resolutions and supplemental budgets for a net increase in appropriations of \$1,524,025.

The Ambulance Fund reported a GAAP basis negative fund balance of \$2,986,399. 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, 2022, cash and investments are comprised of the following:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE D – CASH AND INVESTMENTS - Continued

Cash on hand	\$ 5,340
Cash with Fiscal Agent	5,500
Deposits	13,354,226
Local Government Investment Pool Accounts	50,489,733
Investments	182,878,738
	<u>\$ 246,733,537</u>

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

Governmental Funds	\$ 83,504,932
Business-type Funds	59,162,716
Not Appearing on Statement of Net Position	
Fiduciary Fund	104,065,889
	<u>\$ 246,733,537</u>

Deposits

Deposits with financial institutions are comprised of checking, money market and certificate of deposit accounts. As of June 30, 2022, the City of Springfield had a book balance of \$13,354,226 and a bank balance of \$13,636,455. The difference is due to transactions in process. Of this amount, \$1,000,000 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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE D – CASH AND INVESTMENTS – Continued

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, 2022 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](http://www.oregon.gov/treasury). At June 30, 2022, the fair value of the City's deposits with the LGIP approximates cost.

Cash and Investments

On June 30, 2022, the City of Springfield held \$182,878,738 of investments; corporate indebtedness of \$47,648,180, and government agency securities totaling \$135,230,558.

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 and U.S. Treasury Obligations, 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.

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, 2022, 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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE D – CASH AND INVESTMENTS - Continued

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, 2022.

Short-Term Investments:

<u>Maturity</u>	<u>Amount</u>	<u>Actual %</u>	<u>Investment Policy %</u>
Under 30 days	\$ 68,855,299	28%	10 % minimum
Under 90 days	101,669,787	41%	25 % minimum
Under 270 days	130,547,437	53%	50 % minimum
Under one year	185,082,027	75%	80 % minimum
Under 18 months	246,733,537	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, 2022, all of the corporate debt in the City's portfolio is in compliance with the investment policy. The Local Government Investment Pool is not rated and is not registered with the U.S. Securities and Exchange Commission.

C. Custodial credit risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The City's investment policy requires that broker/dealers meet certain qualifications and that purchased investment securities will be delivered by FED book entry, DTC, or physical delivery, and held in third party safekeeping, registered to the City of Springfield - with a designated custodian. All of the City's investments at June 30, 2022 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, 2022, the City was in compliance with the City's investment policy.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE D – CASH AND INVESTMENTS - Continued

Diversification by Financial Instrument:

<u>Instrument</u>	<u>Amount</u>	<u>% Invested</u>	<u>Maximum % of Portfolio</u>
State of Oregon Investment Pool	\$ 50,489,733	20%	100%
Interest Bearing Checking Account	843,871	1%	50%
Money Market Account	8,463,061	3%	50%
Time Certificates of Deposit	4,047,294	2%	25%
Corporate Bonds	47,648,180	19%	25%
U.S. Treasury Bonds	135,230,558	55%	100%
Other	10,840	0%	0%
Totals	<u>\$ 246,733,537</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.

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, 2022, 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.



City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

**NOTE E – RECEIVABLES AND UNAVAILABLE REVENUE**

Receivables at June 30, 2022 consist of the following:

Fund	Accounts	Property Taxes and Other	Grants	Accrued Interest	Assessments and Liens	Leases	Mortgage Notes	SDC Deferred Receivable	Total Net Receivable
General	\$ 1,217,260	\$ 824,397	\$ 8,105	\$ 82,385	\$ -	\$ -	\$ -	\$ 1,233	\$ 2,133,380
Police Local Option Levy	112,711	279,668	-	12,426	-	-	-	-	404,805
Special Revenue	31,754	-	22,850	-	-	-	-	-	54,604
Street Capital	179,445	-	-	28,891	-	-	-	990,175	1,198,511
Sewer	1,321,200 *	-	1,037	99,627	-	-	-	648,880	2,070,744
Storm Drainage	1,390,281 *	-	1,224	69,292	-	-	-	48,540	1,509,337
Ambulance	1,995,238 *	-	-	(1,890)	-	-	-	-	1,993,348
Nonmajor governmental	2,344,619	380,275	191,140	52,932	19,558	4,038	2,627,642	26	5,620,230
Nonmajor enterprise	9,654	-	-	5,336	-	142,117	-	-	157,107
Internal Service	80,428	-	45	71,701	-	-	-	90,329	242,503
	<u>\$ 8,682,590</u>	<u>\$ 1,484,340</u>	<u>\$ 224,401</u>	<u>\$ 420,700</u>	<u>\$ 19,558</u>	<u>\$ 146,155</u>	<u>\$ 2,627,642</u>	<u>\$ 1,779,183</u>	<u>\$ 15,384,569</u>

\*Net of allowances for uncollectible accounts totalling \$3,308,525

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

Mortgage notes within the non-major governmental 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, 2022, the various components of unavailable revenue (deferred inflows of resources) consist of the following:

FUND	Property taxes receivable	Fees and charges	Mortgage notes receivable	Assessments	Total Unavailable revenue
General	\$ 777,165	\$ 842,527	\$ -	\$ -	\$ 1,619,692
Police Local Option Levy	266,168	-	-	-	266,168
Special Revenue	-	8,108	-	-	8,108
Street Capital	-	1,169,619	-	-	1,169,619
Nonmajor governmental	364,779	1,637,158	904,129	19,558	2,925,624
Total unavailable revenue	<u>\$ 1,408,112</u>	<u>\$ 3,657,412</u>	<u>\$ 904,129</u>	<u>\$ 19,558</u>	<u>\$ 5,989,211</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE E – RECEIVABLES AND UNAVAILABLE REVENUE - Continued

**Lease Receivables:**

The City is involved in various leasing arrangements for land, buildings, equipment and land use rights which are leased mainly to commercial and retail customers. With the implementation of GASB Statement No. 87 Leases, effective the fiscal year ended June 30, 2022, all existing and newly acquired leases during the current fiscal year were analyzed and classified as either qualified or non-qualified leases, for both lessor and lessee positions. With this implementation, a respective receivable or payable is recognized. Lessee lease detail and liabilities are shown in Note G.

Lessor lease receivables

In September, 2021, City of Springfield Economic Development entered into a 11 month lease as Lessor for the use of Second Story Office - 228 Main Street. An initial lease receivable was recorded in the amount of \$24,003. As of June 30, 2022, the value of the lease receivable is \$4,038. The lessee is required to make monthly fixed payments of \$2,020. The lease has an interest rate of 0.3160%. The Buildings estimated useful life was 240 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2022 was \$4,023 and Springfield Economic Development recognized lease revenue of \$19,980 during the fiscal year. The lessee has 2 extension options, each for 12 months.

In May, 2022, the City entered into a 14 month lease as Lessor for the use of Booth Kelly Center - Suite 170. An initial lease receivable was recorded in the amount of \$10,250. As of June 30, 2022, the value of the lease receivable is \$1,466. The lessee is required to make monthly fixed payments of \$734. The lease has an interest rate of 0.3870%. The Building was fully depreciated as of contract commencement. The value of the deferred inflow of resources as of June 30, 2022 was \$1,464 and City of Springfield recognized lease revenue of \$8,786 during the fiscal year. The lessee has 1 extension option, for 24 months.

In January, 2022, the City entered into a 6 month lease as Lessor for the use of Booth Kelly Center - Suite 140. An initial lease receivable was recorded in the amount of \$18,336. As of June 30, 2022, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$2,622. The lease has an interest rate of 0.3160%. The Building was fully depreciated as of contract commencement. The value of the deferred inflow of resources as of June 30, 2022 was \$0 and City of Springfield recognized lease revenue of \$18,336 during the fiscal year. The lessee has 2 extension options, each for 12 months.

In July, 2021, the City entered into a 13 month lease as Lessor for the use of Booth Kelly Center - Suite 112 & 127. An initial lease receivable was recorded in the amount of \$83,967. As of June 30, 2022, the value of the lease receivable is \$12,015. The lessee is required to make monthly fixed payments of \$6,010. The lease has an interest rate of 0.3870%. The Building was fully depreciated as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2022 was \$10,952 and City of Springfield recognized lease revenue of \$73,015 during the fiscal year. The lessee has 3 extension options, each for 12 months.

In June, 2021, the City entered into a 14 month lease as Lessor for the use of Booth Kelly Center - Suite 115. An initial lease receivable was recorded in the amount of \$37,721. As of June 30, 2022, the value of the lease receivable is \$5,397. The lessee is required to make monthly fixed payments of \$2,700. The lease has an interest rate of 0.3870%. The Building was fully depreciated as of the contract commencement. The value of the deferred inflow

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE E – RECEIVABLES AND UNAVAILABLE REVENUE - Continued

of resources as of June 30, 2022 was \$5,389 and City of Springfield recognized lease revenue of \$32,332 during the fiscal year. The lessee has 1 extension option, for 24 months.

In December, 2021, the City renewed a 12 month lease as Lessor for the use of Booth Kelly Center - Suite 110. An initial lease receivable was recorded in the amount of \$21,704. As of June 30, 2022, the value of the lease receivable is \$6,394. The lessee is required to make monthly fixed payments of \$1,280. The lease has an interest rate of 0.3870%. The Building was fully depreciated as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2022 was \$6,384 and City of Springfield recognized lease revenue of \$15,320 during the fiscal year. The lessee has 3 extension options, each for 12 months.

In January, 2022, the City entered into a 12 month lease as Lessor for the use of Booth Kelly Center - Suite 153 & 155. An initial lease receivable was recorded in the amount of \$25,415. As of June 30, 2022, the value of the lease receivable is \$14,843. The lessee is required to make monthly fixed payments of \$1,277. Additionally, there are monthly other reasonably certain payments of \$850. The lease has an interest rate of 0.9320%. The Building was fully depreciated as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2022 was \$14,826 and City of Springfield recognized lease revenue of \$10,589 during the fiscal year. The lessee has 2 extension options, each for 12 months.

In January, 2022, City of Springfield, OR entered into a 24 month lease as Lessor for the use of Booth Kelly Center - Suite 140. An initial lease receivable was recorded in the amount of \$66,123. As of June 30, 2022, the value of the lease receivable is \$52,429. The lessee is required to make monthly fixed payments of \$2,788. The lease has an interest rate of 1.2480%. The Building was fully depreciated as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2022 was \$52,347 and City of Springfield recognized lease revenue of \$13,776 during the fiscal year. The lessee has 2 extension options, each for 12 months.

In December, 2019, the City renewed a 40 month lease as Lessor for the use of Kelly Butte ATT Cell Tower. An initial lease receivable was recorded in the amount of \$69,875. As of June 30, 2022, the value of the lease receivable is \$49,573. The lessee is required to make monthly fixed payments of \$1,725. The lease has an interest rate of 0.7270%. The value of the deferred inflow of resources as of June 30, 2022 was \$49,171 and City of Springfield recognized lease revenue of \$20,704 during the fiscal year. The lessee had a termination period of 12 months as of the lease commencement.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE E – RECEIVABLES AND UNAVAILABLE REVENUE - Continued

<b><u>Governmental activities</u></b>	Balance as of July 1, 2021	Additions	Reductions	Balance as of June 30, 2022
Lease receivable				
Buildings				
Second Story Office - 228 Main Street	\$ -	\$ 24,003	\$ 19,965	\$ 4,038
Total lease receivable	<u>\$ -</u>	<u>\$ 24,003</u>	<u>\$ 19,965</u>	<u>\$ 4,038</u>
<b><u>Business-type activities</u></b>				
Lease receivable				
Buildings				
Booth Kelly Center - suite 170	\$ 10,250	\$ -	\$ 8,784	\$ 1,466
Booth Kelly Center - suite 140	18,336	-	18,336	-
Booth Kelly Center - suite 112 & 127	83,967	-	71,952	12,015
Booth Kelly Center - suite 115	37,721	-	32,324	5,397
Booth Kelly Center - suite 110	21,704	-	15,310	6,394
Booth Kelly Center - suite 153 & 155	-	25,415	10,572	14,843
Booth Kelly Center - suite 140	<u>-</u>	<u>66,123</u>	<u>13,694</u>	<u>52,429</u>
Total building lease receivable	<u>171,978</u>	<u>91,538</u>	<u>170,972</u>	<u>92,544</u>
Land				
Kelly Butte ATT cell tower	<u>69,875</u>	<u>-</u>	<u>20,302</u>	<u>49,573</u>
Total lease receivable	<u>\$ 241,853</u>	<u>\$ 91,538</u>	<u>\$ 191,274</u>	<u>\$ 142,117</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE E – RECEIVABLES AND UNAVAILABLE REVENUE - Continued

Principal and interest expected to maturity

Fiscal Year	Governmental Activities		Business-Type Activities	
	Principal Payments	Interest Payments	Principal Payments	Interest Payments
2023	\$ 4,038	\$ 2	\$ 93,515	\$ 820
2024	-	-	39,993	224
2025	-	-	8,609	16
	<u>\$ 4,038</u>	<u>\$ 2</u>	<u>\$ 142,117</u>	<u>\$ 1,060</u>

**Governmental activities**

	Balance as of July 1, 2021	Additions	Reductions	Balance as of June 30, 2022
Deferred inflow of resources				
Buildings				
Second Story Office - 228 Main Street	\$ -	\$ 24,003	\$ 19,980	\$ 4,023
Total deferred inflow of resources	<u>\$ -</u>	<u>\$ 24,003</u>	<u>\$ 19,980</u>	<u>\$ 4,023</u>

**Business-type activities**

Deferred inflow of resources

Buildings

Booth Kelly Center - suite 170	\$ 10,250	\$ -	\$ 8,786	\$ 1,464
Booth Kelly Center - suite 140	18,336	-	18,336	-
Booth Kelly Center - suite 112 & 127	83,967	-	73,015	10,952
Booth Kelly Center - suite 115	37,721	-	32,332	5,389
Booth Kelly Center - suite 110	21,704	-	15,320	6,384
Booth Kelly Center - suite 153 & 155	-	25,415	10,589	14,826
Booth Kelly Center - suite 140	-	66,123	13,776	52,347
Total building deferred inflow of resources	<u>171,978</u>	<u>91,538</u>	<u>172,154</u>	<u>91,362</u>

Land

Kelly Butte ATT cell tower	<u>69,875</u>	<u>-</u>	<u>20,704</u>	<u>49,171</u>
Total deferred inflow of resources	<u>\$ 241,853</u>	<u>\$ 91,538</u>	<u>\$ 192,858</u>	<u>\$ 140,533</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

**NOTE F – CAPITAL ASSETS**

Governmental activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 80,618,658	\$ 4,424,041	\$ (631,630)	\$ 84,411,069
Work in progress	5,890,629	3,968,120	(3,830,991)	6,027,758
Total capital assets, not being depreciated	86,509,287	8,392,161	(4,462,621)	90,438,827
Capital assets, being depreciated:				
Buildings	49,539,375	74,714	(20,425)	49,593,664
Infrastructure	96,338,118	12,533,730	-	108,871,848
Machinery & equipment	26,458,857	2,041,953	(1,156,926)	27,343,884
Studies	1,288,573	61,773	-	1,350,346
Total capital assets, being depreciated	173,624,923	14,712,170	(1,177,351)	187,159,742
Less accumulated depreciation for:				
Buildings	(33,317,871)	(1,808,333)	-	(35,126,204)
Infrastructure	(49,592,369)	(3,242,277)	-	(52,834,646)
Machinery & equipment	(18,987,700)	(1,460,032)	895,617	(19,552,115)
Studies	(866,080)	(94,316)	-	(960,396)
Total depreciation	(102,764,020)	(6,604,958)	895,617	(108,473,361)
Total capital assets, being depreciated, net	70,860,903	8,107,212	(281,734)	78,686,381
Governmental activities capital assets, net	\$ 157,370,190	\$ 16,499,373	\$ (4,744,355)	\$ 169,125,208

Business-type activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 6,411,506	\$ -	\$ -	\$ 6,411,506
Work in progress	2,788,153	689,649	(2,373,524)	1,104,278
Total capital assets, not being depreciated	9,199,659	689,649	(2,373,524)	7,515,784
Capital assets, being depreciated:				
Buildings & infrastructure	110,252,310	4,531,414	-	114,783,724
Land improvements	532,806	-	-	532,806
Equipment	1,762,429	-	-	1,762,429
Studies	1,872,456	902,787	-	2,775,243
Total capital assets, being depreciated	114,420,001	5,434,201	-	119,854,202
Less accumulated depreciation for:				
Land improvements	(516,221)	(1,244)	-	(517,465)
Buildings & infrastructure	(45,861,486)	(3,217,861)	-	(49,079,347)
Equipment	(1,743,897)	(6,445)	-	(1,750,342)
Studies	(1,671,218)	(129,770)	-	(1,800,988)
Total depreciation	(49,792,822)	(3,355,320)	-	(53,148,142)
Total capital assets, being depreciated, net	64,627,179	2,078,881	-	66,706,060
Business-type activities capital assets, net	\$ 73,826,838	\$ 2,768,530	\$ (2,373,524)	\$ 74,221,844

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE F – CAPITAL ASSETS – Continued

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

Governmental activities:	
General government	\$ 198,659
Fire and life safety	577,350
Police	1,522,012
Library	13,516
Development and public works	4,146,172
Unallocated	<u>147,249</u>
Total depreciation expense - governmental activities	<u>\$ 6,604,958</u>
Business activities:	
Sanitary sewer	\$ 2,758,033
Storm drainage	511,188
Booth-Kelly	80,269
Ambulance	<u>5,830</u>
Total depreciation expense - business-type activities	<u>\$ 3,355,320</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

**NOTE G – LEASE ASSETS**

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. For additional information, refer to the disclosures below.

