

City of Springfield, Oregon



PROUD HISTORY
BRIGHT FUTURE



Comprehensive Annual
Financial Report
Fiscal Year 2011
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CITY OF SPRINGFIELD, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2011

Prepared by:

Finance Department
Accounting Division

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City of Springfield, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2011

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Introductory Section

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FINANCE DEPARTMENT
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ASSESSMENTS
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PAYROLL
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December 15, 2011

To the Citizens of Springfield, Oregon:

Local ordinances and state statutes require that the City of Springfield issue a report on its financial position and activity within six months of the close of each fiscal year. In addition, this report must be audited in accordance with auditing standards generally accepted in the United States of America by an independent firm of certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Springfield for the fiscal year ended June 30, 2011.

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, 2011, 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 unqualified opinion that the City of Springfield's financial statements for the fiscal year ended June 30, 2011, 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.

In addition to meeting the requirements set forth above, the independent audit also was designed to meet the special needs of federal grantor agencies as provided for in the Federal Single Audit

Act and the Office of Management and Budget's (OMB) Circular A-133. These standards require that the independent auditor report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The results of the independent audit for the fiscal year ended June 30, 2011, indicated no instances of material weaknesses in the internal control structure nor significant violations of applicable laws and regulations. The independent auditor's reports related specifically to the Single Audit and OMB Circular A-133 are included in the Compliance Section.

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 59,695 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 like the Springfield Museum and Historic Interpretive Center, Washburne Historic District, Springfield Railroad Depot, Oregon Trail Mural, and Dorris Ranch Living History Farm.

The City provides a full range of municipal services. These services include police, fire, emergency medical services, municipal court, community planning and development, library, local sanitary system collection, regional sanitary administrative services, stormwater management, general public works, central service administration, and other functions associated with a full-service City.

For financial reporting purposes, the City includes all funds of the City 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. The City performs all administrative duties for the legally separate Metropolitan Wastewater Management Commission. It would be misleading to omit information about this

entity from the financial statements and so it is included as a discretely presented component unit. Other potential component units have been evaluated and determined not to be component units of the City according to the criteria provided by the Governmental Accounting Standards Board.

For financial planning and control, the City prepares and adopts an annual budget in accordance with Oregon law. The law establishes standard procedures for preparing, presenting and administering the budget. It requires citizen involvement in the preparation of the budget and public disclosure of the budget before final adoption. The activities of all the funds of the City (except the Agency Fund, which accounts only for non-budgeted pass-through monies) are included in the annual budget, as required by state law. The City prepares its budget, as allowed under Oregon law, using the modified accrual basis method of accounting. The legally adopted budget is presented at the departmental level for current expenditures, with separate appropriations established for capital projects, debt service, inter-fund transfers, miscellaneous fiscal transactions, statutory payments, contingencies, unappropriated fund balances and reserves.

Under the changes made by Measure 50, Oregon's municipalities now levy their annual property taxes on a partial rate-based levy system. Springfield has been assigned a permanent tax rate of \$4.7403 per thousand dollars of assessed valuation for its annual property tax operating levy. This amount can be temporarily overridden through the use of voter-approved serial levies. In November 2006, Springfield voters renewed a special purpose four-year property tax levy for fire services at a rate of \$.40 per thousand. In the same election, voters approved a second 5-year \$1.09 per thousand to fund police and municipal court services and operation costs for a city jail. Subsequently in November 2010, Springfield voters re-authorized the levy for fire services at a rate of \$0.36 per thousand for five-years beginning July 1, 2011. 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, 2011, the amount of the tax levy for general obligation bonded debt was \$0.865 per thousand.

Local Economy

Springfield is located in the southern Willamette Valley along Interstate 5. Springfield is Oregon's ninth largest city and the second largest city in Lane County. Springfield is located immediately east of Eugene and separated only by Interstate 5.

The Lane County unemployment rate decreased during the year from a seasonally adjusted 10.7% in July of 2010 to 9.4% in June 2011. In July 2011, Lane County's unemployment rate was just above the statewide figure of 9.4% and above the United States rate of 9.3%. Lane County's non-farm not-seasonally-adjusted employment in June 2011 was 167,180 compared to 163,665 the previous year, an annualized gain of 2.1 percent.

Over the past year, most sectors of the local economy have had relatively small changes: June-to-June in manufacturing all sectors held steady; Construction (-500); Wholesale Trade (-200); Accommodation and Food Services (+100); Professional & Business Services (+700); Health

Care (-100); Retail Trade (+400); and Government (+2,900). Single Family Residential construction was down over 50% from FY09-10 to FY10-11.

Some of the more significant development events, excluding new housing subdivision projects, of the past year were:

- **Gateway Hospitality, LLC** of Corvallis has completed construction on a \$9.7 million **Hilton Garden Inn**, a 5-story, full service hotel with 155 rooms northwest of the Beltline-Gateway intersection. The hotel ground floor includes a swimming pool, restaurant, lounges, and 5 meeting rooms that replace a 90-room hotel built in the 1960s. Opened just as US Track and Field Championships got under way, it had 100% occupancy at its opening.
- **Sycan B's** recent addition of the **Travel Lane County Adventure Center** to its growing commercial center that is anchored by Best Buy in the Gateway area has proven popular with the traveling public, bringing in about twice as many tourists as the Travel Lane County's downtown Eugene site. The 5,000 square-foot visitors' center provides visitors and convention goers answers to their travel questions, and provides an important marketing effort to reach travelers from Interstate 5 stopping in North Springfield. Knowledgeable staff provide marketing materials to tourists so they lengthen their stay in Lane County, link them to additional activities and spending opportunities throughout Lane County, and sell Oregon-made products and goods. In operations to date, TLC Adventure Center visitors are increasing their stays in the area and seeing more local attractions than before.
- **Yogi Tea**, formerly part of Eugene based organic cereal and tea maker Golden Temple, invested \$2 million in an expansion of its new Yogi Tea tea-packing plant in Springfield's Gateway area industrial park. The 30,000 square foot facility allowed the firm to consolidate tea-related operations (like storage, packaging, and shipping) and focus on its brand expanding world-wide.
- **Turtle Mountain, LLC** and **McKay Commercial Properties, LLC** have completed the remodeling of a 7,500 square-foot building leased by Turtle Mountain. Upgrades included a new truck dock, new refrigeration equipment, and other improvements to expand its manufacturing of dairy-free frozen treats at its Shelley Street facilities. Turtle Mountain has also leased additional space on East Main Street for the expanded sales of its products.
- **Springfield Dialysis, LLC** completed construction on its \$2 million medical office building on Q Street to allow **Fresenius Medical Care** to provide dialysis services to patients needing out-of-hospital treatment. The clinic, on 1.2 acres, operates with 15-18 staff (including doctors, nurses, technicians, dieticians, etc.) with tenant build-out within the 10,300 square foot building.
- **Oregon Department of Transportation**, Springfield-based **Hamilton Construction**, and **Cameron, McCarthy, Gilbert, & Scheibe** submitted plans to construct Phase II of

the Interstate 5 Willamette River Bridge replacement in essentially the same location as the original I-5 Bridge across the Willamette River that was demolished several years ago and replaced with a \$38 million temporary bridge. The new arched-below-deck six-lane bridge and the related improvements will cost approximately \$175 million and is expected to be completed in 2013. In addition to extensive improvements to the bridge and highway sections, there will be extensive habitat restoration, a new bicycle viaduct connecting the Eugene and Springfield bikeways, and storm water management improvements.

- **Brethren Community Services**, long-term lessee **Afiya Apartments, Inc.** and **ShelterCare, Inc.** have completed more than \$3 million in construction expanding low-income housing in Downtown Springfield by 16 units for low-income homeless and the chronically mentally ill. The five-story mixed-use Afiya expansion will include four floors of residential over a community center coupled with a 4,000 square foot retail area to help create transitional work opportunities for residents in a supportive environment.
- The Kit and Karen **Chan Family** have finished an 11,000 square foot warehouse/retail commercial space at 18th and Main Street on a former auto dealership property. The facility has up to 10 units for lease individually or in combinations on the long-vacant .7-acre site.
- **Lane Transit District's** EmX Line into and through the Gateway area was completed this year, serving major employers like **Peace Health, Symantec, Pacific Source, Royal Caribbean Cruise Lines, Pioneer Pacific College, and Oregon Medical Labs** as well as the regional shopping in and around the **Gateway Mall**. The transit line, with buses running at 10-minute intervals through most of the day and evening, was not only an immediate success in generating ridership among the transit riders in Springfield, it has also brought many **University of Oregon** students to Gateway shopping and entertainment firms with direct connections, easy on-off, and one-stop shopping.
- **Cabela's**, the iconic hunting, fishing, & outdoor recreational supplier, has opened one of its first smaller-format retail stores in the **Gateway Mall** in a space formerly occupied by Ashley's Furniture. At roughly 55,000 square feet, it is one-third to half the size of most Cabela retail stores, yet since opening, has been among the chain's most productive stores per square foot, exceeding anticipated sales levels.
- **Hop Valley Brewery** continues expanding by adding a third beer fermenter to increase production of its craft beers, having originally started with a single fermenter at its Gateway location. This was also the site where regional craft brewer **Ninkasi Brewing** got its start several years ago.
- **Fred Meyer** has submitted plans for adding a retail fueling facility with 5 multi-product dispensers for a total of 10 fueling spots at its 650 Q Street site.
- **Willamalane Parks and Recreation District** has built and opened the first phase and first four miles of an eight-mile multi-use, bicycle/pedestrian path from Clearwater Park

west to the Dorris Ranch Park along the Middle Fork of the Willamette River. The \$3 million first phase of the 10-foot wide asphalt path links Clearwater Park with Quarry Creek and opens access to a recreational area of more than 30 acres of undeveloped land jointly owned by the District, City of Springfield, and Springfield Utility Board. The project includes trailheads with vehicle parking, rest areas, two bridges, viewing areas, and water access points. Phase 2 is projected to cost \$4.4 million and will begin soon.

