

FISCAL | 20 YEAR | 23

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023
City of Springfield, OR

COMMUNITY |  OPPORTUNITY



SPRINGFIELD



OREGON

CITY OF SPRINGFIELD, OREGON

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2023

Prepared by:

Finance Department
Accounting Division

SPRINGFIELD



OREGON

City of Springfield, Oregon

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2023

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Introductory Section

SPRINGFIELD



OREGON



FINANCE DEPARTMENT
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December 23, 2023

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, 2023.

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, 2023, 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, 2023, 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 62,926 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, interfund 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 supplemented through a voter-approved levy. 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 2022, 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, 2023. 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, 2023, the amount of the tax levy for general obligation debt was \$0.71 per thousand.

Local Economy July 2022-June 2023

Springfield's accessibility, diversity of industry, and market rate housing options continue to bolster the desirability of the community. Springfield continues to see patterns of investments in 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 a balance of mature phase and startup phase companies which only reinforces the benefits of economic diversification. This diversification has contributed to the levels of stability within the local economy during FY23. Many employers have maintained their workforce, or quickly brought back those employees impacted by temporary layoffs and the community is moving beyond the impacts of the global Covid-19 pandemic.

Springfield is experiencing a renewed emphasis on delivering much needed housing to the area despite unfavorable commercial lending conditions. By the end of FY23, the City of Springfield approved hundreds of new units of multifamily housing. Additionally, land use applications continue to remain steady with certain months experiencing higher than average submissions. This indicates that the Springfield market for housing and new development continues to be favorable enough for current projects to proceed to construction and new projects to begin to take steps to development.

Property Values

Per the Lane County Taxation and Assessors office, total assessed property values have steadily increased over the last decade, with minor impacts from the pandemic. From FY22 to FY23, median assessed value increased 3.7%, up from FY22's increases of 3.5%. 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, FY23 assessed property values in the City of Springfield totaled over \$5.6 billion, an increase of \$394 million over FY22.

Population Growth

According to the Portland State University Population Research Center, Springfield's population slightly increased in FY23 with an estimated population of 62,926. With the revised 2022 population estimate at 62,646, Springfield experienced an increase of 280 community members (0.5%) from 2022. This increase is slightly lower than the broader Lane County Region and the neighboring community of Eugene with respective population increases of 0.52% and 0.8% from

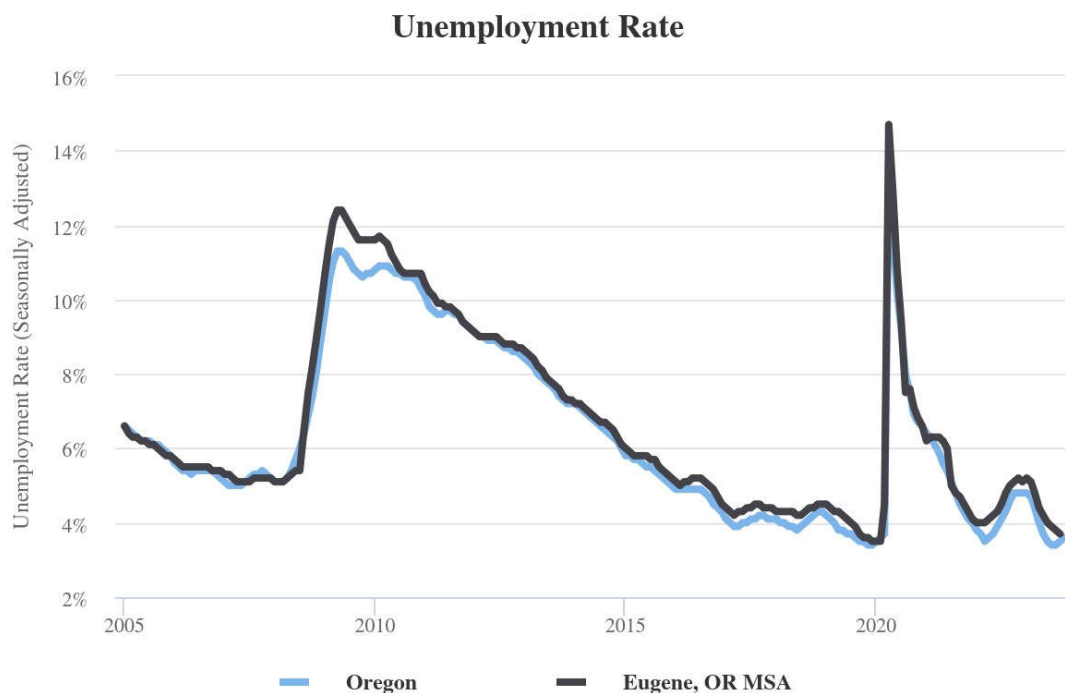
FY22. Residential inventories continue to be competitive, despite less-than-ideal lending conditions. A new 100-acre subdivision is completing construction, and future years are anticipated to reflect sustained population growth.

In general, Springfield's population trends are attributable to several 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 continues to see high unit and labor pricing, and trends in new single and multi-family housing starts.

Job Growth

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

Notable trends are reflected in the 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](https://qualityinfo.org)

At the height of the FY20 COVID-19 job loss, unemployment rates in the Springfield-Eugene metro area rose from 3.5% on the eve of the 'stay at home' orders in March to over 16% in April and May. 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 through FY23.

Springfield Target Industries

Springfield's diversity of target industries has allowed the local economy to remain active throughout FY23. That diversity is attributed most prevalently due to a high concentration of health care, retail, accommodation and food services, manufacturing, construction, and administrative services industries. Specifically, within these industries Springfield's focus has been advanced timber manufacturing, technology, craft food and beverage, and medical technology. These industries also serve as the primary employment bases for the community. The city is home to multiple timber processing facilities, two hospitals, a major health insurance provider, technology and manufacturing outfits ranging in size and product, and an array of restaurants and food and beverage manufacturers.

The Springfield business climate remains stable, supportive, and focused on growth and expansion opportunities for these target industries and employers. Years of establishing positive relationships, a strong connection to the Chamber of Commerce, and a reputation for being open for business assure that future opportunities for growth and expansion remains a priority in Springfield.

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 4,500 employees, as well as PacificSource Health Plans and Wayfair call centers.

Significant Event Sampling

- **Urban Renewal Property Tax Performance.** In FY23 both the Glenwood and Downtown Urban Renewal Areas saw greater than average increases in property tax performance due to continued investments in the areas and property taxes returning to the rolls after tax incentives. For the first time since either Urban Renewal Area was established, Downtown outperformed Glenwood in terms of excess assessed value revenue. This is notable because Downtown is a significantly smaller land area with different and unique redevelopment considerations.
- **Marcola Meadows.** Construction continues in the Marcola Meadows subdivision. 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 comprised of a mix of single-family homes for purchase and multifamily units for lease. Construction began on the first phase of residential units in FY21 with construction of two more phases continuing through FY22. FY23 saw the submission of permits and the start of construction for the multi-family units.

- **Glenwood Riverfront Master Planning.** In FY23, the Springfield Economic Development Agency (SEDA) contracted with a consultant team of planners, engineers, land use professionals, and ecological experts for master planning services on the 30-acre parcel. Master planning assures that the area is developed in an intentional and cohesive manner, while leaving flexibility for uses in the future both by the City, SEDA, and the adjacent landowners.

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 recently renewed for an additional five years beginning in FY24.

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 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 21st 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. Since 2016, SEDA and the City have been assembling land for the redevelopment of the Glenwood Riverfront. That work was completed in FY23, with approximately 13 acres now in ownership or under contract. In January 2023, SEDA contracted with a consultant team of planners, engineers, land use professionals, and ecological experts for master planning services that will

guide the phasing of development, provision of public facilities and services, determination of specific land uses and densities, identification of potential impacts of proposed developments, and assurances of predictability for long term development potential for property owners. This concept work engaged adjacent landowners and public agency partners who currently own an additional 17 acres, bringing the total Master Plan area to approximately 30 acres. The Master Plan work will continue through FY24.

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. In FY23, a key industrial employer's 2018 facility investment returned to the tax rolls following the expiration of their initial enterprise zone tax abatement window. FY24 will see the expiration of another abatement window and additional facility investment coming back on to the tax rolls as well.

Also in FY23, inflation and a significant increase in borrowing costs resulted in the discontinuation of a signature Downtown development project, a mixed-use, multi-family, 8-story mass timber building. The SEDA Board is still invested in bringing market-rate housing to Downtown and has received multiple inquiries from the private sector. An initiative the City is exploring may assist in this goal, a High Density Property Tax Exemption program that would provide for a 10-year property tax exemption on housing development of 5 units or more within key transit corridors. One of these corridors falls within the Downtown District's plan area.

Capital Improvements:

The City of Springfield's Capital Improvement Program (CIP) is a five-year Community Reinvestment Plan which describes the funding and construction of City infrastructure. 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, new stormwater features to manage and improve stormwater quality will also be constructed. 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 2024.
- **Projects In Design** – Many transportation and street projects are in design and include the following:
 - Sidewalk Filling the Gaps
 - West ‘D’ Street Improvement Project
 - Mill Street Reconstruct: South ‘A’ Street to Centennial Blvd
 - 42nd Street Paving
 - Laura Street Reconstruction
 - South 42nd and Daisy Roundabout
 - South 32nd and Virginia RRFB
 - Franklin Blvd. Hwy 225 Environmental Analysis and Preliminary Design
 - Signal Enhancement Project
 - Citywide Streetlight LED Upgrades

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 2024.

- **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 with construction continuing into 2025.
- **16th Street Emergency Sewer Repair** – The project is in design and will repair and/or replace pipe or other system components that have reached the end of their useful life or are otherwise causing problems within the collection system. This project will bring the City into compliance with federal and state requirements to eliminate wastewater overflows.
- **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. The City has also started the process of creating an Emergency Action Plan for the levee.

- **Mill Street Reconstruction** – As part of the reconstruction of Mill Street from South ‘A’ Street to Centennial Blvd., the City will replace the stormwater lines, inlets, and laterals. Proprietary StromTree water quality planters will be added to capture and treat stormwater before it leaves the site and eventually enters the Willamette River. The project is currently in design and is planned to go out to bid early 2024 with construction continuing into 2025.
- **Laura Street Reconstruction** – As part of the reconstruction of Laura Street, the City will add a stormwater treatment system including new curb and gutter, inlets, pipes, and treatment swales. The project will also replace the failing 36-inch culvert which carries Channel 6 under and across Laura Street with a new 48-inch culvert which is part of the larger Channel 6 improvements to reduce flooding in the area. The project is currently in design with construction planned for 2025.
- **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 already budgeted and are currently in process or scheduled, including: Glenwood Stormwater Master Plan, Stormwater Channel Improvement, and 5th Street/EWEB Path Storm Pipe.

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, 2022. This was the forty-second consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments:

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

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

Respectfully submitted,

CITY OF SPRINGFIELD, OREGON



Nancy Newton,
City Manager

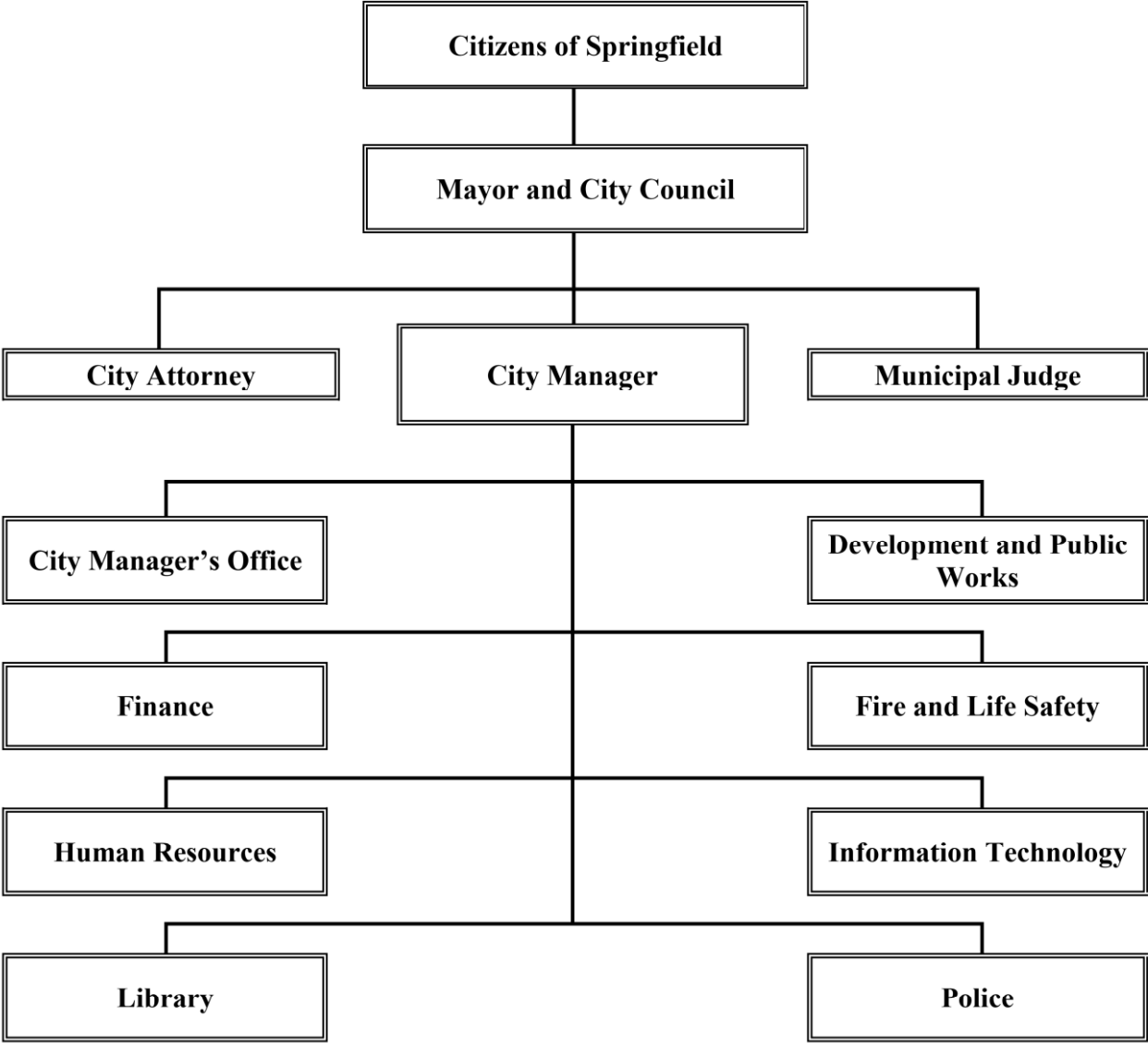


Nathan Bell,
Finance Director



CITY OF SPRINGFIELD

Organization Chart



City of Springfield, Oregon

Principal City Officials June 30, 2023

Elected Officials
225 Fifth Street
Springfield, Oregon 97477

Mayor

Sean VanGordon

Term Expiration

December 31, 2024

Council Members

Michelle Webber	Ward 1	December 31, 2026
Steve Moe	Ward 2	December 31, 2026
Kori Rodley	Ward 3	December 31, 2024
Beth Blackwell	Ward 4	December 31, 2024
Victoria Doyle	Ward 5	December 31, 2026
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, 2022

Christopher P. Morill

Executive Director/CEO



Financial Section



Independent Auditor's Report





GROVE, MUELLER & SWANK

redw
Advisors & CPAs

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, 2023, 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, 2023, 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. 96 *Subscription-Based Information Technology Arrangements*, in the current period, which resulted in changes to the presentation of Information Technology subscription 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 presented 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 15, 2023 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 15, 2023, 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, Principal
December 15, 2023

Management's Discussion and Analysis



City of Springfield, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2023

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, 2023. 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, 2023 increased \$31.7 million from \$426.7 million to \$458.4 million, or 7.4% from the prior year. This increase in total assets and deferred outflows of resources was primarily due to \$12.6 million increase in the carrying value of capital assets, a \$1.4 million increase in receivables, a \$0.6 million decrease in the prepaids, a \$21.3 million increase in cash and investments, and a decrease of \$3.0 million in the deferred outflows of resources.
- The City's total liabilities and deferred inflows of resources decreased by \$12.9 million from \$140.3 million to \$127.4 million, or 9.2% from the prior year. This decrease was primarily due to a \$3.8 million decrease in long term debt, a \$14.0 million decrease in deferred inflows of resources and a \$3.2 million decrease in unearned revenue (American Rescue Plan) offset by a \$6.6 million increase in net pension and OPEB liabilities and a \$1.5 million increase in current payables.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$331.0 million at the close of fiscal year 2023. Unrestricted net position totaled \$33.8 million with the remainder of the City's net position invested in capital assets (\$235.6 million) and restricted for capital projects, public safety, transportation, community development, debt service, and other purposes (\$61.6 million).
- At June 30, 2023, the City's governmental funds reported a combined ending fund balance of \$60.9 million, an increase of \$18.1 (42.3%) from the prior year. Of this total amount, \$11.4 million (18.7%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$48.7 million (80.0%) constitutes either restricted, committed, or assigned fund balance which is not available for new spending because it has already been committed to another purpose, and the remainder of the fund balance, \$0.8 million (1.3%) is in a nonspendable form.
- At the end of fiscal year 2023, the unassigned fund balance in the General Fund was \$11.4 million which was 26.9% 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 127-129. 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 69-123 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 127-137 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 143-184.

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 \$331.0 million at the close of the most recent fiscal year.

The largest portion of the City's net position, \$235.6 million (71.2%) 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

	Governmental <u>Activities</u>		Business-type <u>Activities</u>		<u>Total</u>	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 109,499,376	\$ 93,533,089	\$ 74,052,828	\$ 67,844,788	\$ 183,552,204	\$ 161,377,877
Capital assets, net, where applicable, of accumulated depreciation	179,509,397	169,125,208	76,424,937	74,221,845	255,934,334	243,347,053
Total assets	289,008,773	262,658,297	150,477,765	142,066,633	439,486,538	404,724,930
Deferred outflows of resources	14,444,490	16,845,438	4,465,016	5,109,092	18,909,506	21,954,530
Noncurrent liabilities	22,021,664	24,391,802	2,499,511	1,813,273	24,521,175	26,205,075
Other liabilities	60,841,487	58,145,973	23,276,132	23,176,260	84,117,619	81,322,233
Total liabilities	82,863,151	82,537,775	25,775,643	24,989,533	108,638,794	107,527,308
Deferred inflows of resources	14,201,432	25,023,275	4,581,871	7,720,468	18,783,303	32,743,743
Net position:						
Net investment in capital assets	170,120,054	156,787,166	65,431,182	61,382,119	235,551,236	218,169,285
Restricted	47,182,803	31,386,128	14,442,988	11,980,398	61,625,791	43,366,526
Unrestricted	(10,914,177)	(16,230,609)	44,711,097	41,103,207	33,796,920	24,872,598
Total net position	\$206,388,680	\$171,942,685	\$124,585,267	\$114,465,724	\$330,973,947	\$286,408,409

A portion of the City's net position, \$61.6 million (18.6%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$33.8 million (10.2%) may be used to meet the government's ongoing obligations to citizens and creditors.

City of Springfield's Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 12,048,868	\$ 10,829,486	\$ 24,411,572	\$ 25,306,668	\$ 36,460,440	\$ 36,136,154
Operating grants and contributions	13,579,392	6,055,257	-	52,239	13,579,392	6,107,496
Capital grants and contributions	24,391,492	13,921,588	7,352,623	5,863,574	31,744,115	19,785,162
General revenues:						
Taxes	47,258,506	44,387,412	-	-	47,258,506	44,387,412
Payment in lieu of taxes	3,280,621	2,821,285	-	-	3,280,621	2,821,285
Shared revenue	2,242,188	2,152,946	-	-	2,242,188	2,152,946
Investment earnings	2,738,203	(156,863)	1,638,958	(264,079)	4,377,161	(420,942)
Debt forgiveness	(1,658,465)	-	-	-	(1,658,465)	-
Miscellaneous receipts	1,812,277	2,098,685	(541,659)	91,665	1,270,618	2,190,350
Total revenues	105,693,082	82,109,796	32,861,494	31,050,067	138,554,576	113,159,863
Expenses:						
General government	9,148,194	9,053,662	-	-	9,148,194	9,053,662
Fire and life safety	14,415,836	13,521,804	-	-	14,415,836	13,521,804
Police	24,401,419	22,635,549	-	-	24,401,419	22,635,549
Library	2,316,912	2,116,123	-	-	2,316,912	2,116,123
Development & public works	20,391,866	13,014,042	-	-	20,391,866	13,014,042
Depreciation and amortization	55,244	147,249	-	-	55,244	147,249
Interest on long-term debt	276,787	325,776	-	-	276,787	325,776
Sanitary sewer	-	-	8,024,658	7,470,840	8,024,658	7,470,840
Storm drainage	-	-	6,767,197	6,326,880	6,767,197	6,326,880
Booth-Kelly	-	-	780,317	553,805	780,317	553,805
Ambulance	-	-	7,410,608	7,036,505	7,410,608	7,036,505
Total expenses	71,006,258	60,814,205	22,982,780	21,388,030	93,989,038	82,202,235
Increase (decrease) in net position before transfers	34,686,824	21,295,591	9,878,714	9,662,037	44,565,538	30,957,628
Transfers	(240,829)	(625,240)	240,829	625,240	-	-
Increase (decrease) in net position	34,445,995	20,670,351	10,119,543	10,287,277	44,565,538	30,957,628
Net position - beginning, previously reported	171,942,685	151,272,334	114,465,724	104,663,688	286,408,409	255,936,022
Prior period adjustment	-	-	-	(485,241)	-	(485,241)
Net position - beginning, as restated	171,942,685	151,272,334	114,465,724	104,178,447	286,408,409	255,450,781
Net position - ending	\$206,388,680	\$171,942,685	\$124,585,267	\$114,465,724	\$330,973,947	\$286,408,409

Entity-wide change in net position: Entity-wide net position increased by \$44.6 million in the current fiscal year compared to an increase of \$31.0 million in the prior year. This \$13.6 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 \$34.4 million, an increase from a prior year surplus of \$20.7 million, explained by the following highlights:

- Capital grants and contributions increased by \$10.5 million (75.2%) 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. In addition to the timing fluctuations, the increase this year is mainly attributed to a large jurisdictional transfer from the State.
- Operating grants and contributions increased by \$7.5 million (124.3%) from the prior year. This is primarily related to the American Rescue Plan funding that is materializing in the current year as the projects are in full swing in FY23. This will continue in the next couple years, the projects were just starting at the end of FY22 and will continue into FY25.
- Charges for services increased by \$1.2 million (11.3%) from the prior year. This was mainly driven by increases in development and public works building fees. Additionally, police special event services and leasing of jail beds contributed to this increase.
- Taxes increased by \$2.9 million (6.5%) 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. Specifically, the appreciation in the economic development funds as property tax exemptions sunset and development has been very active. 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 remained flat from the prior year. This was a result of a decrease in cigarette apportionment offset by an increase to the City's receipts from the State of Oregon for state tax revenue from the sale of recreational marijuana.
- Investment earnings in total increased by \$2.9 million (184.6%) from the prior year and can be attributed to a large fair value adjustment to investments. This is driven by the fast changing interest rates. In the prior year the investments held by the City would have been sold at a loss if sold before maturity. This is a required accounting adjustment that reversed in the current fiscal year since the City does not sell their securities before maturity.
- Primary government expenses as a whole increased by \$10.2 million (16.8%), This increase was mainly in development and public works with a smaller increase in fire and life safety and police. This was driven primarily by projects being done with funding from the American Rescue Plan as spending on those activities were in full swing during the current fiscal year.
- Interest on long-term debt decreased by \$49 thousand (15.0%) from the prior year and can be attributed to the reduction of existing debt and one new (smaller) issuance in the current year.

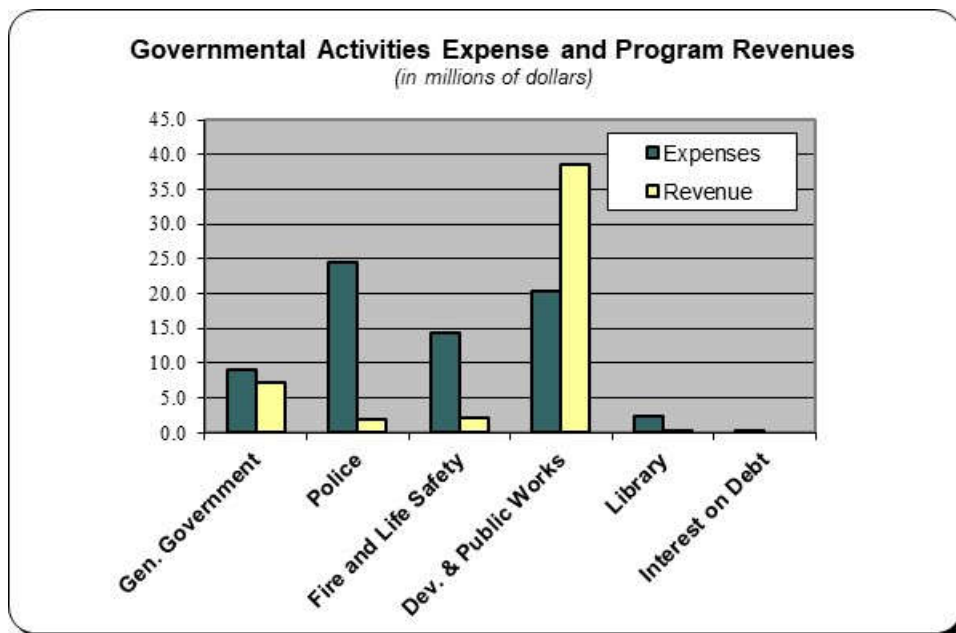


Chart 1

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

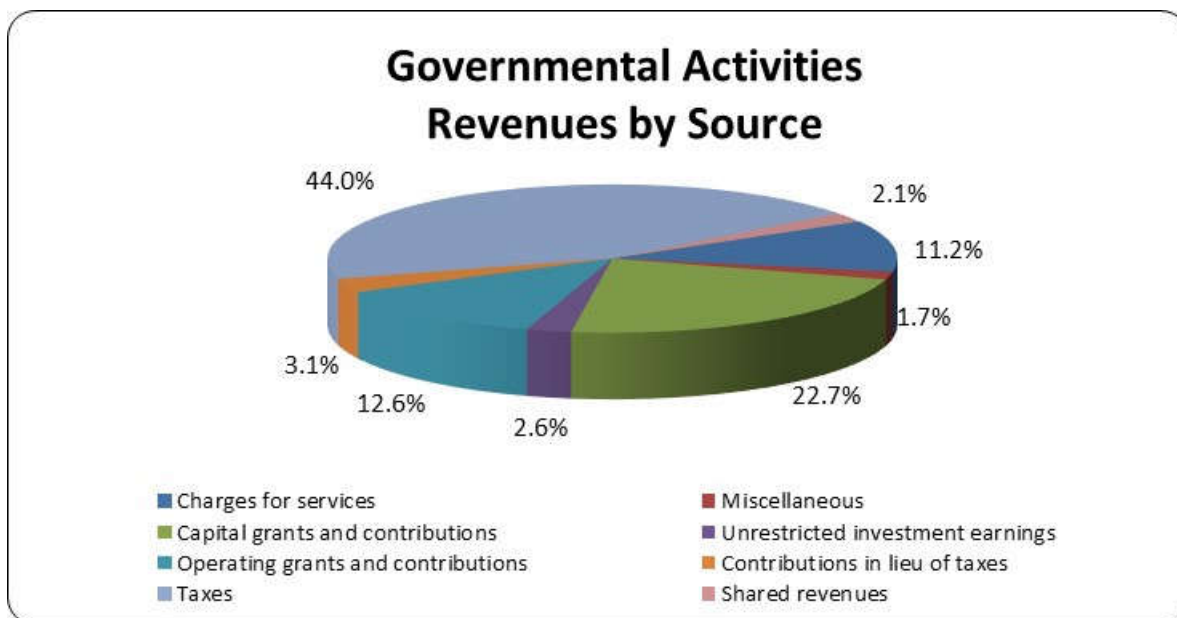


Chart 2

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

Business-type Activities. The change in net position for business-type activities decreased from a \$10.3 million surplus in the prior year to a \$10.1 million surplus in the current year. This decrease of \$0.2 million can be explained by the following highlights:

- Total program revenues increased by \$0.5 million (1.7%) from the prior year and can be primarily attributed to \$174 and \$227 thousand increases in charges for services for both the Sewer and Storm Drainage funds, respectively, as well as \$0.9 and \$0.5 million increases in capital contributions also for both the Sewer and Storm Drainage Funds, respectively, and a decrease of \$1.4 million in Ambulance revenues. The increases in the Sewer and Storm Drainage funds charges for services and capital contributions can be attributed to the continued robust development activity which created increased system development charge (SDC) revenues and donated sewer infrastructure. The decrease in Ambulance revenues is related to the leveling off of collections of billing revenues, after the prior fiscal year swings due to the transition to a new software billing platform that began in January 2021.
- Total operating expenses for all business-type activities increased by \$1.6 million (7.5%) from the prior year. The Sewer, Storm Drainage and Ambulance funds all saw an increase in contractual services, with the Sewer and Storm Drainage funds also seeing an increase in billing and collection expense and depreciation expense. The Booth-Kelly fund saw an increase in material and services related to the demolition of the Carter Building. The Ambulance funds increase in contractual services was offset by a decrease in personal services.