In November, 2021, the City entered into a 60 month lease as Lessee for the use of Ricoh Printers - Police Department. An initial lease liability was recorded in the amount of \$29,126. As of June 30, 2022, the value of the lease liability is \$25,397. The City is required to make monthly fixed payments of \$492. The lease has an interest rate of 1.1770%. The Equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as is \$29,126 with accumulated amortization of \$3,771 is included with Equipment on the Lease Class activities table found below.

In July, 2021, The City entered into a 58 month lease as Lessee for the use of Konica Minolta Copier/Printer/Scanner - CMO. An initial lease liability was recorded in the amount of \$7,816. As of June 30, 2022, the value of the lease liability is \$6,255. City of Springfield is required to make monthly fixed payments of \$136. The lease has an interest rate of 1.0590%. The Equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset is \$7,816 with accumulated amortization of \$1,593 included with Equipment on the Lease Class activities table found below.

Lease activity for the year ended June 30, 2022, was as follows:

<b><u>Governmental activities</u></b>	<b><u>Balance as of July 1, 2021</u></b>	<b><u>Additions</u></b>	<b><u>Reductions</u></b>	<b><u>Balance as of June 30, 2022</u></b>
Lease assets				
Equipment				
Ricoh printers	\$ -	\$ 29,126	\$ -	\$ 29,126
Konica Minolta copier/printer/scanner	<u>7,816</u>	<u>-</u>	<u>-</u>	<u>7,816</u>
Total lease assets	<u>7,816</u>	<u>29,126</u>	<u>-</u>	<u>36,942</u>
Lease accumulated amortization				
Equipment				
Ricoh printers	-	3,771	-	3,771
Konica Minolta copier/printer/scanner	<u>-</u>	<u>1,593</u>	<u>-</u>	<u>1,593</u>
Total lease accumulated amortization	<u>-</u>	<u>5,364</u>	<u>-</u>	<u>5,364</u>
Total governmental lease assets, net	<u>\$ 7,816</u>	<u>\$ 23,762</u>	<u>\$ -</u>	<u>\$ 31,578</u>



City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE G – LEASE ASSETS – Continued

<b><u>Governmental activities</u></b>	Balance as of July 1, 2021	Additions	Reductions	Balance as of June 30, 2022
Lease liability				
Equipment				
Ricoh printers	\$ -	\$ 29,126	\$ 3,729	\$ 25,397
Konica Minolta copier/printer/scanner	7,816	-	1,561	6,255
Total governmental lease liability	<u>\$ 7,816</u>	<u>\$ 29,126</u>	<u>\$ 5,290</u>	<u>\$ 31,652</u>

Amortization expense is charged to general governmental activities.

Principal and interest expected to maturity:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 7,208	\$ 327	\$ 7,535
2024	7,291	244	7,535
2025	7,375	159	7,534
2026	7,325	74	7,399
2027	2,453	7	2,460
	<u>\$ 31,652</u>	<u>\$ 811</u>	<u>\$ 32,463</u>

NOTE H - 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE H - RISK MANAGEMENT – Continued

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

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

Fiscal year ended June 30	Liability balance at beginning of year	Current year claims and changes in estimates	Claim Payments	Liability balance at end of year
2013	\$ -	\$2,256,826	\$ (1,791,735)	\$ 465,091
2014	465,091	4,894,984	(4,960,500)	399,575
2015	399,575	6,007,389	(5,359,049)	1,047,915
2016	1,047,915	5,343,218	(5,895,677)	495,456
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
2022	800,185	5,551,941	(5,886,199)	465,927

The City of Springfield purchases third-party coverage for workers' compensation insurance, but was previously self-insured. Under the previous self-insured model, the City estimates liability for incurred losses for reported and unreported claims for worker's compensation, and this will continue until the previous claims liabilities are satisfied. 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, 2022  
(\$000s)

Year	Case Reserves	IBNR Reserves	Outstanding LCF	Closeout Risk Adj.	Net Outstanding Liabilities
Prior	\$ 14	\$ -	\$ -	\$ -	\$ 14
2018-19	3	34	7	5	49
2019-20	26	46	14	6	92
2020-21	95	54	30	8	187
Total	<u>\$ 138</u>	<u>\$ 134</u>	<u>\$ 51</u>	<u>\$ 19</u>	342
Less investment income offset					<u>(6)</u>
Net accrued claims liability					<u>\$ 336</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, 2022

NOTE H - 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, workers' compensation, and property. Settled claims have not exceeded insurance coverage in any of the past five fiscal years.

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.

General obligation bonds payable transactions for the year ended June 30, 2022 are as follows:

	Issue Date	Final Maturity Date	Effective Interest Rate	Outstanding July 1, 2021	Issued During year	Retired During Year	Outstanding June 30, 2022	Due Within One Year
Series 2016	6/29/2016	2026	1.36%	\$ 8,555,000	\$ -	\$ (1,625,000)	\$ 6,930,000	\$ 1,695,000
Series 2019	8/6/2019	2024	1.80%	5,921,000	-	(1,939,000)	3,982,000	1,973,000
					Unamortized premium		921,923	
					Due in current year		(3,668,000)	
					Total general obligation long-term debt		<u>\$ 8,165,923</u>	

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE I - LONG-TERM DEBT – continued

Revenue Bonds

The City issues revenue bonds to finance major construction projects in business-type activities. Revenue bonds are secured and serviced by system revenues. The original amount of revenue bonds issued in prior years was \$18,809,936.

In the prior fiscal year, The City did an advance refunding of the 2010 issuance and replaced it with the 2020 series. The 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.

Revenue obligation bonds payable transactions for the year ended June 30, 2022 are as follows:

	Issue Date	Final Maturity Date	Effective Interest Rate	Outstanding July 1, 2021	Issued During year	Retired During Year	Outstanding June 30, 2022	Due Within One Year
Series 2017	6/27/2017	2027	1.725%	\$ 8,445,000	\$ -	\$ (1,370,000)	\$ 7,075,000	\$ 1,425,000
Series 2020	11/10/2020	2031	1.200%	5,199,936	-	(492,195)	4,707,741	498,213
					Unamortized premium		758,271	
					Deferred on refunding		(424,152)	
					Due in current year		(1,923,213)	
					Total revenue bonds payable		<u>\$ 10,193,647</u>	

Maturities of bond principal and interest are as follows:

Year	General Obligation Bonds		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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
2027-31	-	-	3,702,678	122,030	3,702,678	122,030
Total	<u>\$ 10,912,000</u>	<u>\$ 798,838</u>	<u>\$ 11,782,741</u>	<u>\$ 1,080,607</u>	<u>\$ 22,694,741</u>	<u>\$ 1,879,445</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE I - LONG-TERM DEBT – Continued

The City issues debt backed solely by future fees received for certain services. At June 30, 2022, 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 6/30/2022	Debt payments Y/E 6/30/2022	2022 Gross Revenues
Revenue bonds:							
Sewer System series 2017	Sewer system fees	2027	\$ 7,075,000	10.3%	\$ 6,211,135	* \$ 1,707,800	\$ 16,525,510
Revenue bonds:							
Storm System series 2020	Sewer system fees	2031	<u>4,707,741</u>	3.3%	6,211,135	* <u>551,641</u>	
Business-type activities			<u>\$ 11,782,741</u>			<u>\$ 2,259,441</u>	

\* same revenue source pledged for two purposes

The Springfield Economic Development Agency (SEDA) entered into two direct placement Notes Payable, one in 2016 and one in 2018. The Notes are not subject to any acceleration clauses and are not subject to finance related consequences due to events of default. Both Notes are subject to covenants regarding continuing disclosure 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.

Notes Payable

At June 30, 2022 notes payable are as follows:

Governmental activities:

Bank of Cascades (SEDA), payable in monthly installments  
including interest at 2.34%, due 2025

\$ 634,222

Bank of Cascades (SEDA), payable in monthly installments  
including interest at 4.15%, due 2025

1,253,258

Total governmental activities

\$ 1,887,480

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE I - LONG-TERM DEBT – Continued

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>
2022-23	\$ 668,173
2023-24	691,381
2024-25	527,926
	<u>\$ 1,887,480</u>

The contract payable included in governmental activities represents an amount due to Sycon 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, 2022, that amount was \$316,062,829. As of June 30, 2022, the total outstanding debt applicable to the limit was \$10,912,000 which is 3.45% of the total debt limit.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE I - LONG-TERM DEBT – Continued

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 14,476,000		\$ (3,564,000)	\$10,912,000	\$3,668,000
Less deferred amounts for issuance premiums	1,152,404	-	(230,481)	921,923	-
Total bonds payable	15,628,404	-	(3,794,481)	11,833,923	3,668,000
Notes payable	2,532,521	-	(645,041)	1,887,480	668,173
Deferred system development fees	1,762,369	16,814	-	1,779,183	-
Contracts payable	210,000	-	-	210,000	-
Capital leases	-	31,652	-	31,652	7,208
Accrued claims liability	602,000	-	(266,000)	336,000	-
Compensated absences	5,461,713	2,479,199	(3,025,603)	4,915,309	2,723,736
OPEB liability - City Plan	5,701,135	209,073	-	5,910,208	-
Net pension liability	56,269,201	-	(20,524,064)	35,745,137	-
Governmental activity long-term liabilities	<u>\$ 88,167,343</u>	<u>\$ 2,736,738</u>	<u>\$(28,255,189)</u>	<u>\$62,648,892</u>	<u>\$7,067,117</u>
<u>Business-type activities:</u>					
Bonds payable:					
Revenue bonds	\$ 13,644,936		\$ (1,862,195)	\$11,782,741	\$1,923,213
Less deferred amounts for issuance premiums	910,175	-	(151,904)	758,271	-
Total bonds payable	14,555,111	-	(2,014,099)	12,541,012	1,923,213
Contracts payable	478,621	-	(1,635)	476,986	-
Compensated absences	1,046,659	430,871	(530,820)	946,710	513,648
OPEB liability - City Plan	1,350,579	67,505	-	1,418,084	-
Net pension liability	15,159,010	-	(6,851,893)	8,307,117	-
Business-type activities long-term liabilities	<u>\$ 32,589,980</u>	<u>\$ 498,376</u>	<u>\$ (9,398,447)</u>	<u>\$23,689,909</u>	<u>\$2,436,861</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

**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	\$ 142,606
Storm Drainage	Internal service funds	164,143
Booth-Kelly	Internal service funds	7,980
Ambulance	Internal service funds	189,158
Total due to/from other funds (different fund types)		<u>\$ 503,887</u>

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

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer	SEDA Glenwood	\$ 498,057
Sewer	SEDA Downtown	150,823
Storm Drainage	SEDA Glenwood	48,218
Storm Drainage	SEDA Downtown	322
Total Advance to/from other funds (different fund types)		<u>\$ 697,420</u>

<u>Receivable Fund</u>	<u>Payable 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	22,688
General Fund	SEDA Glenwood	1,233
Building Code	SEDA Glenwood	26
Total due to/from other funds (similar fund types)		<u>\$ 1,081,763</u>



City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

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

Interfund Transfers

Fund description	General	Street Capital	Special Revenue	Nonmajor Governmental Funds	Internal Service	Sewer	Ambulance	Total Transfers Out
General	\$ -	\$ -	\$ 6,000	\$ 529,262	\$ 5,650	\$ -	\$ 701,556	\$ 1,242,468
Nonmajor Governmental	817,591	154,423	-	-	-	4,335	-	976,349
Nonmajor Proprietary	80,651	-	-	-	-	-	-	80,651
Internal Service Funds	169,342	-	-	-	-	-	-	169,342
Total Transfers In	<u>\$ 1,067,584</u>	<u>\$ 154,423</u>	<u>\$ 6,000</u>	<u>\$ 529,262</u>	<u>\$ 5,650</u>	<u>\$ 4,335</u>	<u>\$ 701,556</u>	<u>\$ 2,468,810</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, 2022.

The Series 2019 bond, originally issued for \$10,000,000, has a contingent arbitrage liability of \$28,454 as of June 30, 2022. 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, 2022.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

**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, 2022, there were 15 participants in the plan, of which 5 are active employees and 10 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 1<sup>st</sup> 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 1<sup>st</sup> 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, 2022

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 \$1,352,000.

Employer contributions for the year ended June 30, 2022 were \$1,633,149. 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, 2022, the City reported a net pension liability of \$7,632,014. The net pension liability and fiduciary net position were measured as of June 30, 2022. The total pension liability was determined using actuarial valuation results as of July 1, 2020 rolled forward to June 30, 2022. The following table presents the changes in the net pension liability for the fiscal year ended June 30, 2022:

<u>Changes in Net Pension Liability</u>	<u>Total Pension Liability - City Plan</u>	<u>Plan Fiduciary Net Position - City Plan</u>	<u>Net Pension Liability - City Plan</u>	<u>Net Pension Liability PERS (Note M)</u>	<u>Total NPL</u>
Balances as of June 30, 2021	\$ 29,872,820	\$ 25,204,420	\$ 4,668,400	\$ 66,759,811	\$ 71,428,211
Changes for the year:					
PERS changes	-	-	-	(30,339,571)	(30,339,571)
Service cost	442,046	-	442,046	-	442,046
Interest on total pension liability	1,346,214	-	1,346,214	-	1,346,214
Benefit payments	(6,781,187)	(6,781,187)	-	-	-
Administrative expenses	-	(109,447)	109,447	-	109,447
Net investment income	-	(2,699,056)	2,699,056	-	2,699,056
Employer contributions	-	1,633,149	(1,633,149)	-	(1,633,149)
Net changes	(4,992,927)	(7,956,541)	2,963,614	(30,339,571)	(27,375,957)
Balances as of June 30, 2022	\$ 24,879,893	\$ 17,247,879	\$ 7,632,014	\$ 36,420,240	\$ 44,052,254

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

For the year ended June 30, 2022, the City recognized pension expense of \$5,420,198 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, 2021 to June 30, 2022
<u>Pension expense</u>			
Service Cost	\$ 442,046	\$ 5,282,861	\$ 5,724,907
Interest on total pension liability	1,346,214	-	1,346,214
Administrative expenses	109,447	-	109,447
Expected investment return net of investment expenses	(1,128,784)	-	(1,128,784)
Net amortization of employer-specific deferred amounts from:			
Changes in proportionate share	-	116,600	116,600
Differences between employer contributions and proportionate share of system contributions	-	(709,066)	(709,066)
Recognition of Deferred (Inflows)/Outflows of Resources:			
Recognition of economic/demographic (gains) losses	(228,317)	-	(228,317)
Recognition of assumption changes or inputs	425,509	-	425,509
Recognition of investment (gains) losses	(236,312)	-	(236,312)
Pension Expense	<u>\$ 729,803</u>	<u>\$ 4,690,395</u>	<u>\$ 5,420,198</u>

At June 30, 2022, 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	\$ (181,873)	\$ -
Changes of assumptions or inputs	-	305,612
Net difference between projected and actual earnings	-	493,643
Total	<u>\$ (181,873)</u>	<u>\$ 799,255</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

The \$617,382 net deferred inflows/outflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2023	\$ (31,800)
2024	(39,604)
2025	(76,782)
2026	765,568
Total	<u>\$ 617,382</u>

**Actuarial Valuations** – The total pension liability in the July 1, 2020 actuarial valuation rolled forward to June 30, 2022 was determined using the following actuarial assumptions:

Actuarial Valuation Assumptions

Valuation date	June 30, 2020 rolled forward to June 30, 2022.
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:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

**Sensitivity**

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Total pension liability	\$ 26,000,125	\$ 24,879,893	\$ 24,176,057
Fiduciary net position	17,247,879	17,247,879	17,247,879
Net pension liability	<u>\$ 8,752,246</u>	<u>\$ 7,632,014</u>	<u>\$ 6,928,178</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 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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

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 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%.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

**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.

*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, 2019 actuarial valuation. The City contribution rates in effect for the fiscal year ended June 30, 2022 were 21.68% for Tier One/Tier Two covered members, 19.28% for OPSRP Pension Program Police and Fire Members, and 14.92% for OPSRP Pension Program General Service Members.

Employer contributions for the year ended June 30, 2022 were \$6,422,871. 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.



City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

**Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – At June 30, 2022, the City reported a liability of \$36,420,240 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. 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, 2021, the City's proportion was 0.30435%, which was changed from 0.30590% measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized pension expense of \$4,690,395. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,409,173	\$ -
Changes of assumptions	9,117,083	( 95,849)
Net difference between projected and actual earnings of pension plan investments	-	( 26,961,621)
Changes in proportion and differences between employer contributions and proportionate share of contributions	732,284	( 1,060,152)
Differences between employer contributions and employer's proportionate share of system contributions	-	( 1,979,072)
Total (prior to post measurement date contributions)	13,258,540	( 30,096,694)
Contributions subsequent to the measurement date	6,422,871	-
Total Deferred Outflow/Inflow of Resources	\$ 19,681,411	\$ ( 30,096,694)

The \$6,422,871 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, 2023. 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,	
2023	\$ (3,018,192)
2024	(3,269,905)
2025	(4,479,506)
2026	(6,829,271)
2027	758,720
Total	\$ (16,838,154)

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

**Actuarial Valuations** – The employer contribution rates effective July 1, 2021, through June 30, 2023, 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, 2019 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Assumptions	
Valuation Date	December 31, 2019
Measurement Date	June 30, 2021
Experience Study Report	2018, published July 24, 2019
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision: Blend based on service.
Mortality	
	Healthy retirees and beneficiaries: 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.
	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.
	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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

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 6.90% for the Defined Benefit Pension Plan, down from 7.20% in the prior year. 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.