Long-term Financial Planning

Continued slowdowns in the national, state, and regional economic recoveries have had an impact on the revenue forecasts for the City as several major resources continue to under-realize the City's budgeted estimates. In particular, revenues received through property taxes have been difficult to project on an annual basis. At the onset of the downturn in the housing market, the increase in the assessed valuation of property for taxing purposes was 6.4% over the previous year. In the subsequent year, due to the devaluing of several large industrial properties, an expected 3% increase was actually realized at only 0.5%. And for the year just ended, a 0.5% projected increase was actually realized at 3.6%. The City's current projection for year is 3%.

Indicators of economic recovery from the private sector are still seeing mixed results for franchise and right-of-way payments received from doing business in the community. Only one company has continued to show positive growth during the period while all others have continued to show a decrease in gross revenue over prior years. Several appear to have reached a plateau at this time and may begin to show some signs of recovery while the continued economic pressures are evident in certain sectors. The City is utilizing a financial planning strategy for revenues that indicates that many of our charges for services and franchise fees have reached a level of stability, albeit lower, but it may be 2 years or more prior to seeing any significant increase in economic growth. Many of the charges for services that the City is dependent upon to indicate a healthier economy rely on a strong and stable housing market while many indicators point to this being one of the last sectors of the economy to realize a recovery.

The General Fund still meets all Council adopted policies for maintaining adequate contingency and working capital.

Public Safety Services:

The Cities of Springfield and Eugene are continuing to study the feasibility of merging some or all of the fire and ambulance services for the two communities. In a partial step during calendar years 2010 and 2011, the two cities are sharing certain key administrative positions to study the ability of the two cities to adjust policies and practices into a single operation. Currently, the primary shared positions are that of the Fire Chief, Deputy Chief of Operations, Fire Marshal, and Battalion Chief for Training. The current phase of the study has involved the opportunity of merging the labor contracts with the two local IAFF employee groups into a single contract and the coordinating of the provision of central services such as human resource, information technology and finance. The next phase will include the study of a model of governance that

would satisfy the needs of both communities. This next phase will move the discussion into the 2012 calendar year with the possibility of a final decision by the two City Councils by mid-year.

Urban Renewal:

Within the past 5 years, the City has initiated the formation of two urban renewal districts within our community. One is for the core downtown area and the other is for the Glenwood area, located immediately adjacent to downtown and across the river. The formation of the two urban renewal districts is important to the City's strategy for attracting new or additional commercial and industrial businesses to our area. To be better prepared to attract business growth at a time when the economy is in recovery, the City has continued to invest in planning actions, such as completion of the Downtown Study Plan and the Glenwood Refinement Plan. These plans have allowed the City to continue to move forward with infrastructure improvements for streets, sanitary sewer, and stormwater utilities to accommodate expansion and location requests.

Capital Improvements:

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

Transportation and Streets:

- ◆ For the 2012-2016 five-year outlook, one of the most significant aspects of this CIP is the projection of a continued absence of funding for street preservation projects. Current projections of revenues generated from the local motor fuel tax are not sufficient to allow for a transfer to support street capital programs. Any influx of revenue from the January 1, 2011 increase in the State gas tax that can be set aside for support of the identified CIP needs may not be identified until next year's CIP update. With insufficient revenues, the result will be an increasing backlog of streets needing repair and preservation. One additional revenue source that is being programmed beginning in FY12 is a right-of-way use fee imposed upon the local storm and sanitary sewer utilities. Effective in July 2011, the City anticipates revenues of approximately \$384,000 during FY12.
- ◆ The Franklin Boulevard Reconstruction Project will construct modern urban standards improvements on Franklin Boulevard. to support Glenwood redevelopment and provide safe and convenient facilities for transit, bicycles, pedestrians, and automobiles. Glenwood redevelopment is a Council priority goal and upgrading and modernizing Franklin Boulevard. is seen as the first step to achieving this goal. The next step in moving Franklin Boulevard reconstruction forward will be to complete the required

National Environmental Policy Act (NEPA) documentation, likely an Environmental Assessment (EA). The City has identified the funding to move this project forward, and the NEPA work is anticipated to continue through FY12.

Wastewater:

- ◆ In 2012, the City will have completed all of the sanitary rehabilitation projects identified in the *2008 Wastewater Master Plan* and the *2001 Wet Weather Flow Management Plan*. The completion of the rehabilitation projects on the local wastewater collection systems will reduce the cost of transporting the effluent through pipes as well as the treatment costs at the plant.
- ◆ In March 2009, the City sold \$22.8 million in revenue bonds to fund wastewater system projects that would provide both improvements to the existing system as well as increased capacity for growth. During this past year, the City has experienced a positive competitive bidding climate with final costs for many projects coming in well under budget. This has allowed the City to advance projects such as the Jasper Trunk Sewer Extension, which was previously on hold. Additionally, beginning in FY12, the City anticipates funding the design phase of other major sewer pipelines and pump station upgrades.
- ◆ The City is currently considering another revenue bond sale in FY14 to address some or all of the following projects: Phase 3 and 4 of the Jasper Trunk Sewer – 3.3 million; Franklin Boulevard Sewer Extension – 3 million; Main St. sewer main improvements – \$2.1 million; and Nugget Way lift station upgrade – \$1.4 million.

Stormwater:

- ◆ The City's master plan for stormwater improvements are both driven by federal and state clean water mandates and development growth within the City. Completion of the Stormwater Facilities Master Plan has allowed the City to proceed with securing funding for implementation of necessary improvements to the existing system to meet federal requirements and to provide additional capacity to the system. In the spring of 2010, staff began planning for a \$10 million revenue bond sale for stormwater improvements. This sale was completed in October 2010 and many of the projects are currently underway.
- ◆ Drainage improvements for the Springfield Mill Race are underway and are expected to continue for several years. At completion, the project will improve water quality and stabilize year-round flows, restoring the aquatic ecosystem from Clearwater Park to the 7th Street Bridge. The entire project is anticipated to cost about \$9 million, with \$5 million coming from a federal grant and the remaining balance coming from the City in donated land, in-kind services, and additional funding. This project not only re-opens an historic open waterway through Springfield, but helps the City meet its obligation for clean water through natural filtration instead of treatment. Completion of the current phase of the Mill Race Project is anticipated in 2012.

- ◆ In 2011, the City began planning the future improvements to the other reaches of the Springfield Mill Race. This planning and design work is expected to continue over the next several years.