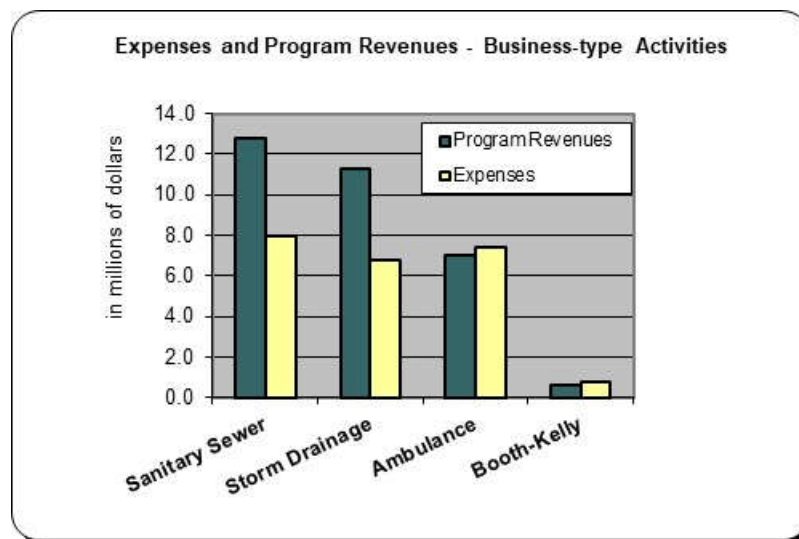


Chart 3

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.

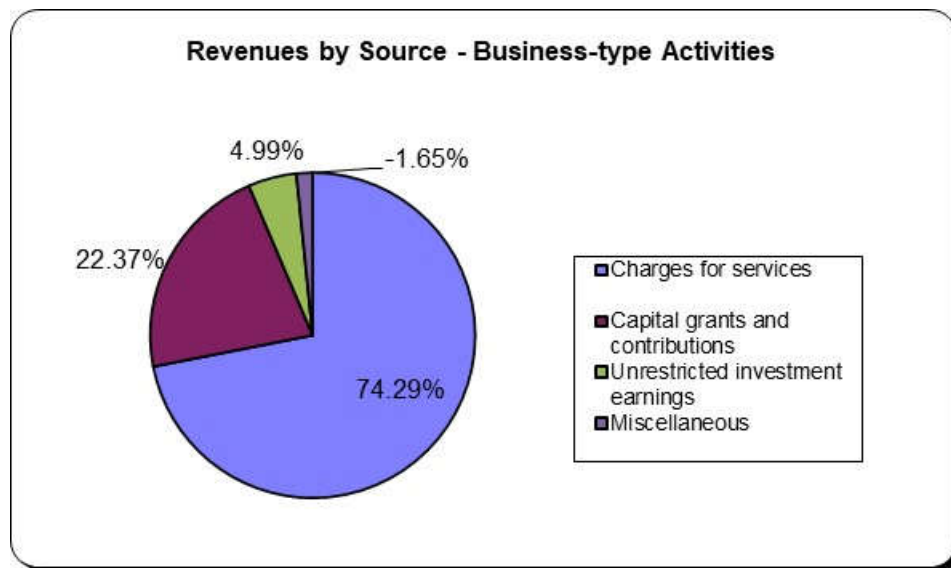


Chart 4

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 \$60.9 million. Of this total amount, \$11.4 million (18.7%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$48.7 million (80.0%) constitutes either restricted, committed, or assigned fund balance which is not available for new spending because it has already been committed to another purpose, and the remainder of the fund balance, \$0.8 million (1.3%) 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 \$11.4 million, while the total fund balance was \$12.5 million. As measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26.9% of total General Fund expenditures, while total fund balance represents 29.7% of that same amount.

The fund balance of the City's General Fund increased by \$1.5 million during the current fiscal year compared to the prior year decrease of \$0.5 million. There are some highlights worth mentioning:

- Property taxes increased 7.2% from the prior year. This can be attributed partially to normal appreciation, but also to the sunset of property tax exemptions.

- Licenses, permits, and fees decreased 1.7% from the prior year and can be attributed to lower planning fees in the current year as a major development project in Springfield was planned in the prior year and is under construction in the current year.
- General government expenditures remained relatively flat in the current year and can be primarily attributed to inflationary pressures offset by reduced costs in human resources contractual services and information technology salaries.
- 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 \$0.7 million (4.0%) due to increased costs for contracted jail health services and additional fuel costs as gasoline prices stayed significantly higher than projected.
- Transfers from other funds increased by \$0.2 million over the prior year. This is due to a \$0.2 million decrease in the transfer from the vehicle and equipment fund. In the prior year there were assets transferred to the general fund to be depreciated with general government assets.

The Police Local Option Levy Fund balance increased \$0.4 million in the current year which is level with the increase in the prior year. While revenues increased by 9.9% driven by property taxes and increased jail bed fees, expenses were proportionately higher (9.9%) due to increased prisoner medical costs and indigent representation costs as well as normal inflationary costs.

The Special Revenue Fund continues to be a major fund this year for the third year. The total assets decreased by \$1.9 million, while liabilities also decreased by \$2.8 million in the current fiscal year. This decrease is almost entirely related to the American Rescue Plan (ARP) funds. Many of the projects are now in progress and will continue through FY24.

The Street Capital Projects Fund continues to be a major fund this year for the fourth year. 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 increased by \$14.7 million due to a jurisdictional transfer from the State and reduced spending as capital projects funded by the bond wind down.

The Non-Major Governmental Funds balances increased \$2.5 million in the current year, consistent with the prior year. This driven by a combination of increased property taxes, primarily in the economic development funds, increased investment earnings and increased building fees in the Building Code Fund (\$0.7 million). The bond proceeds in the SEDA Downtown fund was offset by increased property purchases and debt forgiveness to a developer.

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 \$124.6 million. Of this amount, \$44.7 million (35.9%) constitutes unrestricted net position. Proprietary fund highlights are as follows:

The Sewer Fund reported a \$5.8 million increase in net position. The user rate increase for FY23 was 3%, remaining at the same rate of increase as FY22 at 3%. 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, increased SDC revenues, and large donated sewer infrastructure.

The Storm Drainage Fund reported a \$5.2 million increase in net position. The user rate increase for FY23 was 2.5%, remaining at the same rate of increase as FY22 at 2.5%. 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 \$0.1 million decrease in net position compared to last year's increase of \$2.0 million. This decrease was primarily due to a \$1.4 million decrease in operating revenues, with the major contributing factor related to the leveling out of collections of billing revenues, after the prior fiscal year swings due to the transition to a new software billing platform. Additionally, operating expenses increased a net of \$0.4 million due to a decrease in personal services related to the implementation of the new single role paramedic and EMT positions, however the new single role positions also increased contractual services costs between Springfield and the City of Eugene related to the equalization of staffing costs during implementation. 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 \$241,339. Details of this increase are as follows:

- \$ 81,293 increase to City Manager's Office
- 12,420 increase to Library
- 65,000 increase to Development Services
- 183,649 increase in Fire & Life Safety
- 240,000 increase to City Attorney's Office
- 402,339 increase in transfers
- 87,334 decrease in Contingency
- 656,028 decrease in the City reserves

For actual expenditures and transfers out, the City General Fund under-spent the amended budget by \$1,217,195.

While the COVID-19 pandemic negatively impacted 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:

- \$ 1,339,273 increase in taxes
- 94,077 increase in licenses, permits and fees
- 104,966 increase in intergovernmental revenues

- 772,839 increase in interest and investment earnings
- 247,478 increase in charges for service
- 118,631 decrease in fines and forfeitures
- 27,192 increase in miscellaneous revenues
- 190,651 decrease in internal transfers and indirect charges
- 94,976 decrease in beginning cash (amended over adopted budget)

For the year ended June 30, 2023, 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 5.35%, where actual revenues were more than budgeted revenues. The combined actual current and delinquent property tax revenues exceeded the budgeted amounts by 5.3%. Licenses and permits exceeded budgeted projections by 3.2%. However, fines and forfeitures were below amended budget by 12.7% which can be attributed to the impacts of state laws reducing fines in municipal court operations along with state sentencing reforms. Beginning fund balance on July 1, 2022 was \$94,976 less than budgeted (0.86%) while ending fund balance on June 30, 2023 was \$927,096 (8.1%) greater than was projected in the FY24 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, 2023 amounts to \$255.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, sewer pipes, improvements, machinery and equipment and roads.

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

- Donated streets and right-of-way were recorded at an estimated cost of \$9.7 million
- Donated Sewer and Storm sewer lines were recorded at an estimated cost of \$3.3 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 Jasper trunk sewer improvements project at \$193 thousand, and the 28th street paving project at \$128 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 FY23 included the High Banks and 58th Thurston Overlay at \$2.1 million, street design services at \$1 million, the city phone system upgrades at \$435 thousand, and the Centennial Overlay Aspen-Prescot ay at \$393 thousand.
- The ambulance fund purchased six LUCAS Compression Devices in conjunction with an Assistance to Firefighter grant awarded to Eugene Springfield Fire through the City of Eugene for \$93 thousand.
- Twenty 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. The combined cost of these vehicles is \$2.0 million.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 90,069,445	\$ 84,411,069	\$ 6,411,506	\$ 6,411,506	\$ 96,480,951	\$ 90,822,575
Land improvements	-	-	26,812	15,341	26,812	15,341
Work in progress	1,036,735	6,027,758	1,413,891	1,104,278	2,450,626	7,132,036
Buildings	12,593,439	14,467,460	67,658,632	65,704,377	80,252,071	80,171,837
Infrastructure	65,432,789	56,037,202	-	-	65,432,789	56,037,202
Machinery & equipment	8,938,640	7,791,770	98,928	12,087	9,037,568	7,803,857
Machinery & equipment - leased	24,233	-	-	-	24,233	-
Subscriptions - software	1,124,145	-	-	-	1,124,145	-
Studies	289,971	389,950	815,168	974,255	1,105,139	1,364,205
Total	<u>\$ 179,509,397</u>	<u>\$ 169,125,209</u>	<u>\$ 76,424,937</u>	<u>\$ 74,221,844</u>	<u>\$ 255,934,334</u>	<u>\$ 243,347,053</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 \$17.1 million. Of this amount, \$7.2 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	
	2023	2022	2023	2022	2023	2022
General obligation bonds -2019	\$ 2,009,000	\$ 3,982,000	\$ -	\$ -	\$ 2,009,000	\$ 3,982,000
General obligation bonds - 2016	5,235,000	6,930,000	-	-	5,235,000	6,930,000
Revenue bonds series 2009	-	-	-	-	-	-
Revenue bonds series 2010	-	-	-	-	-	-
Revenue bonds series 2020	-	-	4,209,528	4,707,741	4,209,528	4,707,741
Revenue bonds series 2017	-	-	5,650,000	7,075,000	5,650,000	7,075,000
Total	<u>\$ 7,244,000</u>	<u>\$ 10,912,000</u>	<u>\$ 9,859,528</u>	<u>\$ 11,782,741</u>	<u>\$ 17,103,528</u>	<u>\$ 22,694,741</u>

The City's total bonded debt decreased by \$5.6 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 FY24 budget:

- Property Tax Receipts - Assessed (taxable) value for the City is projected to increase by 3.0% in-line with the historical average.
- Transient Room Tax Revenues - Transient room tax receipts have returned to pre-pandemic levels and are expected to increase by about 6% over FY23 levels.
- Land Development Revenues - Development activity is anticipated to remain steady in the upcoming fiscal year with building permit and planning revenue expected to be consistent with FY23 revenues.
- Sewer & Stormwater User Fees - Revenues for both the City's sewer and storm water drainage programs were escalated by 2.5% and 3% respectively for FY24.
- Interest Income - The Federal Reserve's decision to increase interest rates is expected to have a positive impact on the City's investments, resulting in projected interest earnings of around 3%.
- Inflation has remained at a historically high level over the past year. We are now seeing its impact on the wages of peer agencies and expect it to impact future contract negotiations. However, with only one bargaining unit in active negotiations, inflation will not be a significant factor in the FY24 Personnel Services budgets. We have been seeing an impact in contractual services and material purchases and have therefore built in a 3.5% increase into the Materials and Services budgets.
- AFSCME employees, the City's smallest employee group, received a cost of living adjustment on July 1, 2023 of 2.5%. This is the last year of a three-year contract.
- SEIU and non-represented employees received market pay adjustments July 1, 2021 as a result of a market survey completed in the spring of 2021. The next market survey will occur in the spring of 2024 and implemented on July 1, 2024.
- Springfield Police Association (SPA) employee's current contract expires June 30, 2023. Negotiations for a new contract are still ongoing and the full potential impacts on FY24 wages are unknown at this time.
- The International Association of Fire Fighters (IAFF) now has two contracts with the City as the battalion chiefs are now a separate represented unit. The main contract has been negotiated with a three-year contract that will expire on June 30, 2024. Members represented by this contract will receive a cost of living increase on July 1, 2023 as follows: 2.25% for Firefighters and Engineers, 3.5% for Captains, and 3% for 40-hour positions. The battalion chief's contract is also a three-year contract that will expire on June 30, 2024 with a cost of living increase on 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, 2023, the City held rates flat. For the plan year beginning January 1, 2024, the City is not projecting an increase.

- Oregon PERS rates are biennial with the last rate adjustment occurring in 2023 for FY24 and FY25. State legislation intended to help control the growth of PERS costs for local governments has started to influence rate adjustments and has moderated the rate of increases for this biennium. For FY24, the City had three separate PERS retirement rates for its employees with the lowest % rate increase being 6.6% (PERS Tier 1 / 2) and the highest rate increase at 9.28% (OPSRP General Service). These rates will remain flat for FY25. The total estimated dollar impact over the two-year period is \$3.4M.
- The City schedules an updated actuarial study of its City Retirement Plan every two years. The last update was as of July 1, 2022 and completed in early 2023 and implemented on July 1, 2023. The employer paid percentage of payroll contribution for members of this plan is 28.3% and will continue at this rate until the next update scheduled for early 2025 with an implementation date of July 1, 2025. In addition to the payroll contribution, the City makes an additional annual payment of \$1,352,000.

Requests for Information

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

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



City of Springfield, Oregon

Basic Financial Statements



City of Springfield, Oregon
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 100,802,962	\$ 63,146,156	\$ 163,949,118
Receivables, net of allowance for uncollectable receivables	6,668,608	6,992,776	13,661,384
Internal balances	(1,158,587)	1,158,587	-
Inventories	448,897	-	448,897
Investment in foreclosed properties	1,970	-	1,970
Prepaid items	532,374	91,401	623,775
Grant receivable	803,114	2,261	805,375
Lease receivable	-	108,603	108,603
Deposits	200,800	-	200,800
Accrued interest	385,840	221,332	607,172
Net OPEB asset - RHIA	813,400	240,427	1,053,827
Due from other governments	-	2,091,285	2,091,285
Capital assets:			
Land and work in progress	91,106,180	7,825,396	98,931,576
Other capital assets, net of accumulated depreciation	88,403,217	68,599,541	157,002,758
Total assets	<u>289,008,775</u>	<u>150,477,765</u>	<u>439,486,540</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension outflow	13,082,565	3,782,076	16,864,641
Deferred OPEB outflow	1,256,823	343,758	1,600,581
Deferred charge for debt refunding	105,102	339,182	444,284
Total deferred outflows of resources	<u>14,444,490</u>	<u>4,465,016</u>	<u>18,909,506</u>
LIABILITIES			
Current liabilities:			
Accounts payable	2,784,540	1,443,297	4,227,837
Accrued payroll and other liabilities	5,482,557	801,159	6,283,716
Unearned revenue	13,592,884	150,944	13,743,828
Accrued interest payable	60,285	69,314	129,599
Deposits	58,222	34,797	93,019
Due to other governments	43,176	-	43,176
Noncurrent liabilities:			
Due within one year:			
Subscription liability	297,303	-	297,303
Lease payable	24,444	-	24,444
General obligation long-term debt	3,882,733	-	3,882,733
Revenue bonds payable	-	1,986,164	1,986,164
Notes payable	691,380	-	691,380
Due in more than one year:			
Accrued absence payable	1,754,261	425,129	2,179,390
Accrued claims liabilities	229,819	-	229,819
General obligation long-term debt (net of unamortized premium)	6,294,933	-	6,294,933
Revenue bonds payable (net of unamortized discount)	-	8,479,731	8,479,731
Notes and contracts payable	737,927	472,123	1,210,050
Subscription liability	829,294	-	829,294
Net pension liability	39,474,849	10,267,778	49,742,627
OPEB liability - City Plan	6,624,544	1,645,207	8,269,751
Total liabilities	<u>82,863,151</u>	<u>25,775,643</u>	<u>108,638,794</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension inflow	13,093,707	3,866,811	16,960,518
Deferred OPEB inflow	1,107,727	427,936	1,535,663
Deferred on refunding	-	189,368	189,368
Deferred lease resources	-	97,756	97,756
Total deferred inflows of resources	<u>14,201,434</u>	<u>4,581,871</u>	<u>18,783,305</u>
NET POSITION			
Net investment in capital assets	170,120,054	65,431,182	235,551,236
Restricted for:			
Capital projects	1,878,228	14,442,988	16,321,216
Public safety	6,792,128	-	6,792,128
Transportation	26,570,745	-	26,570,745
Urban renewal	1,145,289	-	1,145,289
Community development	9,250,116	-	9,250,116
Debt service	811,153	-	811,153
Other purposes	735,144	-	735,144
Unrestricted	(10,914,177)	44,711,097	33,796,920
Total net position	<u>\$ 206,388,680</u>	<u>\$ 124,585,267</u>	<u>\$ 330,973,947</u>

The accompanying notes are an integral part of this statement

City of Springfield, Oregon
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 9,148,194	\$ 3,919,667	\$ 3,301,863	\$ -
Fire and life safety	14,415,836	1,980,460	83,909	-
Police	24,401,419	1,299,113	451,860	60,000
Library	2,316,912	100,089	239,030	-
Development and public works	20,391,866	4,749,539	9,502,730	24,331,492
Depreciation and amortization, unallocated	55,244	-	-	-
Interest on long-term debt	276,787	-	-	-
Total governmental activities	<u>71,006,258</u>	<u>12,048,868</u>	<u>13,579,392</u>	<u>24,391,492</u>
Business-type activities:				
Sanitary sewer	8,024,658	8,234,652	-	4,601,852
Storm drainage	6,767,197	8,568,413	-	2,750,771
Booth-Kelly	780,317	605,035	-	-
Ambulance	7,410,608	7,003,472	-	-
Total business-type activities	<u>22,982,780</u>	<u>24,411,572</u>	<u>-</u>	<u>7,352,623</u>
Total primary government	<u>\$ 93,989,038</u>	<u>\$ 36,460,440</u>	<u>\$ 13,579,392</u>	<u>\$ 31,744,115</u>

General revenues:

- Property taxes
- Payment in lieu of taxes
- Franchise & utility taxes
- Local fuel tax
- Transient room tax
- Shared revenue
- Investment earnings
- Miscellaneous
- Gain (loss) on sale of capital assets
- Debt Forgiveness

Transfers

 Total general revenues and transfers

 Change in net position

Net position, beginning

Net position, ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Total Governmental Activities	Total Business-type Activities	Total
\$ (1,926,664)	\$ -	\$ (1,926,664)
(12,351,467)	-	(12,351,467)
(22,590,446)	-	(22,590,446)
(1,977,793)	-	(1,977,793)
18,191,894	-	18,191,894
(55,244)	-	(55,244)
(276,787)	-	(276,787)
(20,986,506)	-	(20,986,506)
-	4,811,846	4,811,846
-	4,551,987	4,551,987
-	(175,282)	(175,282)
-	(407,136)	(407,136)
-	8,781,415	8,781,415
(20,986,506)	8,781,415	(12,205,091)
41,709,190	-	41,709,190
3,280,621	-	3,280,621
3,034,752	-	3,034,752
886,087	-	886,087
1,628,477	-	1,628,477
2,242,188	-	2,242,188
2,738,203	1,638,958	4,377,161
1,803,375	5,594	1,808,969
8,902	(547,253)	(538,351)
(1,658,465)	-	(1,658,465)
(240,829)	240,829	-
55,432,501	1,338,128	56,770,629
34,445,995	10,119,543	44,565,538
171,942,685	114,465,724	286,408,409
\$ 206,388,680	\$ 124,585,267	\$ 330,973,947

City of Springfield, Oregon
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General	Police Local Option Levy	Special Revenue	Street Capital	Nonmajor Governmental	Total Governmental
ASSETS						
Cash and investments	\$ 13,637,366	\$ 3,804,249	\$ 16,622,382	\$ 20,866,544	\$ 19,867,919	\$ 74,798,460
Receivables:						
Accounts	1,258,429	26,240	33,505	996,805	1,745,843	4,060,822
Taxes	756,730	260,484	-	-	346,532	1,363,746
Grants	8,105	-	260,045	-	534,919	803,069
Accrued interest	140,180	15,359	-	69,071	73,056	297,666
Assessments and liens	-	-	-	-	17,944	17,944
Leases	-	-	-	-	-	-
Notes	-	-	-	-	963,903	963,903
Deferred system development charges	1,233	-	-	1,036,544	26	1,037,803
Inventories	1,864	-	-	-	407,863	409,727
Investment in foreclosed property	1,970	-	-	-	-	1,970
Deposits	-	-	-	-	800	800
Prepaid items	156,789	112,018	43,022	-	44,148	355,977
Advance to other funds	90,641	-	-	-	-	90,641
Total assets	<u>\$ 16,053,307</u>	<u>\$ 4,218,350</u>	<u>\$ 16,958,954</u>	<u>\$ 22,968,964</u>	<u>\$ 24,002,953</u>	<u>\$ 84,202,528</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 855,860	\$ 63,897	\$ 541,017	\$ 59,840	\$ 712,586	\$ 2,233,200
Accrued payroll and other liabilities	1,038,065	165,681	45,551	-	234,591	1,483,888
Unearned revenue	137,067	-	13,395,066	-	5,383	13,537,516
Due to other funds	-	-	-	-	64,929	64,929
Deposits	-	-	-	53,075	5,147	58,222
Total liabilities	<u>2,030,992</u>	<u>229,578</u>	<u>13,981,634</u>	<u>112,915</u>	<u>1,022,636</u>	<u>17,377,755</u>
Deferred inflows of resources:						
Deferred lease revenue	-	-	-	-	-	-
Unavailable revenue	1,508,992	256,605	8,921	2,033,348	2,120,561	5,928,427
	<u>1,508,992</u>	<u>256,605</u>	<u>8,921</u>	<u>2,033,348</u>	<u>2,120,561</u>	<u>5,928,427</u>
Fund balances:						
Nonspendable	160,623	112,018	43,022	-	452,811	768,474
Restricted	-	3,620,149	1,007,149	20,822,701	16,138,251	41,588,250
Committed	-	-	942,387	-	3,102,303	4,044,690
Assigned	1,000,000	-	975,841	-	1,166,391	3,142,232
Unassigned	11,352,700	-	-	-	-	11,352,700
Total fund balances	<u>12,513,323</u>	<u>3,732,167</u>	<u>2,968,399</u>	<u>20,822,701</u>	<u>20,859,756</u>	<u>60,896,346</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,053,307</u>	<u>\$ 4,218,350</u>	<u>\$ 16,958,954</u>	<u>\$ 22,968,964</u>	<u>\$ 24,002,953</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.						5,928,427
Capital assets are not financial resources in governmental funds, but are reported in the statement of net position at their net depreciable value.						172,147,197
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.						(63,430,893)
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.						30,847,603
Net position of governmental activities						<u>\$ 206,388,680</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, 2023