**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 6.90%, 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 (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1 % Decrease (5.90%)	Current Discount Rate (6.90%)	1 % Increase (7.90%)
City’s proportionate share of the net pension liability (asset)	\$71,520,639	\$36,420,240	\$7,053,946

**Long-Term Expected Rate of Return** – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target	20-Year Annualized (Geometric)
		Mean
Global Equity	30.62 %	5.85 %
Private Equity	25.50	7.71
Core Fixed Income	23.75	2.73
Real Estate	12.25	5.66
Master Limited Partnerships	0.75	5.71
Infrastructure	1.50	6.26
Commodities	0.63	3.10
Hedge Fund of Funds - Multistrategy	1.25	5.11
Hedge Fund Equity - Hedge	0.63	5.31
Hedge Fund - Macro	5.62	5.06
US Cash	(2.50)	1.76
Assumed Inflation - Mean		2.40 %

**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 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE N – PERS DEFINED CONTRIBUTION PENSION PLAN - Continued

*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, 2022, the City's contribution to the IAP plan was \$1,581,437.

**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, 2022

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

	Implicit Rate Subsidy Plan	RHIA Cost Sharing Plan	Total Reported
OPEB Liability	\$ (7,328,291)	\$ -	\$ (7,328,291)
OPEB Asset	-	1,157,375	1,157,375
Deferred Outflows of Resources			
Difference in expected and actual experience	344,065	-	344,065
Changes of assumptions	179,365	22,773	202,138
Changes in proportionate share	-	49,739	49,739
Contributions after the measurement date	303,646	9,988	313,634
Deferred Inflows of Resources			
Difference in expected and actual experience	-	(32,200)	(32,200)
Changes of assumptions	(1,606,925)	(17,217)	(1,624,142)
Net difference between projected and actual earnings on investments		(275,054)	(275,054)
Change in proportionate share	-	(173,802)	(173,802)
OPEB Expense	367,605	(238,498)	129,107

**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, 2022, 37 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, 2022 was \$46,940.

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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

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, 2022, there were no employees receiving this benefit.

**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 \$7,328,292 was measured as of June 30, 2021, 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, 2022, the City recognized OPEB expense from this plan of \$367,605. At June 30, 2022, 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	\$ -	\$ 344,065	\$ 344,065
Changes of assumptions or inputs	(1,606,925)	179,365	(1,427,560)
Contributions made subsequent to measurement date	-	303,646	303,646
	<u>\$ (1,606,925)</u>	<u>\$ 827,076</u>	<u>\$ (779,849)</u>

Deferred outflows of resources related to OPEB of \$303,646 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, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Annual Recognition
2023	\$ (205,371)
2024	(205,371)
2025	(205,371)
2026	(199,801)
2027	(149,653)
Thereafter	<u>(117,928)</u>
Total	<u>\$ (1,083,495)</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, 2022

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

Valuation date	July 1, 2020
Measurement Date	June 30, 2021
Discount rate	2.16%
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, 2021	\$	7,051,714
Changes for the year:		
Service cost		411,625
Interest on total OPEB liability		161,350
Effect of economic/demographic gains or losses		-
Effect of assumptions changes or inputs		28,478
Benefit payments		<u>(324,876)</u>
Balance as of June 30, 2022	\$	<u>7,328,291</u>

**Sensitivity of the Total OPEB Liability** - The following presents the total OPEB liability of the Plan, calculated using the discount rate of 2.16%, 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 (1.16%) or 1 percentage point higher (3.16%) 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, 2022

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	\$ 7,918,806	\$ 7,328,291	\$ 6,774,436

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 6,560,521	\$ 7,328,291	\$ 8,232,836

**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, 2022 contributions was \$9,988.

**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, 2022, the City's proportion was 0.3370%, which was an increase from its proportion of 0.1955% at the prior measurement date.

For the year ended June 30, 2022, the City recognized deferred outflows of resources and deferred inflows of resources in the amount of \$82,500 and \$498,273. For the year ended June 30, 2022, the City recognized OPEB expense of \$(238,498) for this plan.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

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	\$ (32,200)	\$ -	\$ (32,200)
Changes of assumptions	(17,217)	22,773	5,556
Net difference between projected and actual earnings	(275,054)	-	(275,054)
Changes in proportionate share	(173,802)	49,739	(124,063)
Subtotal	(498,273)	72,512	(425,761)
Contributions subsequent to the measurement date	-	9,988	9,988
Total	<u>\$ (498,273)</u>	<u>\$ 82,500</u>	<u>\$ (415,773)</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
2023	\$ (149,140)
2024	(126,940)
2025	(62,795)
2026	<u>(86,886)</u>
Total	<u>\$ (425,761)</u>

Change in Net OPEB Liability (RHIA)

Oregon Public Employees Retirement System Cost-sharing Plan	2022
Net OPEB Liability:	
Difference between expected and actual experience	\$ (32,200)
Changes in assumptions	5,556
Net difference between projected and actual earnings	(275,054)
Change in proportionate share	(228,791)
OPEB income	(238,498)
Benefit payments	<u>9,988</u>
Net changes in OPEB liability	(758,999)
Net OPEB liability (asset) - beginning	<u>(398,376)</u>
Net OPEB liability (asset) - ending	<u>\$ (1,157,375)</u>
City's proportionate share at measurement date	0.33703340%
City's covered employee payroll	\$ 36,805,071
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-3.1%

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2022

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

**Discount Rate** - The discount rate used to measure the net OPEB liability for the RHIA Plan was 6.90%, down from 7.20% in the prior year. 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 6.90%, 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 (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net OPEB Liability (Asset)	\$ (1,023,528)	\$ (1,157,375)	\$ (1,271,712)

**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, 2022, the City was obligated under incomplete construction contracts in the amount of \$1,653,282.

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, 2022, the Sick Leave Reserve Program bank contained 8,476 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, 2022

**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, 2022, 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, 2022

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, 2022, the City of Springfield abated taxes totaling \$1,405,041 under the Enterprise Zone program.

Tax Abatement Program	Amount of Taxes
	Abated during the Fiscal Year
Enterprise Zone	\$ 1,402,164
Housing for Low Income Rental	2,877
	<u>\$ 1,405,041</u>

NOTE S – PRIOR PERIOD ADJUSTMENT

A prior period adjustment to the proprietary funds net position was recorded in the amount of \$(485,241). This represents a change to the Ambulance Funds charges for services and contractual adjustments related to the transition to a new software billing platform in the prior fiscal year.

NOTE T – SUBSEQUENT EVENTS

In November of 2022, the Springfield voters approved Ballot Measure 20-327 renewing the five-year levy of \$1.40 per \$1,000 of assessed value beginning July 1, 2023. This levy funds Springfield's municipal jail and required medical and mental health services, police, support personnel, and municipal court operations. The levy was renewed at the same rate as the expiring levy and passed with 66% voter approval.



# **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, 2022

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 22,885,858	\$ 22,885,858	\$ 23,831,507	\$ 945,649	\$ -	\$ 23,831,507
Licenses, permits and fees	2,901,839	2,901,839	3,069,155	167,316	-	3,069,155
Intergovernmental	5,186,375	5,320,607	5,703,422	382,815	-	5,703,422
Charges for services	6,414,274	6,414,274	6,507,184	92,910	-	6,507,184
Fines and forfeitures	1,541,000	1,541,000	998,348	(542,652)	-	998,348
Investment earnings	107,000	107,000	(173,072)	(280,072)	38,838	(134,234)
Miscellaneous	346,600	346,600	942,042	595,442	-	942,042
Total revenues	39,382,946	39,517,178	40,878,586	1,361,408	38,838	40,917,424
Expenditures:						
Current operating:						
City manager's office	1,531,860	1,677,653	1,419,280	258,373	(952)	1,418,328
Legal and judicial services	777,086	816,586	801,996	14,590	-	801,996
Human resources	688,070	753,820	715,593	38,227	-	715,593
Finance	2,396,951	2,411,951	2,356,344	55,607	-	2,356,344
Information technology	1,941,296	1,941,296	1,914,692	26,604	169,341	2,084,033
Fire and life safety	12,302,070	12,712,477	12,678,949	33,528	(2,676)	12,676,273
Police	16,413,396	16,749,396	16,565,491	183,905	(46,072)	16,519,419
Library	1,902,711	1,915,951	1,892,930	23,021	-	1,892,930
Development and public works	2,819,475	2,855,825	2,759,730	96,095	(7,625)	2,752,105
Contingency	1,000,000	446,150	-	446,150	-	-
Debt service:						
Principal	-	-	-	-	5,290	5,290
Interest	-	-	-	-	277	277
Total expenditures	41,772,915	42,281,105	41,105,005	1,176,100	117,583	41,222,588
Excess of revenues over (under) expenditures	(2,389,969)	(2,763,927)	(226,419)	2,537,508	(78,745)	(305,164)
Other financing sources (uses):						
Transfers in	830,651	830,651	898,242	67,591	169,342	1,067,584
Transfers out	(1,172,619)	(1,989,804)	(1,236,818)	752,986	(5,650)	(1,242,468)
Total other financing sources (uses)	(341,968)	(1,159,153)	(338,576)	820,577	163,692	(174,884)
Net change in fund balance	(2,731,937)	(3,923,080)	(564,995)	3,358,085	84,947	(480,048)
Fund balance, beginning of year	10,163,421	11,553,214	11,553,215	1	(30,391)	11,522,824
Fund balance, end of year	\$ 7,431,484	\$ 7,630,134	\$ 10,988,220	\$ 3,358,086	\$ 54,556	\$ 11,042,776

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, 2022

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 6,442,320	\$ 6,442,320	\$ 6,798,821	\$ 356,501	\$ -	\$ 6,798,821
Licenses, permits, and fees	76,000	76,000	64,478	(11,522)	-	64,478
Charge for services	683,200	683,200	509,647	(173,553)	-	509,647
Investment earnings	20,000	20,000	(24,627)	(44,627)	5,338	(19,289)
Intergovernmental	-	-	5,738	5,738	-	5,738
Miscellaneous	-	-	1,101	1,101	-	1,101
Total revenues	<u>7,221,520</u>	<u>7,221,520</u>	<u>7,355,158</u>	<u>133,638</u>	<u>5,338</u>	<u>7,360,496</u>
Expenditures:						
Current operating:						
Finance	687,452	687,452	569,254	118,198	-	569,254
Legal services	89,700	89,700	89,545	155	-	89,545
Police	<u>6,839,951</u>	<u>6,839,951</u>	<u>6,321,804</u>	<u>518,147</u>	<u>(7,681)</u>	<u>6,314,123</u>
Total expenditures	<u>7,617,103</u>	<u>7,617,103</u>	<u>6,980,603</u>	<u>636,500</u>	<u>(7,681)</u>	<u>6,972,922</u>
Net change in fund balance	(395,583)	(395,583)	374,555	770,138	13,019	387,574
Fund balance, beginning of year	<u>2,349,108</u>	<u>2,932,773</u>	<u>2,932,775</u>	<u>2</u>	<u>(4,115)</u>	<u>2,928,660</u>
Fund balance, end of year	<u>\$ 1,953,525</u>	<u>\$ 2,537,190</u>	<u>\$ 3,307,330</u>	<u>\$ 770,140</u>	<u>\$ 8,904</u>	<u>\$ 3,316,234</u>

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, 2022

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Licenses, permits and fees	\$ 100,000	\$ 100,000	\$ 185,051	\$ 85,051	\$ -	\$ 185,051
Intergovernmental	135,000	2,620,740	10,018,595	7,397,855	(9,703,815)	314,780
Fines and forfeitures	-	22,752	126,892	104,140	-	126,892
Investment earnings	-	-	704	704	-	704
Miscellaneous	120,147	305,118	143,243	(161,875)	-	143,243
Total revenues	<u>355,147</u>	<u>3,048,610</u>	<u>10,474,485</u>	<u>7,425,875</u>	<u>(9,703,815)</u>	<u>770,670</u>
Expenditures:						
Current operating:						
City manager's office	38,230	171,241	70,458	100,783	-	70,458
Information Technology	20,000	20,000	16,563	3,437	-	16,563
Finance	-	1,000,000	-	(1,000,000)	-	-
Fire	-	630,000	-	630,000	-	-
Police	134,000	336,051	170,857	165,194	5,700	176,557
Library	84,154	301,431	146,442	154,989	-	146,442
Development and public works	93,345	7,404,379	94,038	7,310,341	-	94,038
Total expenditures	<u>369,729</u>	<u>9,903,102</u>	<u>498,358</u>	<u>7,404,744</u>	<u>5,700</u>	<u>504,058</u>
Excess of revenues over (under) expenditures	<u>(14,582)</u>	<u>(6,854,492)</u>	<u>9,976,127</u>	<u>16,830,619</u>	<u>(9,709,515)</u>	<u>266,612</u>
Other financing sources (uses):						
Transfers in	<u>-</u>	<u>32,500</u>	<u>6,000</u>	<u>(26,500)</u>	<u>-</u>	<u>6,000</u>
Net change in fund balance	(14,582)	(6,821,992)	9,982,127	16,804,119	(9,709,515)	272,612
Fund balance, beginning of year	<u>1,672,576</u>	<u>8,729,329</u>	<u>8,729,329</u>	<u>-</u>	<u>(6,978,111)</u>	<u>1,751,218</u>
Fund balance, end of year	<u>\$ 1,657,994</u>	<u>\$ 1,907,337</u>	<u>\$ 18,711,456</u>	<u>\$ 16,804,119</u>	<u>\$ (16,687,626)</u>	<u>\$ 2,023,830</u>

City of Springfield, Oregon  
REQUIRED SUPPLEMENTARY INFORMATION  
CITY RETIREMENT PLAN (CRP)  
Year Ended June 30, 2022

**Schedule of CRP Employer Contributions**

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Actuarially determined contribution	\$ 1,190,000	\$ 1,336,000	\$ 1,469,000
Actual employer contribution	1,633,149	1,700,288	1,895,516
Contribution deficiency (Excess)	(443,149)	(364,288)	(426,516)
Covered payroll	836,804	1,085,680	1,529,732
Contribution as a % of covered payroll	195.17%	156.61%	123.91%
Valuation Date	7/1/2020	7/1/2018	7/1/2018
Investment Rate of Return Assumption	5.00%	5.50%	5.50%

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

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Total Pension Liability			
Service cost	\$ 442,046	\$ 424,658	\$ 473,416
Interest on total pension liability	1,346,214	1,648,210	1,690,860
Effect of economic/demographic (gains) or losses	-	(313,972)	-
Effect of assumptions changes or inputs	-	492,811	-
Benefit payments	(6,781,187)	(3,843,362)	(1,938,600)
Net change in total pension liability	(4,992,927)	(1,591,655)	225,676
Total pension liability, beginning	29,872,820	31,464,475	31,238,799
Total pension liability, ending (a)	24,879,893	29,872,820	31,464,475
Fiduciary Net Position			
Employer contributions	1,633,149	1,700,288	1,895,516
Investment income net of investment expenses	(2,699,056)	5,264,296	1,123,428
Benefit payments	(6,781,187)	(3,843,362)	(1,938,600)
Administrative expenses	(109,447)	(78,351)	(73,200)
Net change in plan net position	(7,956,541)	3,042,871	1,007,144
Fiduciary net position, beginning	25,204,420	22,161,549	21,154,405
Fiduciary net position, ending (b)	17,247,879	25,204,420	22,161,549
Net pension liability, ending (a) - (b)	\$ 7,632,014	\$ 4,668,400	\$ 9,302,926
Fiduciary net position as a % of total pension liability	69%	84%	70%
Covered payroll	\$ 836,804	\$ 1,085,680	\$ 1,529,732
Net pension liability as a % of covered payroll	912%	430%	608%

\*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,

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
\$ 1,652,000	\$ 1,754,000	\$ 1,874,000	\$ 1,875,000	\$ 1,936,000	\$ 2,088,000	\$ 1,790,000
1,842,671	1,949,686	1,916,262	1,953,954	1,964,977	2,088,000	1,790,000
(190,671)	(195,686)	(42)	(79)	(29)	-	-
1,573,655	1,915,136	2,027,175	2,034,238	2,100,871	2,426,000	2,498,000
117.09%	101.80%	94.52%	96.07%	93.53%	86.07%	71.66%
7/1/2016	7/1/2016	7/1/2014	7/1/2014	7/1/2012	7/1/2012	7/1/2010
6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	7.50%

Fiscal Year Ended June 30,

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 409,467	\$ 576,750	\$ 596,684	\$ 608,191	\$ 611,102
1,942,409	2,137,457	2,333,205	2,199,860	2,186,388
(606,741)	-	(1,642,892)	-	-
1,241,053	-	70,885	-	-
(2,442,290)	(8,653,011)	(45,910)	(1,444,246)	(3,730,383)
543,898	(5,938,804)	1,311,972	1,363,805	(932,893)
30,694,901	36,633,705	35,321,733	33,957,928	34,890,821
31,238,799	30,694,901	36,633,705	35,321,733	33,957,928
1,842,671	1,949,686	1,916,262	1,953,954	1,964,977
1,387,284	1,973,759	2,717,812	(12,259)	708,524
(2,442,290)	(8,653,011)	(45,910)	(1,444,246)	(3,730,383)
(71,812)	(86,436)	(76,423)	(68,077)	(70,078)
715,853	(4,816,002)	4,511,741	429,372	(1,126,960)
20,438,552	25,254,554	20,742,813	20,313,441	21,440,401
21,154,405	20,438,552	25,254,554	20,742,813	20,313,441
\$ 10,084,394	\$ 10,256,349	\$ 11,379,151	\$ 14,578,920	\$ 13,644,487
68%	67%	69%	59%	60%
\$ 1,573,655	\$ 1,915,136	\$ 2,027,175	\$ 2,034,238	\$ 2,100,871
641%	536%	561%	717%	649%