Major Initiatives

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

Provide Financially Responsible and Innovative Government Services

- There is adequate land supply to meet the City's employment needs for the next 20 years
- Infrastructure enterprise funds meet operating and capital requirements
- Information technology infrastructure is available
- Enhancements and customizations to existing applications will meet customer expectations
- The net contribution to Ambulance Fund of billing systems customers

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 5 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 8 minutes
- Fire responses are within 5 minutes

Maintain and Improve Infrastructure and Facilities

- Planned infrastructure maintenance is performed
- Preservation projects and completed on schedule
- Number of out-of-service signalized intersection repaired within 48 hours after 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
- Percent of current Stormwater Management Plan activities in compliance with the six minimum measures
- Wastewater infrastructure systems meet regulatory performance requirements
- Revitalization of low-income neighborhoods is supported
- Citizen requests and inquiries are given timely attention
- Technology is used to make it easier for citizens to do business in Springfield through e-permitting and on-line access to information
- Residents perception of Springfield is positive
- Neighborhoods are healthy and active

Awards and Acknowledgements

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. This was the thirtieth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both

generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

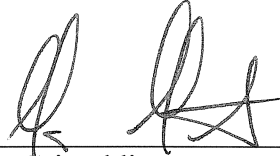
Acknowledgments

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

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

Respectfully submitted,

CITY OF SPRINGFIELD, OREGON



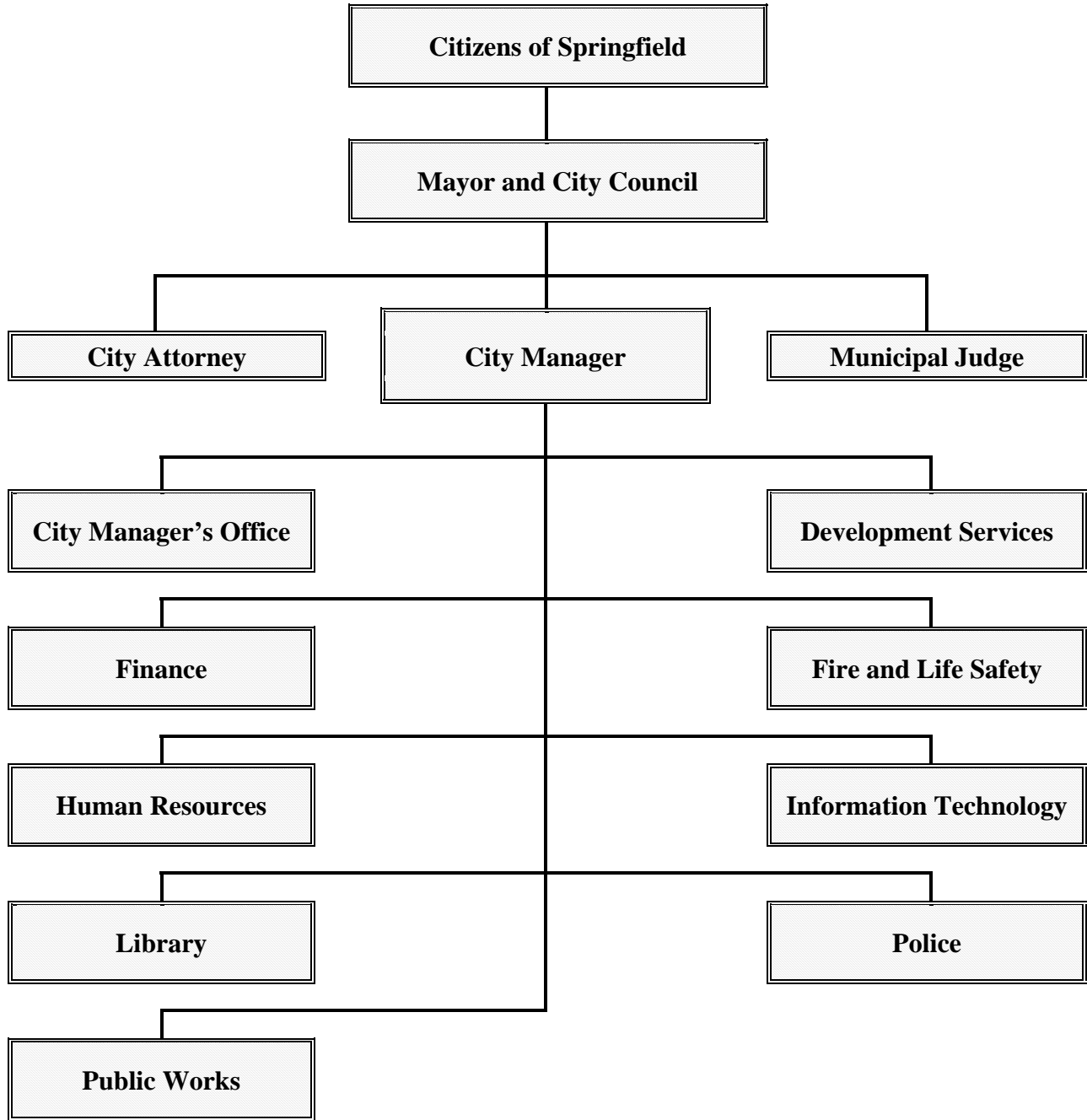
Gino Grimaldi,
City Manager



Robert J. Duey,
Finance Director

CITY OF SPRINGFIELD

Organization Chart



City of Springfield, Oregon

Principal City Officials June 30, 2011

Elected Officials

Mayor

Christine Lundberg
2031 2nd Street
Springfield, OR 97477

Term Expiration

December 31, 2012

Council Members

Sean VanGordon
2327 Clear Vue Lane
Springfield, OR 97477

Ward 1

December 31, 2012

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

Ward 2

December 31, 2014

Sheri Moore
1955 16th Street
Springfield, OR 97477

Ward 3

December 31, 2012

David Ralston
2114 "L" Street
Springfield, OR 97477

Ward 4

December 31, 2012

Marilee Woodrow
1009 South 59th Street
Springfield, OR 97477

Ward 5

December 31, 2014

Joe Pishioneri
961 S 70th Street
Springfield, OR 97478

Ward 6

December 31, 2012

Administrative Officials

Gino Grimaldi
Jeff Towery
Robert J. Duey

City Manager
Assistant City Manager
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Springfield
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

Financial Section

SPRINGFIELD



OREGON

Independent Auditor's Report

SPRINGFIELD



OREGON



GROVE, MUELLER & SWANK, P.C.

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springfield, Oregon as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springfield, Oregon as of June 30, 2011, and the respective changes in financial position and the cash flows where applicable thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.


In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2011 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As described in the notes to the basic financial statements, during the year ended June 30, 2011 the City adopted the provisions of Governmental Accounting Standards Board Statement #54, Fund Balance Reporting and Governmental Fund Type Definitions.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) on pages 3 through 17 the schedules of revenues, expenditures and changes in fund balance – budget and actual for the General Fund and major special revenue fund (pages 59 and 60), and the schedule of OPEB and CRP funding progress (page 61) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A and the schedule of OPEB and CRP funding progress in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The schedules of revenues, expenditures and changes in fund balance – budget and actual for the General Fund and major special revenue funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Springfield's financial statements as a whole. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*, and is also not a required part of the financial statements. The other supplementary information, and the schedule of expenditure of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

By: 
Charles A. Swank, A Shareholder
December 15, 2011

Management's Discussion and Analysis

SPRINGFIELD



OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of 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, 2011. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's total assets at June 30, 2011 increased \$13.3 million from \$284.2 million to \$297.5 million, or 4.7% from the prior year. This increase was primarily due to the issuance of \$10 million in stormwater revenue bonds and \$4.8 million in capital contributions from developers.
- The City's total liabilities increased by \$8.3 million from \$73.3 million to \$81.6 million. This increase was primarily due to a \$7.4 million increase in bonded debt, a \$1.3 increase in compensated absences and a \$.9 million increase in the City's OPEB obligation offset by a \$1.1 million decrease in notes payable and a \$.3 million decrease in capital leases.
- The net assets of the City (assets less liabilities) at June 30, 2011 increased \$5 million from \$210.9 million to \$215.9 million, or 2.4 % from the prior year.
- At June 30, 2011, the City's governmental funds reported a combined ending fund balance of \$20.3 million, a decrease of \$1.8 million, or 8% from the prior year. Of this total amount, \$6.9 million (34%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$13.3 million (65.5%) 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, \$.2 million (.5%) is in a nonspendable form.
- At the end of fiscal year 2011, the unassigned fund balance in the General Fund was \$6.9 million which was 23% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-wide Financial Statements

The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets presents information on all of the City's assets and liabilities, with the difference between

the two reported as net assets. Over time, increases or decreases in net assets 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 government's net assets changed during the most recent fiscal year. All changes in net assets 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
- Police
- Library
- Public Works
- Development Services

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 of Springfield itself (known as the primary government), but also two legally separate entities.

The Urban Renewal Agency, called the Springfield Economic Development Agency (SEDA,) has a governing body that is substantively the same as the City's. For this reason, the SEDA special revenue and capital project funds are included as an integral part of the primary government.

The City provides all administrative duties for the Metropolitan Wastewater Management Commission in accordance with an intergovernmental agreement. Therefore, management believes it would be misleading to exclude this entity from the government-wide financial statements. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 18-19 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: government 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 20 and 22 in the basic financial statements.

The City maintains 20 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for those funds that are considered significant (major) to the City taken as a whole. These financial statements report two funds: General Fund and Housing and Community Development Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the General Fund and the major special revenue funds as required supplementary information on pages 59-60. Budgetary comparisons for all other governmental funds have been provided elsewhere in this report.

The governmental funds financial statements can be found at pages 20-21 in the basic financial statements.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in government-wide financial statements. The City uses enterprise funds to account for its Local Sewer Operations, Storm Drainage Operations, Ambulance Service and Booth-Kelly operations. Internal service funds are an accounting device used to accumulate and allocate costs internally

among the City's various functions. The City uses internal services 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 funds 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 Operating Fund, the Storm Drainage Fund, the Sewer Capital Projects Fund, the Storm Drainage Capital Projects Fund, the Ambulance Fund, and the Booth-Kelly 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 funds financial statements can be found on pages 23-25 in the basic financial statements.