	General	Police Local Option Levy	Special Revenue	Street Capital	Nonmajor Governmental	Total Governmental
Revenues:						
Taxes	\$ 25,566,087	\$ 7,303,389	\$ -	\$ -	\$ 11,424,065	\$ 44,293,541
Licenses, permits and fees	3,018,265	55,162	187,521	-	262,318	3,523,266
Intergovernmental	6,200,574	115,514	7,676,803	12,830,588	6,157,776	32,981,255
Charges for services	6,978,218	609,073	-	1,281,139	3,515,899	12,384,329
Fines and forfeitures	817,969	-	309,225	-	21,433	1,148,627
Investment earnings	949,783	67	6,487	428,060	559,334	1,943,731
Special assessments	-	-	-	-	1,351	1,351
Miscellaneous revenues	504,192	2,800	253,756	-	532,020	1,292,768
Total revenues	44,035,088	8,086,005	8,433,792	14,539,787	22,474,196	97,568,868
Expenditures:						
Current operating:						
General government	7,421,544	632,033	866,332	-	836,859	9,756,768
Fire and life safety	12,526,801	-	867,822	-	1,774,591	15,169,214
Police	17,181,365	7,038,039	440,427	-	-	24,659,831
Library	1,956,842	-	231,516	-	254,646	2,443,004
Development and public works	2,959,837	-	5,066,169	88,353	9,163,861	17,278,220
Capital projects	-	-	40,000	2,255,297	3,397,888	5,693,185
Debt service:						
Principal	121,840	-	7,038	-	4,343,950	4,472,828
Interest	3,200	-	-	-	437,742	440,942
Total expenditures	42,171,429	7,670,072	7,519,304	2,343,650	20,209,537	79,913,992
Excess of revenues over (under) expenditures	1,863,659	415,933	914,488	12,196,137	2,264,659	17,654,876
Other financing sources (uses):						
Debt forgiveness	-	-	-	-	(1,658,465)	(1,658,465)
Bond proceeds	-	-	-	-	2,250,000	2,250,000
Bond costs of issuance	-	-	-	-	(68,596)	(68,596)
Transfers in	861,605	-	37,500	551,339	527,312	1,977,756
Transfers out	(1,254,717)	-	(7,419)	-	(903,793)	(2,165,929)
Total other financing sources (uses)	(393,112)	-	30,081	551,339	146,458	334,766
Net change in fund balance	1,470,547	415,933	944,569	12,747,476	2,411,117	17,989,642
Fund balances, beginning	11,042,776	3,316,234	2,023,830	8,075,225	18,326,899	42,784,964
Change in reserve for inventories	-	-	-	-	121,740	121,740
Fund balances, ending	\$ 12,513,323	\$ 3,732,167	\$ 2,968,399	\$ 20,822,701	\$ 20,859,756	\$ 60,896,346

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, 2023

Net change in fund balances - total governmental funds	\$ 17,989,642
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.	1,978,428
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.	(60,785)
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.	9,018,869
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.	3,623,920
Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as revenues. In the same way, repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. However, neither the receipt of debt proceeds nor the payment of debt principal affect the Statement of Activities, but are reported as increases and decreases in noncurrent liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,774,181
Decreases in inventory in governmental funds increase expenses.	121,740
Change in net position of governmental activities	<u>\$ 34,445,995</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities
	Sewer	Storm Drainage	Ambulance	Nonmajor Booth-Kelly	Total	Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	\$ 35,734,559	\$ 26,184,670	\$ (237)	\$ 1,227,164	\$ 63,146,156	\$ 26,004,502
Accounts receivable, net of allowance for estimated uncollectibles	3,061,469	1,454,529	2,455,915	20,863	6,992,776	262,193
Prepays	28,830	19,117	43,454	-	91,401	176,397
Grant receivable	1,037	1,224	-	-	2,261	45
Deposits	-	-	-	-	-	200,000
Accrued interest	126,597	88,352	-	6,383	221,332	88,173
Lease receivable, current portion	-	-	-	102,066	102,066	-
Deferred system development fees	683,480	48,540	-	-	732,020	94,378
Inventory	-	-	-	-	-	39,170
Total current assets	39,635,972	27,796,432	2,499,132	1,356,476	71,288,012	26,864,858
Noncurrent assets:						
Capital assets - net	51,053,453	16,835,990	89,452	620,646	68,599,541	7,362,201
Construction in progress	761,712	652,178	-	-	1,413,890	-
Land and land rights	2,048,070	1,721,879	-	2,641,557	6,411,506	-
Lease receivable	-	-	-	6,537	6,537	-
Net OPEB asset - RHIA	86,661	66,555	85,597	1,614	240,427	14,535
Due from other governments	2,091,285	-	-	-	2,091,285	-
Total noncurrent assets	56,041,181	19,276,602	175,049	3,270,354	78,763,186	7,376,736
Total assets	95,677,153	47,073,034	2,674,181	4,626,830	150,051,198	34,241,594
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension outflow	1,356,324	1,123,188	1,264,857	37,707	3,782,076	230,739
Deferred OPEB outflows	124,422	105,508	110,094	3,734	343,758	15,936
Deferred charge for debt refunding	339,182	-	-	-	339,182	-
Total deferred outflows of resources	1,819,928	1,228,696	1,374,951	41,441	4,465,016	246,675
LIABILITIES						
Current liabilities:						
Accounts payable	296,901	168,937	953,914	23,545	1,443,297	551,340
Accrued payroll and other liabilities	326,947	183,461	280,843	9,908	801,159	574,419
Subscription liability current portion	-	-	-	-	-	165,994
Accrued interest payable	56,500	12,560	254	-	69,314	12,445
Due to other funds	-	-	18,815	-	18,815	6,898
Deposits	-	-	-	34,797	34,797	-
Unearned revenues	152	184	135,447	15,161	150,944	55,368
Revenue bonds payable - current maturity	1,480,000	506,164	-	-	1,986,164	-
Total current liabilities	2,160,500	871,306	1,389,273	83,411	4,504,490	1,366,464
Noncurrent liabilities:						
Accrued absence payable	277,858	78,179	69,092	-	425,129	13,225
Accrued claims liabilities	-	-	-	-	-	229,819
Subscription liability, less current portion	-	-	-	-	-	541,243
Revenue bonds payable (net of unamortized premium)	4,776,367	3,703,364	-	-	8,479,731	-
Contracts payable	472,123	-	-	-	472,123	-
Net pension liability	3,577,046	3,198,721	3,380,030	111,981	10,267,778	661,478
Net OPEB obligation payable	482,516	441,220	704,824	16,647	1,645,207	83,714
Total noncurrent liabilities	9,585,910	7,421,484	4,153,946	128,628	21,289,968	1,529,479
Total liabilities	11,746,410	8,292,790	5,543,219	212,039	25,794,458	2,895,943
DEFERRED INFLOWS OF RESOURCES						
Deferred pension inflow	1,345,323	1,038,441	1,471,956	11,091	3,866,811	227,116
Deferred OPEB inflow	159,570	147,429	115,988	4,949	427,936	29,048
Deferred amount on refunding	-	189,368	-	-	189,368	-
Deferred lease resources	-	-	-	97,756	97,756	-
Total deferred inflows of resources	1,504,893	1,375,238	1,587,944	113,796	4,581,871	256,164
FUND NET POSITION						
Net investment in capital assets	47,339,506	14,740,022	89,452	3,262,202	65,431,182	6,652,571
Restricted for capital projects	10,991,872	3,451,116	-	-	14,442,988	-
Unrestricted	25,914,400	20,442,564	(3,171,483)	1,080,234	44,265,715	24,683,591
Total fund net position	\$ 84,245,778	\$ 38,633,702	\$ (3,082,031)	\$ 4,342,436	124,139,885	\$ 31,336,162
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds.					445,382	
Net position of business-type activities					<u>\$ 124,585,267</u>	

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, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities
				Nonmajor		
	Sewer	Storm Drainage	Ambulance	Booth-Kelly	Total	Internal Service Funds
Operating revenues						
Charges for services	\$ 8,234,652	\$ 8,526,510	\$ 17,237,407	\$ 605,035	\$ 34,603,604	14,998,587
Less: Contractual adjustments	-	-	(10,355,796)	-	(10,355,796)	-
Licenses, permits and fees	-	-	-	-	-	358,353
Intergovernmental revenues	-	41,903	121,861	-	163,764	61,724
Miscellaneous revenue	10	17	5,567	-	5,594	66,159
Total operating revenues	8,234,662	8,568,430	7,009,039	605,035	24,417,166	15,484,823
Operating expenses:						
City manager's office	44,559	44,629	-	46,971	136,159	-
Human resources	-	-	-	-	-	9,212,052
Finance	54,130	54,131	-	-	108,261	2,041,581
Information technology	-	-	-	-	-	445,380
Library	-	-	-	-	-	8,000
Fire and life safety	-	-	7,418,215	-	7,418,215	8,875
Police	-	-	-	-	-	2,473
Development and public works	4,746,026	5,961,870	-	683,017	11,390,913	1,044,782
Depreciation	2,931,853	648,025	3,889	59,254	3,643,021	1,549,431
Total operating expenses	7,776,568	6,708,655	7,422,104	789,242	22,696,569	14,312,574
Operating income (loss)	458,094	1,859,775	(413,065)	(184,207)	1,720,597	1,172,249
Nonoperating revenues (expenses):						
Investment earnings	944,880	655,893	(7,633)	45,818	1,638,958	664,484
Grant revenues	-	-	-	-	-	-
Interest expense	(201,816)	(25,887)	-	-	(227,703)	(13,246)
Loss on disposal of equipment	-	-	-	(547,253)	(547,253)	128,972
Total nonoperating revenues (expenses)	743,064	630,006	(7,633)	(501,435)	864,002	780,210
Income (loss) before contributions and transfers	1,201,158	2,489,781	(420,698)	(685,642)	2,584,599	1,952,459
Transfers in	-	-	325,066	-	325,066	12,953
Transfers out	-	-	-	(84,237)	(84,237)	(65,609)
Capital contributions	4,601,852	2,750,771	-	-	7,352,623	-
Change in fund net position	5,803,010	5,240,552	(95,632)	(769,879)	10,178,051	1,899,803
Fund net position, beginning of year	78,442,768	33,393,150	(2,986,399)	5,112,315		29,436,359
Fund net position, end of year	\$ 84,245,778	\$ 38,633,702	\$ (3,082,031)	\$ 4,342,436		\$ 31,336,162
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(58,508)	
Change in net position of business-type activities					\$ 10,119,543	

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2023

	Business type activities - Enterprise Funds					Governmental Activities
				Nonmajor		Internal Service Funds
	Sewer	Storm Drainage	Ambulance	Booth-Kelly	Total	
Cash flows from operating activities:						
Cash received from customers	\$ 6,494,383	\$ 8,462,262	\$ 6,534,209	\$ 607,187	\$ 22,098,041	\$ 14,812,773
Cash paid for employee services	(2,510,186)	(4,567,285)	(3,933,774)	(147,887)	(11,159,132)	(623,343)
Cash paid to suppliers for goods and services	(2,241,051)	(1,624,662)	(3,143,188)	(585,711)	(7,594,612)	(11,478,031)
Other operating receipts	2,776	42,104	127,428	-	172,308	486,236
Net cash provided by (used in) operating activities	1,745,922	2,312,419	(415,325)	(126,411)	3,516,605	3,197,635
Cash flows from noncapital financing activities:						
Noncapital grants	(1,704,343)	-	-	-	(1,704,343)	-
Operating transfers in from other funds	-	-	-	-	-	12,953
Transfers to/from other funds	-	-	325,066	(84,237)	240,829	(65,609)
Net cash provided by (used in) noncapital financing activities	(1,704,343)	-	325,066	(84,237)	(1,463,514)	(52,656)
Cash flows from capital and related financing activities:						
System development charges	3,415,924	598,809	-	-	4,014,733	-
Acquisition and construction of capital assets	(795,076)	(156,404)	(93,341)	240,941	(803,880)	(2,116,686)
Disposition of capital assets	-	-	-	(547,253)	(547,253)	175,472
Subscription asset	-	-	-	-	-	(844,565)
Principal paid on due to developer	(4,863)	-	-	-	(4,863)	-
Principal paid on long-term debt	(1,410,750)	(470,596)	-	-	(1,881,346)	707,237
Interest paid on long-term debt	(382,220)	(55,067)	-	-	(437,287)	(802)
Net cash used in capital and related financing activities	823,015	(83,258)	(93,341)	(306,312)	340,104	(2,079,344)
Cash flows from investing activities:						
Interest received	917,910	636,833	(9,269)	44,771	1,590,245	648,012
Net change in cash and investments	1,782,504	2,865,994	(192,869)	(472,189)	3,983,440	1,713,647
Cash and investments, beginning of year	33,952,055	23,318,676	192,632	1,699,353	59,162,716	24,290,855
Cash and investments, end of year	\$ 35,734,559	\$ 26,184,670	\$ (237)	\$ 1,227,164	\$ 63,146,156	\$ 26,004,502
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 458,094	\$ 1,859,775	\$ (413,065)	\$ (184,207)	\$ 1,720,597	\$ 1,172,249
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	2,931,853	648,025	3,889	59,254	3,643,021	1,549,431
Changes in assets and liabilities:						
Accounts receivable	(1,740,269)	(64,248)	(460,677)	(11,209)	(2,276,403)	(185,814)
Due from other governments	2,624	-	-	-	2,624	-
Prepaid expenses	(8,915)	(5,322)	(19,809)	-	(34,046)	777,637
Accounts payable	106,807	48,893	434,203	18,461	608,364	(221,892)
Due to/from other funds	-	-	18,815	-	18,815	6,898
Accrued payroll and other liabilities	71,927	(52,995)	(60,177)	(230)	(41,475)	195,187
Accrued claims liabilities	-	-	-	-	-	(106,181)
Net pension liability and related deferrals	(174,872)	(204,925)	(95,666)	(15,621)	(491,084)	(17,628)
Net OPEB obligation and related deferrals	98,521	83,032	63,887	3,043	248,483	1,316
Net lease receivable	-	-	-	(9,263)	(9,263)	-
Deposits	-	-	-	(1,800)	(1,800)	-
Unearned revenue	152	184	113,275	15,161	128,772	(9,958)
Inventory	-	-	-	-	-	36,390
Net cash provided by (used in) operating activities	\$ 1,745,922	\$ 2,312,419	\$ (415,325)	\$ (126,411)	\$ 3,516,605	\$ 3,197,635
Noncash capital and related financing activities:						
Contributed capital assets	\$ 2,890,271	\$ 2,151,962	\$ -	\$ -	\$ 5,042,233	\$ -
Accounts payable on capital assets	88,838	71,129	-	-	159,967	2,393
Subscription liability on capital assets	-	-	-	-	-	707,237
Retainage payable on capital assets	45,583	-	-	-	45,583	-
	\$ 3,024,692	\$ 2,223,091	\$ -	\$ -	\$ 5,247,783	\$ 709,630

The accompanying notes are an integral part of this statement.

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

June 30, 2023

Year Ended June 30, 2023

ASSETS

Current assets:

Cash and investments	<u>\$ 118,330,767</u>
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LIABILITIES

Accounts payable	<u>3,963,706</u>
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NET POSITION

Restricted for HRA participants	2,105,650
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Restricted for Bail	22,883
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Restricted for Regional Fiber Consortium	572,573
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Restricted for Metropolitan Wastewater Management Commission	110,012,310
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Net position restricted for individuals, organizations and other governments	<u>1,653,645</u>
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Total fiduciary net position	<u><u>\$ 114,367,061</u></u>
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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, 2023

ADDITIONS	
HRA contributions from employer	\$ 919,969
Ambulance service collections for other governments	2,755,053
Bail receipts from individuals	145,208
Miscellaneous receipts from individuals, organizations	3,718,239
Receipts from Regional Fiber Consortium	1,240,082
Receipts from Metropolitan Wastewater Management Commission	<u>263,469,010</u>
Total additions	<u>272,247,561</u>
DEDUCTIONS	
HRA disbursements by employer	690,587
Ambulance service disbursements to other governments	2,755,053
Bail refunds to individuals	182,739
Miscellaneous disbursements to individuals, organizations	3,477,628
Disbursements by Regional Fiber Consortium	1,185,200
Disbursements by Metropolitan Wastewater Management Commission	<u>250,409,675</u>
Total deductions	<u>258,700,881</u>
CHANGE IN FUND NET POSITION	13,546,680
Fund net position - beginning	<u>100,820,381</u>
Fund net position - ending	<u><u>\$ 114,367,061</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, 2023

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.

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, 2023

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 balance, 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, 2023

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, 2023

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

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, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Real and personal property taxes attach as an enforceable lien on property as of July 1st. All taxes are levied as of July 1st and are payable in three installments on November 15th, February 15th, and May 15th. All property taxes are billed and collected by Lane County, Oregon and then turned over to the City. For the year ended June 30, 2023 the City's tax levy did not exceed the Oregon constitutional limitation. The total property tax levy was \$42,778,704. This includes general property taxes to support general obligation bond debt service of \$4,261,942.

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, 2023 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, 2023

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, 2023

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, 2023

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, 2023 were as follows:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

<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	\$ 1,864	\$ -	\$ -	\$ -	\$ 407,863	\$ 409,727
Prepays	156,789	112,018	43,022	-	44,148	355,977
Investment in foreclosed property	1,970	-	-	-	-	1,970
Deposits	-	-	-	-	800	800
Restricted:						
Debt service	-	-	-	-	625,206	625,206
Urban renewal	-	-	-	-	993,415	993,415
Capital projects	-	-	-	-	1,918,891	1,918,891
Street repairs and maintenance	-	-	-	-	2,723,901	2,723,901
Street improvements	-	-	-	20,822,701	-	20,822,701
Public Safety - Fire	-	-	1,000	-	1,834,196	1,835,196
Public Safety - Police general	-	3,620,149	440,041	-	-	4,060,190
Public Safety - Police forfeitures	-	-	529,221	-	-	529,221
Building code	-	-	-	-	5,519,059	5,519,059
Economic development	-	-	7,203	-	2,523,583	2,530,786
Library services	-	-	29,684	-	-	29,684
Committed:						
Development assessment	-	-	-	-	800,910	800,910
Capital projects	-	-	-	-	2,301,393	2,301,393
Technology fee reserve	-	-	942,387	-	-	942,387
Assigned:						
Capital projects	-	-	-	-	1,166,391	1,166,391
Contingency reserve	1,000,000	-	-	-	-	1,000,000
Public Safety - Police K9	-	-	89,913	-	-	89,913
Public Safety - Police general	-	-	711,995	-	-	711,995
Other purposes	-	-	173,933	-	-	173,933
Unassigned	11,352,700	-	-	-	-	11,352,700
Total fund balances	<u>\$ 12,513,323</u>	<u>\$ 3,732,167</u>	<u>\$ 2,968,399</u>	<u>\$ 20,822,701</u>	<u>\$ 20,859,756</u>	<u>\$ 60,896,346</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

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, 2023, the City implemented the following GASB pronouncements:

- GASB Statement No. 91 – *Conduit Debt Obligations*. The objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. The adoption and implementation of Statement No. 91 did not have a significant impact to the City.
- GASB Statement No. 94 – *Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements (APA)*. The objective of this statement is to better meet the information needs of financial statement users by improving comparability of financial statements among governments that enter into PPPs and APAs and by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs. The adoption and implementation of Statement No. 94 did not have a significant impact to the City.
- GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*. The objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users.
- GASB Statement No. 99 – *Omnibus 2022*. 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 and financial reporting for financial guarantees. The adoption and implementation of Statement No. 99 did not have a significant impact to the City.
- GASB Statements No. 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, 2023

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 \$63,430,893 difference are as follows:

Bonds payable, net of original issue premium and deferred charges	\$ 10,072,564
Notes payable	1,219,307
Interfund loan payable	1,864,201
Due to developer (contracts payable)	210,000
Accrued interest payable	33,696
Rebatable arbitrage	14,142
Lease and subscription liability	443,804
Compensated absences	5,165,287
Net pension liability and related deferrals	38,828,135
Net OPEB obligation and related deferrals	<u>5,579,757</u>
Total	<u>\$ 63,430,893</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 \$172,147,197 are as follows:

Capital assets (net of accumulated depreciation) reported in the Statement of Net Position - governmental activities column:	
Land and work in progress	\$ 91,106,180
Other capital assets (net of accumulated depreciation)	88,403,218
Total capital assets reported in internal service funds included in the Statement of Net Position - governmental activities column (net of accumulated depreciation)	<u>(7,362,201)</u>
	<u>\$ 172,147,197</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 \$9,018,869 difference are as follows:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

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

Capital outlay	\$ 4,573,362
Donated capital assets	9,672,480
Leased equipment	(7,345)
Subscription assets	425,437
Depreciation	<u>(5,645,065)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 9,018,869</u>

Another element of that reconciliation states that the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this \$1,774,181 difference are as follows:

Issuance of note payable	\$ (2,250,000)
Principal repayment of general obligation debt	3,675,777
Principal repayment of note payable	668,173
Amortization of deferred charges	(35,034)
Amortization of bond premiums	230,481
Increase in interfund loan payable	(85,019)
Decrease in lease liability	7,208
Increase in subscription liability	(419,360)
Increase in rebatable arbitrage	(14,143)
Increase in accrued interest payable	<u>(3,902)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,774,181</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 \$3,623,920 difference are as follows:

Increase in accrued compensated absences	\$ (285,438)
Decrease in net pension liability and related deferrals	3,739,277
Decrease in net OPEB obligation and related deferrals	<u>170,081</u>
Net adjust to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 3,623,920</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

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 years' 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, 2023, the City Council approved several transfer resolutions and supplemental budgets for a net increase in appropriations of \$40,746,540.

The Ambulance Fund reported a GAAP basis negative fund balance of \$3,082,031. 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, 2023, cash and investments are comprised of the following:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE D – CASH AND INVESTMENTS – Continued

Cash on hand	\$ 4,742
Cash with Fiscal Agent	5,500
Deposits	9,777,992
Local Government Investment Pool Accounts	21,450,701
Investments	251,040,950
	<u>\$ 282,279,885</u>

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

Governmental Funds	\$ 100,802,962
Business-type Funds	63,146,156
Not Appearing on Statement of Net Position	
Fiduciary Fund	118,330,767
	<u>\$ 282,279,885</u>

Deposits

Deposits with financial institutions are comprised of checking, money market and certificate of deposit accounts. As of June 30, 2023, the City of Springfield had a book balance of \$9,777,992 and a bank balance of \$10,330,784. 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, 2023

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, 2023 was unmodified and may be obtained at the Oregon State Treasury, 350 Winter St. NE, Ste 100, Salem, OR 97310 or at www.oregon.gov/treasury. At June 30, 2023, the fair value of the City's deposits with the LGIP approximates cost.

Cash and Investments

On June 30, 2023, the City of Springfield held \$251,040,950 of investments; corporate indebtedness of \$7,956,350, and government agency securities totaling \$243,084,600.

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, 2023, 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, 2023

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, 2023.

Short-Term Investments:

<u>Maturity</u>	<u>Amount</u>	<u>Actual %</u>	<u>Investment Policy %</u>
Under 30 days	\$ 51,188,834	18%	10 % minimum
Under 90 days	83,973,034	30%	25 % minimum
Under 270 days	157,348,234	56%	50 % minimum
Under one year	205,571,883	73%	80 % minimum
Under 18 months	282,279,885	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, 2023, 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, 2023 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, 2023, the City was in compliance with the City's investment policy.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

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	\$ 21,450,701	8%	100%
Interest Bearing Checking Account	2,161,103	1%	50%
Money Market Account	3,526,032	1%	50%
Time Certificates of Deposit	4,090,857	1%	25%
Corporate Bonds	7,956,350	3%	25%
U.S. Treasury Bonds	243,084,600	86%	100%
Other	10,242	0%	0%
Totals	<u>\$ 282,279,885</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, 2023, 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, 2023

NOTE E – RECEIVABLES AND UNAVAILABLE REVENUE

Receivables at June 30, 2023 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	\$ 1,258,429	\$ 756,730	\$ 8,105	\$ 140,180	\$ -	\$ -	\$ -	\$ 1,233	\$ 2,164,677
Police Local Option Levy	26,240	260,484	-	15,359	-	-	-	-	302,083
Special Revenue	33,505	-	260,045	-	-	-	-	-	293,550
Street Capital	996,805	-	-	69,071	-	-	-	1,036,544	2,102,420
Sewer	3,061,469 *	-	1,037	126,597	-	-	-	683,480	3,872,583
Storm Drainage	1,454,529 *	-	1,224	88,352	-	-	-	48,540	1,592,645
Ambulance	2,455,915 *	-	-	-	-	-	-	-	2,455,915
Nonmajor governmental	1,745,843	346,532	534,919	73,056	17,944	-	963,903	26	3,682,223
Nonmajor enterprise	20,863	-	-	6,383	-	108,603	-	-	135,849
Internal Service	262,193	-	45	88,173	-	-	-	94,378	444,789
	<u>\$ 11,315,791</u>	<u>\$ 1,363,746</u>	<u>\$ 805,375</u>	<u>\$ 607,171</u>	<u>\$ 17,944</u>	<u>\$ 108,603</u>	<u>\$ 963,903</u>	<u>\$ 1,864,201</u>	<u>\$ 17,046,734</u>

*Net of allowances for uncollectible accounts totalling \$3,158,178

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, 2023, 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	\$ 743,064	\$ 765,928	\$ -	\$ -	\$ 1,508,992
Police Local Option Levy	256,605	-	-	-	256,605
Special Revenue	-	8,921	-	-	8,921
Street Capital	-	2,033,348	-	-	2,033,348
Nonmajor governmental	341,947	916,501	844,169	17,944	2,120,561
Total unavailable revenue	<u>\$ 1,341,616</u>	<u>\$ 3,724,698</u>	<u>\$ 844,169</u>	<u>\$ 17,944</u>	<u>\$ 5,928,427</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

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, in the prior fiscal year, all leases are 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, 2023, the value of the lease receivable is \$0. This building was sold in FY23.

In May, 2021, 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, 2023, the value of the lease receivable is \$0. The building was fully depreciated as of contract commencement. The value of the deferred inflow of resources as of June 30, 2023, was \$0, and the City of Springfield recognized lease revenue of \$1,464 during the fiscal year.

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, 2023, the value of the lease receivable is \$0. The building was fully depreciated as of contract commencement. The value of the deferred inflow of resources as of June 30, 2023, was \$0, and City of Springfield recognized lease revenue of \$10,952 during the fiscal year.

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, 2023, the value of the lease receivable is \$0. The building was fully depreciated as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2023, was \$0, and City of Springfield recognized lease revenue of \$5,389 during the fiscal year.

In December, 2021, the City of Springfield entered into a 17 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, 2023, the value of the lease receivable is \$0. The building was fully depreciated as of contract commencement. The value of the deferred inflow of resources as of June 30, 2023, was \$0, and City of Springfield recognized lease revenue of \$6,384 during the fiscal year.