City of Springfield, Oregon  
REQUIRED SUPPLEMENTARY INFORMATION  
OREGON PUBLIC EMPLOYEE RETIREMENT SYSTEM (OPERS)  
Year Ended June 30, 2022

**OPERS RETIREMENT PLAN PENSION BENEFITS**

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

	2022	2021	2020
Proportion of the net pension liability (asset)	0.3044%	0.3059%	0.3141%
Proportionate share of the net pension liability (asset)	\$ 36,420,240	\$ 66,759,811	\$ 54,332,518
Covered payroll	34,220,410	31,984,379	31,987,774
Proportionate share of the pension liability (asset) as a percentage of its covered payroll	106.43%	208.73%	169.85%
Plan net position as a percentage of the total pension liability	87.6%	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**

	2022	2021	2020
Contractually required contribution	\$ 6,422,871	\$ 5,878,193	\$ 5,667,777
Contributions in relation to the contractually required contribution	6,422,871	5,878,193	5,667,777
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 36,805,071	\$ 34,220,410	\$ 31,984,379
Contributions as a percentage of covered payroll	17.45%	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	\$ 28,785,414	\$ 27,340,088	\$ 26,270,045
13.10%	13.12%	9.79%	9.44%	8.76%	9.03%

City of Springfield, Oregon  
REQUIRED SUPPLEMENTARY INFORMATION  
IMPLICIT RATE SUBSIDY PLAN  
Year Ended June 30, 2022

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY**

	2022	2021
Total OPEB Liability:		
Services cost	\$ 411,626	\$ 414,080
Interest on total OPEB liability	161,350	262,383
Difference between expected and actual experience		
Effect of economic/demographic (gains) or losses	-	326,881
Effect of assumptions, changes or inputs	28,478	(892,059)
Benefit payments	(324,876)	(284,290)
Net change in total OPEB liability	<u>\$ 276,578</u>	<u>\$ (173,005)</u>
 Total OPEB liability - beginning	 7,051,714	 7,224,719
Restatement for GASB 75 Implementation	<u>-</u>	<u>-</u>
 Total OPEB liability - beginning as restated	 <u>7,051,714</u>	 <u>7,224,719</u>
Total OPEB liability - ending	<u>\$ 7,328,292</u>	<u>\$ 7,051,714</u>
 Covered-employee payroll	 \$ 34,220,410	 \$ 31,984,379
Total OPEB liability as a percentage of covered-employee payroll	21.4%	22.0%

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

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

\*\*\* 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,

2020	2019	2018
\$ 372,531	\$ 395,930	\$ 453,737
266,338	273,058	223,423
-	159,236	-
226,366	(1,219,048)	(495,892)
(300,212)	(361,763)	(309,306)
<u>\$ 565,023</u>	<u>\$ (752,587)</u>	<u>\$ (128,038)</u>
6,659,696	7,412,283	6,559,960
-	-	980,361
<u>6,659,696</u>	<u>7,412,283</u>	<u>7,540,321</u>
<u>\$ 7,224,719</u>	<u>\$ 6,659,696</u>	<u>\$ 7,412,283</u>
\$ 31,987,774	\$ 29,957,604	\$ 29,371,018
22.6%	22.2%	25.2%

City of Springfield, Oregon  
REQUIRED SUPPLEMENTARY INFORMATION  
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM  
RHIA COST SHARING PLAN  
Year Ended June 30, 2022

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

	2022	2021
Net OPEB Liability:		
Proportion of the net pension liability (asset)	0.3370%	0.1955%
Proportionate share of the net pension liability (asset)	\$ (1,157,375)	\$ (398,376)
Covered payroll	34,220,410	31,984,379
Proportionate share of the pension liability (asset) as a percentage of its covered payroll	-3.4%	-1.2%
Plan net position as a percentage of the total pension liability	183.9%	150.1%

\*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

	2022	2021
Contractually required contribution	\$ 7,310	\$ 9,018
Contributions in relation to the contractually required contribution	9,988	12,434
Contribution deficiency (excess)	<u>\$ (2,678)</u>	<u>\$ (3,416)</u>
Covered payroll	\$ 36,805,071	\$ 34,220,410
Contributions as a percentage of covered payroll	0.02%	0.03%

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

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

Fiscal Year Ended June 30,

2020	2019	2018
0.2985%	0.2885%	0.2986%
\$ (576,806)	\$ (322,081)	\$ (124,618)
31,987,774	29,957,604	29,371,018
-1.8%	-1.1%	-0.4%
144.4%	124.0%	108.9%

Fiscal Year Ended June 30,

2020	2019	2018
\$ 13,962	\$ 147,942	\$ 139,708
148,101	138,490	148,660
<u>\$ (134,139)</u>	<u>\$ 9,452</u>	<u>\$ (8,952)</u>
\$ 31,984,379	\$ 31,987,774	\$ 29,957,604
0.04%	0.46%	0.47%



# **Other Supplementary Information**

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# **Nonmajor Governmental Funds Combining Statements**





City of Springfield, Oregon  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2022

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 10,845,760	\$ 618,988	\$ 4,576,854	\$ 16,041,602
Receivables:				
Accounts	2,344,619	-	-	2,344,619
Taxes	153,056	227,219	-	380,275
Grants	191,140	-	-	191,140
Accrued interest	29,937	7,543	15,452	52,932
Assessments and liens	-	-	19,558	19,558
Leases	4,038	-	-	4,038
Notes	2,627,642	-	-	2,627,642
Deferred system development charges	26	-	-	26
Prepaid items	41,605	-	-	41,605
Deposits	800	-	-	800
Inventory	286,123	-	-	286,123
Advance to other funds	-	-	1,300,000	1,300,000
Total assets	<u>\$ 16,524,746</u>	<u>\$ 853,750</u>	<u>\$ 5,911,864</u>	<u>\$ 23,290,360</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 414,607	\$ -	\$ 9,099	\$ 423,706
Accrued payroll and other liabilities	197,796	-	-	197,796
Unearned revenue	39,160	-	-	39,160
Due to other fund	1,300,000	-	-	1,300,000
Deposits	73,152	-	-	73,152
Total liabilities	<u>2,024,715</u>	<u>-</u>	<u>9,099</u>	<u>2,033,814</u>
Deferred inflows of resources:				
Deferred lease revenue	4,023	-	-	4,023
Unavailable revenue	2,686,716	219,350	19,558	2,925,624
	<u>2,690,739</u>	<u>219,350</u>	<u>19,558</u>	<u>2,929,647</u>
Fund Balances:				
Nonspendable	328,528	-	-	328,528
Restricted	11,480,764	634,400	2,088,379	14,203,543
Committed	-	-	2,747,630	2,747,630
Assigned	-	-	1,047,198	1,047,198
Total fund balances	<u>11,809,292</u>	<u>634,400</u>	<u>5,883,207</u>	<u>18,326,899</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,524,746</u>	<u>\$ 853,750</u>	<u>\$ 5,911,864</u>	<u>\$ 23,290,360</u>

City of Springfield, Oregon

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

NONMAJOR GOVERNMENTAL FUNDS

Year ended June 30, 2022

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 6,642,667	\$ 4,124,619	\$ -	\$ 10,767,286
Licenses, permits and fees	261,332	-	-	261,332
Intergovernmental	5,627,836	-	295,413	5,923,249
Charges for services	2,448,171	-	307,632	2,755,803
Fines and forfeitures	13,314	-	-	13,314
Investment earnings	(41,881)	(11,605)	(20,428)	(73,914)
Special assessments	-	-	18,111	18,111
Miscellaneous	250,333	3,484	-	253,817
Total revenues	<u>15,201,772</u>	<u>4,116,498</u>	<u>600,728</u>	<u>19,918,998</u>
Expenditures:				
Current operating:				
General government	1,126,313	-	-	1,126,313
Fire and life safety	1,710,672	-	-	1,710,672
Library	252,143	-	-	252,143
Development and public works	7,976,587	-	-	7,976,587
Capital projects	1,014,860	-	130,774	1,145,634
Debt service:				
Principal	645,041	3,564,000	-	4,209,041
Interest	82,566	448,778	-	531,344
Total expenditures	<u>12,808,182</u>	<u>4,012,778</u>	<u>130,774</u>	<u>16,951,734</u>
Excess of revenues over (under) expenditures	<u>2,393,590</u>	<u>103,720</u>	<u>469,954</u>	<u>2,967,264</u>
Other financing sources (uses):				
Transfers in	472,950	-	56,312	529,262
Transfers out	(976,349)	-	-	(976,349)
Total other financing sources (uses)	<u>(503,399)</u>	<u>-</u>	<u>56,312</u>	<u>(447,087)</u>
Net change in fund balances	1,890,191	103,720	526,266	2,520,177
Fund balance, beginning of year	9,882,282	530,680	5,356,941	15,769,903
Change in reserve for inventory	36,819	-	-	36,819
Fund balance, end of year	<u>\$ 11,809,292</u>	<u>\$ 634,400</u>	<u>\$ 5,883,207</u>	<u>\$ 18,326,899</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, 2022

	Street	Transient Room Tax	Community Development	Building Code	SEDA Glenwood General	SEDA Downtown General	Fire Local Option Levy	Total
<b>ASSETS</b>								
Cash and investments	\$ 2,454,061	\$ 1,660,124	\$ 161,078	\$ 4,036,676	\$ 250,432	\$ 780,723	\$ 1,502,666	\$ 10,845,760
Receivables:								
Accounts	1,905,946	434,353	-	-	3,020	1,300	-	2,344,619
Taxes	-	-	-	-	42,537	31,225	79,294	153,056
Grants	17,533	56	173,551	-	-	-	-	191,140
Accrued interest	7,046	4,548	-	11,189	1,864	578	4,712	29,937
Leases	-	-	-	-	-	4,038	-	4,038
Notes	-	-	904,130	-	-	1,723,512	-	2,627,642
Deferred system development fees	-	-	-	26	-	-	-	26
Prepaid items	31,575	-	10,030	-	-	-	-	41,605
Deposits	-	-	-	-	800	-	-	800
Inventory	286,123	-	-	-	-	-	-	286,123
Total assets	<u>\$ 4,702,284</u>	<u>\$ 2,099,081</u>	<u>\$ 1,248,789</u>	<u>\$ 4,047,891</u>	<u>\$ 298,653</u>	<u>\$ 2,541,376</u>	<u>\$ 1,586,672</u>	<u>\$ 16,524,746</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 284,527	\$ 31,813	\$ 7,738	\$ 7,097	\$ 700	\$ 81,002	\$ 1,730	\$ 414,607
Accrued payroll and other liabilities	109,034	7,286	8,317	29,389	-	-	43,770	197,796
Unearned revenue	4,557	-	32,558	-	-	2,045	-	39,160
Deposits	-	-	-	-	70,952	2,200	-	73,152
Due to other funds	-	-	-	-	-	1,300,000	-	1,300,000
Total liabilities	<u>398,118</u>	<u>39,099</u>	<u>48,613</u>	<u>36,486</u>	<u>71,652</u>	<u>1,385,247</u>	<u>45,500</u>	<u>2,024,715</u>
Deferred inflows of resources:								
Deferred lease revenue	-	-	-	-	-	4,023	-	4,023
Unavailable revenue	1,356,565	279,057	904,129	26	41,734	29,523	75,682	2,686,716
	<u>1,356,565</u>	<u>279,057</u>	<u>904,129</u>	<u>26</u>	<u>41,734</u>	<u>33,546</u>	<u>75,682</u>	<u>2,690,739</u>
Fund balances:								
Nonspendable	317,698	-	10,030	-	800	-	-	328,528
Restricted	2,629,903	1,780,925	286,017	4,011,379	184,467	1,122,583	1,465,490	11,480,764
Total fund balances	<u>2,947,601</u>	<u>1,780,925</u>	<u>296,047</u>	<u>4,011,379</u>	<u>185,267</u>	<u>1,122,583</u>	<u>1,465,490</u>	<u>11,809,292</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,702,284</u>	<u>\$ 2,099,081</u>	<u>\$ 1,248,789</u>	<u>\$ 4,047,891</u>	<u>\$ 298,653</u>	<u>\$ 2,541,376</u>	<u>\$ 1,586,672</u>	<u>\$ 16,524,746</u>

City of Springfield, Oregon  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NONMAJOR SPECIAL REVENUE FUNDS  
Year ended June 30, 2022

	Street	Transient Room Tax	Community Development	Building Code	SEDA Glenwood General	SEDA Downtown General	Fire Local Option Levy	Total
Revenues:								
Taxes	\$ 874,718	\$ 1,845,309	\$ -	\$ -	\$ 1,204,813	\$ 873,438	\$ 1,844,389	\$ 6,642,667
Licenses, permits and fees	229,434	-	-	-	-	31,898	-	261,332
Intergovernmental	5,213,621	56	363,291	-	6,443	1,232	43,193	5,627,836
Charges for services	197,401	-	-	2,135,826	54,435	60,509	-	2,448,171
Fines and forfeitures	-	-	-	-	-	13,314	-	13,314
Investment earnings	(10,939)	(7,019)	-	(17,350)	(2,970)	3,707	(7,310)	(41,881)
Miscellaneous	65,570	450	178,076	2,613	-	3,565	59	250,333
Total revenues	<u>6,569,805</u>	<u>1,838,796</u>	<u>541,367</u>	<u>2,121,089</u>	<u>1,262,721</u>	<u>987,663</u>	<u>1,880,331</u>	<u>15,201,772</u>
Expenditures:								
Current operating:								
General government:								
City manager's office	37,925	202,328	-	11,615	134,080	312,389	-	698,337
Information Technology	339,261	-	-	-	-	-	-	339,261
Finance	43,127	-	23,506	-	11,566	10,516	-	88,715
Fire and life safety	-	-	-	79,642	-	-	1,631,030	1,710,672
Library	-	252,143	-	-	-	-	-	252,143
Development and public works	6,145,273	17,089	547,826	1,266,399	-	-	-	7,976,587
Capital projects	-	-	-	-	1,014,860	-	-	1,014,860
Debt service:								
Principal	-	-	-	-	645,041	-	-	645,041
Interest	-	-	-	-	80,397	2,169	-	82,566
Total expenditures	<u>6,565,586</u>	<u>471,560</u>	<u>571,332</u>	<u>1,357,656</u>	<u>1,885,944</u>	<u>325,074</u>	<u>1,631,030</u>	<u>12,808,182</u>
Excess of revenues over (under) expenditures	<u>4,219</u>	<u>1,367,236</u>	<u>(29,965)</u>	<u>763,433</u>	<u>(623,223)</u>	<u>662,589</u>	<u>249,301</u>	<u>2,393,590</u>
Other financing sources (uses):								
Transfers in	472,950	-	-	-	-	-	-	472,950
Transfers out	(150,000)	(826,349)	-	-	-	-	-	(976,349)
Total other financing sources (uses)	<u>322,950</u>	<u>(826,349)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(503,399)</u>
Net change in fund balances	327,169	540,887	(29,965)	763,433	(623,223)	662,589	249,301	1,890,191
Fund balances, beginning of year	2,583,613	1,240,038	326,012	3,247,946	808,490	459,994	1,216,189	9,882,282
Change in reserve for inventory	36,819	-	-	-	-	-	-	36,819
Fund balances, end of year	<u>\$2,947,601</u>	<u>\$ 1,780,925</u>	<u>\$ 296,047</u>	<u>\$ 4,011,379</u>	<u>\$ 185,267</u>	<u>\$ 1,122,583</u>	<u>\$ 1,465,490</u>	<u>\$11,809,292</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, 2022

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 850,000	\$ 850,000	\$ 874,718	\$ 24,718	\$ -	\$ 874,718
Licenses, permits and fees	155,000	155,000	229,796	74,796	(362)	229,434
Intergovernmental	5,121,985	5,139,762	5,213,621	73,859	-	5,213,621
Charges for services	75,515	75,515	197,401	121,886	-	197,401
Investment earnings	22,000	22,000	(13,984)	(35,984)	3,045	(10,939)
Miscellaneous	4,000	19,000	88,115	69,115	(22,545)	65,570
Total revenues	<u>6,228,500</u>	<u>6,261,277</u>	<u>6,589,667</u>	<u>328,390</u>	<u>(19,862)</u>	<u>6,569,805</u>
Expenditures:						
Current operating:						
City managers office	56,570	56,570	37,925	18,645	-	37,925
Information technology	391,892	408,092	339,261	68,831	-	339,261
Development and public works	6,423,440	6,545,833	6,166,990	378,843	(21,717)	6,145,273
Finance	55,075	55,075	43,127	11,948	-	43,127
Total expenditures	<u>6,926,977</u>	<u>7,065,570</u>	<u>6,587,303</u>	<u>478,267</u>	<u>(21,717)</u>	<u>6,565,586</u>
Excess of revenues over (under) expenditures	(698,477)	(804,293)	2,364	806,657	1,855	4,219
Other financing sources (uses):						
Transfers in	475,820	475,820	472,950	(2,870)	-	472,950
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>325,820</u>	<u>325,820</u>	<u>322,950</u>	<u>(2,870)</u>	<u>-</u>	<u>322,950</u>
Net change in fund balance	(372,657)	(478,473)	325,314	803,787	1,855	327,169
Fund balance, beginning of year	1,782,989	2,492,480	2,492,482	2	91,131	2,583,613
Change in reserve for inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,819</u>	<u>36,819</u>
Fund balance, end of year	<u>\$ 1,410,332</u>	<u>\$ 2,014,007</u>	<u>\$ 2,817,796</u>	<u>\$ 803,789</u>	<u>\$ 129,805</u>	<u>\$ 2,947,601</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, 2022