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

The fiduciary fund financial statement of net assets can be found on page 26 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 27-58 of this report.

Required supplementary information. This report also presents certain required supplementary information concerning budgetary comparisons for the general and major special revenue funds as well as information about the City's progress in funding its obligation to provide pension and other post employment benefits to its employees. Required supplementary information can be found on pages 59-61 of this report.

Other supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds, the schedule of property tax transactions, the schedule of bonded debt transactions and future requirements for bonded debt are included in this report and can be found on pages 62-117.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$215.9 million at the close of the most recent fiscal year.

The largest portion of the City's net assets, \$165.5 million, or 77%, reflects its investment in capital assets (e.g., land and right-of-way, buildings, improvements, equipment, and infrastructure, net of accumulated depreciation), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Springfield's Net Assets

	Governmental Activities		Business-type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 41,317,679	\$ 42,039,117	\$ 45,866,809	\$ 33,840,958	\$ 87,184,488	\$ 75,880,075
Capital assets, net, where applicable, of accumulated depreciation	<u>140,952,668</u>	<u>141,454,758</u>	<u>69,334,001</u>	<u>66,904,526</u>	<u>210,286,669</u>	<u>208,359,284</u>
Total assets	<u>182,270,347</u>	<u>183,493,875</u>	<u>115,200,810</u>	<u>100,745,484</u>	<u>297,471,157</u>	<u>284,239,359</u>
Noncurrent liabilities	36,069,303	37,066,694	39,656,298	30,826,218	75,725,601	67,892,912
Other liabilities	<u>4,150,544</u>	<u>3,865,039</u>	<u>1,716,451</u>	<u>1,559,672</u>	<u>5,866,995</u>	<u>5,424,711</u>
Total liabilities	<u>40,219,847</u>	<u>40,931,733</u>	<u>41,372,749</u>	<u>32,385,890</u>	<u>81,592,596</u>	<u>73,317,623</u>
Net assets:						
Invested in capital assets, net of related debt	109,751,002	107,712,593	55,717,106	52,807,159	165,468,108	160,519,752
Restricted	12,102,762	5,268,152	3,091,423	2,989,453	15,194,185	8,257,605
Unrestricted	<u>20,196,736</u>	<u>29,581,397</u>	<u>15,019,532</u>	<u>12,562,982</u>	<u>35,216,268</u>	<u>42,144,379</u>
Total net assets	<u>\$ 142,050,500</u>	<u>\$ 142,562,142</u>	<u>\$ 73,828,061</u>	<u>\$ 68,359,594</u>	<u>\$ 215,878,561</u>	<u>\$ 210,921,736</u>

A portion of the City's net assets, \$15.2 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$35.2 million or 16%, may be used to meet the government's ongoing obligations to citizens and creditors.

City of Springfield's Change in Net Assets

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
Program revenues:						
Charges for services	\$ 7,242,276	\$ 6,174,848	\$ 19,239,179	\$ 17,526,400	\$ 26,481,455	\$ 23,701,248
Operating grants and contributions	5,616,572	6,436,204	-	-	5,616,572	6,436,204
Capital grants and contributions	3,661,254	3,994,233	1,129,770	3,161,477	4,791,024	7,155,710
General revenues:						
Taxes	29,685,700	30,384,602	-	-	29,685,700	30,384,602
In lieu of tax payments	2,373,660	2,346,889	-	-	2,373,660	2,346,889
Shared revenue	1,387,527	1,247,546	-	-	1,387,527	1,247,546
Interest and investment earnings	421,956	664,423	292,416	409,360	714,372	1,073,783
Miscellaneous receipts	486,358	201,184	368,134	186,763	854,492	387,947
Gain (loss) on disposal of assets	-	(57,355)	-	-	-	(57,355)
Total revenues	<u>50,875,303</u>	<u>51,392,574</u>	<u>21,029,499</u>	<u>21,284,000</u>	<u>71,904,802</u>	<u>72,676,574</u>
Expenses:						
General government	5,386,231	3,560,757	-	-	5,386,231	3,560,757
Fire	11,760,498	10,691,161	-	-	11,760,498	10,691,161
Police	18,444,853	17,259,569	-	-	18,444,853	17,259,569
Library	1,513,148	1,382,782	-	-	1,513,148	1,382,782
Public works	8,446,669	7,641,190	-	-	8,446,669	7,641,190
Development services	4,358,054	5,919,093	-	-	4,358,054	5,919,093
Unallocated depreciation & amortization	283,227	283,227	-	-	283,227	283,227
Interest on debt	1,301,309	1,373,371	-	-	1,301,309	1,373,371
Sewer	-	-	4,886,099	4,803,431	4,886,099	4,803,431
Drainage	-	-	4,031,641	3,956,135	4,031,641	3,956,135
Booth Kelly	-	-	1,334,099	1,433,965	1,334,099	1,433,965
Ambulance	-	-	5,202,146	5,000,748	5,202,146	5,000,748
Total expenses	<u>51,493,989</u>	<u>48,111,150</u>	<u>15,453,985</u>	<u>15,194,279</u>	<u>66,947,974</u>	<u>63,305,429</u>
Increase in net assets before transfers	(618,686)	3,281,424	5,575,514	6,089,721	4,956,828	9,371,145
Transfers	107,047	(30,673)	(107,047)	30,673	-	-
Increase (decrease) in net assets	(511,639)	3,250,751	5,468,467	6,120,394	4,956,828	9,371,145
Net assets – beginning	<u>142,562,139</u>	<u>139,311,391</u>	<u>68,359,594</u>	<u>62,239,200</u>	<u>210,921,733</u>	<u>201,550,591</u>
Net assets ending	<u>\$ 142,050,500</u>	<u>\$ 142,562,142</u>	<u>\$ 73,828,061</u>	<u>\$ 68,359,594</u>	<u>\$ 215,878,561</u>	<u>\$ 210,921,736</u>

Entity-wide change in net assets: Entity-wide net assets increased by \$5 million in the current fiscal year compared to an increase of \$9.4 million in the prior year. This represents a more modest increase as compared to the prior year and is primarily the result of a year-to-year decrease of \$3.8 million in the net assets of governmental activities, the details of which are provided below. Business-type activities' net assets increased by \$5.5 million in the current year compared to an increase of \$6.1 million in the prior year. This decrease of \$.6 million from the prior year (11%) can be attributed to a \$2.1 million decrease in capital contributions offset by a \$1.7 million increase in sewer and storm drainage user fees.

Governmental Activities. The change in governmental activities before transfers decreased from a surplus of \$3.3 million in the prior year to a deficit of \$.6 million in the current year. This decrease of \$3.9 million can be explained by the following highlights:

- Capital grants and contributions decreased by \$.3 million (8.3%) from the prior year. While this is a modest decrease, it represents a continued depression in development activity in the City due to continued weakness in the housing market.
- Operating grants and contributions decreased by \$.8 million (12.7%) from the prior year due to a decrease of \$1.3 million in federal funding from the U.S. Department of Housing and Urban Development offset by the receipt of a \$.5 million Energy Efficiency Community Block Grant.
- Taxes decreased by \$.7 million (2.3%) from the prior year due to a significant drop in real market value of industrial property that resulted from the annual valuation by the State of Oregon.
- Interest and investment earnings decreased by \$240,000 (36.5%) from the prior year due to a decrease in the return on the City's cash and investments.
- Expenses for the Police Department increased by \$1.2 million (7%) from the prior year and can be primarily attributed increased expenses resulting from the first full year of operation of the City's municipal jail as well as normal inflationary pressures.
- Expenses for the Fire and Life Safety Department increased by \$1.1 million (10%) from the prior year and can be primarily attributed to an increase in wage, healthcare, and pension costs.
- Expenses for the Development Services Department decreased by \$1.6 million (26.4%) from the prior year and can be primarily attributed to a significant reduction in federal funding from the U.S. Department of Housing and Urban Development.
- Expenses for the Public Works Department increased by \$.8 million from the prior year and can be primarily attributed to a \$.5 million Energy Efficiency Community Block Grant as well as normal inflationary pressures.