In January, 2022, the City of Springfield 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, 2023, the value of the lease receivable is \$0. The building was fully depreciated as of contract commencement. The value of the deferred inflow of resources as of June 30, 2023, was \$0, and City of Springfield recognized lease revenue of \$14,826 during the fiscal year.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE E – RECEIVABLES AND UNAVAILABLE REVENUE – Continued

In January, 2022, the City of Springfield 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, 2023, the value of the lease receivable is \$19,436. The lessee is required to make monthly fixed payments of \$2,788.19. The lease has an interest rate of 1.2480%. The building was fully depreciated as of contract commencement. The value of the deferred inflow of resources as of June 30, 2023, was \$19,286, and City of Springfield recognized lease revenue of \$33,061 during the fiscal year. The lessee has 2 extension option(s), each for 12 months.

In January, 2023, the City of Springfield entered into a 36 month lease as Lessor for the use of Booth-Kelly Center - Suite 150. An initial lease receivable was recorded in the amount of \$60,002. As of June 30, 2023, the value of the lease receivable is \$60,001. In the first year of the lease the lessee is required to make annual fixed payments of \$1.00, and beginning in year two the lessee is required to make annual fixed payments of \$2,396. The lease has an interest rate of 2.6560%. The building was fully depreciated as of contract commencement. The value of the deferred inflow of resources as of June 30, 2023, was \$50,002, and City of Springfield recognized lease revenue of \$10,000 during the fiscal year.

In December, 2019, the City of Springfield entered into 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, 2023, the value of the lease receivable is \$29,166. The lessee is required to make monthly fixed payments of \$1,725.00. The lease has an interest rate of 0.7270%. The value of the deferred inflow of resources as of June 30, 2023, was \$28,468, and City of Springfield recognized lease revenue of \$20,703 during the fiscal year. The lessee had a termination period of 12 months as of the lease commencement.

<u>Governmental activities</u>	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Lease receivable				
Buildings				
Second Story Office - 228 Main Street	\$ 4,038	\$ -	\$ 4,038	\$ -
Total lease receivable	\$ 4,038	\$ -	\$ 4,038	\$ -
<u>Business-type activities</u>				
Lease receivable				
Buildings				
Booth-Kelly Center - suite 170	\$ 1,466	\$ -	\$ 1,466	\$ -
Booth-Kelly Center - suite 112 & 127	12,015	-	12,015	-
Booth-Kelly Center - suite 115	5,397	-	5,397	-
Booth-Kelly Center - suite 110	6,394	-	6,394	-
Booth-Kelly Center - suite 153 & 155	14,843	-	14,843	-
Booth-Kelly Center - suite 140	52,429	-	32,993	19,436
Booth-Kelly Center - suite 150	-	60,002	1	60,001
Total building lease receivable	92,544	60,002	73,109	79,437
Land				
Kelly Butte ATT cell tower	49,573	-	20,407	29,166
Total lease receivable	\$ 142,117	\$ 60,002	\$ 93,516	\$ 108,603

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE E – RECEIVABLES AND UNAVAILABLE REVENUE – Continued

Principal and interest expected to maturity

Fiscal Year	Business-Type Activities	
	Principal Payments	Interest Payments
2024	\$ 52,169	\$ 2,423
2025	39,317	933
2026	17,117	133
	<u>\$ 108,603</u>	<u>\$ 3,489</u>

<u>Governmental activities</u>	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Deferred inflow of resources				
Buildings				
Second Story Office - 228 Main Street	\$ 4,023	\$ -	\$ 4,023	\$ -
Total deferred inflow of resources	<u>\$ 4,023</u>	<u>\$ -</u>	<u>\$ 4,023</u>	<u>\$ -</u>
<u>Business-type activities</u>				
Deferred inflow of resources				
Buildings				
Booth-Kelly Center - suite 170	\$ 1,464	\$ -	\$ 1,464	\$ -
Booth-Kelly Center - suite 112 & 127	10,952	-	10,952	-
Booth-Kelly Center - suite 115	5,389	-	5,389	-
Booth-Kelly Center - suite 110	6,384	-	6,384	-
Booth-Kelly Center - suite 153 & 155	14,826	-	14,826	-
Booth-Kelly Center - suite 140	52,347	-	33,061	19,286
Booth-Kelly Center - suite 150	-	60,002	10,000	50,002
Total building deferred inflow of resources	<u>91,362</u>	<u>60,002</u>	<u>82,076</u>	<u>69,288</u>
Land				
Kelly Butte ATT cell tower	<u>49,171</u>	<u>-</u>	<u>20,703</u>	<u>28,468</u>
Total deferred inflow of resources	<u>\$ 140,533</u>	<u>\$ 60,002</u>	<u>\$ 102,779</u>	<u>\$ 97,756</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE F – CAPITAL ASSETS

Governmental activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated or amortized:				
Land	\$ 84,411,069	\$ 5,718,159	\$ (59,783)	\$ 90,069,445
Work in progress	6,027,758	1,739,425	(6,730,448)	1,036,735
Total capital assets, not being depreciated or amortized	90,438,827	7,457,584	(6,790,231)	91,106,180
Capital assets, being depreciated or amortized:				
Buildings	49,593,664	114,414	(305,217)	49,402,861
Infrastructure	108,871,848	12,986,284	-	121,858,132
Machinery & equipment	27,306,942	2,890,791	(708,877)	29,488,856
Leased machinery & equipment	36,942	-	-	36,942
Studies	1,350,346	-	-	1,350,346
Subscriptions - software	-	1,387,245	-	1,387,245
Total capital assets, being depreciated or amortized	187,159,742	17,378,734	(1,014,094)	203,524,382
Less accumulated depreciation or amortization for:				
Buildings	(35,126,204)	(1,692,120)	8,902	(36,809,422)
Infrastructure	(52,834,646)	(3,590,697)	-	(56,425,343)
Machinery & equipment	(19,546,750)	(1,665,843)	662,377	(20,550,216)
Leased machinery & equipment	(5,364)	(7,345)	-	(12,709)
Studies	(960,396)	(99,979)	-	(1,060,375)
Subscriptions - software	-	(263,100)	-	(263,100)
Total depreciation or amortization	(108,473,360)	(7,319,084)	671,279	(115,121,165)
Total capital assets, being depreciated or amortized, net	78,686,382	10,059,650	(342,815)	88,403,217
Governmental activities capital assets, net	\$ 169,125,209	\$ 17,517,234	\$ (7,133,046)	\$ 179,509,397

Business-type activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated or amortized:				
Land	\$ 6,411,506	\$ -	\$ -	\$ 6,411,506
Work in progress	1,104,278	340,404	(30,792)	1,413,890
Total capital assets, not being depreciated or amortized	7,515,784	340,404	(30,792)	7,825,396
Capital assets, being depreciated or amortized:				
Buildings & infrastructure	114,783,724	5,975,797	(1,078,357)	119,681,164
Land improvements	532,806	14,615	-	547,421
Equipment	1,762,429	93,341	-	1,855,770
Studies	2,775,243	-	-	2,775,243
Total capital assets, being depreciated or amortized	119,854,202	6,083,753	(1,078,357)	124,859,598
Less accumulated depreciation for:				
Land improvements	(517,465)	(3,144)	-	(520,609)
Buildings & infrastructure	(49,079,347)	(3,474,289)	531,105	(52,022,531)
Equipment	(1,750,342)	(6,500)	-	(1,756,842)
Studies	(1,800,988)	(159,087)	-	(1,960,075)
Total depreciation or amortization	(53,148,142)	(3,643,020)	531,105	(56,260,057)
Total capital assets, being depreciated or amortized, net	66,706,060	2,440,733	(547,252)	68,599,541
Business-type activities capital assets, net	\$ 74,221,844	\$ 2,781,137	\$ (578,044)	\$ 76,424,937

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE F – CAPITAL ASSETS – Continued

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

Governmental activities:	
General government	\$ 429,917
Fire and life safety	606,713
Police	1,534,660
Library	63,165
Development and public works	4,629,386
Unallocated	<u>55,244</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 7,319,084</u>
Business activities:	
Sanitary sewer	\$ 2,931,854
Storm drainage	648,025
Booth-Kelly	59,253
Ambulance	<u>3,889</u>
Total depreciation and amortization expense - business-type activities	<u>\$ 3,643,021</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE G – LEASES AND SUBSCRIPTIONS

1. Leases

For the year ended June 30, 2023, the financial statements include the previous adoption of GASB Statement No. 87, Leases. 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, 2023, the value of the lease liability is \$19,762. 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 is \$29,126 with accumulated amortization of \$9,523 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, 2023, the value of the lease liability is \$4,682. The City 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 \$3,186 included with Equipment on the Lease Class activities table found below.

Lease activity for the year ended June 30, 2023, was as follows:

<u>Governmental activities</u>	<u>Balance as of July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance as of June 30, 2023</u>
Lease assets				
Equipment				
Ricoh printers	\$ 29,126	\$ -	\$ -	\$ 29,126
Konica Minolta copier/printer/scanner	7,816	-	-	7,816
Total lease assets	36,942	-	-	36,942
Lease accumulated amortization				
Equipment				
Ricoh printers	3,771	5,752	-	9,523
Konica Minolta copier/printer/scanner	1,593	1,593	-	3,186
Total lease accumulated amortization	5,364	7,345	-	12,709
Total governmental lease assets, net	\$ 31,578	\$ (7,345)	\$ -	\$ 24,233

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE G – LEASES AND SUBSCRIPTIONS – Continued

<u>Governmental activities</u>	<u>Balance as of July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance as of June 30, 2023</u>
Lease liability				
Equipment				
Ricoh printers	\$ 25,397	\$ -	\$ 5,635	\$ 19,762
Konica Minolta copier/printer/scanner	6,255	-	1,573	4,682
Total governmental lease liability	\$ 31,652	\$ -	\$ 7,208	\$ 24,444

Amortization expense is charged to general governmental activities.

Principal and interest expected to maturity:

Principal and interest expected to maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 7,633	\$ 256	\$ 7,889
2025	7,722	167	7,889
2026	7,675	78	7,753
2027	1,414	8	1,422
	\$ 24,444	\$ 509	\$ 24,953

2. Subscriptions

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below:

In September 2022, the City entered into a 72 month subscription for the use of VLA Enterprise Vision Online. An initial subscription liability was recorded in the amount of \$776,027. As of June 30, 2023, the value of the subscription liability is \$661,935. The City is required to make annual fixed payments of \$136,911. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of June 30, 2023 is \$776,027 with accumulated amortization of \$107,781 and is included with Software on the Subscription Class activities table found below. The City has 1 extension option for 36 months.

In May 2023, the City entered into a 36 month subscription for the use of Cisco Meraki Enterprise License. An initial subscription liability was recorded in the amount of \$6,104. As of June 30, 2023, the value of the subscription liability is \$5,748. The City is required to make annual fixed payments of \$2,134. The subscription has an interest rate of

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE G – LEASES AND SUBSCRIPTIONS – Continued

2.6560%. The value of the right to use asset as of June 30, 2023 is \$6,104 with accumulated amortization of \$339 and is included with Software on the Subscription Class activities table found below.

In January 2023, the City entered into a 36 month subscription for the use of DigEplan SaaS. An initial subscription liability was recorded in the amount of \$41,821. As of June 30, 2023, the value of the subscription liability is \$34,783. The City is required to make annual graduated payments averaging \$14,503. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of June 30, 2023 of \$43,472 with accumulated amortization of \$7,245 and is included with Software on the Subscription Class activities table found below.

In July 2022, the City entered into a 44 month subscription for the use of Incode - Court Case Management Suite. An initial subscription liability was recorded in the amount of \$189,429. As of June 30, 2023, the value of the subscription liability is \$126,755. The City is required to make annual fixed payments of \$65,548. The subscription has an interest rate of 2.2750%. The value of the right to use asset as of June 30, 2023 of \$189,429 with accumulated amortization of \$51,663 and is included with Software on the Subscription Class activities table found below.

In July 2022, the City entered into a 66 month subscription for the use of Blue Cloud. An initial subscription liability was recorded in the amount of \$274,963. As of June 30, 2023, the value of the subscription liability is \$230,445. The City is required to make annual fixed payments of \$49,631 (\$44,518 for FY23 only). The subscription has an interest rate of 2.5200%. The value of the right to use asset as of June 30, 2023 of \$274,963 with accumulated amortization of \$49,993 and is included with Software on the Subscription Class activities table found below.

In July 2022, the City entered into a 32 month subscription for the use of KnowBe4 Anti-phishing Training Subscription. An initial subscription liability was recorded in the amount of \$14,097. As of June 30, 2023, the value of the subscription liability is \$8,775. The City is required to make annual fixed payments of \$7,204. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of June 30, 2023 of \$14,097 with accumulated amortization of \$5,137 and is included with Software on the Subscription Class activities table found below.

In August 2022, the City entered into a 36 month subscription for the use of DebtBook Services. An initial subscription liability was recorded in the amount of \$28,712. As of June 30, 2023, the value of the subscription liability is \$21,629. The City is required to make graduated annual payments with \$7,083 being the payment for the current fiscal year. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of June 30, 2023 of \$28,712 with accumulated amortization of \$8,002 and is included with Software on the Subscription Class activities table found below.

In July 2022, the City entered into a 19 month subscription for the use of RMIS Software License. An initial subscription liability was recorded in the amount of \$54,441. As of June 30, 2023, the value of the subscription liability is \$36,527. The City is required to make annual payments with \$18,633 being the payment for the current fiscal year. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of June 30, 2023 of \$54,441 with accumulated amortization of \$32,939 and is included with Software on the Subscription Class activities table found below.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE G – LEASES AND SUBSCRIPTIONS – Continued

Assets:

<u>Governmental activities</u>	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Subscription Assets				
Software				
DebtBook Services	\$ -	\$ 28,712	\$ -	\$ 28,712
Blue Cloud	274,963	-	-	274,963
Incode - Court Case Management Suite	189,429	-	-	189,429
DigEplan SaaS	-	43,472	-	43,472
Cisco Meraki Enterprise License	-	6,104	-	6,104
KnowBe4 Anti-phishing Subscription	14,097	-	-	14,097
VLA Enterprise Visions Online	-	776,027	-	776,027
RMIS Software License	54,441	-	-	54,441
Total subscription assets	<u>\$ 532,930</u>	<u>\$ 854,315</u>	<u>\$ -</u>	<u>\$ 1,387,245</u>

Liabilities:

<u>Governmental activities</u>	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Subscription Liability				
Software				
DebtBook Services	\$ -	\$ 28,712	\$ 7,083	\$ 21,629
Blue Cloud	274,963	-	44,518	230,445
Incode - Court Case Management Suite	189,429	-	62,674	126,755
DigEplan SaaS	-	41,821	7,038	34,783
Cisco Meraki Enterprise License	-	6,104	356	5,748
KnowBe4 Anti-phishing Subscription	14,097	-	5,322	8,775
VLA Enterprise Visions Online	-	776,027	114,092	661,935
RMIS Software License	54,441	-	17,914	36,527
Total subscription liability	<u>\$ 532,930</u>	<u>\$ 852,664</u>	<u>\$ 258,997</u>	<u>\$ 1,126,597</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE G – LEASES AND SUBSCRIPTIONS – Continued

Principal and interest requirements to maturity

Fiscal Year	Governmental Activities		Business-Type Activities	
	Principal Payments	Interest Payments	Principal Payments	Interest Payments
2024	\$ 131,309	\$ 10,240	\$ 165,994	\$ 15,388
2025	135,599	7,095	126,891	11,821
2026	56,820	3,848	127,861	9,049
2027	47,221	2,410	130,653	6,257
2028	48,411	1,220	133,507	3,403
2029	-	-	22,331	488
	<u>\$ 419,360</u>	<u>\$ 24,813</u>	<u>\$ 707,237</u>	<u>\$ 46,406</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.

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
2023	465,927	5,151,040	(5,244,899)	372,068

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE H - RISK MANAGEMENT – Continued

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. The estimated outstanding liability for the period ending June 30, 2023 is \$229,819. Liabilities are based on estimated ultimate cost of settling claims, including effects of inflation and other societal and economic factors.

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.

On November 29, 2022 SEDA issued an Urban Renewal Bond in the amount of \$5,000,000 to be accessed on a draw down basis. The first draw of \$250,000 occurred at closing with an additional draw on May 26, 2023 of \$2,000,000 leaving a balance left to draw of \$2,750,000. This bond was issued to finance land purchases for development of the Glenwood district. The bond is backed with tax increment revenue pledged as collateral.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE I - LONG-TERM DEBT – Continued

General obligation bonds payable transactions for the year ended June 30, 2023 are as follows:

	Issue Date	Final Maturity Date	Effective Interest Rate	Outstanding July 1, 2022	Issued During year	Retired During Year	Outstanding June 30, 2023	Due Within One Year
Series 2016	6/29/2016	2026	1.36%	\$ 6,930,000	\$ -	\$ (1,695,000)	\$ 5,235,000	\$ 1,765,000
Series 2019	8/6/2019	2024	1.80%	3,982,000	-	(1,973,000)	2,009,000	2,009,000
Series 2022	11/29/2022	2037	5.73%	-	2,250,000	(7,777)	2,242,223	108,733
					Unamortized premium		691,443	
					Due in current year		(3,882,733)	
					Total general obligation long-term debt		<u>\$ 6,294,933</u>	

Revenue Bonds

The City issues revenue bonds to finance major construction projects in business-type activities. Revenue bonds are secured and serviced by system revenues. The original amount of revenue bonds issued in prior years was \$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, 2023 are as follows:

	Issue Date	Final Maturity Date	Effective Interest Rate	Outstanding July 1, 2022	Issued During year	Retired During Year	Outstanding June 30, 2023	Due Within One Year
Series 2017	6/27/2017	2027	1.725%	\$ 7,075,000	\$ -	\$ (1,425,000)	\$ 5,650,000	\$ 1,480,000
Series 2020	11/10/2020	2031	1.200%	4,707,741	-	(498,213)	4,209,528	506,164
					Unamortized premium		606,367	
					Deferred on refunding		(339,182)	
					Due in current year		<u>(1,986,164)</u>	
					Total revenue bonds payable		<u>\$ 8,140,549</u>	

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE I - LONG-TERM DEBT – Continued

Maturities of bond principal and interest are as follows:

Year	General Obligation Bonds		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023-24	\$ 3,882,733	\$ 375,633	\$ 1,986,164	\$ 273,477	\$ 5,868,897	\$ 649,110
2024-25	1,944,963	261,049	2,050,866	208,175	3,995,829	469,224
2025-26	1,761,551	181,262	2,119,820	140,421	3,881,371	321,683
2026-27	128,516	108,697	1,547,947	69,994	1,676,463	178,691
2027-28	135,880	101,333	530,166	22,676	666,046	124,009
2028-33	805,505	380,559	1,624,565	29,360	2,430,070	409,919
2033-37	827,075	121,776	-	-	827,075	121,776
Total	<u>\$ 9,486,223</u>	<u>\$ 1,530,309</u>	<u>\$ 9,859,528</u>	<u>\$ 744,103</u>	<u>\$ 19,345,751</u>	<u>\$ 2,274,412</u>

The City issues debt backed solely by future fees received for certain services. At June 30, 2023, 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 6/30/2023	Debt payments Y/E 6/30/2023	2023 Gross Revenues
Revenue bonds:							
Sewer System series 2017	Sewer system fees	2027	\$ 5,367,000	10.2%	\$ 6,034,211	* \$ 1,708,000	\$ 16,761,161
Revenue bonds:							
Storm System series 2020	Sewer system fees	2031	<u>4,156,024</u>	3.3%	6,034,211	* <u>551,717</u>	
Business-type activities			<u>\$ 9,523,024</u>			<u>\$ 2,259,717</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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE I - LONG-TERM DEBT – Continued

Notes Payable

At June 30, 2023 notes payable are as follows:

Bank of Cascades (SEDA), payable in monthly installments including interest at 2.34%, due 2025	\$ 366,642
Bank of Cascades (SEDA), payable in monthly installments including interest at 4.15%, due 2025	<u>852,665</u>
Total governmental activities	<u>\$ 1,219,307</u>

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>
2024-25	\$ 691,380
2025-26	<u>\$ 527,927</u>
	<u>\$ 1,219,307</u>

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

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

Legal Debt Margin

The City of Springfield is subject to a debt limit that is 3% of the real fair value of taxable property. As of June 30, 2023, that amount was \$373,155,656. As of June 30, 2023, the total outstanding debt applicable to the limit was \$7,244,000 which is 1.94% of the total debt limit.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE I - LONG-TERM DEBT – Continued

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 10,912,000	\$ 2,250,000	\$ (3,675,776)	\$ 9,486,224	\$ 3,882,733
Less deferred amounts for issuance premiums	921,923	-	(230,481)	691,442	-
Total bonds payable	11,833,923	2,250,000	(3,906,257)	10,177,666	3,882,733
Notes payable	1,887,480	-	(668,173)	1,219,307	691,381
Contracts payable	210,000	-	-	210,000	-
Leases	31,652	-	(7,208)	24,444	24,444
Subscription liability	-	1,126,597	-	1,126,597	297,303
Accrued claims liability	336,000	-	(106,181)	229,819	-
Compensated absences	4,915,309	3,612,845	(3,335,412)	5,192,742	3,438,481
OPEB liability - City Plan	5,910,208	714,336	-	6,624,544	-
Net pension liability	35,745,137	3,729,712	-	39,474,849	-
Governmental activity long-term liabilities	<u>\$ 62,648,892</u>	<u>\$ 11,433,490</u>	<u>\$ (8,023,231)</u>	<u>\$64,279,968</u>	<u>\$8,334,342</u>
<u>Business-type activities:</u>					
Bonds payable:					
Revenue bonds	\$ 11,782,741	\$ -	\$ (1,923,213)	\$ 9,859,528	\$ 1,986,164
Less deferred amounts for issuance premiums	758,271	-	(151,904)	606,367	-
Total bonds payable	12,541,012	-	(2,075,117)	10,465,895	1,986,164
Notes and contracts payable	476,986	-	(4,863)	472,123	-
Compensated absences	946,710	506,816	(521,649)	931,877	500,232
OPEB liability - City Plan	1,418,084	227,123	-	1,645,207	-
Net pension liability	8,307,117	1,960,661	-	10,267,778	-
Business-type activities long-term liabilities	<u>\$ 23,689,909</u>	<u>\$ 2,694,600</u>	<u>\$ (2,601,629)</u>	<u>\$23,782,880</u>	<u>\$2,486,396</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE J – RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

Interfund Payables & Receivables

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sewer	Internal service funds	\$ 95,599
Storm Drainage	Internal service funds	130,749
Booth-Kelly	Internal service funds	19,543
Ambulance	Internal service funds	199,491
Total due to/from other funds (different fund types)		<u>\$ 445,382</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	\$ 498,056
Sewer	SEDA Downtown	185,424
Storm Drainage	SEDA Glenwood	48,219
Storm Drainage	SEDA Downtown	322
Total Advance to/from other funds (different fund types)		<u>\$ 732,021</u>

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Street Capital	SEDA Glenwood	\$ 687,566
Street Capital	SEDA Downtown	348,978
Internal Service Funds	SEDA Glenwood	67,641
Internal Service Funds	SEDA Downtown	26,736
General Fund	SEDA Glenwood	1,233
Building Code	SEDA Glenwood	26
Total due to/from other funds (similar fund types)		<u>\$ 1,132,180</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

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

Interfund Transfers

Fund description	General	Street Capital	Special Revenue	Nonmajor Governmental Funds	Internal Service	Ambulance	Total Transfers Out
General	\$ -	\$ 401,339	\$ 1,000	\$ 527,312	\$ -	\$ 325,066	\$ 1,254,717
Special Revenue	-	-	-	-	7,419	-	7,419
Nonmajor Governmental	753,793	150,000	-	-	-	-	903,793
Nonmajor Proprietary	84,237	-	-	-	-	-	84,237
Internal Service Funds	23,575	-	36,500	-	5,534	-	65,609
Total Transfers In	<u>\$ 861,605</u>	<u>\$ 551,339</u>	<u>\$ 37,500</u>	<u>\$ 527,312</u>	<u>\$ 12,953</u>	<u>\$ 325,066</u>	<u>\$ 2,315,775</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, 2023.

The Series 2019 bond, originally issued for \$10,000,000, has a contingent arbitrage liability of \$14,144 as of June 30, 2023. 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, 2023.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

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, 2023, there were 12 participants in the plan, of which 5 are active employees and 7 are inactive employees or their beneficiaries. The CRP is subject to Oregon PERS “equal to or better than” statutory requirements. PERS completed its latest “equal to or better than” testing in July of 2005. The most recent testing prior to July 2005 was in 1995. The plan does not issue a separate stand-alone report.

City Retirement Plan Benefits

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

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

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

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

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

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 was 28.3% through June 30, 2023. The annual lump sum contribution for the current bi-annual period is \$1,352,000.