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,350,000	\$ 1,550,000	\$ 1,845,309	\$ 295,309	\$ -	\$ 1,845,309
Investment earnings	18,000	18,000	(8,709)	(26,709)	1,690	(7,019)
Intergovernmental	-	-	56	56	-	56
Miscellaneous	-	-	450	450	-	450
Total revenues	<u>1,368,000</u>	<u>1,568,000</u>	<u>1,837,106</u>	<u>269,106</u>	<u>1,690</u>	<u>1,838,796</u>
Expenditures:						
Current operating:						
City manager's office	233,162	233,162	202,328	30,834	-	202,328
Library	264,048	264,048	252,143	11,905	-	252,143
Development and public works	<u>24,909</u>	<u>24,909</u>	<u>17,089</u>	<u>7,820</u>	<u>-</u>	<u>17,089</u>
Total expenditures	<u>522,119</u>	<u>522,119</u>	<u>471,560</u>	<u>50,559</u>	<u>-</u>	<u>471,560</u>
Excess of revenues over (under) expenditures	845,881	1,045,881	1,365,546	319,665	1,690	1,367,236
Other financing sources (uses):						
Transfers out	<u>(750,000)</u>	<u>(858,758)</u>	<u>(826,349)</u>	<u>32,409</u>	<u>-</u>	<u>(826,349)</u>
Net change in fund balance	95,881	187,123	539,197	352,074	1,690	540,887
Fund balance, beginning of year	<u>770,610</u>	<u>1,238,932</u>	<u>1,238,932</u>	<u>-</u>	<u>1,106</u>	<u>1,240,038</u>
Fund balance, end of year	<u>\$ 866,491</u>	<u>\$ 1,426,055</u>	<u>\$ 1,778,129</u>	<u>\$ 352,074</u>	<u>\$ 2,796</u>	<u>\$ 1,780,925</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, 2022

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental	\$ 2,057,402	\$ 2,105,911	\$ 363,291	\$ (1,742,620)	\$ -	\$ 363,291
Miscellaneous	<u>38,755</u>	<u>38,755</u>	<u>178,076</u>	<u>139,321</u>	<u>-</u>	<u>178,076</u>
Total revenues	<u>2,096,157</u>	<u>2,144,666</u>	<u>541,367</u>	<u>(1,603,299)</u>	<u>-</u>	<u>541,367</u>
Expenditures:						
Current operating:						
Finance	24,590	24,590	23,506	1,084	-	23,506
Development and public works	<u>2,071,567</u>	<u>2,120,076</u>	<u>547,826</u>	<u>1,572,250</u>	<u>-</u>	<u>547,826</u>
Total expenditures	<u>2,096,157</u>	<u>2,144,666</u>	<u>571,332</u>	<u>1,573,334</u>	<u>-</u>	<u>571,332</u>
Net change in fund balance	-	-	(29,965)	(29,965)	-	(29,965)
Fund balance, beginning of year	<u>823,665</u>	<u>326,012</u>	<u>326,012</u>	<u>-</u>	<u>-</u>	<u>326,012</u>
Fund balance, end of year	<u>\$ 823,665</u>	<u>\$ 326,012</u>	<u>\$ 296,047</u>	<u>\$ (29,965)</u>	<u>\$ -</u>	<u>\$ 296,047</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, 2022

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,339,000	\$ 1,339,000	\$ 2,135,826	\$ 796,826	\$ -	\$ 2,135,826
Investment earnings	40,000	40,000	(22,025)	(62,025)	4,675	(17,350)
Miscellaneous	-	-	2,613	2,613	-	2,613
Total revenues	<u>1,379,000</u>	<u>1,379,000</u>	<u>2,116,414</u>	<u>737,414</u>	<u>4,675</u>	<u>2,121,089</u>
Expenditures:						
Current operating:						
City manager office	21,742	21,742	11,615	10,127	-	11,615
Fire and life safety	80,701	80,701	79,642	1,059	-	79,642
Development and public works	<u>1,266,115</u>	<u>1,411,615</u>	<u>1,267,437</u>	<u>144,178</u>	<u>(1,038)</u>	<u>1,266,399</u>
Total expenditures	<u>1,368,558</u>	<u>1,514,058</u>	<u>1,358,694</u>	<u>155,364</u>	<u>(1,038)</u>	<u>1,357,656</u>
Net change in fund balance	10,442	(135,058)	757,720	892,778	5,713	763,433
Fund balance, beginning of year	<u>3,007,312</u>	<u>3,245,641</u>	<u>3,245,641</u>	<u>-</u>	<u>2,305</u>	<u>3,247,946</u>
Fund balance, end of year	<u>\$ 3,017,754</u>	<u>\$ 3,110,583</u>	<u>\$ 4,003,361</u>	<u>\$ 892,778</u>	<u>\$ 8,018</u>	<u>\$ 4,011,379</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, 2022

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,130,000	\$ 1,145,000	\$ 1,204,813	\$ 59,813	\$ -	\$ 1,204,813
Intergovernmental	-	-	6,443	6,443	-	6,443
Charges for services	74,000	74,000	54,435	(19,565)	-	54,435
Investment earnings	8,000	8,000	(3,279)	(11,279)	309	(2,970)
Total revenues	<u>1,212,000</u>	<u>1,227,000</u>	<u>1,262,412</u>	<u>35,412</u>	<u>309</u>	<u>1,262,721</u>
Expenditures:						
Current operating:						
City manager's office	331,731	206,398	143,966	62,432	(9,886)	134,080
Finance	12,000	12,000	11,566	434	-	11,566
Capital projects	-	1,019,000	1,014,860	4,140	-	1,014,860
Debt service:						
Principal	643,250	643,250	645,041	(1,791)	-	645,041
Interest	84,653	84,653	80,397	4,256	-	80,397
Total expenditures	<u>1,071,634</u>	<u>1,965,301</u>	<u>1,895,830</u>	<u>69,471</u>	<u>(9,886)</u>	<u>1,885,944</u>
Net change in fund balance	140,366	(738,301)	(633,418)	104,883	10,195	(623,223)
Fund balance, beginning of year	<u>509,831</u>	<u>888,301</u>	<u>888,301</u>	<u>-</u>	<u>(79,811)</u>	<u>808,490</u>
Fund balance, end of year	<u>\$ 650,197</u>	<u>\$ 150,000</u>	<u>\$ 254,883</u>	<u>\$ 104,883</u>	<u>\$ (69,616)</u>	<u>\$ 185,267</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, 2022

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 870,000	\$ 870,000	\$ 873,438	\$ 3,438	\$ -	\$ 873,438
Licenses, permits and fees	50,000	50,000	31,898	(18,102)	-	31,898
Intergovernmental	-	-	1,232	1,232	-	1,232
Charges for services	-	-	60,509	60,509	-	60,509
Fines and forfeitures	25,000	25,000	13,314	(11,686)	-	13,314
Investment earnings	19,500	19,500	4,812	(14,688)	(1,105)	3,707
Miscellaneous	-	-	3,565	3,565	-	3,565
Total revenues	964,500	964,500	988,768	24,268	(1,105)	987,663
Expenditures:						
Current operating:						
City manager's office	2,049,342	2,070,425	1,345,484	724,941	(1,033,095)	312,389
Finance	12,000	12,000	10,516	1,484	-	10,516
Debt service:						
Interest	3,500	3,500	2,169	1,331	-	2,169
Total expenditures	2,064,842	2,085,925	1,358,169	727,756	(1,033,095)	325,074
Excess of revenues over (under) expenditures	(1,100,342)	(1,121,425)	(369,401)	752,024	1,031,990	662,589
Other financing sources (uses):						
Interfund loan proceeds	1,500,000	1,500,000	1,300,000	(200,000)	(1,300,000)	-
Interfund loan repaid	(850,000)	(400,000)	(400,000)	-	400,000	-
Total other financing sources (uses)	650,000	1,100,000	900,000	(200,000)	(900,000)	-
Net change in fund balance	(450,342)	(21,425)	530,599	552,024	131,990	662,589
Fund balance, beginning of year	854,401	168,543	168,543	-	291,451	459,994
Fund balance, end of year	\$ 404,059	\$ 147,118	\$ 699,142	\$ 552,024	\$ 423,441	\$ 1,122,583

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, 2022

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,743,772	\$ 1,743,772	\$ 1,844,389	\$ 100,617	\$ -	\$ 1,844,389
Investment earnings	10,000	10,000	(9,283)	(19,283)	1,973	(7,310)
Intergovernmental	-	42,692	43,193	501	-	43,193
Total revenues	<u>1,753,772</u>	<u>1,796,464</u>	<u>1,878,358</u>	<u>81,894</u>	<u>1,973</u>	<u>1,880,331</u>
Expenditures:						
Current operating:						
Fire and life safety	<u>1,589,299</u>	<u>1,636,026</u>	<u>1,633,752</u>	<u>2,274</u>	<u>(2,722)</u>	<u>1,631,030</u>
Net change in fund balance	164,473	160,438	244,606	84,168	4,695	249,301
Fund balance, beginning of year	<u>1,168,555</u>	<u>1,217,506</u>	<u>1,217,506</u>	<u>-</u>	<u>(1,317)</u>	<u>1,216,189</u>
Fund balance, end of year	<u>\$ 1,333,028</u>	<u>\$ 1,377,944</u>	<u>\$ 1,462,112</u>	<u>\$ 84,168</u>	<u>\$ 3,378</u>	<u>\$ 1,465,490</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.





City of Springfield, Oregon  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 June 30, 2022

	General Obligation Debt Service
ASSETS	
Cash and investments	\$ 618,988
Receivables:	
Property taxes	227,219
Accrued interest	7,543
	<hr/>
Total assets	\$ 853,750
	<hr/> <hr/>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Deferred inflows of resources:	
Unavailable revenue	\$ 219,350
	<hr/>
Fund balance restricted	634,400
	<hr/>
Total liabilities, deferred inflows of resources, and fund balances	\$ 853,750
	<hr/> <hr/>

City of Springfield, Oregon  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR DEBT SERVICE FUNDS  
 Year Ended June 30, 2022

	General Obligation Debt Service
Revenues:	
Taxes	\$ 4,124,619
Investment earnings	(11,605)
Miscellaneous receipts	<u>3,484</u>
Total revenues	<u>4,116,498</u>
Expenditures:	
Debt service:	
Principal	3,564,000
Interest	<u>448,778</u>
Total expenditures	<u>4,012,778</u>
Excess of revenues over (under) expenditures	<u>103,720</u>
Net change in fund balance	103,720
Fund balance, beginning of year	<u>530,680</u>
Fund balance, end of year	<u><u>\$ 634,400</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, 2022

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 4,052,785	\$ 4,052,785	\$ 4,124,619	\$ 71,834	\$ -	\$ 4,124,619
Investment earnings	10,000	10,000	(14,153)	(24,153)	2,548	(11,605)
Intergovernmental	-	-	3,484	3,484	-	3,484
Total revenues	<u>4,062,785</u>	<u>4,062,785</u>	<u>4,113,950</u>	<u>47,681</u>	<u>2,548</u>	<u>4,116,498</u>
Expenditures:						
Debt service:						
Principal	3,564,000	3,564,000	3,564,000	-	-	3,564,000
Interest	<u>448,785</u>	<u>448,785</u>	<u>448,778</u>	<u>7</u>	<u>-</u>	<u>448,778</u>
Total expenditures	<u>4,012,785</u>	<u>4,012,785</u>	<u>4,012,778</u>	<u>7</u>	<u>-</u>	<u>4,012,778</u>
Excess of revenues over (under) expenditures	<u>50,000</u>	<u>50,000</u>	<u>101,172</u>	<u>51,172</u>	<u>2,548</u>	<u>103,720</u>
Net change in fund balance	<u>50,000</u>	<u>50,000</u>	<u>101,172</u>	<u>51,172</u>	<u>2,548</u>	<u>103,720</u>
Fund balance, beginning of year	<u>468,185</u>	<u>527,823</u>	<u>527,823</u>	<u>-</u>	<u>2,857</u>	<u>530,680</u>
Fund balance, end of year	<u>\$ 518,185</u>	<u>\$ 577,823</u>	<u>\$ 628,995</u>	<u>\$ 51,172</u>	<u>\$ 5,405</u>	<u>\$ 634,400</u>



# 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, 2022

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 134,000	\$ 134,000	\$ (50,327)	\$ (184,327)	\$ 5,972	\$ (44,355)
Charges for services	530,000	530,000	1,275,001	745,001	-	1,275,001
Miscellaneous	-	-	7,064	7,064	-	7,064
Intergovernmental	-	955,000	361,318	(593,682)	-	361,318
Total revenues	<u>664,000</u>	<u>1,619,000</u>	<u>1,593,056</u>	<u>(25,944)</u>	<u>5,972</u>	<u>1,599,028</u>
Expenditures:						
Current operating						
Development and public works	148,026	166,026	166,026	-	-	166,026
Capital projects	<u>2,922,354</u>	<u>8,850,754</u>	<u>4,650,628</u>	<u>4,200,126</u>	<u>-</u>	<u>4,650,628</u>
Total expenditures	<u>3,070,380</u>	<u>9,016,780</u>	<u>4,816,654</u>	<u>4,200,126</u>	<u>-</u>	<u>4,816,654</u>
Excess of revenues over (under) expenditures	(2,406,380)	(7,397,780)	(3,223,598)	4,174,182	5,972	(3,217,626)
Other financing sources (uses):						
Transfer in	<u>150,000</u>	<u>154,423</u>	<u>154,423</u>	<u>-</u>	<u>-</u>	<u>154,423</u>
Total other financing sources	<u>150,000</u>	<u>154,423</u>	<u>154,423</u>	<u>-</u>	<u>-</u>	<u>154,423</u>
Net change in fund balance	(2,256,380)	(7,243,357)	(3,069,175)	4,174,182	5,972	(3,063,203)
Fund balance, beginning of year	<u>9,624,917</u>	<u>11,123,694</u>	<u>11,123,696</u>	<u>2</u>	<u>14,732</u>	<u>11,138,428</u>
Fund balance, end of year	<u>\$ 7,368,537</u>	<u>\$ 3,880,337</u>	<u>\$ 8,054,521</u>	<u>\$ 4,174,184</u>	<u>\$ 20,704</u>	<u>\$ 8,075,225</u>

City of Springfield, Oregon  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
June 30, 2022

	Development Assessments Capital Projects	Development Capital Projects	SEDA Glenwood Capital Projects	Total
<b>ASSETS</b>				
Cash and investments	\$ 721,305	\$ 3,796,428	\$ 59,121	\$ 4,576,854
Receivables:				
Accrued interest	2,085	13,367	-	15,452
Assessments and liens	19,558	-	-	19,558
Advance to other funds	-	1,300,000	-	1,300,000
	<u>-</u>	<u>1,300,000</u>	<u>-</u>	<u>1,300,000</u>
Total assets	<u>\$ 742,948</u>	<u>\$ 5,109,795</u>	<u>\$ 59,121</u>	<u>\$ 5,911,864</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts and contracts payable	\$ -	\$ 8,585	\$ 514	\$ 9,099
Deferred inflows of resources:				
Unavailable revenue	19,558	-	-	19,558
	<u>19,558</u>	<u>-</u>	<u>-</u>	<u>19,558</u>
Fund balances:				
Restricted	-	2,029,772	58,607	2,088,379
Committed	723,390	2,024,240	-	2,747,630
Assigned	-	1,047,198	-	1,047,198
	<u>-</u>	<u>1,047,198</u>	<u>-</u>	<u>1,047,198</u>
Total fund balances	<u>723,390</u>	<u>5,101,210</u>	<u>58,607</u>	<u>5,883,207</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 742,948</u>	<u>\$ 5,109,795</u>	<u>\$ 59,121</u>	<u>\$ 5,911,864</u>



City of Springfield, Oregon  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NONMAJOR CAPITAL PROJECTS FUNDS  
Year Ended June 30, 2022

	Development Assessments Capital Projects	Development Capital Projects	SEDA Glenwood Capital Projects	Total
Revenues:				
Intergovernmental	\$ 180	\$ 295,233	\$ -	\$ 295,413
Charges for services	-	307,632	-	307,632
Investment earnings	(1,992)	(18,436)	-	(20,428)
Special assessments	18,111	-	-	18,111
Total revenues	16,299	584,429	-	600,728
Expenditures:				
Capital projects	-	129,173	1,601	130,774
Excess of revenues over (under) expenditures	16,299	455,256	(1,601)	469,954
Other financing sources (uses):				
Transfer in	56,312	-	-	56,312
Net change in fund balance	72,611	455,256	(1,601)	526,266
Fund balance, beginning of year	650,779	4,645,954	60,208	5,356,941
Fund balance, end of year	<u>\$ 723,390</u>	<u>\$ 5,101,210</u>	<u>\$ 58,607</u>	<u>\$ 5,883,207</u>

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, 2022

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ -	\$ -	\$ 180	\$ 180	\$ -	180
Investment earnings	7,800	7,800	(2,807)	(10,607)	815	(1,992)
Special assessments	5,800	5,800	18,111	12,311	-	18,111
Total revenues	13,600	13,600	15,484	1,884	815	16,299
Other financing sources (uses):						
Transfer in	56,312	56,312	56,312	-	-	56,312
Net change in fund balance	69,912	69,912	71,796	1,884	815	72,611
Fund balance, beginning of year	652,900	650,100	650,099	(1)	680	650,779
Fund balance, end of year	<u>\$ 722,812</u>	<u>\$ 720,012</u>	<u>\$ 721,895</u>	<u>\$ 1,883</u>	<u>\$ 1,495</u>	<u>\$ 723,390</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, 2022