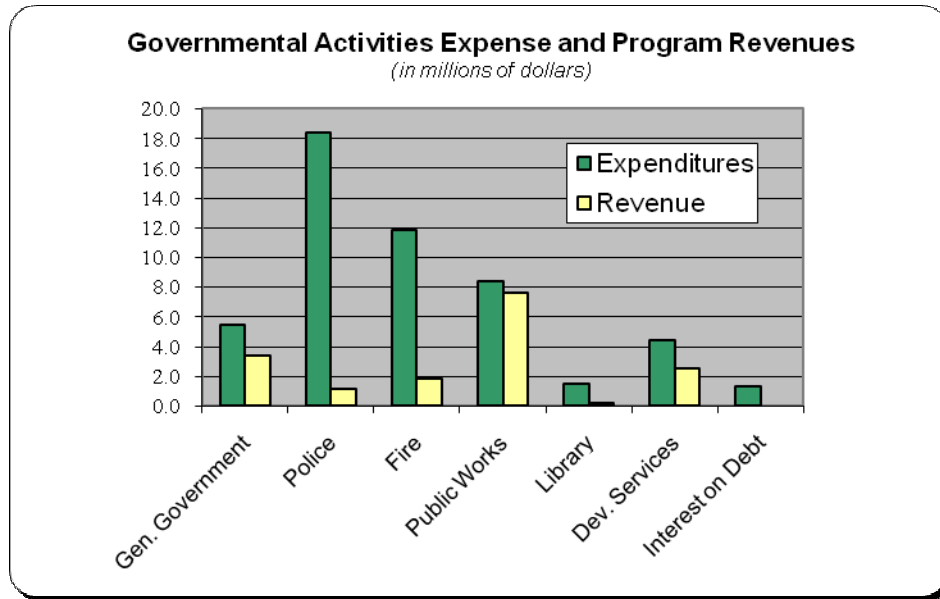


Chart 1

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

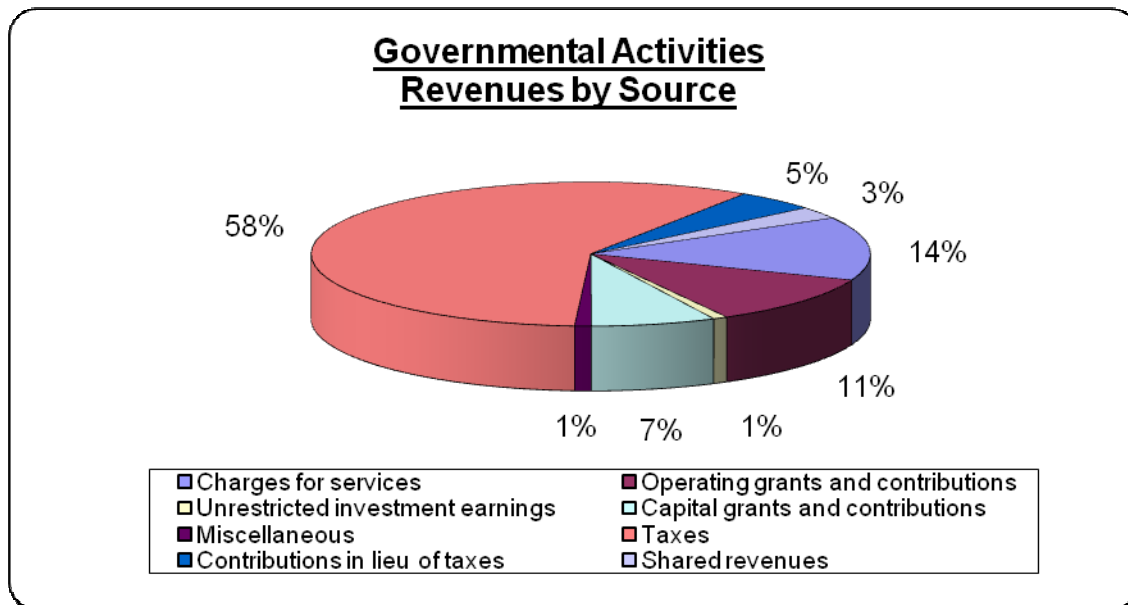


Chart 2

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

Business-type Activities. The change in business-type activities before transfers decreased from \$6.1 million in the prior year to \$5.6 million in the current year. This decrease of \$.5 million can be explained by the following highlights.

- Charges for services increased by \$1.7 million (9.8%) from the prior year, primarily due to a 9% increase in local sewer user fees and a 15% increase in drainage user fees.
- Capital grant and contributions decreased by \$2 million from the prior year as a result of a decrease in development activity in the current year.
- Ambulance expenses increased by \$.2 million (4%) from the prior year and can be primarily attributed to normal inflationary pressures.

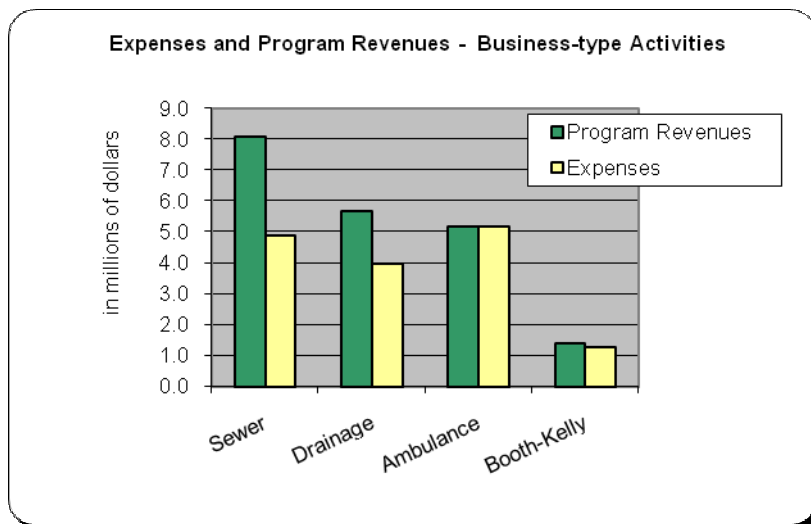


Chart 3

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

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

The Ambulance Fund is showing signs of stabilizing, having broken a trend of many years of expenses exceeding revenues. A major contributing factor to this trend had been the reduction in Medicare reimbursements for ambulance services that began April 1, 2002, and was fully implemented by December 31, 2005. Included in this fund are the business-type activities of ambulance billing services for other agencies and the FireMed program. The City has worked aggressively to grow both programs with the goal of replacing this lost revenue.

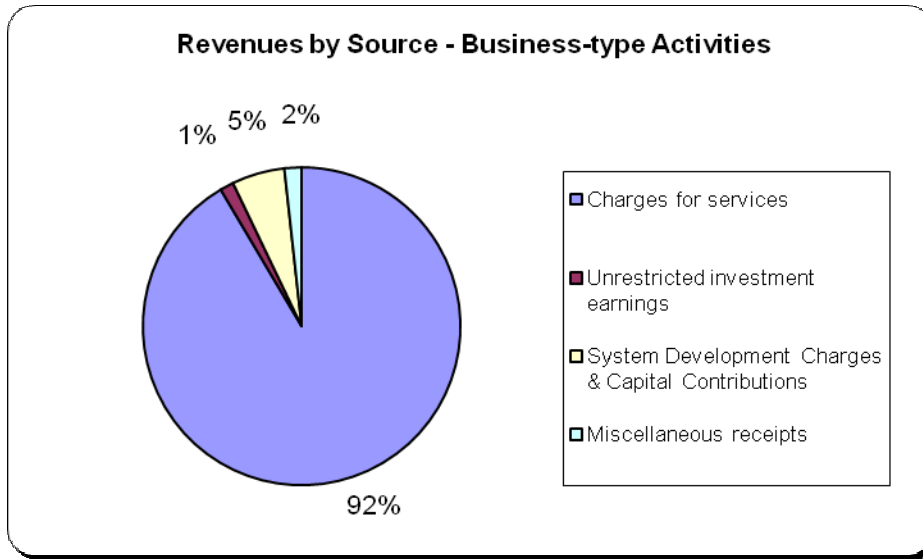


Chart 4

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, *unassigned 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 \$20.3 million. Of this total amount, \$6.9 million (34%) constitutes unassigned fund balance which is available for spending at the government's discretion, \$13.3 million (65.5%) 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, \$.2 million (.5%) is in a nonspendable form.

The General Fund is the chief operating fund of the City of Springfield. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6.9 million, while the total fund balance was \$7.6 million. As measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

Unassigned fund balance represents 23 percent of total General Fund expenditures, while total fund balance represents 25 percent of that same amount.

The fund balance of the City's General Fund decreased by \$.3 million during the current fiscal year compared to an increase of \$.5 million in the prior year. This decrease of \$.8 million can be explained by the following highlights:

- Charges for services decreased by \$.6 million (12%) from the prior year. This decrease can be attributed to a number of factors such as a one-year suspension of the internal facility rent fee for the purpose of helping alleviate budgetary pressures on other funds, expiration of an enterprise zone fee, and a reduction in indirect charges to other funds resulting from prior-year staff reductions that reduced the indirect allocation base.
- Fines and forfeitures increased by \$.2 million (14%) from the prior year. This increase can be primarily attributed to an increase in municipal court revenue resulting from the first full year of operation of the City's municipal jail.
- Fire and Life Safety expenditures increased by \$.5 million (5%) from the prior year. This increase can be primarily attributed to an increase in wage, healthcare, and pension costs.