Employer contributions for the year ended June 30, 2023 were \$1,567,966. 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, 2023, the City reported a net pension liability of \$49,742,627 between the City Retirement Plan and PERS. The net pension liability and fiduciary net position for the City Retirement Plan were measured as of June 30, 2023. The total pension liability was determined using actuarial valuation results as of July 1, 2022 rolled forward to June 30, 2023. The following table presents the changes in the net pension liability for the fiscal year ended June 30, 2023:

<u>Changes in Net Pension Liability</u>	Total Pension Liability City Plan	Plan Fiduciary Net Position City Plan	Net Pension Liability City Plan	Net Pension Liability PERS (Note M)	Total NPL
Balances as of June 30, 2022	\$ 24,879,893	\$ 17,247,879	\$ 7,632,014	\$ 36,420,240	\$ 44,052,254
Changes for the year:					
PERS changes	-	-	-	9,505,395	9,505,395
Service cost	178,979	-	178,979	-	178,979
Interest on total pension liability	1,132,491	-	1,132,491	-	1,132,491
Effect of economic/demographic (gains) or losses	(1,813,512)	-	(1,813,512)	-	(1,813,512)
Benefit payments	(4,818,111)	(4,818,111)	-	-	-
Administrative expenses	-	(79,241)	79,241	-	79,241
Net investment income	-	1,824,255	(1,824,255)	-	(1,824,255)
Employer contributions	-	1,567,966	(1,567,966)	-	(1,567,966)
Net changes	<u>(5,320,153)</u>	<u>(1,505,131)</u>	<u>(3,815,022)</u>	<u>9,505,395</u>	<u>5,690,373</u>
Balances as of June 30, 2023	<u>\$ 19,559,740</u>	<u>\$ 15,742,748</u>	<u>\$ 3,816,992</u>	<u>\$ 45,925,635</u>	<u>\$ 49,742,627</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

For the year ended June 30, 2023, the City recognized pension expense of \$4,509,652 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, 2022 to June 30, 2023
<u>Pension expense</u>			
Service Cost	\$ 178,979	\$ 6,929,419	\$ 7,108,398
Interest on total pension liability	1,132,491	-	1,132,491
Administrative expenses	79,241	-	79,241
Expected investment return net of investment expenses	(779,159)	-	(779,159)
Net amortization of employer-specific deferred amounts from:			
Changes in proportionate share	-	(120,149)	(120,149)
Differences between employer contributions and proportionate share of system contributions	-	(1,715,871)	(1,715,871)
Recognition of Deferred (Inflows)/Outflows of Resources:			
Recognition of economic/demographic (gains) losses	(1,084,023)	-	(1,084,023)
Recognition of assumption changes or inputs	223,477	-	223,477
Recognition of investment (gains) losses	(334,753)	-	(334,753)
Pension Expense	<u>\$ (583,747)</u>	<u>\$ 5,093,399</u>	<u>\$ 4,509,652</u>

At June 30, 2023, 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	\$ (911,362)	\$ -
Changes of assumptions or inputs	-	82,135
Net difference between projected and actual earnings	(216,700)	-
Total	<u>\$ (1,128,062)</u>	<u>\$ 82,135</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

The \$(1,045,927) net deferred inflows/outflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2024	\$ (1,107,655)
2025	(285,801)
2026	556,549
2027	(209,020)
Total	<u>\$ (1,045,927)</u>

Actuarial Valuations – The total pension liability in the July 1, 2022 actuarial valuation rolled forward to June 30, 2023 was determined using the following actuarial assumptions:

Actuarial Valuation Assumptions

Valuation date	June 30, 2022 rolled forward to June 30, 2023.
Actuarial cost method	Individual entry age normal, level percentage of base salary
Amortization method	Fixed amortization period of 14 years starting July 1, 2022, with payments calculated in level dollar installments.
Asset valuation method	Five-year smoothing of fair 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	\$75,000 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, 2023

NOTE L – CITY DEFINED BENEFIT PENSION PLAN – Continued

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Total pension liability	\$ 20,078,724	\$ 19,559,740	\$ 19,077,770
Fiduciary net position	15,742,748	15,742,748	15,742,748
Net pension liability	<u>\$ 4,335,976</u>	<u>\$ 3,816,992</u>	<u>\$ 3,335,022</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, 2022 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%	2.65%
Core Fixed Income	37.3%	3.89%
Broad US Equities	7.7%	6.00%
Large Cap US Equities	18.3%	5.90%
Small Cap US Equities	18.7%	6.19%
Developed Economy Foreign Equities	11.8%	7.00%
Emerging Markets Equity	2.9%	7.75%
Assumed Inflation – Mean		2.50%

NOTE M – PERS DEFINED BENEFIT PENSION PLAN

Plan Description – Qualifying employees of the city, consisting of police public safety personnel – covered by the Springfield Police Association (SPA) – and fire public safety personnel, hired on or after April 1, 1996, as well as all general service personnel beginning April 1, 2002, are provided pensions through the Oregon Public Employees Retirement System (OPERS). These pensions are part of a cost-sharing multiple-employer defined benefit plan administered and managed by the Public Employees Retirement System Board. All related benefits were

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE M – PERS DEFINED BENEFIT PENSION PLAN – Continued

established by the legislature pursuant to ORS Chapters 238 and 238A. OPERS issues a publicly available Annual Comprehensive 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 fair 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, 2023

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, 2023 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, 2023 were \$6,988,773. 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, 2023

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, 2023, the City reported a liability of \$45,925,635 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020 rolled forward to June 30, 2022. 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, 2022, the City's proportion was 0.29993%, which was changed from 0.30435% measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense of \$5,093,399. At June 30, 2023, 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	\$ 2,229,319	\$ (286,401)
Changes of assumptions	7,205,980	(65,834)
Net difference between projected and actual earnings of pension plan investments	-	(8,210,615)
Changes in proportion and differences between employer contributions and proportionate share of contributions	358,434	(1,306,099)
Differences between employer contributions and employer's proportionate share of system contributions	-	(5,963,507)
Total (prior to post measurement date contributions)	9,793,733	(15,832,456)
Contributions subsequent to the measurement date	6,988,773	-
Total Deferred Outflow/Inflow of Resources	\$ 16,782,506	\$ (15,832,456)

The \$6,988,773 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, 2024. 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,	
2024	\$ (1,209,404)
2025	(2,401,905)
2026	(4,712,581)
2027	2,768,796
2028	(483,628)
Total	\$ (6,038,722)

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

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, 2020 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Assumptions

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study Report	2020, published July 20, 2021
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	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled Retirees: Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

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 2022 Experience Study which reviewed experience for the four-year period ending on December 31, 2022.

Discount Rate – The discount rate used to measure the total pension liability was 6.90% for the Defined Benefit Pension Plan, same as 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)	\$81,445,140	\$45,925,635	\$16,197,448

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, 2023

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, 2023

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, 2023, the City's contribution to the IAP plan was \$1,636,166.

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, 2023

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

	Implicit Rate Subsidy Plan	RHIA Cost Sharing Plan	Total Reported
OPEB Liability	\$ (8,269,751)	\$ -	\$ (8,269,751)
OPEB Asset	-	1,053,827	1,053,827
Deferred Outflows of Resources			
Difference in expected and actual experience	852,414	-	852,414
Changes of assumptions	169,761	8,251	178,012
Changes in proportionate share	-	61,634	61,634
Contributions after the measurement date	501,230	7,291	508,521
Deferred Inflows of Resources			
Difference in expected and actual experience	-	(28,558)	(28,558)
Changes of assumptions	(1,320,151)	(35,127)	(1,355,278)
Net difference between projected and actual earnings on investments		(80,368)	(80,368)
Change in proportionate share	-	(71,459)	(71,459)
OPEB Expense	459,587	(169,296)	290,291

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, vision and wellness center only coverage for eligible retirees, spouses, and dependents. The following groups are eligible: Non-Medicare eligible regular retirees, disability retirees, Non-Medicare eligible early retirees eligible for pension under a City Plan or OPERS with at least 2 years of benefitted 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, 2023, 51 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, 2023 was \$50,277.

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, 2023

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, 2023, 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 \$8,269,752 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2022 (plan details outlined in the next page).

For the fiscal year ended June 30, 2022, the City recognized OPEB expense from this plan of \$459,587. At June 30, 2023, 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	\$ -	\$ 852,414	\$ 852,414
Changes of assumptions or inputs	(1,320,151)	169,761	(1,150,390)
Contributions made subsequent to measurement date	-	501,230	501,230
	<u>\$ (1,320,151)</u>	<u>\$ 1,523,405</u>	<u>\$ 203,254</u>

Deferred outflows of resources related to OPEB of \$501,230 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
2024	\$ (129,035)
2025	(129,035)
2026	(123,465)
2027	(73,317)
2028	(5,669)
Thereafter	<u>162,545</u>
Total	<u>\$ (297,976)</u>

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2022 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, 2023

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

Valuation date	July 1, 2022
Measurement Date	June 30, 2022
Discount rate	3.54%
Inflation	2.40%
Salary Increases	3.40%
Withdrawal, retirement, and mortality rates	December 31, 2021 Oregon PERS valuation and July 1, 2022 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. 3% annual lapse rate
Actuarial cost method	Entry Age Normal

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

Balance as of June 30, 2022	\$	7,328,292
Changes for the year:		
Service cost		424,442
Interest on total OPEB liability		164,180
Effect of economic/demographic gains or losses		636,440
Effect of assumptions changes or inputs		20,044
Benefit payments		<u>(303,647)</u>
Balance as of June 30, 2023	\$	<u>8,269,751</u>

Sensitivity of the Total OPEB Liability - The following presents the total OPEB liability of the Plan, calculated using the discount rate of 3.54%, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) 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, 2023

NOTE O – OTHER POSTEMPLOYMENT BENEFITS – Continued

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	\$ 8,905,266	\$ 8,269,752	\$ 7,680,699
	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 7,536,363	\$ 8,269,752	\$ 9,121,991

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. The annual comprehensive 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 0.05% 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, 2023 contributions was \$7,291.

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, 2023, the City's proportion was 0.2965%, which was a decrease from its proportion of 0.3370% at the prior measurement date.

For the year ended June 30, 2023, the City recognized deferred outflows of resources and deferred inflows of resources in the amount of \$77,176 and \$215,512. For the year ended June 30, 2023, the City recognized OPEB expense of \$(169,296) for this plan.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

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	\$ (28,558)	\$ -	\$ (28,558)
Changes of assumptions	(35,127)	8,251	(26,876)
Net difference between projected and actual earnings	(80,368)	-	(80,368)
Changes in proportionate share	(71,459)	61,634	(9,825)
Subtotal	(215,512)	69,885	(145,627)
Contributions subsequent to the measurement date	-	7,291	7,291
Total	\$ (215,512)	\$ 77,176	\$ (138,336)

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
2024	\$ (92,268)
2025	(28,382)
2026	(50,716)
2027	25,739
Total	\$ (145,627)

Change in Net OPEB Liability (RHIA)

Oregon Public Employees Retirement System Cost-sharing Plan	2023
Net OPEB Liability:	
Difference between expected and actual experience	\$ (28,558)
Changes in assumptions	(26,876)
Net difference between projected and actual earnings	(80,368)
Change in proportionate share	401,355
OPEB income	(169,296)
Benefit payments	7,291
Net changes in OPEB liability	103,548
Net OPEB liability (asset) - beginning	(1,157,375)
Net OPEB liability (asset) - ending	\$ (1,053,827)
City's proportionate share at measurement date	0.29657254%
City's covered employee payroll	\$ 38,495,936
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-2.7%

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

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%, unchanged from 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)	\$ (949,795)	\$ (1,053,827)	\$ (1,143,006)

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, 2023, the City was obligated under incomplete construction contracts in the amount of \$429,985.

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, 2023, the Sick Leave Reserve Program bank contained 8,238 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, 2023

NOTE P – COMMITMENTS AND CONTINGENCIES – Continued

The City provides funding for health reimbursement accounts for its employees to offset the high deductible medical plan. Once charged to the department, the funds are owned by the individual employees and are held in a fiduciary capacity in the Agency fund until either paid to the Plan Administrator if the funds are used, or rolled into the employees outside VEBA account upon retirement. These funds no longer belong to the City of Springfield, but are sometimes held for years until employees draw on them.

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 fair 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, 2023, 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2023

NOTE R – TAX ABATEMENT – Continued

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 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, 2023, the City of Springfield abated taxes totaling \$810,057 under the Enterprise Zone program.

Tax Abatement Program	Amount of Taxes Abated during the Fiscal Year
Enterprise Zone	\$ 807,207
Housing for Low Income Rental	2,850
	<u>\$ 810,057</u>



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, 2023

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 24,226,814	\$ 24,226,814	\$ 25,566,087	\$ 1,339,273	\$ -	\$ 25,566,087
Licenses, permits and fees	2,924,188	2,924,188	3,018,265	94,077	-	3,018,265
Intergovernmental	6,001,538	6,087,503	6,192,469	104,966	8,105	6,200,574
Charges for services	6,720,390	6,730,740	6,978,218	247,478	-	6,978,218
Fines and forfeitures	936,600	936,600	817,969	(118,631)	-	817,969
Investment earnings	140,600	140,600	913,439	772,839	36,344	949,783
Miscellaneous	237,000	477,000	504,192	27,192	-	504,192
Total revenues	<u>41,187,130</u>	<u>41,523,445</u>	<u>43,990,639</u>	<u>2,467,194</u>	<u>44,449</u>	<u>44,035,088</u>
Expenditures:						
Current operating:						
City manager's office	1,599,228	1,680,521	1,470,435	210,086	8,210	1,478,645
Legal and judicial services	887,735	1,127,735	1,119,883	7,852	-	1,119,883
Human resources	750,152	750,152	695,407	54,745	-	695,407
Finance	2,595,074	2,595,074	2,425,460	169,614	(72,631)	2,352,829
Information technology	1,856,407	1,856,407	1,774,780	81,627	-	1,774,780
Fire and life safety	12,589,148	12,772,797	12,537,428	235,369	(10,627)	12,526,801
Police	17,336,526	17,336,526	17,163,848	172,678	17,517	17,181,365
Library	2,062,570	2,074,990	2,001,360	73,630	(44,518)	1,956,842
Development and public works	3,105,437	3,170,437	2,958,843	211,594	994	2,959,837
Contingency	1,000,000	912,666	-	912,666	-	-
Debt service:						
Principal	-	-	-	-	121,840	121,840
Interest	-	-	-	-	3,200	3,200
Total expenditures	<u>43,782,277</u>	<u>44,277,305</u>	<u>42,147,444</u>	<u>2,129,861</u>	<u>23,985</u>	<u>42,171,429</u>
Excess of revenues over (under) expenditures	<u>(2,595,147)</u>	<u>(2,753,860)</u>	<u>1,843,195</u>	<u>4,597,055</u>	<u>20,464</u>	<u>1,863,659</u>
Other financing sources (uses):						
Transfers in	1,028,681	1,028,681	838,030	(190,651)	23,575	861,605
Transfers out	(852,378)	(1,254,717)	(1,254,717)	-	-	(1,254,717)
Total other financing sources (uses)	<u>176,303</u>	<u>(226,036)</u>	<u>(416,687)</u>	<u>(190,651)</u>	<u>23,575</u>	<u>(393,112)</u>
Net change in fund balance	<u>(2,418,844)</u>	<u>(2,979,896)</u>	<u>1,426,508</u>	<u>4,406,404</u>	<u>44,039</u>	<u>1,470,547</u>
Fund balance, beginning of year	<u>11,083,195</u>	<u>10,988,219</u>	<u>10,988,219</u>	<u>-</u>	<u>54,557</u>	<u>11,042,776</u>
Fund balance, end of year	<u>\$ 8,664,351</u>	<u>\$ 8,008,323</u>	<u>\$ 12,414,727</u>	<u>\$ 4,406,404</u>	<u>\$ 98,596</u>	<u>\$ 12,513,323</u>

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, 2023

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 6,902,493	\$ 6,902,493	\$ 7,303,389	\$ 400,896	\$ -	\$ 7,303,389
Licenses, permits, and fees	71,000	71,000	55,162	(15,838)	-	55,162
Charge for services	428,200	428,200	609,073	180,873	-	609,073
Fines and forfeitures	-	-	67	67	-	67
Investment earnings	20,000	20,000	113,968	93,968	1,546	115,514
Intergovernmental	-	-	-	-	-	-
Miscellaneous	-	-	2,800	2,800	-	2,800
Total revenues	<u>7,421,693</u>	<u>7,421,693</u>	<u>8,084,459</u>	<u>662,766</u>	<u>1,546</u>	<u>8,086,005</u>
Expenditures:						
Current operating:						
Finance	701,355	701,355	542,650	158,705	-	542,650
Legal services	89,700	89,700	89,383	317	-	89,383
Police	7,134,929	7,626,929	7,038,039	588,890	-	7,038,039
Contingency	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>8,075,984</u>	<u>8,567,984</u>	<u>7,670,072</u>	<u>897,912</u>	<u>-</u>	<u>7,670,072</u>
Net change in fund balance	(654,291)	(1,146,291)	414,387	1,560,678	1,546	415,933
Fund balance, beginning of year	<u>2,758,956</u>	<u>3,307,329</u>	<u>3,307,330</u>	<u>1</u>	<u>8,904</u>	<u>3,316,234</u>
Fund balance, end of year	<u>\$ 2,104,665</u>	<u>\$ 2,161,038</u>	<u>\$ 3,721,717</u>	<u>\$ 1,560,679</u>	<u>\$ 10,450</u>	<u>\$ 3,732,167</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, 2023

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Licenses, permits and fees	\$ 200,000	\$ 200,000	\$ 187,517	\$ (12,483)	\$ 4	\$ 187,521
Intergovernmental	619,451	4,129,542	4,383,721	254,179	3,293,082	7,676,803
Fines and forfeitures	-	-	309,225	309,225	-	309,225
Investment earnings	-	-	6,487	6,487	-	6,487
Miscellaneous	93,229	225,132	253,755	28,623	1	253,756
Total revenues	912,680	4,554,674	5,140,705	586,031	3,293,087	8,433,792
Expenditures:						
Current operating:						
City manager's office	273,934	304,910	240,725	64,185	-	240,725
Information Technology	143,889	240,759	102,691	138,068	-	102,691
Human Resources	103,621	103,621	84,433	19,188	-	84,433
Finance	14,000	1,172,138	438,483	733,655	-	438,483
Fire	270,508	936,232	867,822	68,410	-	867,822
Police	393,000	1,248,314	452,749	795,565	(12,322)	440,427
Library	125,180	326,283	231,516	94,767	-	231,516
Development and public works	5,534,827	13,497,589	5,073,477	8,424,112	(7,308)	5,066,169
Capital projects	-	40,000	40,000	-	-	40,000
Debt service:						
Principal	-	-	-	-	7,038	7,038
Total expenditures	6,858,959	17,869,846	7,531,896	10,337,950	(12,592)	7,519,304
Excess of revenues over (under) expenditures	(5,946,279)	(13,315,172)	(2,391,191)	10,923,981	3,305,679	914,488
Other financing sources (uses):						
Transfers in	-	37,500	37,500	-	-	37,500
Transfers out	-	-	-	-	(7,419)	(7,419)
Total other financing sources (uses)	-	37,500	37,500	-	(7,419)	30,081
Net change in fund balance	(5,946,279)	(13,277,672)	(2,353,691)	10,923,981	3,298,260	944,569
Fund balance, beginning of year	10,272,042	18,711,456	18,711,456	-	(16,687,626)	2,023,830
Fund balance, end of year	\$ 4,325,763	\$ 5,433,784	\$ 16,357,765	\$ 10,923,981	\$ (13,389,366)	\$ 2,968,399

City of Springfield, Oregon
REQUIRED SUPPLEMENTARY INFORMATION
CITY RETIREMENT PLAN (CRP)
Year Ended June 30, 2023

Schedule of CRP Employer Contributions

	2023	2022	2021
Actuarially determined contribution	\$ 1,130,000	\$ 1,190,000	\$ 1,336,000
Actual employer contribution	1,568,000	1,633,149	1,700,288
Contribution deficiency (Excess)	(438,000)	(443,149)	(364,288)
Covered payroll	655,186	836,804	1,085,680
Contribution as a % of covered payroll	239.32%	195.17%	156.61%
Valuation Date	7/1/2020	7/1/2020	7/1/2018
Investment Rate of Return Assumption	5.00%	5.00%	5.50%

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

	2023	2022	2021
Total Pension Liability			
Service cost	\$ 178,979	\$ 442,046	\$ 424,658
Interest on total pension liability	1,132,491	1,346,214	1,648,210
Effect of economic/demographic (gains) or losses	(1,813,512)	-	(313,972)
Effect of assumptions changes or inputs	-	-	492,811
Benefit payments	(4,818,111)	(6,781,187)	(3,843,362)
Net change in total pension liability	(5,320,153)	(4,992,927)	(1,591,655)
Total pension liability, beginning	24,879,893	29,872,820	31,464,475
Total pension liability, ending (a)	19,559,740	24,879,893	29,872,820
Fiduciary Net Position			
Employer contributions	1,567,966	1,633,149	1,700,288
Investment income net of investment expenses	1,824,255	(2,699,056)	5,264,296
Benefit payments	(4,818,111)	(6,781,187)	(3,843,362)
Administrative expenses	(79,241)	(109,447)	(78,351)
Net change in plan net position	(1,505,131)	(7,956,541)	3,042,871
Fiduciary net position, beginning	17,247,879	25,204,420	22,161,549
Fiduciary net position, ending (b)	15,742,748	17,247,879	25,204,420
Net pension liability, ending (a) - (b)	\$ 3,816,992	\$ 7,632,014	\$ 4,668,400
Fiduciary net position as a % of total pension liability	80%	69%	84%
Covered payroll	\$ 655,186	\$ 836,804	\$ 1,085,680
Net pension liability as a % of covered payroll	583%	912%	430%

* Note: GAAP serves as the basis of budgeting

Fiscal Year Ended June 30,

2020	2019	2018	2017	2016	2015	2014
\$ 1,469,000	\$ 1,652,000	\$ 1,754,000	\$ 1,874,000	\$ 1,875,000	\$ 1,936,000	\$ 2,088,000
1,895,516	1,842,671	1,949,686	1,916,262	1,953,954	1,964,977	2,088,000
(426,516)	(190,671)	(195,686)	(42)	(79)	(29)	-
1,529,732	1,573,655	1,915,136	2,027,175	2,034,238	2,100,871	2,426,000
123.91%	117.09%	101.80%	94.52%	96.07%	93.53%	86.07%
7/1/2018	7/1/2016	7/1/2016	7/1/2014	7/1/2014	7/1/2012	7/1/2012
5.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%

Fiscal Year Ended June 30,

2020	2019	2018	2017	2016	2015
\$ 473,416	\$ 409,467	\$ 576,750	\$ 596,684	\$ 608,191	\$ 611,102
1,690,860	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	-	-
(1,938,600)	(2,442,290)	(8,653,011)	(45,910)	(1,444,246)	(3,730,383)
225,676	543,898	(5,938,804)	1,311,972	1,363,805	(932,893)
31,238,799	30,694,901	36,633,705	35,321,733	33,957,928	34,890,821
31,464,475	31,238,799	30,694,901	36,633,705	35,321,733	33,957,928
1,895,516	1,842,671	1,949,686	1,916,262	1,953,954	1,964,977
1,123,428	1,387,284	1,973,759	2,717,812	(12,259)	708,524
(1,938,600)	(2,442,290)	(8,653,011)	(45,910)	(1,444,246)	(3,730,383)
(73,200)	(71,812)	(86,436)	(76,423)	(68,077)	(70,078)
1,007,144	715,853	(4,816,002)	4,511,741	429,372	(1,126,960)
21,154,405	20,438,552	25,254,554	20,742,813	20,313,441	21,440,401
22,161,549	21,154,405	20,438,552	25,254,554	20,742,813	20,313,441
\$ 9,302,926	\$ 10,084,394	\$ 10,256,349	\$ 11,379,151	\$ 14,578,920	\$ 13,644,487
70%	68%	67%	69%	59%	60%
\$ 1,529,732	\$ 1,573,655	\$ 1,915,136	\$ 2,027,175	\$ 2,034,238	\$ 2,100,871
608%	641%	536%	561%	717%	649%

City of Springfield, Oregon
REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC EMPLOYEE RETIREMENT SYSTEM (OPERS)
Year Ended June 30, 2023

OPERS RETIREMENT PLAN PENSION BENEFITS

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

	2023	2022	2021
Proportion of the net pension liability (asset)	0.2999%	0.3044%	0.3059%
Proportionate share of the net pension liability (asset)	\$ 45,925,635	\$ 36,420,240	\$ 66,759,811
Covered payroll	36,805,071	34,220,410	31,984,379
Proportionate share of the pension liability (asset) as a percentage of its covered payroll	124.78%	106.43%	208.73%
Plan net position as a percentage of the total pension liability	84.5%	87.6%	75.8%

* 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

	2023	2022	2021
Contractually required contribution	\$ 6,988,773	\$ 6,422,871	\$ 5,878,193
Contributions in relation to the contractually required contribution	6,988,773	6,422,871	5,878,193
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 38,495,936	\$ 36,805,071	\$ 34,220,410
Contributions as a percentage of covered payroll	18.15%	17.45%	17.18%

* Note: GAAP serves as the basis of budgeting

Fiscal Year Ended June 30,

2020	2019	2018	2017	2016	2015	2014
0.3141%	0.3009%	0.3053%	0.2894%	0.3089%	0.2801%	0.2801%
\$ 54,332,518	\$ 45,585,971	\$ 41,153,474	\$ 43,443,622	\$ 17,733,343	\$ (6,349,764)	\$ 14,295,480
31,987,774	29,957,604	29,371,018	28,785,414	27,340,088	26,270,045	26,151,761
169.85%	152.17%	140.12%	150.92%	64.86%	-24.17%	54.42%
80.2%	82.1%	83.1%	80.5%	91.9%	103.6%	92.0%

Fiscal Year Ended June 30,

2020	2019	2018	2017	2016	2015	2014
\$ 5,667,777	\$ 4,190,470	\$ 3,930,696	\$ 2,875,247	\$ 2,718,458	\$ 2,393,904	\$ 2,371,838
5,667,777	4,190,470	3,930,696	2,875,247	2,718,458	2,393,904	2,371,838
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 31,984,379	\$ 31,987,774	\$ 29,957,604	\$ 29,371,018	\$ 28,785,414	\$ 27,340,088	\$ 26,270,045
17.72%	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, 2023

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY

	2023
Total OPEB Liability:	
Services cost	\$ 424,442
Interest on total OPEB liability	164,180
Difference between expected and actual experience	
Effect of economic/demographic (gains) or losses	636,440
Effect of assumptions, changes or inputs	20,044
Benefit payments	(303,646)
Net change in total OPEB liability	<u>\$ 941,460</u>
 Total OPEB liability - beginning	 7,328,292
Restatement for GASB 75 Implementation	<u>-</u>
 Total OPEB liability - beginning as restated	 <u>7,328,292</u>
Total OPEB liability - ending	<u>\$ 8,269,752</u>
 Covered-employee payroll	 \$ 36,805,071
Total OPEB liability as a percentage of covered-employee payroll	22.5%

*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,

2022	2021	2020	2019	2018
\$ 411,626	\$ 414,080	\$ 372,531	\$ 395,930	\$ 453,737
161,350	262,383	266,338	273,058	223,423
-	326,881	-	159,236	-
28,478	(892,059)	226,366	(1,219,048)	(495,892)
(324,876)	(284,290)	(300,212)	(361,763)	(309,306)
<u>\$ 276,578</u>	<u>\$ (173,005)</u>	<u>\$ 565,023</u>	<u>\$ (752,587)</u>	<u>\$ (128,038)</u>
7,051,714	7,224,719	6,659,696	7,412,283	6,559,960
-	-	-	-	980,361
7,051,714	7,224,719	6,659,696	7,412,283	7,540,321
<u>\$ 7,328,292</u>	<u>\$ 7,051,714</u>	<u>\$ 7,224,719</u>	<u>\$ 6,659,696</u>	<u>\$ 7,412,283</u>
\$ 34,220,410	\$ 31,984,379	\$ 31,987,774	\$ 29,957,604	\$ 29,371,018
21.4%	22.0%	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, 2023

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

	<u>2023</u>
Net OPEB Liability:	
Proportion of the net pension liability (asset)	0.2966%
Proportionate share of the net pension liability (asset)	\$ (1,053,827)
Covered payroll	36,805,071
Proportionate share of the pension liability (asset) as a percentage of its covered payroll	-2.9%
Plan net position as a percentage of the total pension liability	194.6%

*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.