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ -	\$ -	\$ 295,233	\$ 295,233	\$ -	\$ 295,233
Charges for services	305,892	305,892	307,632	1,740	-	307,632
Investment earnings	53,500	53,500	(23,138)	(76,638)	4,702	(18,436)
Total revenues	359,392	359,392	579,727	220,335	4,702	584,429
Expenditures:						
Capital projects	305,892	305,892	129,173	176,719	-	129,173
Excess of revenues over (under) expenditures	53,500	53,500	450,554	397,054	4,702	455,256
Other financing sources (uses):						
Interfund loan repayments	850,000	850,000	400,000	(450,000)	(400,000)	-
Interfund loans issued	(1,500,000)	(1,500,000)	(1,300,000)	200,000	1,300,000	-
Total other financing sources (uses)	(650,000)	(650,000)	(900,000)	(250,000)	900,000	-
Net change in fund balance	(596,500)	(596,500)	(449,446)	147,054	904,702	455,256
Fund balance, beginning of year	4,481,156	4,241,077	4,241,077	-	404,877	4,645,954
Fund balance, end of year	\$ 3,884,656	\$ 3,644,577	\$ 3,791,631	\$ 147,054	\$ 1,309,579	\$ 5,101,210

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, 2022

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Expenditures:						
Capital projects	\$ -	\$ 60,000	\$ 1,601	\$ (1,601)	\$ -	\$ 1,601
Net change in fund balance	-	(60,000)	(1,601)	58,399	-	(1,601)
Fund balance, beginning of year	208	60,208	60,208	-	-	60,208
Fund balance, end of year	<u>\$ 208</u>	<u>\$ 208</u>	<u>\$ 58,607</u>	<u>\$ 58,399</u>	<u>\$ -</u>	<u>\$ 58,607</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, 2022

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 7,881,000	\$ 7,881,000	\$ 8,037,096	\$ 156,096	\$ 23,686	\$ 8,060,782
Investment earnings	368,000	368,000	(192,390)	(560,390)	38,914	(153,476)
Intergovernmental	-	-	1,037	1,037	-	1,037
Miscellaneous	-	-	7	7	-	7
Total revenues	8,249,000	8,249,000	7,845,750	(403,250)	62,600	7,908,350
Expenses:						
Current operating:						
Information technology	375,942	391,242	317,467	73,775	-	317,467
Development and public works	4,852,270	4,884,270	4,198,630	685,640	(108,018)	4,090,612
City managers office	81,550	81,550	50,646	30,904	-	50,646
Finance	53,109	53,109	44,274	8,835	-	44,274
Debt service:						
Principal	1,370,000	1,370,000	1,370,000	-	(1,370,000)	-
Interest	337,800	337,800	337,800	-	(80,634)	257,166
Capital projects	9,296,600	10,996,600	510,772	10,485,828	(510,772)	-
Depreciation	-	-	-	-	2,758,032	2,758,032
Total expenses	16,367,271	18,114,571	6,829,589	11,284,982	688,608	7,518,197
Excess of revenues over (under) expenses	(8,118,271)	(9,865,571)	1,016,161	10,881,732	(626,008)	390,153
Other financing sources (uses):						
Capital contributions	620,000	620,000	2,408,139	1,788,139	1,202,417	3,610,556
Transfers in	-	4,335	4,335	-	-	4,335
Total other financing sources (uses)	620,000	624,335	2,412,474	1,788,139	1,202,417	3,614,891
Change in fund net position	(7,498,271)	(9,241,236)	3,428,635	12,669,871	576,409	4,005,044
Fund net position, beginning of year	30,806,728	30,918,717	30,918,717	-	43,519,007	74,437,724
Fund net position, end of year	\$ 23,308,457	\$ 21,677,481	\$ 34,347,352	\$ 12,669,871	\$ 44,095,416	\$ 78,442,768

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, 2022

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 7,770,000	\$ 7,770,000	\$ 8,282,118	\$ 512,118	\$ 59,307	\$ 8,341,425
Investment earnings	261,000	261,000	(132,665)	(393,665)	25,846	(106,819)
Intergovernmental	38,700	38,700	51,202	12,502	-	51,202
Miscellaneous	-	-	71,057	71,057	-	71,057
Total revenues	8,069,700	8,069,700	8,271,712	202,012	85,153	8,356,865
Expenses:						
Current operating:						
Information technology	284,421	297,471	243,574	(53,897)	-	243,574
Development and public works	6,652,919	6,914,360	5,494,231	(1,420,129)	(21,938)	5,472,293
City managers office	81,991	81,991	51,235	(30,756)	-	51,235
Finance	53,110	53,110	44,274	(8,836)	-	44,274
Debt service:						
Principal	492,195	492,195	492,195	-	(492,195)	-
Interest	59,448	59,448	59,446	(2)	(27,530)	31,916
Capital projects	6,517,370	6,817,370	515,152	(6,302,218)	(515,152)	-
Depreciation	-	-	-	-	511,188	511,188
Total expenses	14,141,454	14,715,945	6,900,107	(7,815,838)	(545,627)	6,354,480
Excess of revenues over (under) expenses	(6,071,754)	(6,646,245)	1,371,605	8,017,850	630,780	2,002,385
Other financing sources (uses):						
Capital contributions	300,000	300,000	506,229	206,229	1,746,789	2,253,018
Change in fund net position	(5,771,754)	(6,346,245)	1,877,834	8,224,079	2,377,569	4,255,403
Fund net position, beginning of year	23,163,095	21,900,333	21,900,335	2	7,237,415	29,137,750
Fund net position, end of year	<u>\$ 17,391,341</u>	<u>\$ 15,554,088</u>	<u>\$ 23,778,169</u>	<u>\$ 8,224,081</u>	<u>\$ 9,614,984</u>	<u>\$ 33,393,153</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, 2022

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 5,832,870	\$ 7,064,591	\$ 7,242,644	\$ 178,053	\$ 17,419,631	\$ 24,662,275
Less: Contractual adjustments	-	-	-	-	(16,312,281)	(16,312,281)
Intergovernmental	80,225	87,135	27,455	(59,680)	(22,172)	5,283
Investment earnings	5,000	5,000	5,473	473	(2,315)	3,158
Miscellaneous	6,500	6,500	16,464	9,964	(4,333)	12,131
Total revenues	5,924,595	7,163,226	7,292,036	128,810	1,078,530	8,370,566
Expenses:						
Current operating:						
Fire and life safety	6,681,492	7,298,373	7,285,297	13,076	(263,445)	7,021,852
Depreciation	-	-	-	-	5,830	5,830
Total expenses	6,681,492	7,298,373	7,285,297	13,076	(257,615)	7,027,682
Excess of revenues over (under) expenses	(756,897)	(135,147)	6,739	141,886	1,336,145	1,342,884
Other financing sources (uses):						
Transfers in	654,007	1,465,192	701,556	(763,636)	-	701,556
Total other financing sources (uses)	654,007	1,465,192	701,556	(763,636)	-	701,556
Change in fund net position	(102,890)	1,330,045	708,295	(621,750)	1,336,145	2,044,440
Net position, beginning of year as originally stated	102,890	(708,295)	(708,295)	-	(3,837,303)	(4,545,598)
Prior period adjustment (Note S)	-	-	-	-	(485,241)	(485,241)
Fund net position, beginning of year restated	102,890	(708,295)	(708,295)	-	(4,322,544)	(5,030,839)
Fund net position, end of year	\$ -	\$ 621,750	\$ -	\$ (621,750)	\$ (2,986,399)	\$ (2,986,399)

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, 2022

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 561,900	\$ 561,900	\$ 545,293	\$ (16,607)	\$ 3,891	\$ 549,184
Investment earnings	7,500	7,500	(9,954)	(17,454)	3,012	(6,942)
Miscellaneous	-	-	8,470	8,470	-	8,470
Total revenues	<u>569,400</u>	<u>569,400</u>	<u>543,809</u>	<u>(25,591)</u>	<u>6,903</u>	<u>550,712</u>
Expenses:						
Current operating:						
Development and public works	503,821	753,821	469,141	284,680	5,759	474,900
Capital projects	190,000	190,000	-	190,000	-	-
Depreciation	-	-	-	-	80,269	80,269
Total expenses	<u>693,821</u>	<u>943,821</u>	<u>469,141</u>	<u>474,680</u>	<u>86,028</u>	<u>555,169</u>
Excess of revenues over (under) expenses	(124,421)	(374,421)	74,668	449,089	(79,125)	(4,457)
Other financing sources (uses):						
Transfers out	<u>(80,651)</u>	<u>(80,651)</u>	<u>(80,651)</u>	<u>-</u>	<u>-</u>	<u>(80,651)</u>
Change in fund net position	(205,072)	(455,072)	(5,983)	449,089	(79,125)	(85,108)
Fund net position, beginning of year	<u>1,389,366</u>	<u>1,662,693</u>	<u>1,662,693</u>	<u>-</u>	<u>3,534,730</u>	<u>5,197,423</u>
Fund net position, end of year	<u>\$ 1,184,294</u>	<u>\$ 1,207,621</u>	<u>\$ 1,656,710</u>	<u>\$ 449,089</u>	<u>\$ 3,455,605</u>	<u>\$ 5,112,315</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, 2022

	Vehicle and Equipment	Insurance	SDC Administration	Total
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 9,457,506	\$ 14,291,646	\$ 541,703	\$ 24,290,855
Prepaids	782,919	171,115	-	954,034
Deposits	-	200,000	-	200,000
Accounts receivable	14,365	10,802	55,261	80,428
Grant receivable	-	-	45	45
Accrued interest receivable	29,898	40,388	1,415	71,701
Deferred system development fees	-	-	90,329	90,329
Inventory	75,560	-	-	75,560
Total current assets	10,360,248	14,713,951	688,753	25,762,952
Noncurrent assets:				
Capital assets				
Machinery and equipment	21,082,492	-	-	21,082,492
Less accumulated depreciation	(15,085,612)	-	-	(15,085,612)
Total net capital assets	5,996,880	-	-	5,996,880
Net OPEB Asset - RHIA	-	8,036	7,729	15,765
Total non-current assets	5,996,880	8,036	7,729	6,012,645
Total assets	16,357,128	14,721,987	696,482	31,775,597
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension outflow	-	134,041	138,803	272,844
Deferred OPEB outflow	-	4,236	3,628	7,864
Total deferred outflows	-	138,277	142,431	280,708
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	155,547	617,532	153	773,232
Accrued payroll and other related liabilities	-	367,516	9,680	377,196
Unearned revenue	-	65,326	-	65,326
Total current liabilities	155,547	1,050,374	9,833	1,215,754
Noncurrent liabilities:				
Accrued absence payable	-	15,261	-	15,261
Accrued claims liabilities, less current portion	-	336,000	-	336,000
Net pension liability	-	271,093	277,449	548,542
Net OPEB obligation payable	-	39,261	32,480	71,741
Total noncurrent liabilities	-	661,615	309,929	971,544
Total liabilities	155,547	1,711,989	319,762	2,187,298
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension inflow	-	198,658	197,936	396,594
Deferred OPEB inflow	-	18,613	17,441	36,054
Total deferred inflows	-	217,271	215,377	432,648
<b>FUND NET POSITION</b>				
Net investment in capital assets	5,947,884	-	-	5,947,884
Unrestricted	10,253,697	12,931,004	303,774	23,488,475
Total fund net position	\$ 16,201,581	\$ 12,931,004	\$ 303,774	\$ 29,436,359

City of Springfield, Oregon  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
Year ended June 30, 2022

	Vehicle and Equipment	Insurance	SDC Administration	Total
Operating revenues:				
Intergovernmental	\$ -	\$ 33,158	\$ -	\$ 33,158
Charges for services	2,618,238	11,200,474	391,149	14,209,861
Licenses and permits	-	-	242,212	242,212
Miscellaneous	-	68,211	-	68,211
Total operating revenues	2,618,238	11,301,843	633,361	14,553,442
Operating expenses:				
Current operating:				
Human resources	3,417	9,564,809	-	9,568,226
Finance	-	-	36,892	36,892
Information technology	531,533	-	62,854	594,387
Library	1,168	-	-	1,168
Fire and life safety	7,571	-	-	7,571
Police	2,270	-	-	2,270
Development and public works	592,488	-	325,010	917,498
Depreciation	1,194,209	-	-	1,194,209
Total operating expenses	2,332,656	9,564,809	424,756	12,322,221
Operating income	285,582	1,737,034	208,605	2,231,221
Nonoperating revenues (expenses):				
Investment earnings	(46,006)	(62,396)	(2,342)	(110,744)
Grant revenue	-	-	45	45
Gain/(loss) on disposition of equipment	53,390	-	-	53,390
Total nonoperating revenues (expenses)	7,384	(62,396)	(2,297)	(57,309)
Income before capital contributions and transfers	292,966	1,674,638	206,308	2,173,912
Other financing sources (uses)				
Transfers in	5,650	-	-	5,650
Transfers out	(169,342)	-	-	(169,342)
Total other financing sources (uses)	(163,692)	-	-	(163,692)
Change in fund net position	129,274	1,674,638	206,308	2,010,220
Fund net position, beginning of year	16,072,307	11,256,366	97,466	27,426,139
Fund net position, end of year	\$ 16,201,581	\$ 12,931,004	\$ 303,774	\$ 29,436,359

City of Springfield, Oregon  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
Year ended June 30, 2022

	Vehicle and Equipment	Insurance	SDC Administration	Total
Cash flows from operating activities:				
Cash received from interfund services provided	\$ 2,666,086	\$ 11,244,895	\$ 375,753	\$ 14,286,734
Cash paid for employee services	-	(603,304)	(340,158)	(943,462)
Cash paid to suppliers for goods and services	(1,378,745)	(9,708,320)	(96,021)	(11,183,086)
Other operating receipts	-	101,369	242,212	343,581
Net cash provided by operating activities	<u>1,287,341</u>	<u>1,034,640</u>	<u>181,786</u>	<u>2,503,767</u>
Cash flows from noncapital financing activities:				
Operating transfers in from other funds	5,650	-	-	5,650
Transfers to other funds	(169,342)	-	-	(169,342)
Net cash provided by noncapital financing activities	<u>(163,692)</u>	<u>-</u>	<u>-</u>	<u>(163,692)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(1,847,380)	-	-	(1,847,380)
Disposition of capital assets	184,697	-	-	184,697
Net cash used in capital and related financing activities	<u>(1,662,682)</u>	<u>-</u>	<u>-</u>	<u>(1,662,682)</u>
Cash flows from investing activities:				
Interest received	(59,208)	(82,709)	(3,348)	(145,265)
Net change in cash and investments	(598,241)	951,931	178,438	532,128
Cash and investments, beginning of year	<u>10,055,747</u>	<u>13,339,715</u>	<u>363,265</u>	<u>23,758,727</u>
Cash and investments, end of year	<u><u>\$ 9,457,506</u></u>	<u><u>\$ 14,291,646</u></u>	<u><u>\$ 541,703</u></u>	<u><u>\$ 24,290,855</u></u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 285,582	\$ 1,737,034	\$ 208,605	\$ 2,231,221
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,194,209	-	-	1,194,209
Changes in assets and liabilities:				
Prepays	(79,335)	(136,138)	-	(215,473)
Accounts receivable	47,848	44,421	(15,396)	76,873
Inventory	(40,341)	-	-	(40,341)
Net pension liability and related deferrals	-	(11,673)	(10,594)	(22,267)
Accounts payable	(120,622)	(351,246)	(437)	(472,305)
Accrued payroll and other liabilities	-	16,811	1,647	18,458
Accrued claims liabilities	-	(266,000)	-	(266,000)
Unearned revenue	-	2,580	-	2,580
Net OPEB obligation and related deferrals	-	(1,149)	(2,039)	(3,188)
Net cash provided by operating activities	<u><u>\$ 1,287,341</u></u>	<u><u>\$ 1,034,640</u></u>	<u><u>\$ 181,786</u></u>	<u><u>\$ 2,503,767</u></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, 2022

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 2,712,465	\$ 2,712,465	\$ 2,754,411	\$ 41,946	\$ (136,173)	\$ 2,618,238
Investment earnings	50,000	50,000	(56,117)	(106,117)	10,111	(46,006)
Miscellaneous	-	-	152,096	152,096	(152,096)	-
Total revenues	<u>2,762,465</u>	<u>2,762,465</u>	<u>2,850,390</u>	<u>87,925</u>	<u>(278,158)</u>	<u>2,572,232</u>
Expenses:						
Current operating:						
Human resources	-	4,000	3,417	583	-	3,417
Information technology	775,704	1,199,196	939,213	259,983	(407,680)	531,533
Library	8,000	8,000	1,168	6,832	-	1,168
Fire and life safety	139,900	1,235,600	277,811	957,789	(270,240)	7,571
Police	307,000	434,487	143,073	291,414	(140,803)	2,270
Development and public works	2,144,200	2,518,113	1,752,234	765,879	(1,159,746)	592,488
Depreciation	-	-	-	-	1,194,209	1,194,209
Total expenses	<u>3,374,804</u>	<u>5,399,396</u>	<u>3,116,916</u>	<u>2,282,480</u>	<u>(784,260)</u>	<u>2,332,656</u>
Excess of revenues over (under) expenses	<u>(612,339)</u>	<u>(2,636,931)</u>	<u>(266,526)</u>	<u>2,370,405</u>	<u>506,102</u>	<u>239,576</u>
Other financing sources (uses):						
Gain on disposal of assets	-	-	-	-	53,390	53,390
Transfers out	-	(27,500)	-	27,500	(169,342)	(169,342)
Transfers in	-	-	-	-	5,650	5,650
Total other financing sources (uses)	<u>-</u>	<u>(27,500)</u>	<u>-</u>	<u>27,500</u>	<u>(110,302)</u>	<u>(110,302)</u>
Change in fund net position	<u>(612,339)</u>	<u>(2,664,431)</u>	<u>(266,526)</u>	<u>2,397,905</u>	<u>395,800</u>	<u>129,274</u>
Fund net position, beginning of year	<u>8,988,390</u>	<u>10,455,081</u>	<u>10,455,081</u>	<u>-</u>	<u>5,617,226</u>	<u>16,072,307</u>
Fund net position, end of year	<u>\$ 8,376,051</u>	<u>\$ 7,790,650</u>	<u>\$ 10,188,555</u>	<u>\$ 2,397,905</u>	<u>\$ 6,013,026</u>	<u>\$ 16,201,581</u>