While the fund balance of the Housing and Community Development Fund remained relatively unchanged from the prior year, both revenues and expenditures decreased by \$1.4 million (50%) from the prior year. This decrease is due to a significant reduction in federal funding from the U.S. Department of Housing and Urban Development.

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 combined ending net assets of \$73.8 million. Of this amount, \$15 million (20%) constitutes unrestricted net assets. Proprietary fund highlights are as follows:

The Sanitary Sewer Operations Fund reported a \$3 million increase in net assets. This increase can be largely attributed to capital contributions of \$1.1 million as well as a 9% increase in local sewer user fees.

The Storm Drainage Operations Fund reported a \$1 million increase in net assets, primarily due to a 15% increase in local drainage user fees.

The Storm Drainage Capital Projects Fund reported a \$.7 million increase in net assets, primarily due to transfers from other funds for anticipated projects in the coming year.

The Ambulance Fund reported a gain of \$33,000 before transfers. As discussed earlier, this beaks with a trend of past years of expenses exceeding revenues and is primarily due to the growth of the ambulance billing and FireMed programs over the past few years while continuing to reduce expenses through process improvements.

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

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was a net increase of \$559,600. Details of this increase are as follows:

- \$40,540 increase to General Government
- \$9,471 increase to Fire
- \$18,230 increase to Library
- \$2,500 increase to Public Works
- \$15,700 increase to Development Services
- \$15,000 increase to Non-Departmental transfers
- \$458,159 increase in the City reserves

For actual expenditures, the City under spent the amended budget by \$1,719,717.

The continuation of the impacts of the economic recession, primarily on revenue, became apparent in October 2010 with the release of property tax information for the fiscal year. Other impacts being seen were a continuation of a loss of revenue from permits and fees as well as franchise revenues tied to economic activity. These differences in actual revenue received compared to the amended budget are as follows:

- \$201,157 decrease in property taxes
- \$722,175 decrease in licenses, permits and fees
- \$125,720 decrease in intergovernmental revenues
- \$60,095 decrease in interest and investment earnings
- \$261,417 decrease in charges for service
- \$240,121 decrease in fines and forfeitures
- \$50,722 increase in miscellaneous revenues
- \$30,675 decrease in internal transfers
- \$543,569 increase in beginning cash (amended over adopted budget)

For the year ended June 30, 2011, the total variance between the final amended budgeted revenue and the actual budget-basis revenue amounts in the General Fund was -3.9%, where actual revenues were less than budgeted revenues. Actual current property tax revenues were 2.2% below budgeted amounts. Other revenue line items were generally below budget, with the aggregate difference representing the -1.7% variance. Beginning fund balance on July 1, 2010 was \$543,569 greater than budgeted (7.5%) while ending fund balance on June 30, 2011 was \$306,149 (3.9%) less than was projected in the FY12 Adopted Budget.

In response to the economic conditions, the City monitored both revenue and expenditure estimates throughout the year and determined mid-year that more stringent targets than each

department's legal authority would be necessary to meet year-end targets. At mid-year, revenues were projected to be \$708,000 under budget at year-end. In response, management imposed strict vacancy control requirements that were intended to generate a savings by year-end of \$865,000. Additional material and services targets were imposed to generate an additional \$215,000 in savings, for a total expected under expenditure of \$1,080,000 or 3.3%. Actual expenditures to amended budget actually resulted in an under expenditure of 5.3%. Personal services are the largest component of the General Fund's operating budget (80%), and as a result of the managing the timing of re-filling vacant positions, this category was under expended by \$834,710 (3.3%). Material and services comprises 19.3% of the General Fund operating budget and was under expended by 6.2%.

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, 2011, amounts to \$210.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, sewer pipes, improvements, machinery and equipment and roads.

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

- Donated streets during the year were recorded at an estimated cost of \$2.3 million.
- Donated sewer lines during the year were recorded at an estimated cost of \$1.1 million.
- The Sanitary Sewer Rehab for Basin 22 was completed for \$2.3 million, with expenditures of \$2.2 million in 2011.
- Beltline/Gateway Intersection improvements of \$1.2 million.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 53,114,065	\$ 53,114,065	\$ 4,758,858	\$ 4,689,625	\$ 57,872,923	\$ 57,803,690
Land improvements	-	-	3,424	25,791	3,424	25,791
Construction in progress	8,355,835	7,926,883	5,342,998	4,123,691	13,698,833	12,050,574
Buildings	34,474,047	36,490,096	57,708,161	56,455,804	92,182,208	92,945,900
Infrastructure	37,484,814	35,715,671	-	-	37,484,814	35,715,671
Machinery & equipment	6,761,552	7,284,897	142,022	178,987	6,903,574	7,463,884
Library books	449,741	546,075	-	-	449,741	546,075
Studies	<u>312,614</u>	<u>377,070</u>	<u>1,378,538</u>	<u>1,414,857</u>	<u>1,691,152</u>	<u>1,791,927</u>
Total	<u>\$ 140,952,668</u>	<u>\$ 141,454,757</u>	<u>\$ 69,334,001</u>	<u>\$ 66,888,755</u>	<u>\$ 210,286,669</u>	<u>\$ 208,343,512</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 \$60.2 million. Of this amount, \$28 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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General obligation bonds – 2005	\$ 6,880,000	\$ 7,915,000	\$ -	\$ -	\$ 6,880,000	\$ 7,915,000
General obligation bonds - 2007	21,065,000	22,060,000	-	-	21,065,000	22,060,000
Revenue bonds series 2005	-	-	880,000	1,080,000	880,000	1,080,000
Revenue Bonds series 2009	-	-	21,330,000	22,155,000	21,330,000	22,155,000
Revenue Bonds series 2010	-	-	10,000,000	-	10,000,000	-
Total	<u>\$ 27,945,000</u>	<u>\$29,975,000</u>	<u>\$32,210,000</u>	<u>\$23,235,000</u>	<u>\$60,155,000</u>	<u>\$53,210,000</u>

The City’s total bonded debt increased by \$6.9 million during the current fiscal year. For additional information on the City’s long-term debt, see Note I in the Basic Financial Statement section of this report.

Economic Factors and Next Year’s Budgets and Rates

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The following are the major assumptions used in developing the FY12 budget:

- Assessed (taxable) value for the City will remain flat with only a 0.5% increase in assessed valuation projected. Residential should receive an increase of 3% under the guidelines established by Measures 49 & 50, industrial is likely to remain flat and expectations are for a downward trend to impact commercial property values.
- Interest rates will be slightly below 1% with short term rates staying below 0.5%.
- Inflation will be a factor during the next fiscal year, however, it appears that federal intent is to maintain some control over the overall inflation rate.
- Wages will increase by 1.5% for AFSCME and SEIU employees as the City enters into the second half of its first year implementation of the completed class and compensation study.
- Springfield Police Association employees have agreed to a 0% cost of living adjustment.

- Wages for International Association of Fire Fighters will be under negotiations and somewhat complicated by the simultaneous discussions with City of Eugene about a merger between the two fire departments. Anticipated settlement for this next year will be in the 2% range.
- Health insurance is projected to rise by 9%.
- PERS rates are bi-annual and remain unchanged on July 2012. A significant increase is anticipated for July 2013.
- The City completed an updated actuarial study on its City Retirement Plan during the spring of 2011, resulting in an increase in the interest guarantee contribution rate as part of the PERS equal-to-or-better testing. This new rate will remain in place until the next actuarial study is completed in the fall of 2012.
- The City's special operating levy for fire services, a rate of \$0.40 per thousand, expired on June 30, 2011. In November of 2010, voters approved an extension of the special levy for 5 years at a rate of \$0.36 per thousand. This new levy will expire on June 30, 2016.
- An increase in the State gas tax will go into effect in January 2012 with a prorated share coming to cities.
- The economic response towards building and construction activity is expected to remain slow for the next year, resulting in continued low collection of fees related to planning and building. Monthly rates for both the City's local sanitary sewer and storm water drainage programs will increase on July 1, 2011 as a result of a debt issuance program that is intended to address both an ongoing system improvements program and an added capacity component for the two utilities. Wastewater rates are expected to increase by 4% and stormwater rates are expected to increase by 3%.