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

SCHEDULE OF CONTRIBUTIONS

	<u>2023</u>
Contractually required contribution	\$ 5,287
Contributions in relation to the contractually required contribution	7,291
Contribution deficiency (excess)	<u>\$ (2,004)</u>
Covered payroll	\$ 38,495,936
Contributions as a percentage of covered payroll	0.01%

*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,

2022	2021	2020	2019	2018
0.3370%	0.1955%	0.2985%	0.2885%	0.2986%
\$ (1,157,375)	\$ (398,376)	\$ (576,806)	\$ (322,081)	\$ (124,618)
34,220,410	31,984,379	31,987,774	29,957,604	29,371,018
-3.4%	-1.2%	-1.8%	-1.1%	-0.4%
183.9%	150.1%	144.4%	124.0%	108.9%

Fiscal Year Ended June 30,

2022	2021	2020	2019	2018
\$ 7,310	\$ 9,018	\$ 13,962	\$ 147,942	\$ 139,708
9,988	12,434	148,101	138,490	148,660
<u>\$ (2,678)</u>	<u>\$ (3,416)</u>	<u>\$ (134,139)</u>	<u>\$ 9,452</u>	<u>\$ (8,952)</u>
\$ 36,805,071	\$ 34,220,410	\$ 31,984,379	\$ 31,987,774	\$ 29,957,604
0.02%	0.03%	0.04%	0.46%	0.47%



Other Supplementary Information



Nonmajor Governmental Funds Combining Statements



City of Springfield, Oregon
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 13,069,047	\$ 613,851	\$ 6,185,021	\$ 19,867,919
Receivables:				
Accounts	1,745,843	-	-	1,745,843
Taxes	158,229	188,303	-	346,532
Grants	534,919	-	-	534,919
Accrued interest	46,652	8,999	17,405	73,056
Assessments and liens	-	-	17,944	17,944
Notes	963,903	-	-	963,903
Deferred system development charges	26	-	-	26
Prepaid items	44,148	-	-	44,148
Deposits	800	-	-	800
Inventory	407,863	-	-	407,863
Total assets	<u>\$ 16,971,430</u>	<u>\$ 811,153</u>	<u>\$ 6,220,370</u>	<u>\$ 24,002,953</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 697,745	\$ -	\$ 14,841	\$ 712,586
Accrued payroll and other liabilities	234,591	-	-	234,591
Unearned revenue	5,383	-	-	5,383
Due to other fund	64,929	-	-	64,929
Deposits	5,147	-	-	5,147
Total liabilities	<u>1,007,795</u>	<u>-</u>	<u>14,841</u>	<u>1,022,636</u>
Deferred inflows of resources:				
Unavailable revenue	<u>1,916,670</u>	<u>185,947</u>	<u>17,944</u>	<u>2,120,561</u>
Fund Balances:				
Nonspendable	452,811	-	-	452,811
Restricted	13,594,154	625,206	1,918,891	16,138,251
Committed	-	-	3,102,303	3,102,303
Assigned	-	-	1,166,391	1,166,391
Total fund balances	<u>14,046,965</u>	<u>625,206</u>	<u>6,187,585</u>	<u>20,859,756</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,971,430</u>	<u>\$ 811,153</u>	<u>\$ 6,220,370</u>	<u>\$ 24,002,953</u>

City of Springfield, Oregon

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2023

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 7,484,954	\$ 3,939,111	\$ -	\$ 11,424,065
Licenses, permits and fees	262,318	-	-	262,318
Intergovernmental	6,157,726	-	50	6,157,776
Charges for services	3,209,034	-	306,865	3,515,899
Fines and forfeitures	21,433	-	-	21,433
Investment earnings	329,964	68,571	160,799	559,334
Special assessments	-	-	1,351	1,351
Miscellaneous	532,020	-	-	532,020
Total revenues	17,997,449	4,007,682	469,065	22,474,196
Expenditures:				
Current operating:				
General government	836,859	-	-	836,859
Fire and life safety	1,774,591	-	-	1,774,591
Library	254,646	-	-	254,646
Development and public works	9,163,861	-	-	9,163,861
Capital projects	3,176,889	-	220,999	3,397,888
Debt service:				
Principal	675,950	3,668,000	-	4,343,950
Interest	88,866	348,876	-	437,742
Total expenditures	15,971,662	4,016,876	220,999	20,209,537
Excess of revenues over (under) expenditures	2,025,787	(9,194)	248,066	2,264,659
Other financing sources (uses):				
Debt forgiveness	(1,658,465)	-	-	(1,658,465)
Interfund loans issued and repaid	2,250,000	-	-	2,250,000
Transfers in	471,000	-	56,312	527,312
Transfers out	(903,793)	-	-	(903,793)
Bond costs	(68,596)	-	-	(68,596)
Total other financing sources (uses)	90,146	-	56,312	146,458
Net change in fund balances	2,115,933	(9,194)	304,378	2,411,117
Fund balance, beginning of year	11,809,292	634,400	5,883,207	18,326,899
Change in reserve for inventory	121,740	-	-	121,740
Fund balance, end of year	\$ 14,046,965	\$ 625,206	\$ 6,187,585	\$ 20,859,756

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:

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.

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.

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, 2023

	Street	Transient Room Tax	Community Development	Building Code	SEDA Glenwood General	SEDA Downtown General	Fire Local Option Levy	Total
ASSETS								
Cash and investments	\$ 2,728,301	\$ 1,957,180	\$ -	\$ 5,550,410	\$ 269,036	\$ 713,040	\$ 1,851,080	\$ 13,069,047
Receivables:								
Accounts	1,112,938	598,056	-	-	4,500	8,296	22,053	1,745,843
Taxes	-	-	-	-	42,980	40,178	75,071	158,229
Grants	18,859	58	516,002	-	-	-	-	534,919
Accrued interest	8,945	7,166	-	16,063	2,893	5,090	6,495	46,652
Leases	-	-	-	-	-	-	-	-
Notes	-	-	844,169	-	-	119,734	-	963,903
Deferred system development fees	-	-	-	26	-	-	-	26
Prepaid items	44,148	-	-	-	-	-	-	44,148
Deposits	-	-	-	-	800	-	-	800
Inventory	407,863	-	-	-	-	-	-	407,863
Total assets	<u>\$ 4,321,054</u>	<u>\$ 2,562,460</u>	<u>\$ 1,360,171</u>	<u>\$ 5,566,499</u>	<u>\$ 320,209</u>	<u>\$ 886,338</u>	<u>\$ 1,954,699</u>	<u>\$ 16,971,430</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 462,553	\$ 18,144	\$ 89,535	\$ 10,268	\$ 46,313	\$ 67,605	\$ 3,327	\$ 697,745
Accrued payroll and other liabilities	135,308	9,718	9,272	37,146	-	-	43,147	234,591
Unearned revenue	5,383	-	-	-	-	-	-	5,383
Deposits	-	-	-	-	4,247	900	-	5,147
Due to other funds	-	-	64,929	-	-	-	-	64,929
Total liabilities	<u>603,244</u>	<u>27,862</u>	<u>163,736</u>	<u>47,414</u>	<u>50,560</u>	<u>68,505</u>	<u>46,474</u>	<u>1,007,795</u>
Deferred inflows of resources:								
Unavailable revenue	541,898	363,281	844,169	26	45,325	47,942	74,029	1,916,670
Fund balances:								
Nonspendable	452,011	-	-	-	800	-	-	452,811
Restricted	2,723,901	2,171,317	352,266	5,519,059	223,524	769,891	1,834,196	13,594,154
Total fund balances	<u>3,175,912</u>	<u>2,171,317</u>	<u>352,266</u>	<u>5,519,059</u>	<u>224,324</u>	<u>769,891</u>	<u>1,834,196</u>	<u>14,046,965</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,321,054</u>	<u>\$ 2,562,460</u>	<u>\$ 1,360,171</u>	<u>\$ 5,566,499</u>	<u>\$ 320,209</u>	<u>\$ 886,338</u>	<u>\$ 1,954,699</u>	<u>\$ 16,971,430</u>

City of Springfield, Oregon
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
Year ended June 30, 2023

	Street	Transient Room Tax	Community Development	Building Code	SEDA Glenwood General	SEDA Downtown General	Fire Local Option Levy	Total
Revenues:								
Taxes	\$ 881,768	\$ 1,544,253	\$ -	\$ -	\$ 1,465,292	\$ 1,612,190	\$ 1,981,451	\$ 7,484,954
Licenses, permits and fees	231,983	-	-	-	-	30,335	-	262,318
Intergovernmental	5,093,146	-	1,027,454	-	5,673	483	30,970	6,157,726
Charges for services	269,740	-	-	2,850,791	60,032	28,471	-	3,209,034
Fines and forfeitures	-	-	-	-	-	21,433	-	21,433
Investment earnings	66,627	49,651	-	114,677	20,473	31,519	47,017	329,964
Miscellaneous	18,008	-	148,529	303	-	365,180	-	532,020
Total revenues	6,561,272	1,593,904	1,175,983	2,965,771	1,551,470	2,089,611	2,059,438	17,997,449
Expenditures:								
Current operating:								
General government:								
City manager's office	34,477	170,864	-	12,136	171,456	344,055	-	732,988
Information Technology	-	-	-	-	-	-	-	-
Finance	58,853	-	24,579	-	10,230	10,209	-	103,871
Fire and life safety	-	-	-	83,859	-	-	1,690,732	1,774,591
Library	-	254,646	-	-	-	-	-	254,646
Development and public works	6,682,371	24,209	1,095,185	1,362,096	-	-	-	9,163,861
Capital projects	-	-	-	-	2,772,495	404,394	-	3,176,889
Debt service:								
Principal	-	-	-	-	675,950	-	-	675,950
Interest	-	-	-	-	63,686	25,180	-	88,866
Total expenditures	6,775,701	449,719	1,119,764	1,458,091	3,693,817	783,838	1,690,732	15,971,662
Excess of revenues over (under) expenditures	(214,429)	1,144,185	56,219	1,507,680	(2,142,347)	1,305,773	368,706	2,025,787
Other financing sources (uses):								
Loan forgiveness	-	-	-	-	-	(1,658,465)	-	(1,658,465)
Bond proceeds	-	-	-	-	2,250,000	-	-	2,250,000
Transfers in	471,000	-	-	-	-	-	-	471,000
Transfers out	(150,000)	(753,793)	-	-	-	-	-	(903,793)
Bond sale expense	-	-	-	-	(68,596)	-	-	(68,596)
Total other financing sources (uses)	321,000	(753,793)	-	-	2,181,404	(1,658,465)	-	90,146
Net change in fund balances	106,571	390,392	56,219	1,507,680	39,057	(352,692)	368,706	2,115,933
Fund balances, beginning of year	2,947,601	1,780,925	296,047	4,011,379	185,267	1,122,583	1,465,490	11,809,292
Change in reserve for inventory	121,740	-	-	-	-	-	-	121,740
Fund balances, end of year	\$ 3,175,912	\$ 2,171,317	\$ 352,266	\$ 5,519,059	\$ 224,324	\$ 769,891	\$ 1,834,196	\$ 14,046,965

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, 2023

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 850,000	\$ 850,000	\$ 881,768	\$ 31,768	\$ -	\$ 881,768
Licenses, permits and fees	175,000	175,000	231,983	56,983	-	231,983
Intergovernmental	5,133,000	5,133,000	5,090,121	(42,879)	3,025	5,093,146
Charges for services	120,515	120,515	269,740	149,225	-	269,740
Investment earnings	25,000	25,000	65,590	40,590	1,037	66,627
Miscellaneous	10,000	10,000	527	(9,473)	17,481	18,008
Total revenues	<u>6,313,515</u>	<u>6,313,515</u>	<u>6,539,729</u>	<u>226,214</u>	<u>21,543</u>	<u>6,561,272</u>
Expenditures:						
Current operating:						
City managers office	57,912	57,912	33,741	24,171	736	34,477
Development and public works	6,951,767	6,951,767	6,668,305	283,462	14,066	6,682,371
Finance	68,156	68,156	58,853	9,303	-	58,853
Contingency	200,000	200,000	-	200,000	-	-
Total expenditures	<u>7,277,835</u>	<u>7,277,835</u>	<u>6,760,899</u>	<u>516,936</u>	<u>14,802</u>	<u>6,775,701</u>
Excess of revenues over (under) expenditures	(964,320)	(964,320)	(221,170)	743,150	6,741	(214,429)
Other financing sources (uses):						
Transfers in	471,000	471,000	471,000	-	-	471,000
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>321,000</u>	<u>321,000</u>	<u>321,000</u>	<u>-</u>	<u>-</u>	<u>321,000</u>
Net change in fund balance	(643,320)	(643,320)	99,830	743,150	6,741	106,571
Fund balance, beginning of year	2,810,823	2,817,795	2,817,796	1	129,805	2,947,601
Change in reserve for inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,740</u>	<u>121,740</u>
Fund balance, end of year	<u>\$ 2,167,503</u>	<u>\$ 2,174,475</u>	<u>\$ 2,917,626</u>	<u>\$ 743,151</u>	<u>\$ 258,286</u>	<u>\$ 3,175,912</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, 2023

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,700,000	\$ 1,700,000	\$ 1,544,253	\$ (155,747)	\$ -	\$ 1,544,253
Investment earnings	12,000	12,000	48,032	36,032	1,619	49,651
Intergovernmental	-	-	(56)	(56)	56	-
Total revenues	<u>1,712,000</u>	<u>1,712,000</u>	<u>1,592,229</u>	<u>(119,771)</u>	<u>1,675</u>	<u>1,593,904</u>
Expenditures:						
Current operating:						
City manager's office	242,212	242,212	171,326	70,886	(462)	170,864
Library	249,771	257,308	254,366	2,942	280	254,646
Development and public works	<u>32,874</u>	<u>32,874</u>	<u>24,209</u>	<u>8,665</u>	<u>-</u>	<u>24,209</u>
Total expenditures	<u>524,857</u>	<u>532,394</u>	<u>449,901</u>	<u>82,493</u>	<u>(182)</u>	<u>449,719</u>
Excess of revenues over (under) expenditures	1,187,143	1,179,606	1,142,328	(37,278)	1,857	1,144,185
Other financing sources (uses):						
Transfers out	<u>(944,444)</u>	<u>(944,444)</u>	<u>(753,793)</u>	<u>190,651</u>	<u>-</u>	<u>(753,793)</u>
Net change in fund balance	242,699	235,162	388,535	153,373	1,857	390,392
Fund balance, beginning of year	<u>1,529,862</u>	<u>1,778,129</u>	<u>1,778,129</u>	<u>-</u>	<u>2,796</u>	<u>1,780,925</u>
Fund balance, end of year	<u>\$ 1,772,561</u>	<u>\$ 2,013,291</u>	<u>\$ 2,166,664</u>	<u>\$ 153,373</u>	<u>\$ 4,653</u>	<u>\$ 2,171,317</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, 2023

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental	\$ 1,220,956	\$ 1,886,102	\$ 1,027,454	\$ (858,648)	\$ -	\$ 1,027,454
Miscellaneous	<u>37,464</u>	<u>37,464</u>	<u>148,529</u>	<u>111,065</u>	<u>-</u>	<u>148,529</u>
Total revenues	<u>1,258,420</u>	<u>1,923,566</u>	<u>1,175,983</u>	<u>(747,583)</u>	<u>-</u>	<u>1,175,983</u>
Expenditures:						
Current operating:						
Finance	26,041	26,041	24,579	1,462	-	24,579
Development and public works	<u>1,321,783</u>	<u>1,986,929</u>	<u>1,095,185</u>	<u>891,744</u>	<u>-</u>	<u>1,095,185</u>
Total expenditures	<u>1,347,824</u>	<u>2,012,970</u>	<u>1,119,764</u>	<u>893,206</u>	<u>-</u>	<u>1,119,764</u>
Net change in fund balance	(89,404)	(89,404)	56,219	145,623	-	56,219
Fund balance, beginning of year	<u>96,395</u>	<u>296,047</u>	<u>296,047</u>	<u>-</u>	<u>-</u>	<u>296,047</u>
Fund balance, end of year	<u>\$ 6,991</u>	<u>\$ 206,643</u>	<u>\$ 352,266</u>	<u>\$ 145,623</u>	<u>\$ -</u>	<u>\$ 352,266</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, 2023

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,504,000	\$ 1,504,000	\$ 2,850,791	\$ 1,346,791	\$ -	\$ 2,850,791
Investment earnings	24,000	24,000	111,766	87,766	2,911	114,677
Miscellaneous	-	-	303	303	-	303
Total revenues	<u>1,528,000</u>	<u>1,528,000</u>	<u>2,962,860</u>	<u>1,434,860</u>	<u>2,911</u>	<u>2,965,771</u>
Expenditures:						
Current operating:						
City manager office	22,648	22,647	12,136	10,511	-	12,136
Fire and life safety	84,213	84,214	83,859	355	-	83,859
Development and public works	1,396,226	1,396,226	1,362,096	34,130	-	1,362,096
Contingency	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,538,087</u>	<u>1,538,087</u>	<u>1,458,091</u>	<u>79,996</u>	<u>-</u>	<u>1,458,091</u>
Net change in fund balance	(10,087)	(10,087)	1,504,769	1,514,856	2,911	1,507,680
Fund balance, beginning of year	<u>3,690,813</u>	<u>4,003,361</u>	<u>4,003,361</u>	<u>-</u>	<u>8,018</u>	<u>4,011,379</u>
Fund balance, end of year	<u>\$ 3,680,726</u>	<u>\$ 3,993,274</u>	<u>\$ 5,508,130</u>	<u>\$ 1,514,856</u>	<u>\$ 10,929</u>	<u>\$ 5,519,059</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, 2023

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,241,000	\$ 1,391,000	\$ 1,465,292	\$ 74,292	\$ -	\$ 1,465,292
Intergovernmental	-	-	5,673	5,673	-	5,673
Charges for services	60,000	60,000	60,032	32	-	60,032
Investment earnings	5,000	5,000	19,840	14,840	633	20,473
Total revenues	1,306,000	1,456,000	1,550,837	94,837	633	1,551,470
Expenditures:						
Current operating:						
City manager's office	305,705	305,705	171,455	134,250	1	171,456
Finance	12,000	12,000	10,230	1,770	-	10,230
Capital projects	-	5,000,000	2,842,376	2,157,624	(69,881)	2,772,495
Debt service:						
Principal	668,055	2,668,055	675,950	1,992,105	-	675,950
Interest	56,465	56,465	63,686	(7,221)	-	63,686
Total expenditures	1,042,225	8,042,225	3,763,697	4,278,528	(69,880)	3,693,817
Excess of revenues over (under) expenditures	263,775	(6,586,225)	(2,212,860)	4,373,365	70,513	(2,142,347)
Other financing sources (uses):						
Issuance of debt	-	7,000,000	2,250,000	(4,750,000)	-	2,250,000
Bond sale expense	-	(69,000)	(68,596)	404	-	(68,596)
Total other financing sources (uses)	-	6,931,000	2,181,404	(4,749,596)	-	2,181,404
Net change in fund balance	263,775	344,775	(31,456)	(376,231)	70,513	39,057
Fund balance, beginning of year	215,992	254,883	254,883	-	(69,616)	185,267
Fund balance, end of year	\$ 479,767	\$ 599,658	\$ 223,427	\$ (376,231)	\$ 897	\$ 224,324

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, 2023

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 890,000	\$ 1,582,000	\$ 1,612,190	\$ 30,190	\$ -	\$ 1,612,190
Licenses, permits and fees	45,000	45,000	30,335	(14,665)	-	30,335
Intergovernmental	-	-	483	483	-	483
Charges for services	25,000	25,000	28,471	3,471	-	28,471
Fines and forfeitures	25,000	25,000	21,433	(3,567)	-	21,433
Investment earnings	6,500	6,500	33,751	27,251	(2,232)	31,519
Miscellaneous	-	345,000	364,680	19,680	500	365,180
Total revenues	991,500	2,028,500	2,091,343	62,843	(1,732)	2,089,611
Expenditures:						
Current operating:						
City manager's office	565,216	966,704	808,402	158,302	(464,347)	344,055
Finance	12,000	112,000	10,209	101,791	-	10,209
Capital projects	-	1,100,000	-	1,100,000	404,394	404,394
Debt service:						
Interest	15,000	30,000	25,180	4,820	-	25,180
Total expenditures	592,216	2,208,704	843,791	1,364,913	(59,953)	783,838
Excess of revenues over (under) expenditures	399,284	(180,204)	1,247,552	1,427,756	58,221	1,305,773
Other financing sources (uses):						
Loan proceeds	-	11,200,000	-	(11,200,000)	-	-
Loan to developer	-	(10,000,000)	-	10,000,000	-	-
Loan forgiveness	-	-	-	-	(1,658,465)	(1,658,465)
Interfund loan repaid	(400,000)	(1,300,000)	(1,300,000)	-	1,300,000	-
Total other financing sources (uses)	(400,000)	(100,000)	(1,300,000)	(1,200,000)	(358,465)	(1,658,465)
Net change in fund balance	(716)	(280,204)	(52,448)	227,756	(300,244)	(352,692)
Fund balance, beginning of year	275,847	699,142	699,142	-	423,441	1,122,583
Fund balance, end of year	\$ 275,131	\$ 418,938	\$ 646,694	\$ 227,756	\$ 123,197	\$ 769,891

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, 2023

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,886,320	\$ 1,886,320	\$ 1,981,451	\$ 95,131	\$ -	\$ 1,981,451
Investment earnings	10,000	10,000	45,975	35,975	1,042	47,017
Intergovernmental	-	30,970	30,970	-	-	30,970
Total revenues	<u>1,896,320</u>	<u>1,927,290</u>	<u>2,058,396</u>	<u>131,106</u>	<u>1,042</u>	<u>2,059,438</u>
Expenditures:						
Current operating:						
Fire and life safety	1,647,095	1,690,801	1,690,732	69	-	1,690,732
Contingency	<u>45,000</u>	<u>32,264</u>	<u>-</u>	<u>32,264</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,692,095</u>	<u>1,723,065</u>	<u>1,690,732</u>	<u>32,333</u>	<u>-</u>	<u>1,690,732</u>
Net change in fund balance	204,225	204,225	367,664	163,439	1,042	368,706
Fund balance, beginning of year	<u>1,434,905</u>	<u>1,462,112</u>	<u>1,462,112</u>	<u>-</u>	<u>3,378</u>	<u>1,465,490</u>
Fund balance, end of year	<u>\$ 1,639,130</u>	<u>\$ 1,666,337</u>	<u>\$ 1,829,776</u>	<u>\$ 163,439</u>	<u>\$ 4,420</u>	<u>\$ 1,834,196</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
BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
June 30, 2023

	General Obligation Debt Service
ASSETS	
Cash and investments	\$ 613,851
Receivables:	
Property taxes	188,303
Accrued interest	8,999
	<hr/>
Total assets	\$ 811,153
	<hr/> <hr/>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Deferred inflows of resources:	
Unavailable revenue	\$ 185,947
	<hr/>
Fund balance restricted	625,206
	<hr/>
Total liabilities, deferred inflows of resources, and fund balances	\$ 811,153
	<hr/> <hr/>

City of Springfield, Oregon
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR DEBT SERVICE FUNDS
Year Ended June 30, 2023

	General Obligation Debt Service
Revenues:	
Taxes	\$ 3,939,111
Investment earnings	<u>68,571</u>
Total revenues	<u>4,007,682</u>
Expenditures:	
Debt service:	
Principal	3,668,000
Interest	<u>348,876</u>
Total expenditures	<u>4,016,876</u>
Excess of revenues over (under) expenditures	<u>(9,194)</u>
Net change in fund balance	(9,194)
Fund balance, beginning of year	<u>634,400</u>
Fund balance, end of year	<u><u>\$ 625,206</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, 2023

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 3,840,000	\$ 3,840,000	\$ 3,939,111	\$ 99,111	\$ -	\$ 3,939,111
Investment earnings	5,000	5,000	67,853	62,853	718	68,571
Total revenues	<u>3,845,000</u>	<u>3,845,000</u>	<u>4,006,964</u>	<u>161,964</u>	<u>718</u>	<u>4,007,682</u>
Expenditures:						
Debt service:						
Principal	3,668,000	3,668,000	3,668,000	-	-	3,668,000
Interest	348,880	348,880	348,876	4	-	348,876
Total expenditures	<u>4,016,880</u>	<u>4,016,880</u>	<u>4,016,876</u>	<u>4</u>	<u>-</u>	<u>4,016,876</u>
Excess of revenues over (under) expenditures	<u>(171,880)</u>	<u>(171,880)</u>	<u>(9,912)</u>	<u>161,968</u>	<u>718</u>	<u>(9,194)</u>
Net change in fund balance	(171,880)	(171,880)	(9,912)	161,968	718	(9,194)
Fund balance, beginning of year	<u>597,338</u>	<u>628,994</u>	<u>628,995</u>	<u>1</u>	<u>5,405</u>	<u>634,400</u>
Fund balance, end of year	<u>\$ 425,458</u>	<u>\$ 457,114</u>	<u>\$ 619,083</u>	<u>\$ 161,969</u>	<u>\$ 6,123</u>	<u>\$ 625,206</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, 2023

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Investment earnings	\$ 122,000	\$ 122,000	\$ 401,766	\$ 279,766	\$ 26,294	\$ 428,060
Charges for services	1,060,000	1,060,000	1,281,139	221,139	-	1,281,139
Intergovernmental	-	-	12,830,588	12,830,588	-	12,830,588
Total revenues	1,182,000	1,182,000	14,513,493	13,331,493	26,294	14,539,787
Expenditures:						
Current operating						
Development and public works	137,069	155,069	88,353	66,716	-	88,353
Capital projects	2,773,100	5,185,323	2,251,776	2,933,547	3,521	2,255,297
Total expenditures	2,910,169	5,340,392	2,340,129	3,000,263	3,521	2,343,650
Excess of revenues over (under) expenditures	(1,728,169)	(4,158,392)	12,173,364	16,331,756	22,773	12,196,137
Other financing sources (uses):						
Transfer in	150,000	551,339	551,339	-	-	551,339
Net change in fund balance	(1,578,169)	(3,607,053)	12,724,703	16,331,756	22,773	12,747,476
Fund balance, beginning of year	8,775,781	8,054,521	8,054,522	1	20,703	8,075,225
Fund balance, end of year	\$ 7,197,612	\$ 4,447,468	\$ 20,779,225	\$ 16,331,757	\$ 43,476	\$ 20,822,701

City of Springfield, Oregon
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2023