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, 2022

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental	\$ 63,769	\$ 63,769	\$ 23,080	\$ (40,689)	\$ 10,078	\$ 33,158
Charges for services	11,208,077	11,208,077	11,200,474	(7,603)	-	11,200,474
Investment earnings	75,000	75,000	(77,734)	(152,734)	15,338	(62,396)
Miscellaneous	6,000	6,000	87,420	81,420	(19,209)	68,211
Total revenues	<u>11,352,846</u>	<u>11,352,846</u>	<u>11,233,240</u>	<u>(119,606)</u>	<u>6,207</u>	<u>11,239,447</u>
Expenses:						
Current operating:						
Human resources	735,379	735,379	692,983	42,396	23,589	716,572
Health insurance	9,334,875	9,334,875	7,311,995	2,022,880	(54,235)	7,257,760
Risk services	2,009,075	2,009,075	1,880,966	128,109	(290,489)	1,590,477
Total expenses	<u>12,079,329</u>	<u>12,079,329</u>	<u>9,885,944</u>	<u>2,193,385</u>	<u>(321,135)</u>	<u>9,564,809</u>
Change in fund net position	(726,483)	(726,483)	1,347,296	2,073,779	327,342	1,674,638
Fund net position, beginning of year	<u>11,373,165</u>	<u>12,242,411</u>	<u>12,242,411</u>	<u>-</u>	<u>(986,045)</u>	<u>11,256,366</u>
Fund net position, end of year	<u>\$ 10,646,682</u>	<u>\$ 11,515,928</u>	<u>\$ 13,589,707</u>	<u>\$ 2,073,779</u>	<u>\$ (658,703)</u>	<u>\$ 12,931,004</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, 2022

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 375,000	\$ 375,000	\$ 377,758	\$ 2,758	\$ 13,391	\$ 391,149
Licenses and permits	80,000	80,000	240,206	160,206	2,006	242,212
Investment earnings	2,000	2,000	(3,079)	(5,079)	737	(2,342)
Intergovernmental	-	-	45	45	-	45
Total revenues	457,000	457,000	614,930	157,930	16,134	631,064
Expenses:						
Current operating:						
Information services	69,604	70,054	62,854	7,200	-	62,854
Finance	39,222	39,222	36,892	2,330	-	36,892
Development and public works	412,154	412,154	337,642	74,512	(12,632)	325,010
Total expenses	520,980	521,430	437,388	84,042	(12,632)	424,756
Change in fund net position	(63,980)	(64,430)	177,542	241,972	28,766	206,308
Fund net position, beginning of year	288,185	354,775	354,775	-	(257,309)	97,466
Fund net position, end of year	\$ 224,205	\$ 290,345	\$ 532,317	\$ 241,972	\$ (228,543)	\$ 303,774

# 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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
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.	186-193
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	197-201
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.	205-210
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.	213-214
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.	216-221

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			
	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 108,731,315	\$ 107,219,252	\$ 112,632,832	\$ 115,176,581
Restricted	13,171,125	14,144,006	18,977,155	17,357,721
Unrestricted	19,835,794	20,240,783	4,394,678	(5,988,448)
Total governmental activities net position	<u>\$ 141,738,234</u>	<u>\$ 141,604,041</u>	<u>\$ 136,004,665</u>	<u>\$ 126,545,854</u>
Business-type activities				
Net investment in capital assets	\$ 51,972,745	\$ 54,491,005	\$ 52,836,347	\$ 54,212,835
Restricted	3,273,179	3,072,205	3,348,526	3,976,909
Unrestricted	22,668,331	23,137,298	27,590,908	28,145,472
Total business-type activities net position	<u>\$ 77,914,255</u>	<u>\$ 80,700,508</u>	<u>\$ 83,775,781</u>	<u>\$ 86,335,216</u>
Primary government				
Net investment in capital assets	\$ 160,704,060	\$ 161,710,257	\$ 165,469,179	\$ 169,389,416
Restricted	16,444,304	17,216,211	22,325,681	21,334,630
Unrestricted	42,504,125	43,378,081	31,985,586	22,157,024
Total primary government net position	<u>\$ 219,652,489</u>	<u>\$ 222,304,549</u>	<u>\$ 219,780,446</u>	<u>\$ 212,881,070</u>

Source: Financial Statements

Fiscal Year

2017	2018	2019	2020	2021	2022
\$ 122,230,625	\$ 120,175,702	\$ 129,324,764	\$ 122,555,408	\$ 139,384,434	\$ 156,787,166
17,295,648	22,674,644	20,647,784	20,426,784	18,318,226	31,386,128
(11,706,242)	(15,369,959)	(11,948,772)	(1,909,951)	(6,430,326)	(16,230,609)
<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>	<u>\$ 171,942,685</u>
\$ 54,802,364	\$ 55,901,549	\$ 57,366,837	\$ 56,619,451	\$ 59,677,720	\$ 61,382,119
4,733,337	5,457,331	6,575,305	8,505,363	9,429,173	11,980,398
31,242,641	32,027,245	34,958,604	37,282,183	35,556,795	41,103,207
<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>	<u>\$ 114,465,724</u>
\$ 177,032,989	\$ 176,077,251	\$ 186,691,601	\$ 179,174,859	\$ 199,062,154	\$ 218,169,285
22,028,985	28,131,975	27,223,089	28,932,147	27,747,399	43,366,526
19,536,399	16,657,286	23,009,832	35,372,232	29,126,469	24,872,598
<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>	<u>\$ 286,408,409</u>

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

	Fiscal Year					
	2013	2014	2015	2016	2017	2018
<b>Expenses</b>						
Governmental activities:						
General government	\$ 5,932,778	\$ 4,928,452	\$ 5,194,119	\$ 8,055,900	\$ 8,105,716	\$ 7,450,495
Fire and life safety	11,340,166	11,736,970	9,905,694	14,789,977	13,351,001	13,890,821
Police	19,561,178	20,708,780	18,007,975	26,060,501	22,068,423	22,233,956
Library	1,515,697	1,508,178	1,477,854	2,131,183	1,981,508	1,727,501
Development and public works	11,658,254	11,925,811	10,605,607	15,857,538	12,483,443	12,687,939
Depreciation, unallocated	297,774	270,618	270,619	250,942	250,435	250,435
Interest on long-term debt	1,143,393	1,027,212	909,122	744,674	518,495	457,480
Total governmental activities expense	51,449,240	52,106,021	46,370,990	67,890,715	58,759,021	58,698,627
Business-type activities:						
Sanitary sewer	6,155,571	6,848,708	6,340,495	7,523,149	7,158,008	7,269,835
Storm drainage	3,984,400	4,407,437	4,259,913	5,982,172	5,559,128	6,316,516
Booth Kelly	1,463,621	1,611,902	1,649,088	1,507,253	1,424,527	1,410,609
Ambulance	4,948,503	5,525,464	5,082,272	7,073,633	6,574,936	6,515,453
Business-type activities expenses	16,552,095	18,393,511	17,331,768	22,086,207	20,716,599	21,512,413
Total primary government expenses	\$ 68,001,335	\$ 70,499,532	\$ 63,702,758	\$ 89,976,922	\$ 79,475,620	\$ 80,211,040
<b>Program Revenue</b>						
Governmental activities:						
Charges for services:						
General government	\$ 3,874,817	\$ 3,766,791	\$ 3,868,870	\$ 3,888,018	\$ 4,078,095	\$ 4,248,830
Fire and life safety	1,769,064	1,874,473	1,809,091	1,921,748	1,984,859	1,916,552
Police	493,254	429,497	408,750	346,629	422,625	715,863
Library	105,329	102,737	125,482	106,200	120,912	117,114
Development and public works	2,263,872	2,054,066	2,710,606	3,420,717	2,884,311	2,626,049
Operating grants and contributions	4,428,156	5,039,850	4,444,185	4,184,978	4,954,592	5,135,869
Capital grants and contributions	2,192,135	481,598	9,934,788	4,841,296	4,085,842	2,177,260
Total governmental activities program revenues	15,126,627	13,749,012	23,301,772	18,709,586	18,531,236	16,937,537
Business-type activities:						
Charges for services:						
Sanitary sewer	7,324,173	7,536,486	7,738,487	7,224,927	8,798,173	7,709,636
Storm drainage	6,032,530	6,347,901	6,613,264	6,892,114	7,408,192	7,194,627
Booth Kelly	1,348,308	1,355,337	1,412,722	1,532,687	1,537,293	1,630,764
Ambulance	5,255,068	5,612,386	6,119,908	6,599,690	6,046,048	5,383,760
Operating grants and contributions	-	-	-	-	-	-
Capital grants and contributions	16,729	16,848	199,269	2,088,254	1,033,069	1,164,761
Total business-type activities program revenues	19,976,808	20,868,958	22,083,650	24,337,672	24,822,775	23,083,548
Total primary government program revenues	\$ 35,103,435	\$ 34,617,970	\$ 45,385,422	\$ 43,047,258	\$ 43,354,011	\$ 40,021,085
<b>Net (Expense) Revenue</b>						
Governmental activities	\$ (36,322,613)	\$ (38,357,009)	\$ (23,069,218)	\$ (49,181,129)	\$ (40,227,785)	\$ (41,761,090)
Business-type activities	3,424,713	2,475,447	4,751,882	2,251,465	4,106,176	1,571,135
Total primary government net expense	\$ (32,897,900)	\$ (35,881,562)	\$ (18,317,336)	\$ (46,929,664)	\$ (36,121,609)	\$ (40,189,955)
Governmental activities:						
Taxes:						
Property taxes	\$ 27,891,748	\$ 28,735,713	\$ 30,497,567	\$ 29,449,109	\$ 30,691,286	\$ 30,910,303
Room tax	973,830	1,070,722	1,219,497	1,373,464	1,445,031	1,553,872
Other taxes	2,754,883	3,158,101	3,288,462	3,387,888	3,446,975	3,567,850
Payment in lieu of taxes	2,375,949	2,390,734	2,404,859	2,392,729	2,353,365	2,414,018
Investment earnings	333,178	361,323	305,267	416,909	573,280	783,330
Miscellaneous	985,770	908,413	857,657	867,789	972,473	1,345,586
Gain (loss) on disposition of capital assets	-	-	-	149,687	-	-
Shared revenue	1,460,463	1,533,466	1,579,978	1,584,743	2,019,553	1,743,533
Transfers	71,894	64,344	71,311	100,000	-	63,000
Total governmental activities	36,847,715	38,222,816	40,224,598	39,722,318	41,501,963	42,381,492
Business-type activities:						
Investment earnings	211,730	282,238	162,671	227,641	317,398	528,250
Miscellaneous	78,204	92,912	446,106	180,329	19,552	209,703
Transfers	(71,894)	(64,344)	(71,311)	(100,000)	-	(63,000)
Total business-type activities	218,040	310,806	537,466	307,970	336,950	674,953
Total primary government	\$ 37,065,755	\$ 38,533,622	\$ 40,762,064	\$ 40,030,288	\$ 41,838,913	\$ 43,056,445
<b>Change In Net Position</b>						
Governmental activities	\$ (1,509,294)	\$ (134,193)	\$ 17,155,380	\$ (9,458,811)	\$ 1,274,178	\$ 620,402
Business-type activities	2,693,487	2,786,253	5,289,348	2,559,435	4,443,126	2,246,088
Total primary government	\$ 1,184,193	\$ 2,652,060	\$ 22,444,728	\$ (6,899,376)	\$ 5,717,304	\$ 2,866,490

1 This schedule reports using the accrual basis of accounting.

2 Expenses include allocated indirect expenses.

Source: Financial Statements



Fiscal Year			
2019	2020	2021	2022
\$ 8,570,530	\$ 8,652,793	\$ 8,809,340	\$ 9,053,662
14,187,421	14,732,495	15,675,680	13,521,804
23,962,665	25,654,527	25,222,243	22,635,549
2,065,860	2,266,167	2,245,447	2,116,123
13,921,361	16,950,960	15,977,248	13,014,042
207,852	231,808	231,809	147,249
488,109	556,436	452,538	325,776
63,403,798	69,045,186	68,614,305	60,814,205
7,304,346	7,212,599	7,591,941	7,470,840
5,968,181	6,633,084	6,860,432	6,326,880
1,300,368	837,049	502,562	553,805
7,212,214	6,886,133	7,194,162	7,036,505
21,785,109	21,568,865	22,149,097	21,388,030
\$ 85,188,907	\$ 90,614,051	\$ 90,763,402	\$ 82,202,235
\$ 4,194,777	\$ 4,116,660	\$ 4,046,675	\$ 3,851,633
2,012,641	1,963,379	1,970,004	1,969,783
1,041,123	1,013,728	636,755	768,141
118,372	97,423	80,274	92,961
2,880,108	3,617,802	3,042,558	4,146,968
5,626,172	7,465,635	7,781,066	6,055,257
4,181,484	4,820,681	10,947,796	13,921,588
20,054,677	23,095,308	28,505,128	30,806,331
7,541,750	7,698,075	7,740,534	8,060,782
7,259,708	7,483,023	7,766,070	8,341,425
1,481,538	638,301	547,906	549,184
7,239,771	6,060,953	4,854,619	8,355,277
	222,080	167,977	52,239
2,540,505	1,874,362	3,922,047	5,863,574
26,063,272	23,976,794	24,999,153	31,222,481
\$ 46,117,949	\$ 47,072,102	\$ 53,504,281	\$ 62,028,812
\$ (43,349,121)	\$ (45,949,878)	\$ (40,109,177)	\$ (30,007,874)
4,278,163	2,407,929	2,850,056	9,834,451
\$ (39,070,958)	\$ (43,541,949)	\$ (37,259,121)	\$ (20,173,423)
\$ 33,272,981	\$ 36,796,537	\$ 37,426,263	\$ 38,733,351
1,356,155	1,119,292	1,206,485	1,885,268
3,473,477	3,618,162	3,744,708	3,768,793
2,403,565	2,336,861	2,318,473	2,821,285
1,557,790	1,745,096	600,210	(156,863)
1,351,036	1,227,437	1,789,005	2,098,685
-			
2,026,255	2,212,330	2,334,354	2,152,946
67,548	80,000	889,772	(625,240)
45,508,807	49,135,715	50,309,270	50,678,225
1,176,791	1,154,005	283,940	(264,079)
127,215	24,317	12,467	91,665
(67,548)	(80,000)	(889,772)	625,240
1,236,458	1,098,322	(593,365)	452,826
\$ 46,745,265	\$ 50,234,037	\$ 49,715,905	\$ 51,131,051
\$ 2,159,686	\$ 3,185,837	\$ 10,200,093	\$ 20,670,351
5,514,621	3,506,251	2,256,691	10,287,277
\$ 7,674,307	\$ 6,692,088	\$ 12,456,784	\$ 30,957,628

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

	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 49,644	\$ 22,109	\$ 86,584	\$ 98,292
Restricted	-	-	-	-
Committed	12,764	25,902	83,224	172,840
Assigned	600,000	600,000	600,000	600,000
Unassigned	7,538,441	7,698,382	8,553,497	7,999,863
Total general fund	<u>\$ 8,200,849</u>	<u>\$ 8,346,393</u>	<u>\$ 9,323,305</u>	<u>\$ 8,870,995</u>
 All Other Governmental Funds				
Nonspendable	\$ 151,297	\$ 147,593	\$ 205,477	\$ 223,261
Restricted	8,535,571	9,060,917	13,642,430	14,194,470
Committed	3,130,187	2,460,530	2,617,234	1,980,130
Assigned	410,941	443,945	644,492	1,493,031
Unassigned	(26,365)	(64,907)	(23,321)	(37,306)
Total all other governmental funds	<u>\$ 12,201,631</u>	<u>\$ 12,048,078</u>	<u>\$ 17,086,312</u>	<u>\$ 17,853,586</u>

Source: Financial Statements

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 83,602	\$ 64,408	\$ 118,343	\$ 110,259	\$ 169,293	\$ 194,341
-	-	-	-	-	-
293,004	293,004	472,153	-	-	-
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
7,387,428	8,388,052	9,176,504	9,931,764	10,353,531	9,848,436
<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>	<u>\$ 11,042,777</u>
\$ 219,897	\$ 243,998	\$ 520,564	\$ 344,309	\$ 301,174	\$ 337,668
13,672,194	18,873,553	16,461,113	28,651,926	26,053,526	25,897,514
2,036,262	2,200,742	2,569,918	3,209,955	3,384,079	3,600,074
808,377	920,076	1,261,961	1,341,713	1,849,430	1,906,931
(142,091)	-	-	-	-	-
<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>	<u>\$ 31,742,187</u>