Requests for Information

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

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

SPRINGFIELD



OREGON

City of Springfield, Oregon

Basic Financial Statements

SPRINGFIELD



OREGON

City of Springfield, Oregon
STATEMENT OF NET ASSETS
June 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Metropolitan Wastewater
ASSETS				
Cash and investments	\$ 32,367,132	\$ 43,316,878	\$ 75,684,010	\$ 83,233,984
Receivables, net of allowance for uncollectable receivables	8,596,155	1,452,484	10,048,639	3,347,353
Internal balances	(500,464)	500,464	-	-
Due from primary government	-	-	-	53,728
Due from other governments	6,541	-	6,541	-
Inventory	70,723	-	70,723	-
Investment in foreclosed properties	1,970	-	1,970	-
Prepaid items	-	3,611	3,611	33,726
Deposits	111,925	958	112,883	700,000
Deferred charges	489,990	408,205	898,195	-
Restricted assets - cash and investments	-	-	-	2,490,749
Restricted assets - accounts receivables	-	-	-	439,368
Accrued interest	173,707	184,209	357,916	308,436
Capital assets				
Land and construction in progress	61,469,900	10,101,856	71,571,756	19,850,417
Other capital assets net of accumulated depreciation	79,482,768	59,232,145	138,714,913	115,935,843
Total assets and other debits	<u>182,270,347</u>	<u>115,200,810</u>	<u>297,471,157</u>	<u>226,393,604</u>
LIABILITIES				
Current liabilities				
Accounts payable	935,864	459,458	1,395,322	2,631,248
Accrued payroll and other liabilities	3,009,778	611,324	3,621,102	115,585
Unearned revenue	-	448,560	448,560	10,840
Accrued interest payable	151,174	166,910	318,084	787,177
Deposits	-	30,199	30,199	-
Due from component unit	53,728	-	53,728	-
Noncurrent liabilities				
Due within one year				
Notes payable	230,192	766,510	996,702	389,351
Revenue bonds payable	-	1,420,000	1,420,000	3,495,000
Capital lease	262,664	-	262,664	-
General long-term debt	2,100,000	-	2,100,000	-
Due in more than one year				
Accrued absence payable	2,974,672	434,537	3,409,209	113,655
Accrued interest payable	-	29,446	29,446	-
General long-term debt	26,083,787	-	26,083,787	-
Revenue bonds payable (net of unamortized discount)	-	31,496,000	31,496,000	87,520,975
Notes and contracts payable	1,679,152	5,068,056	6,747,208	9,724,018
Capital lease	845,871	-	845,871	-
Net OPEB obligation	1,892,965	441,749	2,334,714	75,392
Total liabilities	<u>40,219,847</u>	<u>41,372,749</u>	<u>81,592,596</u>	<u>104,863,241</u>
NET ASSETS				
Invested in capital assets, net of related debt	109,751,002	55,717,106	165,468,108	58,186,486
Restricted for:				
Capital projects	546,600	3,091,423	3,638,023	-
Public safety	3,186,175	-	3,186,175	-
Transportation	1,920,245	-	1,920,245	-
Community development	4,748,474	-	4,748,474	-
Debt service	966,261	-	966,261	-
Regional sanitary sewer	-	-	-	2,930,117
Other purposes	735,007	-	735,007	-
Unrestricted	20,196,736	15,019,532	35,216,268	60,413,760
Total net assets	<u>\$ 142,050,500</u>	<u>\$ 73,828,061</u>	<u>\$ 215,878,561</u>	<u>\$ 121,530,363</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit Metropolitan Wastewater Mgmt Commission
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 5,386,231	\$ 3,360,519	\$ 660	\$ -	\$ (2,025,052)	\$ -	\$ (2,025,052)	\$ -
Fire	11,760,498	1,725,642	81,793	-	(9,953,063)	-	(9,953,063)	-
Police	18,444,853	513,759	617,192	-	(17,313,902)	-	(17,313,902)	-
Library	1,513,148	97,718	49,811	-	(1,365,619)	-	(1,365,619)	-
Public works	8,446,669	518,971	3,399,592	3,661,254	(866,852)	-	(866,852)	-
Development services	4,358,054	1,025,667	1,467,524	-	(1,864,863)	-	(1,864,863)	-
Depreciation & amortization, unallocated	283,227	-	-	-	(283,227)	-	(283,227)	-
Interest on long-term debt	1,301,309	-	-	-	(1,301,309)	-	(1,301,309)	-
Total governmental activities	51,493,989	7,242,276	5,616,572	3,661,254	(34,973,887)	-	(34,973,887)	-
Business-type activities:								
Sanitary sewer	4,886,099	6,927,642	-	1,129,452	-	3,170,995	3,170,995	-
Storm drainage	4,031,641	5,694,208	-	318	-	1,662,885	1,662,885	-
Booth Kelly	1,334,099	1,443,802	-	-	-	109,703	109,703	-
Ambulance	5,202,146	5,173,527	-	-	-	(28,619)	(28,619)	-
Total business-type activities	15,453,985	19,239,179	-	1,129,770	-	4,914,964	4,914,964	-
Total primary government	\$ 66,947,974	\$ 26,481,455	\$ 5,616,572	\$ 4,791,024	(34,973,887)	4,914,964	(30,058,923)	-
Component unit:								
Metropolitan Wastewater Management Commission	\$ 22,796,036	\$ 27,427,073	\$ -	\$ -	-	-	-	4,631,037
General revenues:								
Property taxes					25,890,066	-	25,890,066	-
Contributions in lieu of taxes					2,373,660	-	2,373,660	-
Franchise tax					1,751,078	-	1,751,078	-
Local fuel tax					981,208	-	981,208	-
Room tax					777,085	-	777,085	-
911 tax					286,263	-	286,263	-
Interest and investment earnings					421,956	292,416	714,372	636,704
Miscellaneous					486,358	368,134	854,492	10,767
Shared revenue					1,387,527	-	1,387,527	-
Transfers					107,047	(107,047)	-	-
Total general revenues and transfers					34,462,248	553,503	35,015,751	647,471
Change in net assets					(511,639)	5,468,467	4,956,828	5,278,508
Net assets, beginning					142,562,139	68,359,594	210,921,733	116,251,854
Net assets, ending					\$ 142,050,500	\$ 73,828,061	\$ 215,878,561	\$ 121,530,362

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	General	Housing and Community Development	Nonmajor Governmental	Total Governmental
ASSETS				
Cash and investments	\$ 8,310,009	\$ 28,704	\$ 11,546,558	\$ 19,885,271
Receivables:				
Accounts	651,041	-	1,359,533	2,010,574
Taxes	1,037,381	-	608,759	1,646,140
Grants	-	332,129	180,556	512,685
Accrued interest	53,608	-	64,774	118,382
Assessments and liens	-	-	310,132	310,132
Mortgage notes	-	3,879,901	8,409	3,888,310
Inventory	2,971	-	67,752	70,723
Investment in foreclosed property	1,970	-	-	1,970
Due from other governments	6,541	-	-	6,541
Deposits	479	-	111,446	111,925
Total assets	\$ 10,064,000	\$ 4,240,734	\$ 14,257,919	\$ 28,562,653
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 224,367	\$ 202,282	\$ 334,755	\$ 761,404
Accrued payroll and other liabilities	907,659	14,304	391,831	1,313,794
Deferred revenue	1,348,996	3,879,901	917,075	6,145,972
Total liabilities	2,481,022	4,096,487	1,643,661	8,221,170
Fund balances:				
Nonspendable	5,420	-	179,198	184,618
Restricted	600,000	144,247	6,878,672	7,622,919
Committed	65,721	-	4,546,915	4,612,636
Assigned	39,224	-	1,009,473	1,048,697
Unassigned	6,872,613	-	-	6,872,613
Total fund balances	7,582,978	144,247	12,614,258	20,341,483
Total liabilities and fund balances	\$ 10,064,000	\$ 4,240,734	\$ 14,257,919	
Reconciliation to the statement of net assets				
The statement of net assets reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are deferred ingovernmental funds.				6,145,972
Capital assets are not financial resources in governmental funds, but are reported in the statement of net assets at their net depreciable value.				135,452,462
All liabilities are reported in the statement of net assets. However, if they are not due and payable in the current period, they are not recorded in the governmental funds.				(36,080,809)
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 assets are reported along with governmental activities in the statement of net assets.				16,191,392
Net assets of governmental activities				\$ 142,050,500