	Development Assessments Capital Projects	Development Capital Projects	SEDA Glenwood Capital Projects	Total
ASSETS				
Cash and investments	\$ 798,255	\$ 5,328,159	\$ 58,607	\$ 6,185,021
Receivables:				
Accrued interest	2,655	14,750	-	17,405
Assessments and liens	17,944	-	-	17,944
Total assets	<u>\$ 818,854</u>	<u>\$ 5,342,909</u>	<u>\$ 58,607</u>	<u>\$ 6,220,370</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts and contracts payable	\$ -	\$ 14,841	\$ -	\$ 14,841
Deferred inflows of resources:				
Unavailable revenue	17,944	-	-	17,944
Fund balances:				
Restricted	-	1,860,284	58,607	1,918,891
Committed	800,910	2,301,393	-	3,102,303
Assigned	-	1,166,391	-	1,166,391
Total fund balances	<u>800,910</u>	<u>5,328,068</u>	<u>58,607</u>	<u>6,187,585</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 818,854</u>	<u>\$ 5,342,909</u>	<u>\$ 58,607</u>	<u>\$ 6,220,370</u>

City of Springfield, Oregon

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

NONMAJOR CAPITAL PROJECTS FUNDS

Year Ended June 30, 2023

	Development Assessments Capital Projects	Development Capital Projects	SEDA Glenwood Capital Projects	Total
Revenues:				
Intergovernmental	\$ 50	\$ -	\$ -	\$ 50
Charges for services	-	306,865	-	306,865
Investment earnings	19,807	140,992	-	160,799
Special assessments	1,351	-	-	1,351
Total revenues	21,208	447,857	-	469,065
Expenditures:				
Capital projects	-	220,999	-	220,999
Excess of revenues over (under) expenditures	21,208	226,858	-	248,066
Other financing sources (uses):				
Transfer in	56,312	-	-	56,312
Net change in fund balance	77,520	226,858	-	304,378
Fund balance, beginning of year	723,390	5,101,210	58,607	5,883,207
Fund balance, end of year	\$ 800,910	\$ 5,328,068	\$ 58,607	\$ 6,187,585

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, 2023

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ -	\$ -	\$ 50	\$ 50	\$ -	\$ 50
Investment earnings	7,300	7,300	19,495	12,195	312	19,807
Special assessments	5,000	5,000	1,351	(3,649)	-	1,351
Total revenues	12,300	12,300	20,896	8,596	312	21,208
Other financing sources (uses):						
Transfer in	56,312	56,312	56,312	-	-	56,312
Net change in fund balance	68,612	68,612	77,208	8,596	312	77,520
Fund balance, beginning of year	730,204	721,896	721,895	(1)	1,495	723,390
Fund balance, end of year	<u>\$ 798,816</u>	<u>\$ 790,508</u>	<u>\$ 799,103</u>	<u>\$ 8,595</u>	<u>\$ 1,807</u>	<u>\$ 800,910</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, 2023

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 313,812	\$ 313,812	\$ 306,865	\$ (6,947)	\$ -	\$ 306,865
Investment earnings	25,000	25,000	140,535	115,535	457	140,992
Total revenues	338,812	338,812	447,400	108,588	457	447,857
Expenditures:						
Capital projects	313,812	313,812	220,999	92,813	-	220,999
Excess of revenues over (under) expenditures	25,000	25,000	226,401	201,401	457	226,858
Other financing sources (uses):						
Interfund loan repayments	415,000	415,000	1,300,000	885,000	(1,300,000)	-
Net change in fund balance	440,000	440,000	1,526,401	1,086,401	(1,299,543)	226,858
Fund balance, beginning of year	3,234,469	3,791,631	3,791,631	-	1,309,579	5,101,210
Fund balance, end of year	<u>\$ 3,674,469</u>	<u>\$ 4,231,631</u>	<u>\$ 5,318,032</u>	<u>\$ 1,086,401</u>	<u>\$ 10,036</u>	<u>\$ 5,328,068</u>

City of Springfield, Oregon
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
SEDA GLENWOOD CAPITAL PROJECTS FUND
Year Ended June 30, 2023

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Expenditures:						
Capital projects	\$ -	\$ 58,399	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	-	(58,399)	-	58,399	-	-
Fund balance, beginning of year	208	58,607	58,607	-	-	58,607
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, 2023

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 8,002,000	\$ 8,002,000	\$ 8,179,107	\$ 177,107	\$ 55,545	\$ 8,234,652
Investment earnings	355,000	355,000	930,139	575,139	14,741	944,880
Intergovernmental	-	-	(1,037)	(1,037)	1,037	-
Miscellaneous	-	-	10	10	-	10
Total revenues	<u>8,357,000</u>	<u>8,357,000</u>	<u>9,108,219</u>	<u>751,219</u>	<u>71,323</u>	<u>9,179,542</u>
Expenses:						
Current operating:						
Development and public works	5,013,493	5,013,493	4,644,500	368,993	101,526	4,746,026
City managers office	81,907	81,907	43,823	38,084	736	44,559
Finance	61,922	61,922	54,130	7,792	-	54,130
Debt service:						
Principal	1,425,000	1,425,000	1,425,000	-	(1,425,000)	-
Interest	283,000	283,000	283,000	-	(81,184)	201,816
Capital projects	10,421,782	10,421,782	2,664,239	7,757,543	(2,664,239)	-
Depreciation	-	-	-	-	2,931,853	2,931,853
Total expenses	<u>17,287,104</u>	<u>17,287,104</u>	<u>9,114,692</u>	<u>8,172,412</u>	<u>(1,136,308)</u>	<u>7,978,384</u>
Excess of revenues over (under) expenses	<u>(8,930,104)</u>	<u>(8,930,104)</u>	<u>(6,473)</u>	<u>8,923,631</u>	<u>1,207,631</u>	<u>1,201,158</u>
Other financing sources (uses):						
Capital contributions	<u>1,240,000</u>	<u>1,240,000</u>	<u>1,711,581</u>	<u>471,581</u>	<u>2,890,271</u>	<u>4,601,852</u>
Change in fund net position	<u>(7,690,104)</u>	<u>(7,690,104)</u>	<u>1,705,108</u>	<u>9,395,212</u>	<u>4,097,902</u>	<u>5,803,010</u>
Fund net position, beginning of year	<u>33,472,636</u>	<u>34,347,351</u>	<u>34,347,352</u>	<u>1</u>	<u>44,095,416</u>	<u>78,442,768</u>
Fund net position, end of year	<u>\$ 25,782,532</u>	<u>\$ 26,657,247</u>	<u>\$ 36,052,460</u>	<u>\$ 9,395,213</u>	<u>\$ 48,193,318</u>	<u>\$ 84,245,778</u>

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, 2023

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 8,000,000	\$ 8,000,000	\$ 8,485,613	\$ 485,613	\$ 40,897	\$ 8,526,510
Investment earnings	236,000	236,000	645,423	409,423	10,470	655,893
Intergovernmental	35,000	35,000	40,679	5,679	1,224	41,903
Miscellaneous	-	-	17	17	-	17
Total revenues	8,271,000	8,271,000	9,171,732	900,732	52,591	9,224,323
Expenses:						
Current operating:						
Development and public works	6,969,180	7,202,180	5,999,676	(1,202,504)	(37,806)	5,961,870
City managers office	82,228	82,228	43,892	(38,336)	737	44,629
Finance	61,923	61,923	54,131	(7,792)	-	54,131
Debt service:						
Principal	498,213	498,213	498,213	-	(498,213)	-
Interest	53,505	53,505	53,504	(1)	(27,617)	25,887
Capital projects	6,964,464	7,564,464	261,688	(7,302,776)	(261,688)	-
Depreciation	-	-	-	-	648,025	648,025
Total expenses	14,629,513	15,462,513	6,911,104	(8,551,409)	(176,562)	6,734,542
Excess of revenues over (under) expenses	(6,358,513)	(7,191,513)	2,260,628	9,452,141	229,153	2,489,781
Other financing sources (uses):						
Capital contributions	540,000	540,000	597,804	57,804	2,152,967	2,750,771
Change in fund net position	(5,818,513)	(6,651,513)	2,858,432	9,509,945	2,382,120	5,240,552
Fund net position, beginning of year	23,215,934	23,778,168	23,778,168	-	9,614,982	33,393,150
Fund net position, end of year	\$ 17,397,421	\$ 17,126,655	\$ 26,636,600	\$ 9,509,945	\$ 11,997,102	\$ 38,633,702

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, 2023

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 6,440,760	\$ 7,124,742	\$ 6,498,559	\$ (626,183)	\$ 10,738,848	\$ 17,237,407
Less: Contractual adjustments	-	-	-	-	(10,355,796)	(10,355,796)
Intergovernmental	83,466	197,322	235,136	37,814	(113,275)	121,861
Investment earnings	-	-	(8,815)	(8,815)	1,182	(7,633)
Miscellaneous	6,500	6,500	5,567	(933)	-	5,567
Total revenues	6,530,726	7,328,564	6,730,447	(598,117)	270,959	7,001,406
Expenses:						
Current operating:						
Fire and life safety	6,781,261	7,432,207	7,427,706	4,501	(9,491)	7,418,215
Depreciation	-	-	-	-	3,889	3,889
Contingency	150,000	91,892	-	91,892	-	-
Total expenses	6,931,261	7,524,099	7,427,706	96,393	(5,602)	7,422,104
Excess of revenues over (under) expenses	(400,535)	(195,535)	(697,259)	(501,724)	276,561	(420,698)
Other financing sources (uses):						
Transfers in	325,066	325,066	325,066	-	-	325,066
Change in fund net position	(75,469)	129,531	(372,193)	(501,724)	276,561	(95,632)
Fund net position, beginning of year	81,152	-	-	-	(2,986,399)	(2,986,399)
Fund net position, end of year	\$ 5,683	\$ 129,531	\$ (372,193)	\$ (501,724)	\$ (2,709,838)	\$ (3,082,031)

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, 2023

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 472,700	\$ 472,700	\$ 585,249	\$ 112,549	\$ 19,786	\$ 605,035
Investment earnings	7,622	7,622	44,244	36,622	1,574	45,818
Total revenues	<u>480,322</u>	<u>480,322</u>	<u>629,493</u>	<u>149,171</u>	<u>21,360</u>	<u>650,853</u>
Expenses:						
Current operating:						
City Manager's Office	50,583	50,583	46,971	3,612	-	46,971
Development and public works	529,945	1,034,945	1,004,356	30,589	(321,339)	683,017
Capital projects	190,000	-	-	-	-	-
Depreciation	-	-	-	-	59,254	59,254
Contingency	15,000	-	-	-	-	-
Total expenses	<u>785,528</u>	<u>1,085,528</u>	<u>1,051,327</u>	<u>34,201</u>	<u>(262,085)</u>	<u>789,242</u>
Excess of revenues over (under) expenses	(305,206)	(605,206)	(421,834)	183,372	283,445	(138,389)
Other financing sources (uses):						
Loss on disposal of assets	-	-	-	-	(547,253)	(547,253)
Transfers out	(84,237)	(84,237)	(84,237)	-	-	(84,237)
Total other financing sources (uses)	<u>(84,237)</u>	<u>(84,237)</u>	<u>(84,237)</u>	<u>-</u>	<u>(547,253)</u>	<u>(631,490)</u>
Change in fund net position	(389,443)	(689,443)	(506,071)	183,372	(263,808)	(769,879)
Fund net position, beginning of year	<u>1,397,076</u>	<u>1,656,710</u>	<u>1,656,710</u>	<u>-</u>	<u>3,455,605</u>	<u>5,112,315</u>
Fund net position, end of year	<u>\$ 1,007,633</u>	<u>\$ 967,267</u>	<u>\$ 1,150,639</u>	<u>\$ 183,372</u>	<u>\$ 3,191,797</u>	<u>\$ 4,342,436</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
Year ended June 30, 2023

	Vehicle and Equipment	Insurance	SDC Administration	Total
ASSETS				
Current assets:				
Cash and investments	\$ 10,020,042	\$ 15,411,657	\$ 572,803	\$ 26,004,502
Prepays	129,871	43,256	3,270	176,397
Deposits	-	200,000	-	200,000
Accounts receivable	31,931	39,806	190,456	262,193
Grant receivable	-	-	45	45
Accrued interest receivable	34,557	51,915	1,701	88,173
Deferred system development fees	-	-	94,378	94,378
Inventory	39,170	-	-	39,170
Total current assets	10,255,571	15,746,634	862,653	26,864,858
Noncurrent assets:				
Capital assets				
Machinery and equipment	22,490,301	-	-	22,490,301
Less accumulated depreciation	(15,826,808)	-	-	(15,826,808)
Subscription Asset	790,124	54,441	-	844,565
Less accumulated amortization	(112,918)	(32,939)	-	(145,857)
Total net capital assets	7,340,699	21,502	-	7,362,201
Net OPEB Asset - RHIA	-	7,377	7,158	14,535
Total non-current assets	7,340,699	28,879	7,158	7,376,736
Total assets	17,596,270	15,775,513	869,811	34,241,594
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflow	-	114,378	116,361	230,739
Deferred OPEB outflow	-	8,949	6,987	15,936
Total deferred outflows	-	123,327	123,348	246,675
LIABILITIES				
Current liabilities:				
Accounts payable	99,685	451,450	205	551,340
Accrued interest payable	12,188	257	-	12,445
Subscription liability, current portion	129,467	36,527	-	165,994
Accrued payroll and other related liabilities	-	563,836	10,583	574,419
Due to other funds	-	6,898	-	6,898
Unearned revenue	-	55,368	-	55,368
Total current liabilities	241,340	1,114,336	10,788	1,366,464
Noncurrent liabilities:				
Accrued absence payable	-	13,225	-	13,225
Subscription liability, less current portion	541,243	-	-	541,243
Accrued claims liabilities, less current portion	-	229,819	-	229,819
Net pension liability	-	331,614	329,864	661,478
Net OPEB obligation payable	-	45,876	37,838	83,714
Total noncurrent liabilities	541,243	620,534	367,702	1,529,479
Total liabilities	782,583	1,734,870	378,490	2,895,943
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflow	-	107,837	119,279	227,116
Deferred OPEB inflow	-	14,798	14,250	29,048
Total deferred inflows	-	122,635	133,529	256,164
FUND NET POSITION				
Net investment in capital assets	6,667,596	(15,025)	-	6,652,571
Unrestricted	10,146,091	14,056,360	481,140	24,683,591
Total fund net position	\$ 16,813,687	\$ 14,041,335	\$ 481,140	\$ 31,336,162

City of Springfield, Oregon
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
Year ended June 30, 2023

	Vehicle and Equipment	Insurance	SDC Administration	Total
Operating revenues:				
Intergovernmental	\$ -	\$ 61,724	\$ -	\$ 61,724
Charges for services	2,915,264	11,872,547	210,776	14,998,587
Licenses and permits	-	-	358,353	358,353
Miscellaneous	-	66,156	3	66,159
Total operating revenues	2,915,264	12,000,427	569,132	15,484,823
Operating expenses:				
Current operating:				
Human resources	-	9,212,052	-	9,212,052
Finance	-	2,000,000	41,581	2,041,581
Information technology	445,380	-	-	445,380
Library	8,000	-	-	8,000
Fire and life safety	8,875	-	-	8,875
Police	2,473	-	-	2,473
Development and public works	681,596	-	363,186	1,044,782
Depreciation	1,516,492	32,939	-	1,549,431
Total operating expenses	2,662,816	11,244,991	404,767	14,312,574
Operating income	252,448	755,436	164,365	1,172,249
Nonoperating revenues (expenses):				
Investment earnings	266,503	384,980	13,001	664,484
Interest expense	(12,270)	(976)	-	(13,246)
Gain/(loss) on disposition of equipment	128,972	-	-	128,972
Total nonoperating revenues (expenses)	383,205	384,004	13,001	780,210
Income before capital contributions and transfers	635,653	1,139,440	177,366	1,952,459
Other financing sources (uses)				
Transfers in	12,953	-	-	12,953
Transfers out	(36,500)	(29,109)	-	(65,609)
Total other financing sources (uses)	(23,547)	(29,109)	-	(52,656)
Change in fund net position	612,106	1,110,331	177,366	1,899,803
Fund net position, beginning of year	16,201,581	12,931,004	303,774	29,436,359
Fund net position, end of year	\$ 16,813,687	\$ 14,041,335	\$ 481,140	\$ 31,336,162

City of Springfield, Oregon
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year ended June 30, 2023

	Vehicle and Equipment	Insurance	SDC Administration	Total
Cash flows from operating activities:				
Cash received from interfund services provided	\$ 2,897,698	\$ 11,843,543	\$ 71,532	\$ 14,812,773
Cash paid for employee services	-	(290,653)	(332,690)	(623,343)
Cash paid to suppliers for goods and services	(512,748)	(10,886,470)	(78,813)	(11,478,031)
Other operating receipts	-	127,880	358,356	486,236
Net cash provided by operating activities	2,384,950	794,300	18,385	3,197,635
Cash flows from noncapital financing activities:				
Operating transfers in from other funds	12,953	-	-	12,953
Transfers to other funds	(36,500)	(29,109)	-	(65,609)
Net cash provided by noncapital financing activities	(23,547)	(29,109)	-	(52,656)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(2,116,686)	-	-	(2,116,686)
Disposition of capital assets	175,472	-	-	175,472
Subscription asset	(790,124)	(54,441)	-	(844,565)
Principal on long term debt	670,710	36,527	-	707,237
Interest on long term debt	(83)	(719)	-	(802)
Net cash used in capital and related financing activities	(2,060,711)	(18,633)	-	(2,079,344)
Cash flows from investing activities:				
Interest received	261,844	373,453	12,715	648,012
Net change in cash and investments	562,536	1,120,011	31,100	1,713,647
Cash and investments, beginning of year	9,457,506	14,291,646	541,703	24,290,855
Cash and investments, end of year	\$ 10,020,042	\$ 15,411,657	\$ 572,803	\$ 26,004,502
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 252,448	\$ 755,436	\$ 164,365	\$ 1,172,249
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,516,492	32,939	-	1,549,431
Changes in assets and liabilities:				
Prepays	653,048	127,859	(3,270)	777,637
Accounts receivable	(17,566)	(29,004)	(139,244)	(185,814)
Due to/from other funds	-	6,898	-	6,898
Inventory	36,390	-	-	36,390
Net pension liability and related deferrals	-	(10,637)	(6,991)	(17,628)
Accounts payable	(55,862)	(166,082)	52	(221,892)
Accrued payroll and other liabilities	-	194,284	903	195,187
Accrued claims liabilities	-	(106,181)	-	(106,181)
Unearned revenue	-	(9,958)	-	(9,958)
Net OPEB obligation and related deferrals	-	(1,254)	2,570	1,316
Net cash provided by operating activities	\$ 2,384,950	\$ 794,300	\$ 18,385	\$ 3,197,635
Noncash capital and related financing activities:				
Accounts payable on capital assets	\$ 2,393	\$ -	-	\$ 2,393
Subscription liability on capital assets	670,710	36,527	-	707,237
	\$ 673,103	\$ 36,527	\$ -	\$ 709,630

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, 2023

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 2,756,112	\$ 2,756,112	\$ 2,899,504	\$ 143,392	\$ 15,760	\$ 2,915,264
Investment earnings	64,006	64,006	264,414	200,408	2,089	266,503
Miscellaneous	-	-	175,472	175,472	(175,472)	-
Total revenues	<u>2,820,118</u>	<u>2,820,118</u>	<u>3,339,390</u>	<u>519,272</u>	<u>(157,623)</u>	<u>3,181,767</u>
Expenses:						
Current operating:						
Finance	500	500	-	500	-	-
Information technology	636,115	636,115	564,875	71,240	(119,495)	445,380
Library	8,000	8,000	8,000	-	-	8,000
Fire and life safety	328,300	1,186,027	716,403	469,624	(707,528)	8,875
Police	370,250	631,250	487,475	143,775	(485,002)	2,473
Development and public works	948,400	1,598,668	1,598,334	334	(916,738)	681,596
Debt service:						
Interest	-	-	-	-	12,270	12,270
Depreciation and amortization	-	-	-	-	1,516,492	1,516,492
Total expenses	<u>2,291,565</u>	<u>4,060,560</u>	<u>3,375,087</u>	<u>685,473</u>	<u>(700,001)</u>	<u>2,675,086</u>
Excess of revenues over (under) expenses	<u>528,553</u>	<u>(1,240,442)</u>	<u>(35,697)</u>	<u>1,204,745</u>	<u>542,378</u>	<u>506,681</u>
Other financing sources (uses):						
Gain on disposal of assets	-	-	-	-	128,972	128,972
Transfers out	-	(36,500)	(36,500)	-	-	(36,500)
Transfers in	-	5,534	5,534	-	7,419	12,953
Total other financing sources (uses)	<u>-</u>	<u>(30,966)</u>	<u>(30,966)</u>	<u>-</u>	<u>136,391</u>	<u>105,425</u>
Change in fund net position	528,553	(1,271,408)	(66,663)	1,204,745	678,769	612,106
Fund net position, beginning of year	<u>8,301,631</u>	<u>10,188,555</u>	<u>10,188,555</u>	<u>-</u>	<u>6,013,026</u>	<u>16,201,581</u>
Fund net position, end of year	<u>\$ 8,830,184</u>	<u>\$ 8,917,147</u>	<u>\$ 10,121,892</u>	<u>\$ 1,204,745</u>	<u>\$ 6,691,795</u>	<u>\$ 16,813,687</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, 2023

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental	\$ 50,560	\$ 50,560	\$ 41,164	\$ (9,396)	\$ 20,560	\$ 61,724
Charges for services	12,087,112	12,087,112	11,872,547	(214,565)	-	11,872,547
Investment earnings	104,897	104,897	378,597	273,700	6,382	384,979
Miscellaneous	5,500	5,500	59,983	54,483	6,174	66,157
Total revenues	<u>12,248,069</u>	<u>12,248,069</u>	<u>12,352,291</u>	<u>104,222</u>	<u>33,116</u>	<u>12,385,407</u>
Expenses:						
Current operating:						
Human resources	877,871	877,871	760,276	117,595	(49,145)	711,131
Finance	-	2,000,000	2,000,000	-	-	2,000,000
Health insurance	8,589,515	8,589,515	6,827,191	1,762,324	4,150	6,831,341
Risk services	2,429,567	2,429,567	1,801,821	627,746	(132,241)	1,669,580
Debt Service:						
Interest	-	-	-	-	976	976
Depreciation and amortization	-	-	-	-	32,939	32,939
Contingency	200,000	200,000	-	200,000	-	-
Total expenses	<u>12,096,953</u>	<u>14,096,953</u>	<u>11,389,288</u>	<u>2,707,665</u>	<u>(143,321)</u>	<u>11,245,967</u>
Excess of revenues over (under) expenses	151,116	(1,848,884)	963,003	2,811,887	176,437	1,139,440
Other financing sources (uses):						
Transfers out	-	(5,534)	(5,534)	-	(23,575)	(29,109)
Change in fund net position	151,116	(1,854,418)	957,469	2,811,887	152,862	1,110,331
Fund net position, beginning of year	<u>13,863,095</u>	<u>13,589,708</u>	<u>13,589,707</u>	<u>(1)</u>	<u>(658,703)</u>	<u>12,931,004</u>
Fund net position, end of year	<u>\$ 14,014,211</u>	<u>\$ 11,735,290</u>	<u>\$ 14,547,176</u>	<u>\$ 2,811,886</u>	<u>\$ (505,841)</u>	<u>\$ 14,041,335</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, 2023

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 375,000	\$ 375,000	\$ 203,064	\$ (171,936)	\$ 7,712	\$ 210,776
Licenses and permits	100,000	100,000	226,822	126,822	131,531	358,353
Investment earnings	2,000	2,000	12,857	10,857	144	13,001
Intergovernmental	-	-	(45)	(45)	45	-
Total revenues	477,000	477,000	442,698	(34,302)	139,433	582,131
Expenses:						
Current operating:						
Finance	45,055	45,055	41,581	3,474	-	41,581
Development and public works	469,638	469,638	367,604	102,034	(4,420)	363,184
Contingency	10,000	10,000	-	10,000	-	-
Total expenses	524,693	524,693	409,185	115,508	(4,420)	404,765
Change in fund net position	(47,693)	(47,693)	33,513	81,206	143,853	177,366
Fund net position, beginning of year	428,403	532,317	532,317	-	(228,543)	303,774
Fund net position, end of year	<u>\$ 380,710</u>	<u>\$ 484,624</u>	<u>\$ 565,830</u>	<u>\$ 81,206</u>	<u>\$ (84,690)</u>	<u>\$ 481,140</u>

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	188-195
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	199-203
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.	207-212
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.	215-216
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.	218-223

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 107,219,252	\$ 112,632,832	\$ 115,176,581	\$ 122,230,625
Restricted	14,144,006	18,977,155	17,357,721	17,295,648
Unrestricted	20,240,783	4,394,678	(5,988,448)	(11,706,242)
Total governmental activities net position	<u>\$ 141,604,041</u>	<u>\$ 136,004,665</u>	<u>\$ 126,545,854</u>	<u>\$ 127,820,031</u>
Business-type activities				
Net investment in capital assets	\$ 54,491,005	\$ 52,836,347	\$ 54,212,835	\$ 54,802,364
Restricted	3,072,205	3,348,526	3,976,909	4,733,337
Unrestricted	23,137,298	27,590,908	28,145,472	31,242,641
Total business-type activities net position	<u>\$ 80,700,508</u>	<u>\$ 83,775,781</u>	<u>\$ 86,335,216</u>	<u>\$ 90,778,342</u>
Primary government				
Net investment in capital assets	\$ 161,710,257	\$ 165,469,179	\$ 169,389,416	\$ 177,032,989
Restricted	17,216,211	22,325,681	21,334,630	22,028,985
Unrestricted	43,378,081	31,985,586	22,157,024	19,536,399
Total primary government net position	<u>\$ 222,304,549</u>	<u>\$ 219,780,446</u>	<u>\$ 212,881,070</u>	<u>\$ 218,598,373</u>

Source: Financial Statements

Fiscal Year

2018	2019	2020	2021	2022	2023
\$ 120,175,702	\$ 129,324,764	\$ 122,555,408	\$ 139,384,434	\$ 156,787,166	\$ 170,120,054
22,674,644	20,647,784	20,426,784	18,318,226	31,386,128	47,182,803
(15,369,959)	(11,948,772)	(1,909,951)	(6,430,326)	(16,230,609)	(10,914,177)
<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>	<u>\$ 206,388,680</u>
\$ 55,901,549	\$ 57,366,837	\$ 56,619,451	\$ 59,677,720	\$ 61,382,119	\$ 65,431,182
5,457,331	6,575,305	8,505,363	9,429,173	11,980,398	14,442,988
32,027,245	34,958,604	37,282,183	35,556,795	41,103,207	44,711,097
<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>	<u>\$ 124,585,267</u>
\$ 176,077,251	\$ 186,691,601	\$ 179,174,859	\$ 199,062,154	\$ 218,169,285	\$ 235,551,236
28,131,975	27,223,089	28,932,147	27,747,399	43,366,526	61,625,791
16,657,286	23,009,832	35,372,232	29,126,469	24,872,598	33,796,920
<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>	<u>\$ 330,973,947</u>