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

	Fiscal Year		
	2013	2014	2015
Taxes	\$ 30,059,119	\$ 31,087,716	\$ 33,065,500
Licenses and permits	2,463,338	2,700,850	2,783,280
Intergovernmental	8,475,485	8,576,500	12,172,857
Charges for services	7,022,389	7,142,048	7,670,658
Fines & forfeitures	1,497,458	1,673,933	1,688,251
Use of money & property	191,559	141,996	109,373
Special assessments	42,569	31,651	45,618
Miscellaneous	306,085	570,176	708,847
<b>Total Revenues</b>	<b>50,058,002</b>	<b>51,924,870</b>	<b>58,244,384</b>
<b>Current Operating:</b>			
General government	6,306,579	6,042,155	6,643,279
Fire and life safety	11,242,700	11,515,444	11,237,818
Police	18,318,088	19,118,811	18,997,316
Library	1,457,714	1,440,438	1,610,330
Development and public works	9,041,272	9,427,305	9,233,725
Capital Projects	789,407	1,232,663	1,354,801
Debt service:			
Principal	2,418,973	2,507,974	2,602,206
Interest	1,108,223	1,011,446	913,103
<b>Total expenditures</b>	<b>50,682,956</b>	<b>52,296,236</b>	<b>52,592,578</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(624,954)</b>	<b>(371,366)</b>	<b>5,651,806</b>
<b>Transfers in</b>	<b>5,073,111</b>	<b>4,754,376</b>	<b>4,874,912</b>
<b>Transfers out</b>	<b>(4,458,815)</b>	<b>(4,409,317)</b>	<b>(4,506,705)</b>
Bond sale costs	-	-	-
Issuance of debt	-	-	-
Payment to refunded bond escrow agent	-	-	-
<b>Total other financing sources (uses)</b>	<b>614,296</b>	<b>345,059</b>	<b>368,207</b>
<b>Net changes in fund balances</b>	<b>\$ (10,658)</b>	<b>\$ (26,307)</b>	<b>\$ 6,020,013</b>
 Debt services as a percentage of noncapital expenditures	 7.05%	 6.83%	 6.84%

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						
2016	2017	2018	2019	2020	2021	2022
\$ 31,862,305	\$ 33,098,818	\$ 33,794,986	\$ 36,634,081	\$ 38,889,782	\$ 39,448,636	\$ 41,397,614
3,122,149	3,325,162	3,251,909	3,184,547	3,384,446	3,421,932	3,580,016
8,484,882	9,224,182	9,515,619	10,388,913	12,054,048	13,433,515	12,308,507
9,247,507	8,410,972	8,740,655	8,255,515	9,824,965	9,912,595	11,047,635
1,652,415	1,655,009	1,813,942	1,819,429	1,577,656	1,316,405	1,138,554
170,631	276,286	427,571	1,017,688	1,205,189	275,832	(271,088)
25,265	18,989	13,082	17,098	15,062	6,621	18,111
775,308	743,777	785,899	1,205,665	1,057,800	1,566,002	1,347,267
55,340,462	56,753,195	58,343,663	62,522,936	68,008,948	69,381,538	70,566,616
8,240,463	8,509,994	7,901,804	8,571,201	8,616,360	9,085,862	9,248,427
11,848,268	12,380,622	12,894,682	13,114,125	13,149,807	14,318,920	14,386,945
20,231,011	19,388,013	19,748,479	21,115,709	22,052,943	22,352,091	23,010,099
1,706,475	1,848,510	1,646,799	1,904,135	2,063,085	2,055,401	2,291,515
9,063,061	9,285,822	9,036,058	9,628,378	11,004,908	12,330,771	10,988,756
2,187,974	6,204,622	967,170	6,095,447	2,758,368	6,831,924	5,796,262
1,630,000	2,156,706	1,695,530	2,021,673	4,247,965	4,093,807	4,214,331
807,469	650,730	653,657	674,222	735,544	653,938	531,621
55,845,926	60,425,019	54,544,179	63,124,890	64,628,980	71,622,714	70,467,956
(505,464)	(3,671,824)	3,799,484	(601,954)	3,379,968	(2,241,176)	98,660
6,369,454	1,775,328	2,729,248	1,458,838	2,025,984	2,739,379	1,757,269
(5,801,301)	(1,459,296)	1,229,455	(1,278,261)	(2,271,493)	(1,913,875)	(2,218,817)
-	-	-	-	(39,159)	-	-
16,994,808	2,000,000	(1,166,455)	-	10,000,000	-	-
(16,863,603)	-	-	-	-	-	-
699,358	2,316,032	2,792,248	180,577	9,715,332	825,504	(461,548)
\$ 193,894	\$ (1,355,792)	\$ 6,591,732	\$ (421,377)	\$ 13,095,300	\$ (1,415,672)	\$ (362,888)
4.59%	5.21%	4.39%	4.71%	7.87%	7.44%	7.27%



## **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
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	5,303,194,951	7.20	0.30	9,594,834,513
2022	5,370,435,687	39,574,783	193,427,657	93,675,700	5,697,113,827	7.20	0.32	10,535,427,628

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
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
2022	4.61	0.80	1.40	0.38	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	Upper Willamette Soil & Water
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	-
5.73	1.82	0.94	0.22	2.18	0.32	0.07

City of Springfield, Oregon

PRINCIPAL PROPERTY TAX PAYERS

Current Year and Nine Years Ago

Taxpayer	2022			2013		
	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 (Weyerhaeuser)	\$ 300,632,043	1	5.67%	\$ 225,895,755	1	5.65%
McKenzie Willamette Regional Med Ctr	86,088,176	2	1.62%			
BRFI Gateway LLC	83,029,411	3	1.57%	63,219,398	3	1.58%
PeaceHealth	521,721,551	4	9.84%	370,042,294	4	9.25%
PacificSource Properties LLC	46,419,111	5	0.88%			
Rosboro LLC	33,356,530	6	0.63%	27,360,281	7	0.68%
Kingsford Manufacturing	33,902,441	7	0.64%			
HSRE NW Spec Clinics Mob LLC	31,764,852	8	0.60%			
Borden Chemical Inc	30,034,517	9	0.57%			
Countryside Partners Springfield, LLC	26,088,967	10	0.49%			
Symantec Corporation				86,747,813	2	2.17%
RC Springfield 2007 LLC				24,134,204	9	0.60%
Comcast Corporation				35,556,700	6	0.89%
United States bakery				38,348,208	5	0.96%
Shepard investment group LLC				27,035,788	8	0.68%
Symantec Corporation				24,378,119	10	0.61%
Total	<u>\$ 1,193,037,599</u>		<u>22.51%</u>	<u>\$ 922,718,560</u>		<u>23.07%</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
2013	\$ 28,646,245	\$ 26,967,621	94.1%	\$ 1,671,228	\$ 28,638,849	99.97%
2014	29,539,586	27,866,138	94.3%	1,665,015	29,531,153	99.97%
2015	31,427,683	29,665,353	94.4%	1,753,426	31,418,779	99.97%
2016	30,360,092	28,616,502	94.3%	1,734,222	30,350,724	99.97%
2017	31,525,757	29,852,562	94.7%	1,658,095	31,510,657	99.95%
2018	32,210,580	30,617,910	95.1%	1,568,725	32,186,635	99.93%
2019	34,341,345	32,759,524	95.4%	1,525,649	34,285,173	99.84%
2020	37,806,421	36,043,062	95.3%	1,537,832	37,580,894	99.40%
2021	38,412,008	36,786,581	95.8%	1,261,834	38,048,415	99.05%
2022	39,739,637	38,067,836	95.8%	975,900	39,043,736	98.25%

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



## **Debt Capacity Information**





City of Springfield, Oregon

RATIO OF OUTSTANDING DEBT, BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Leases	Notes Payable	Contracts Payable	Revenue Bonds	Notes Payable			
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	-	2,532,522	210,000	14,555,111	478,621	33,404,658	*	536
2022	11,833,923	31,652	1,887,480	210,000	12,541,012	476,986	26,981,053	*	434

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>
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	0.29%	251
2022	11,833,923	0.21%	190

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, 2022

<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: \$	11,833,923	100.00%	\$ 11,833,923
City of Springfield - notes payable	1,887,480	100.00%	1,887,480
City of Springfield - contracts payable	<u>210,000</u>	100.00%	<u>210,000</u>
Total Direct debt	<u>\$ 13,931,403</u>		<u>\$ 13,931,403</u>
<u>Overlapping Debt</u>			
Lane Community College	\$ 255,695,000	14.46%	\$ 36,984,492
Lane County	340,308,289	14.68%	49,964,063
School District 19	241,501,183	75.39%	182,067,984
School District 4J	494,555,720	4.48%	22,161,042
Lane Education Service District	5,467,639	14.72%	804,651
Willamalane Park & Recreation District	11,745,000	93.86%	11,023,270
Goshen RFPD	74,710	0.20%	146
Lane County Housing Authority	8,183,487	14.68%	1,201,500
Total overlapping debt	1,357,531,028		<u>304,207,147</u>
Total direct and overlapping debt			<u>\$ 318,138,550</u>

Source: Oregon State Treasury

Notes:

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

City of Springfield, Oregon  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

	<u>June 30, 2022</u>
Real market value	<u>\$ 10,535,427,628</u>
Debt limit 3% of real market value	\$ 316,062,829
Amount of debt applicable to debt limit:	<u>10,912,000</u>
Total debt margin	<u>\$ 305,150,829</u>

	Fiscal Year			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt Limit	\$ 191,980,520	\$ 193,510,469	\$ 203,478,954	\$ 208,196,799
Total net debt applicable to limit	<u>23,665,000</u>	<u>21,410,000</u>	<u>19,070,000</u>	<u>15,975,000</u>
Legal debt margin	<u>\$ 168,315,520</u>	<u>\$ 172,100,469</u>	<u>\$ 184,408,954</u>	<u>\$ 192,221,799</u>
Total net debt applicable to the limit as a percentage of debt limit	12.33%	11.06%	9.37%	7.67%

Source: Lane County Assessment & Taxation  
City of Springfield Financials

Fiscal Year

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 214,359,978	\$ 235,243,718	\$ 254,781,708	\$ 273,326,581	\$ 287,845,035	\$ 316,062,829
<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>10,912,000</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>	<u>\$ 305,150,829</u>
6.75%	5.56%	4.56%	6.57%	5.03%	3.45%

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

Fiscal Year	Local Sewer Revenue Bonds					
	System Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2022	19,215,611	10,314,375	8,901,236	1,862,195	397,246	3.94

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>
2013	59,990	\$ 13,047,961	\$ 36,630	10,479	7.9%
2014	60,065	13,392,647	37,374	10,384	6.8%
2015	60,135	14,597,955	40,259	10,249	5.7%
2016	60,140	15,160,278	41,027	10,315	5.0%
2017	60,655	16,275,200	43,430	10,366	4.4%
2018	60,865	17,050,394	45,018	10,133	4.3%
2019	61,355	17,859,486	46,752	10,200	4.0%
2020	61,535	19,634,078	51,272	9,746	7.9%
2021	62,352	21,131,525	55,146	9,779	5.5%
2022	62,189 <sup>1</sup>	*	*	9,619	4.0%

Sources: Population information provided by the Population Research Center, Portland State University.  
Personal income and Per Capita income provided by Bureau of Economic Analysis and represents  
all of Lane County.

School enrollment data provided by Springfield School District No. 19.

Unemployment data provided by Bureau of Labor and statistics and represents the  
annual average for the entire Eugene-Springfield Metropolitan area

\* Not yet available

<sup>1</sup> Most recent information from Population Research Center at PSU is 2022 Estimate

City of Springfield, Oregon

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2022		
<u>Employer**</u>	Estimated average <u>Employees</u>	<u>Rank</u>	Percentage of Total City <u>Employment</u>
Peace Health Oregon Region	3,375	1	13.35%
Springfield School District #19	1,130	2	4.47%
McKenzie Willamette Hospital	1,060	3	4.19%
Top 3 Technology Employers	900	4	3.56%
Top 3 Wood product employers	854	5	3.38%
Top 3 Food and beverage employers	525	6	2.08%
City of Springfield	416	7	1.64%
State Government	300	8	1.19%
Willamalane Park and Recreational District	270	9	1.07%
Federal Government	200	10	0.79%
Total	<u>9,030</u>		<u>35.71%</u>

	2013		
<u>Employer**</u>	Estimated average <u>Employees</u>	<u>Rank</u>	Percentage of Total City <u>Employment</u>
Peace Health Oregon Region	3534	1	14.44%
Symantic	1200	2	4.90%
Springfield School District #19	1267	3	5.18%
McKenzie Willamette Hospital	875	4	3.57%
Royal Caribbean Cruise Lines	665	5	2.72%
City of Springfield	409	6	1.67%
Willamalane Park and Recreation District	405	7	1.65%
Wal-Mart	390	8	1.59%
Peace Health Medical Laboratories	339	9	1.38%
Lane Transit District	303	10	1.24%
Total	<u>9387</u>		<u>38.35%</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

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government				
City management	7.00	7.00	7.50	7.50
Finance	9.50	9.50	9.50	11.70
Human resources	6.00	6.00	6.00	6.00
Information technology	10.00	10.00	10.00	15.00
Legal/Judicial services	8.84	8.84	8.84	8.84
Police	122.99	122.99	123.00	123.00
Fire and Life Safety	101.00	100.00	99.00	99.00
Development and public works	130.56	129.75	130.00	123.00
Library	12.60	12.60	13.10	13.50
Total	<u>408.49</u>	<u>406.68</u>	<u>406.94</u>	<u>407.54</u>

Source:

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

Fiscal Year					
<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
7.50	7.00	7.00	7.00	7.00	7.00
11.70	9.70	9.70	9.65	9.95	9.95
8.00	8.00	7.00	7.00	7.00	7.00
15.00	14.80	15.80	15.80	14.80	14.80
8.84	8.84	11.84	12.09	12.09	12.09
124.00	123.00	123.00	123.00	123.50	122.00
97.50	95.75	101.65	101.65	92.00	91.00
123.00	126.38	126.55	128.55	134.05	136.05
13.50	14.13	15.06	15.13	16.03	16.63
<u>409.04</u>	<u>407.60</u>	<u>417.60</u>	<u>419.87</u>	<u>416.42</u>	<u>416.52</u>

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

<u>Function/Program</u>	<u>Fiscal Year</u>		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
Police			
Criminal arrests (charges)	8,577	9,221	7,672
Parking violations	185	360	209
Traffic violations	10,648	7,517	7,775
Fire and life safety			
Number of fire stations	5	5	5
Incident responses	*	8,076	8,651
Fire incidents	*	206	177
Inspections	*	121	138
Library			
Number of public computer log-ins ****	64,065	70,756	56,666
Number of patron visits ****			
Total volumes loaned ****	354,538	354,503	365,497
Development and public works			
Crack sealing (in miles)	40	28	11
Potholes repaired	1,124	1,047	775
Storm lines high velocity cleaning (in feet)	1,909	1,811	2,200
Sanitary lines high velocity cleaning (in fee	587,954	363,748	426,466
Number of building permits **	382	433	466
Building valuation (in thousands)	\$ 44,388	\$ 44,621	\$ 51,818

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, instead of patron visits the number of phone calls received was recorded above. For FY22 we returned to number of patron visits. In FY21, loaned materials were delivered curbside to patrons who reserved them online and public computers were seldom available.

Fiscal Year						
2016	2017	2018	2019	2020	2021	2022
8,506	9,348	9,367	8,462	7,282	6,721	7,543
244	607	558	818	736	599	673
8,219	8,087	7,997	7,644	7,633	6,130	6,834
5	5	5	5	5	5	5
8,626	8,625	8,714	9,283	8,985	9,159	10,344
185	167	162	180	132	221	190
123	214	262	257	236	67	135
53,733	25,683	21,958	22,220	14,373	1,990	6,277
					4,225	202,618
364,823	355,848	365,763	376,622	321,688	107,256	193,782
12	0.14	2	4	18	7	11
***	***	1,103	1,634	1,705	1,705	1,699
1,500	2,000	4,661	20,000	3,600	3,613	2,933
601,920	786,000	646,635	510,000	331,601	333,600	452,500
224	427	1,541	2,236	2,349	2,575	2,829
\$ 77,150	\$ 91,011	\$ 71,631	\$ 88,928	\$ 115,946	\$ 91,536	\$ 147,667

City of Springfield, Oregon

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<u>Function/Program</u>	Fiscal Year				
	2013	2014	2015	2016	2017
Police					
Stations	1	1	1	1	1
Patrol units	20	20	20	20	24
Fire stations	5	5	5	5	5
Public works					
Streets (lane miles)	423	423	444	442	443
Street lights	4,530	4,300	4,362	4,338	4,227
Traffic signals	83	68	83	93	78

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



Fiscal Year

2018	2019	2020	2021	2022
1	1	1	1	1
24	26	30	30	30
5	5	5	5	5
447	447	448	449.6	451.5
4,431	4,518	**	4,385	4,726
72	44	40	43	43



# Compliance Section



# Audit Comments





# GROVE, MUELLER & SWANK, P.C.

Certified Public Accountants and Consultants

475 Cottage Street NE, Suite 200, Salem, OR 97301  
(503) 581-7788 • FAX (503) 581-0152 • [www.gms.cpa](http://www.gms.cpa)

## ***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  
Springfield, Oregon

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, 2022, and have issued our report thereon dated December 19, 2022.

### ***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.


### ***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 19, 2022