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Expenses					
Governmental activities:					
General government	\$ 4,928,452	\$ 5,194,119	\$ 8,055,900	\$ 8,105,716	\$ 7,450,495
Fire and life safety	11,736,970	9,905,694	14,789,977	13,351,001	13,890,821
Police	20,708,780	18,007,975	26,060,501	22,068,423	22,233,956
Library	1,508,178	1,477,854	2,131,183	1,981,508	1,727,501
Development and public works	11,925,811	10,605,607	15,857,538	12,483,443	12,687,939
Depreciation, unallocated	270,618	270,619	250,942	250,435	250,435
Interest on long-term debt	1,027,212	909,122	744,674	518,495	457,480
Total governmental activities expense	52,106,021	46,370,990	67,890,715	58,759,021	58,698,627
Business-type activities:					
Sanitary sewer	6,848,708	6,340,495	7,523,149	7,158,008	7,269,835
Storm drainage	4,407,437	4,259,913	5,982,172	5,559,128	6,316,516
Booth-Kelly	1,611,902	1,649,088	1,507,253	1,424,527	1,410,609
Ambulance	5,525,464	5,082,272	7,073,633	6,574,936	6,515,453
Business-type activities expenses	18,393,511	17,331,768	22,086,207	20,716,599	21,512,413
Total primary government expenses	\$ 70,499,532	\$ 63,702,758	\$ 89,976,922	\$ 79,475,620	\$ 80,211,040
Program Revenue					
Governmental activities:					
Charges for services:					
General government	\$ 3,766,791	\$ 3,868,870	\$ 3,888,018	\$ 4,078,095	\$ 4,248,830
Fire and life safety	1,874,473	1,809,091	1,921,748	1,984,859	1,916,552
Police	429,497	408,750	346,629	422,625	715,863
Library	102,737	125,482	106,200	120,912	117,114
Development and public works	2,054,066	2,710,606	3,420,717	2,884,311	2,626,049
Operating grants and contributions	5,039,850	4,444,185	4,184,978	4,954,592	5,135,869
Capital grants and contributions	481,598	9,934,788	4,841,296	4,085,842	2,177,260
Total governmental activities program revenues	13,749,012	23,301,772	18,709,586	18,531,236	16,937,537
Business-type activities:					
Charges for services:					
Sanitary sewer	7,536,486	7,738,487	7,224,927	8,798,173	7,709,636
Storm drainage	6,347,901	6,613,264	6,892,114	7,408,192	7,194,627
Booth-Kelly	1,355,337	1,412,722	1,532,687	1,537,293	1,630,764
Ambulance	5,612,386	6,119,908	6,599,690	6,046,048	5,383,760
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	16,848	199,269	2,088,254	1,033,069	1,164,761
Total business-type activities program revenues	20,868,958	22,083,650	24,337,672	24,822,775	23,083,548
Total primary government program revenues	\$ 34,617,970	\$ 45,385,422	\$ 43,047,258	\$ 43,354,011	\$ 40,021,085
Net (Expense) Revenue					
Governmental activities	\$ (38,357,009)	\$ (23,069,218)	\$ (49,181,129)	\$ (40,227,785)	\$ (41,761,090)
Business-type activities	2,475,447	4,751,882	2,251,465	4,106,176	1,571,135
Total primary government net expense	\$ (35,881,562)	\$ (18,317,336)	\$ (46,929,664)	\$ (36,121,609)	\$ (40,189,955)
Governmental activities:					
Taxes:					
Property taxes	\$ 28,735,713	\$ 30,497,567	\$ 29,449,109	\$ 30,691,286	\$ 30,910,303
Room tax	1,070,722	1,219,497	1,373,464	1,445,031	1,553,872
Other taxes	3,158,101	3,288,462	3,387,888	3,446,975	3,567,850
Payment in lieu of taxes	2,390,734	2,404,859	2,392,729	2,353,365	2,414,018
Investment earnings	361,323	305,267	416,909	573,280	783,330
Miscellaneous	908,413	857,657	867,789	972,473	1,345,586
Gain (loss) on disposition of capital assets	-	-	149,687	-	-
Shared revenue	1,533,466	1,579,978	1,584,743	2,019,553	1,743,533
Debt forgiveness	-	-	-	-	-
Transfers	64,344	71,311	100,000	-	63,000
Total governmental activities	38,222,816	40,224,598	39,722,318	41,501,963	42,381,492
Business-type activities:					
Investment earnings	282,238	162,671	227,641	317,398	528,250
Miscellaneous	92,912	446,106	180,329	19,552	209,703
Gain (loss) on disposition of capital assets	-	-	-	-	-
Transfers	(64,344)	(71,311)	(100,000)	-	(63,000)
Total business-type activities	310,806	537,466	307,970	336,950	674,953
Total primary government	\$ 38,533,622	\$ 40,762,064	\$ 40,030,288	\$ 41,838,913	\$ 43,056,445
Change In Net Position					
Governmental activities	\$ (134,193)	\$ 17,155,380	\$ (9,458,811)	\$ 1,274,178	\$ 620,402
Business-type activities	2,786,253	5,289,348	2,559,435	4,443,126	2,246,088
Total primary government	\$ 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	2023
\$ 8,570,530	\$ 8,652,793	\$ 8,809,340	\$ 9,053,662	\$ 9,148,194
14,187,421	14,732,495	15,675,680	13,521,804	14,415,836
23,962,665	25,654,527	25,222,243	22,635,549	24,401,419
2,065,860	2,266,167	2,245,447	2,116,123	2,316,912
13,921,361	16,950,960	15,977,248	13,014,042	20,391,866
207,852	231,808	231,809	147,249	55,244
488,109	556,436	452,538	325,776	276,787
63,403,798	69,045,186	68,614,305	60,814,205	71,006,258
7,304,346	7,212,599	7,591,941	7,470,840	8,024,658
5,968,181	6,633,084	6,860,432	6,326,880	6,767,197
1,300,368	837,049	502,562	553,805	780,317
7,212,214	6,886,133	7,194,162	7,036,505	7,410,608
21,785,109	21,568,865	22,149,097	21,388,030	22,982,780
\$ 85,188,907	\$ 90,614,051	\$ 90,763,402	\$ 82,202,235	\$ 93,989,038
\$ 4,194,777	\$ 4,116,660	\$ 4,046,675	\$ 3,851,633	\$ 3,919,667
2,012,641	1,963,379	1,970,004	1,969,783	1,980,460
1,041,123	1,013,728	636,755	768,141	1,299,113
118,372	97,423	80,274	92,961	100,089
2,880,108	3,617,802	3,042,558	4,146,968	4,749,539
5,626,172	7,465,635	7,781,066	6,055,257	13,579,392
4,181,484	4,820,681	10,947,796	13,921,588	24,391,492
20,054,677	23,095,308	28,505,128	30,806,331	50,019,752
7,541,750	7,698,075	7,740,534	8,060,782	8,234,652
7,259,708	7,483,023	7,766,070	8,341,425	8,568,413
1,481,538	638,301	547,906	549,184	605,035
7,239,771	6,060,953	4,854,619	8,355,277	7,003,472
-	222,080	167,977	52,239	-
2,540,505	1,874,362	3,922,047	5,863,574	7,352,623
26,063,272	23,976,794	24,999,153	31,222,481	31,764,195
\$ 46,117,949	\$ 47,072,102	\$ 53,504,281	\$ 62,028,812	\$ 81,783,947
\$ (43,349,121)	\$ (45,949,878)	\$ (40,109,177)	\$ (30,007,874)	\$ (20,986,506)
4,278,163	2,407,929	2,850,056	9,834,451	8,781,415
\$ (39,070,958)	\$ (43,541,949)	\$ (37,259,121)	\$ (20,173,423)	\$ (12,205,091)
\$ 33,272,981	\$ 36,796,537	\$ 37,426,263	\$ 38,733,351	\$ 41,709,190
1,356,155	1,119,292	1,206,485	1,885,268	1,628,477
3,473,477	3,618,162	3,744,708	3,768,793	3,920,839
2,403,565	2,336,861	2,318,473	2,821,285	3,280,621
1,557,790	1,745,096	600,210	(156,863)	2,738,203
1,351,036	1,227,437	1,789,005	2,098,685	1,803,375
-	-	-	-	8,902
2,026,255	2,212,330	2,334,354	2,152,946	2,242,188
-	-	-	-	(1,658,465)
67,548	80,000	889,772	(625,240)	(240,829)
45,508,807	49,135,715	50,309,270	50,678,225	55,432,501
1,176,791	1,154,005	283,940	(264,079)	1,638,958
127,215	24,317	12,467	91,665	5,594
-	-	-	-	(547,253)
(67,548)	(80,000)	(889,772)	625,240	240,829
1,236,458	1,098,322	(593,365)	452,826	1,338,128
\$ 46,745,265	\$ 50,234,037	\$ 49,715,905	\$ 51,131,051	\$ 56,770,629
\$ 2,159,686	\$ 3,185,837	\$ 10,200,093	\$ 20,670,351	\$ 34,445,995
5,514,621	3,506,251	2,256,691	10,287,277	10,119,543
\$ 7,674,307	\$ 6,692,088	\$ 12,456,784	\$ 30,957,628	\$ 44,565,538

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

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 22,109	\$ 86,584	\$ 98,292	\$ 83,602
Restricted	-	-	-	-
Committed	25,902	83,224	172,840	293,004
Assigned	600,000	600,000	600,000	1,000,000
Unassigned	<u>7,698,382</u>	<u>8,553,497</u>	<u>7,999,863</u>	<u>7,387,428</u>
Total general fund	<u>\$ 8,346,393</u>	<u>\$ 9,323,305</u>	<u>\$ 8,870,995</u>	<u>\$ 8,764,034</u>
 All Other Governmental Funds				
Nonspendable	\$ 147,593	\$ 205,477	\$ 223,261	\$ 219,897
Restricted	9,060,917	13,642,430	14,194,470	13,672,194
Committed	2,460,530	2,617,234	1,980,130	2,036,262
Assigned	443,945	644,492	1,493,031	808,377
Unassigned	<u>(64,907)</u>	<u>(23,321)</u>	<u>(37,306)</u>	<u>(142,091)</u>
Total all other governmental funds	<u>\$ 12,048,078</u>	<u>\$ 17,086,312</u>	<u>\$ 17,853,586</u>	<u>\$ 16,594,639</u>

Source: Financial Statements

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 64,408	\$ 118,343	\$ 110,259	\$ 169,293	\$ 194,341	\$ 160,623
-	-	-	-	-	-
293,004	472,153	-	-	-	-
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
8,388,052	9,176,504	9,931,764	10,353,531	9,848,436	11,352,700
<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>	<u>\$ 12,513,323</u>
\$ 243,998	\$ 520,564	\$ 344,309	\$ 301,174	\$ 337,668	\$ 607,851
18,873,553	16,461,113	28,651,926	26,053,526	25,897,514	41,588,250
2,200,742	2,569,918	3,209,955	3,384,079	3,600,074	4,044,690
920,076	1,261,961	1,341,713	1,849,430	1,906,931	2,142,232
-	-	-	-	-	-
<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>	<u>\$ 48,383,023</u>

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

	Fiscal Year		
	2014	2015	2016
Taxes	\$ 31,087,716	\$ 33,065,500	\$ 31,862,305
Licenses and permits	2,700,850	2,783,280	3,122,149
Intergovernmental	8,576,500	12,172,857	8,484,882
Charges for services	7,142,048	7,670,658	9,247,507
Fines & forfeitures	1,673,933	1,688,251	1,652,415
Use of money & property	141,996	109,373	170,631
Special assessments	31,651	45,618	25,265
Miscellaneous	570,176	708,847	775,308
Total Revenues	51,924,870	58,244,384	55,340,462
Current Operating:			
General government	6,042,155	6,643,279	8,240,463
Fire and life safety	11,515,444	11,237,818	11,848,268
Police	19,118,811	18,997,316	20,231,011
Library	1,440,438	1,610,330	1,706,475
Development and public works	9,427,305	9,233,725	9,063,061
Capital Projects	1,232,663	1,354,801	2,187,974
Debt service:			
Principal	2,507,974	2,602,206	1,630,000
Interest	1,011,446	913,103	807,469
Total expenditures	52,296,236	52,592,578	55,714,721
Excess of revenues over (under) expenditures	(371,366)	5,651,806	(505,464)
Transfers in	4,754,376	4,874,912	6,369,454
Transfers out	(4,409,317)	(4,506,705)	(5,801,301)
Bond sale costs	-	-	-
Issuance of debt	-	-	16,994,808
Forgiveness of debt	-	-	-
Payment to refunded bond escrow agent	-	-	(16,863,603)
Total other financing sources (uses)	345,059	368,207	699,358
Net changes in fund balances	\$ (26,307)	\$ 6,020,013	\$ 193,894
Debt services as a percentage of noncapital expenditures	6.83%	6.84%	4.61%

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						
2017	2018	2019	2020	2021	2022	2023
\$ 33,098,818	\$ 33,794,986	\$ 36,634,081	\$ 38,889,782	\$ 39,448,636	\$ 41,397,614	\$ 44,293,541
3,325,162	3,251,909	3,184,547	3,384,446	3,421,932	3,580,016	3,523,266
9,224,182	9,515,619	10,388,913	12,054,048	13,433,515	12,308,507	32,981,255
8,410,972	8,740,655	8,255,515	9,824,965	9,912,595	11,047,635	12,384,329
1,655,009	1,813,942	1,819,429	1,577,656	1,316,405	1,138,554	1,148,627
276,286	427,571	1,017,688	1,205,189	275,832	(271,088)	1,943,731
18,989	13,082	17,098	15,062	6,621	18,111	1,351
743,777	785,899	1,205,665	1,057,800	1,566,002	1,347,267	1,292,768
56,753,195	58,343,663	62,522,936	68,008,948	69,381,538	70,566,616	97,568,868
8,509,994	7,901,804	8,571,201	8,616,360	9,085,862	9,248,427	9,756,768
12,380,622	12,894,682	13,114,125	13,149,807	14,318,920	14,386,945	15,169,214
19,388,013	19,748,479	21,115,709	22,052,943	22,352,091	23,010,099	24,659,831
1,848,510	1,646,799	1,904,135	2,063,085	2,055,401	2,291,515	2,443,004
9,285,822	9,036,058	9,628,378	11,004,908	12,330,771	10,988,756	17,278,220
6,204,622	967,170	6,095,447	2,758,368	6,831,924	5,796,262	5,693,185
2,156,706	1,695,530	2,021,673	4,247,965	4,093,807	4,214,331	4,472,828
650,730	653,657	674,222	735,544	653,938	531,621	440,942
60,425,019	54,544,179	63,124,890	64,628,980	71,722,714	70,467,956	79,913,992
(3,671,824)	3,799,484	(601,954)	3,379,968	(2,241,176)	98,660	17,654,876
1,775,328	2,729,248	1,458,838	2,025,984	2,739,379	1,757,269	1,977,756
(1,459,296)	1,229,455	(1,278,261)	(2,271,493)	(1,913,875)	(2,218,817)	(2,165,929)
-	-	-	(39,159)	-	-	(68,596)
2,000,000	(1,166,455)	-	10,000,000	-	-	2,250,000
-	-	-	-	-	-	(1,658,465)
-	-	-	-	-	-	-
2,316,032	2,792,248	180,577	9,715,332	825,504	(461,548)	334,766
\$ (1,355,792)	\$ 6,591,732	\$ (421,377)	\$ 13,095,300	\$ (1,415,672)	\$ (362,888)	\$ 17,989,642
5.21%	4.39%	4.71%	7.87%	7.43%	7.27%	6.52%



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
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	7.19	0.32	10,535,427,628
2023	5,586,328,747	39,928,605	206,771,625	91,146,914	5,924,175,891	7.05	0.46	12,438,521,879

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
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	7.19
2023	4.56	0.71	1.40	0.38	7.05

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
\$ 5.61	\$ 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
5.63	1.81	0.92	0.21	2.11	0.46	0.07

City of Springfield, Oregon

PRINCIPAL PROPERTY TAX PAYERS

Current Year and Nine Years Ago

Taxpayer	2023			2014		
	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)	\$ 345,796,754	1	6.07%	\$ 148,905,413	1	3.68%
McKenzie Willamette Regional Med Ctr	88,670,820	2	1.56%			
BRFI Gateway LLC	82,295,371	3	1.45%	63,724,337	3	1.58%
Swanson Group Mfg LLC	76,863,180	4	1.35%			0.00%
PeaceHealth	535,672,326	5	9.41%	381,056,880	5	9.42%
Rosboro LLC	41,422,921	6	0.73%			
PacificSource Properties LLC	57,640,933	7	1.01%	26,146,271	10	0.65%
Kingsford Manufacturing	39,177,420	8	0.69%			
Borden Chemical Inc	35,615,905	9	0.63%			
HSRE NW Spec Clinics Mob LLC	32,717,797	10	0.57%			
Symantec Corporation				91,918,795	2	2.27%
RC Springfield 2007 LLC				24,858,230	7	0.61%
Comcast Corporation				38,527,400	4	0.95%
United States bakery				37,917,091	6	0.94%
Shepard investment group LLC				28,131,391	9	0.70%
Symantec Corporation				25,109,463	8	0.62%
Total	\$ 1,335,873,427		23.47%	\$ 866,295,271		21.42%

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
2014	\$ 29,539,586	\$ 27,866,138	94.3%	\$ 1,665,515	\$ 29,531,653	99.97%
2015	31,427,683	29,665,353	94.4%	1,753,874	31,419,227	99.97%
2016	30,360,092	28,616,502	94.3%	1,734,653	30,351,155	99.97%
2017	31,525,757	29,852,562	94.7%	1,662,556	31,515,118	99.97%
2018	32,210,580	30,617,910	95.1%	1,576,651	32,194,561	99.95%
2019	34,341,345	32,759,524	95.4%	1,557,441	34,316,965	99.93%
2020	37,806,421	36,043,062	95.3%	1,706,589	37,749,651	99.85%
2021	38,412,008	36,786,581	95.8%	1,474,282	38,260,863	99.61%
2022	39,739,637	38,067,836	95.8%	1,382,495	39,450,331	99.27%
2023	42,778,704	40,981,634	95.8%	1,081,519	42,063,153	98.33%

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			
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	*	431
2023	10,177,666	24,444	1,219,307	210,000	10,465,895	472,123	22,569,435	*	359

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>
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%	189
2023	10,177,666	0.17%	162

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

City of Springfield, Oregon

COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

JUNE 30, 2023

<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 bonds	\$ 10,177,666	100.00%	\$ 10,177,666
City of Springfield - notes payable	1,219,307	100.00%	1,219,307
City of Springfield - contracts payable	210,000	100.00%	210,000
City of Springfield - leases	24,444	100.00%	24,444
City of Springfield - subscriptions	<u>1,126,597</u>	100.00%	<u>1,126,597</u>
Total Direct debt	<u>\$ 12,758,014</u>		<u>\$ 12,758,014</u>
<u>Overlapping Debt</u>			
Lane Community College	\$ 241,770,000	14.44%	\$ 34,909,896
Lane County	328,085,863	14.67%	48,117,073
School District 19	227,810,893	75.17%	171,243,855
School District 4J	466,750,402	4.27%	19,920,907
Lane Education Service District	4,876,958	14.70%	716,996
Willamalane Park & Recreation District	10,765,000	93.63%	10,078,871
Lane County Housing Authority	7,821,113	14.67%	1,147,044
Total overlapping debt	1,287,880,228		<u>286,134,641</u>
Total direct and overlapping debt			<u>\$ 298,892,655</u>

Source: Oregon State Treasury

Notes:

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

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

	<u>June 30, 2023</u>
Fair market value	<u>\$ 12,438,521,879</u>
Debt limit 3% of fair market value	\$ 373,155,656
Amount of debt applicable to debt limit:	<u>7,244,000</u>
Total debt margin	<u>\$ 365,911,656</u>

	<u>Fiscal Year</u>			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 193,510,469	\$ 203,478,954	\$ 208,196,799	\$ 214,359,978
Total net debt applicable to limit	<u>21,410,000</u>	<u>19,070,000</u>	<u>15,975,000</u>	<u>14,465,000</u>
Legal debt margin	<u>\$ 172,100,469</u>	<u>\$ 184,408,954</u>	<u>\$ 192,221,799</u>	<u>\$ 199,894,978</u>
Total net debt applicable to the limit as a percentage of debt limit	11.06%	9.37%	7.67%	6.75%

Source: Lane County Assessment & Taxation
City of Springfield Financials

Fiscal Year

2018	2019	2020	2021	2022	2023
\$ 235,243,718	\$ 254,781,708	\$ 273,326,581	\$ 287,845,035	\$ 316,062,829	\$ 373,155,656
13,075,000	11,630,000	17,950,000	14,476,000	10,912,000	7,244,000
<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>	<u>\$ 365,911,656</u>
5.56%	4.56%	6.57%	5.03%	3.45%	1.94%

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

Local Sewer Revenue Bonds						
Fiscal Year	System Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2023	20,590,122	10,905,342	9,684,780	1,923,213	336,504	4.29

Source: Annual Financial Reports

System revenues include user fees, system development charges and miscellaneous revenue.

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>
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	62,646	21,483,599	56,188	9,619	4.0%
2023	62,926 ¹	*	*	8,433	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

¹ Most recent information from Population Research Center at PSU is 2023 Estimate

City of Springfield, Oregon

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2023		
<u>Employer**</u>	<u>Estimated average Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Peace Health Oregon Region	3,370	1	12.62%
McKenzie Willamette Hospital	1,400	2	5.24%
Springfield School District #19	1,205	3	4.51%
Top 3 Technology Employers	900	4	3.37%
Top 3 Wood product employers	850	5	3.18%
Top 3 Food and beverage employers	525	6	1.97%
City of Springfield	427	7	1.60%
State Government	300	8	1.12%
Willamalane Park and Recreation District	317	9	1.19%
Federal Government	210	10	0.79%
Total	<u>9,504</u>		<u>35.59%</u>

	2014		
<u>Employer**</u>	<u>Estimated average Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Peace Health Oregon Region	3451	1	14.08%
Symantic	1600	2	6.53%
Springfield School District #19	1197	3	4.88%
Royal Caribbean Cruise Lines	900	4	3.67%
McKenzie Willamette Hospital	892	5	3.64%
City of Springfield	407	6	1.66%
Willamalane Park and Recreation District	368	7	1.50%
Wal-Mart	352	8	1.44%
Peace Health Medical Laboratories	346	9	1.41%
Lane Transit District	303	10	1.24%
Total	<u>9816</u>		<u>40.04%</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General government				
City management	7.00	7.50	7.50	7.50
Finance	9.50	9.50	11.70	11.70
Human resources	6.00	6.00	6.00	8.00
Information technology	10.00	10.00	15.00	15.00
Legal/Judicial services	8.84	8.84	8.84	8.84
Police	122.99	123.00	123.00	124.00
Fire and Life Safety	100.00	99.00	99.00	97.50
Development and public works	129.75	130.00	123.00	123.00
Library	12.60	13.10	13.50	13.50
Total	<u>406.68</u>	<u>406.94</u>	<u>407.54</u>	<u>409.04</u>

Source:

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

Fiscal Year					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
7.00	7.00	7.00	7.00	7.00	9.00
9.70	9.70	9.65	9.95	9.95	19.14
8.00	7.00	7.00	7.00	7.00	8.00
14.80	15.80	15.80	14.80	14.80	10.00
8.84	11.84	12.09	12.09	12.09	3.00
123.00	123.00	123.00	123.50	122.00	124.00
95.75	101.65	101.65	92.00	91.00	93.00
126.38	126.55	128.55	134.05	136.05	144.85
14.13	15.06	15.13	16.03	16.63	16.00
<u>407.60</u>	<u>417.60</u>	<u>419.87</u>	<u>416.42</u>	<u>416.52</u>	<u>426.99</u>

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

<u>Function/Program</u>	<u>Fiscal Year</u>		
	<u>2014</u>	<u>2015</u>	<u>2016</u>
Police			
Criminal arrests (charges)	9,221	7,672	8,506
Parking violations	360	209	244
Traffic violations	7,517	7,775	8,219
Fire and life safety			
Number of fire stations	5	5	5
Incident responses	8,076	8,651	8,626
Fire incidents	206	177	185
Inspections	121	138	123
Library			
Number of public computer log-ins ****	70,756	56,666	53,733
Number of patron visits ****			
Total volumes loaned ****	354,503	365,497	364,823
Development and public works			
Crack sealing (in miles)	28	11	12
Potholes repaired	1,047	775	***
Storm lines high velocity cleaning (in feet)	1,811	2,200	1,500
Sanitary lines high velocity cleaning (in feet)	363,748	426,466	601,920
Number of building permits **	433	466	224
Building valuation (in thousands)	\$ 44,621	\$ 51,818	\$ 77,150

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. During FY23, the Library was having issues with the door tracking software, which is why FY23 is so much lower than FY22

Fiscal Year						
2017	2018	2019	2020	2021	2022	2023
9,348	9,367	8,462	7,282	6,721	7,543	3,719
607	558	818	736	599	673	756
8,087	7,997	7,644	7,633	6,130	6,834	5,571
5	5	5	5	5	5	5
8,625	8,714	9,283	8,985	9,159	10,344	10,353
167	162	180	132	221	190	202
214	262	257	236	67	135	158
25,683	21,958	22,220	14,373	1,990	6,277	12,481
				4,225	202,618	107,912
355,848	365,763	376,622	321,688	107,256	193,782	206,648
0.14	2	4	18	7	11	5
***	1,103	1,634	1,705	1,705	1,699	1,119
2,000	4,661	20,000	3,600	3,613	2,933	0
786,000	646,635	510,000	331,601	333,600	452,500	491,569
427	1,541	2,236	2,349	2,575	2,829	2,728
\$ 91,011	\$ 71,631	\$ 88,928	\$ 115,946	\$ 91,536	\$ 147,667	\$ 187,826

City of Springfield, Oregon

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

<u>Function/Program</u>	Fiscal Year				
	2014	2015	2016	2017	2018
Police					
Stations	1	1	1	1	1
Patrol units	20	20	20	24	24
Fire stations	5	5	5	5	5
Public works					
Streets (lane miles)	423	444	442	443	447
Street lights	4,300	4,362	4,338	4,227	4,431
Traffic signals	68	83	93	78	72

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

2019	2020	2021	2022	2023
1	1	1	1	1
26	30	30	30	36
5	5	5	5	5
447	448	449.6	451.5	455.8
4,518	**	4,385	4,726	4,751
44	40	43	43	43



Compliance Section



Audit Comments





GROVE, MUELLER & SWANK

redw
Advisors & CPAs

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, 2023, and have issued our report thereon dated December 15, 2023.

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, Principal
December 15, 2023