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, 2011

	General	Housing and Community Development	Nonmajor Governmental	Total Governmental
Revenues:				
Taxes	\$ 17,139,200	\$ -	\$ 11,030,722	\$ 28,169,922
Licenses, permits and fees	2,259,845	-	278,464	2,538,309
Intergovernmental	3,778,249	1,374,775	4,252,099	9,405,123
Charges for services	4,442,674	-	2,974,804	7,417,478
Fines and forfeitures	1,608,031	-	199,549	1,807,580
Use of money and property	107,997	16,795	138,525	263,317
Special assessments	-	-	25,625	25,625
Miscellaneous revenues	227,098	-	436,947	664,045
Total revenues	<u>29,563,094</u>	<u>1,391,570</u>	<u>19,336,735</u>	<u>50,291,399</u>
Expenditures:				
Current operating:				
General government	4,952,975	17,529	854,655	5,825,159
Fire	9,854,814	-	1,518,631	11,373,445
Police	11,537,384	-	5,220,597	16,757,981
Library	1,290,605	-	84,428	1,375,033
Public works	983,866	-	5,663,124	6,646,990
Development services	1,525,514	1,364,744	1,388,122	4,278,380
Capital projects	-	-	2,845,047	2,845,047
Debt service:				
Principal	160,000	-	2,091,618	2,251,618
Interest	75,215	-	1,208,161	1,283,376
Total expenditures	<u>30,380,373</u>	<u>1,382,273</u>	<u>20,874,383</u>	<u>52,637,029</u>
Excess of revenues over (under) expenditures	<u>(817,279)</u>	<u>9,297</u>	<u>(1,537,648)</u>	<u>(2,345,630)</u>
Other financing sources (uses)				
Transfers in	1,141,206	-	2,909,321	4,050,527
Transfers out	(594,764)	-	(2,863,986)	(3,458,750)
Total other financing sources (uses)	<u>546,442</u>	<u>-</u>	<u>45,335</u>	<u>591,777</u>
Net change in fund balance	(270,837)	9,297	(1,492,313)	(1,753,853)
Fund balances, beginning	7,853,815	134,950	14,105,544	22,094,309
Change in reserve for inventories	-	-	1,027	1,027
Fund balances, ending	<u>\$ 7,582,978</u>	<u>\$ 144,247</u>	<u>\$ 12,614,258</u>	<u>\$ 20,341,483</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
 Reconciliation of Statement of Revenues, Expenditures and
 Changes in Fund Balances of Governmental Funds to the
 Statement of Activities
 For the Year Ended June 30, 2011

Net change in fund balances - total governmental funds	\$	(1,753,853)
The net revenue of certain activities of internal service funds is reported with governmental activities.		836,024
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements.		(23,911)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		191,173
Governmental funds do not report expenditures for unpaid compensated absences 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.		(1,992,832)
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 assets. Also, governmental funds report the effect of issuance costs, 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.		2,230,733
Increases in inventory in governmental funds decrease expenses.		<u>1,027</u>
Change in net assets of governmental activities	\$	<u><u>(511,639)</u></u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 June 30, 2011

	Business-type Activities - Enterprise Funds							Governmental	
	Sanitary Sewer Operations	Storm Drainage Operations	Sewer Capital Projects Fund	Storm Capital Projects Fund	Ambulance	Booth Kelly	Other Nonmajor Proprietary	Total	Internal Service Funds
ASSETS									
Current assets:									
Cash and investments	\$ 5,577,512	\$ 3,938,078	\$ 17,308,201	\$ 11,753,398	\$ 663,185	\$ 1,004,600	\$ 3,071,904	\$ 43,316,878	\$ 12,481,861
Accounts receivable, net of allowance for estimated uncollectibles	492,032	446,929	-	-	480,949	26,976	5,598	1,452,484	228,314
Prepays	-	-	-	-	3,611	-	-	3,611	-
Deposits	958	-	-	-	-	-	-	958	-
Accrued interest	23,705	15,427	85,950	39,210	1,956	3,944	14,017	184,209	55,325
Total current assets	6,094,207	4,400,434	17,394,151	11,792,608	1,149,701	1,035,520	3,091,519	44,958,140	12,765,500
Noncurrent assets:									
Bond costs - net	310,804	-	-	97,401	-	-	-	408,205	-
Capital assets - net	45,650,510	3,219	5,963,805	8,332	69,272	7,537,007	-	59,232,145	5,500,206
Construction in progress	3,516,463	227,235	1,011,159	588,141	-	-	-	5,342,998	-
Land and land rights	2,048,070	19,294	-	49,937	-	2,641,557	-	4,758,858	-
Total noncurrent assets	51,525,847	249,748	6,974,964	743,811	69,272	10,178,564	-	69,742,206	5,500,206
Total assets	57,620,054	4,650,182	24,369,115	12,536,419	1,218,973	11,214,084	3,091,519	114,700,346	18,265,706
LIABILITIES									
Current liabilities:									
Accounts payable	80,788	32,658	150,107	13,190	177,348	5,271	96	459,458	174,460
Accrued payroll and other liabilities	125,829	182,676	-	-	302,015	804	-	611,324	191,740
Accrued interest payable	80,279	86,631	-	-	-	-	-	166,910	25,901
Deposits	-	-	-	-	21	30,178	-	30,199	-
Notes payable - current maturity	211,882	-	-	-	-	554,628	-	766,510	-
Capital lease payable - current maturity	-	-	-	-	-	-	-	-	262,664
Unearned revenues	-	-	-	-	448,560	-	-	448,560	-
Revenue bonds payable - current maturity	205,000	-	850,000	365,000	-	-	-	1,420,000	-
Total current liabilities	703,778	301,965	1,000,107	378,190	927,944	590,881	96	3,902,961	654,765
Noncurrent liabilities:									
Accrued absence payable	152,016	139,983	-	-	142,538	-	-	434,537	-
Accrued interest	-	-	-	-	-	29,446	-	29,446	-
Revenue bonds payable (net of unamortized discount)	1,208,992	-	20,150,000	10,137,008	-	-	-	31,496,000	-
Notes payable	141,092	-	-	-	-	4,926,964	-	5,068,056	-
Net OPEB obligation payable	85,795	130,412	-	-	225,542	-	-	441,749	19,486
Capital lease obligation	-	-	-	-	-	-	-	-	845,871
Total noncurrent liabilities	1,587,895	270,395	20,150,000	10,137,008	368,080	4,956,410	-	37,469,788	865,357
Total liabilities	2,291,673	572,360	21,150,107	10,515,198	1,296,024	5,547,291	96	41,372,749	1,520,122
NET ASSETS									
Invested in capital assets, net of related debt	49,448,077	249,748	609,491	643,546	69,272	4,696,972	-	55,717,106	4,391,671
Restricted for SDC projects	-	-	-	-	-	-	3,091,423	3,091,423	-
Unrestricted	5,880,304	3,828,074	2,609,517	1,377,675	(146,323)	969,821	-	14,519,068	12,353,913
Total net assets	\$ 55,328,381	\$ 4,077,822	\$ 3,219,008	\$ 2,021,221	\$ (77,051)	\$ 5,666,793	\$ 3,091,423	73,327,597	\$ 16,745,584
Adjustment to reflect consolidation of internal service fund activities related to enterprise funds.								500,464	
Net assets of business-type activities								<u>\$ 73,828,061</u>	

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds							Governmental	
	Sanitary Sewer Operations	Storm Drainage Operations	Sewer Capital Projects Fund	Storm Capital Projects Fund	Ambulance	Booth Kelly	Other Nonmajor Proprietary	Total	Internal Service Funds
OPERATING REVENUES:									
Charges for services	\$ 6,573,196	\$ 5,597,610	\$ -	\$ -	\$ 11,677,704	\$ 1,443,802	\$ 451,044	\$ 25,743,356	\$ 4,249,346
Less: Contractual adjustments	-	-	-	-	(6,504,177)	-	-	(6,504,177)	-
Licenses and permits	-	-	-	-	-	-	-	-	48,140
Intergovernmental revenues	-	-	-	-	114,998	-	-	114,998	12,546
Miscellaneous receipts	1,118	-	250,354	-	1,664	-	-	253,136	642,943
Total operating revenues	<u>6,574,314</u>	<u>5,597,610</u>	<u>250,354</u>	<u>-</u>	<u>5,290,189</u>	<u>1,443,802</u>	<u>451,044</u>	<u>19,607,313</u>	<u>4,952,975</u>
Operating expenses:									
Court	-	-	-	-	-	-	-	-	1,764
Human resources	-	-	-	-	-	-	-	-	1,810,433
Finance	9,856	9,853	-	-	-	-	-	19,709	31,023
Information technology	-	-	-	-	-	-	-	-	63,594
Fire	-	-	-	-	5,245,343	-	-	5,245,343	28,538
Police	-	-	-	-	-	-	-	-	2,522
Public works	2,886,044	3,852,492	-	180,328	-	22,016	211,250	7,152,130	370,666
Development services	18,571	41,248	89,488	-	-	230,355	-	379,662	93,316
Depreciation	1,805,655	-	-	-	21,046	721,579	-	2,548,280	1,097,717
Total operating expenses	<u>4,720,126</u>	<u>3,903,593</u>	<u>89,488</u>	<u>180,328</u>	<u>5,266,389</u>	<u>973,950</u>	<u>211,250</u>	<u>15,345,124</u>	<u>3,499,573</u>
Operating income (loss)	<u>1,854,188</u>	<u>1,694,017</u>	<u>160,866</u>	<u>(180,328)</u>	<u>23,800</u>	<u>469,852</u>	<u>239,794</u>	<u>4,262,189</u>	<u>1,453,402</u>
Nonoperating revenues (expenses):									
Interest on investments	37,456	23,437	148,180	43,806	9,299	6,751	23,487	292,416	91,772
Interest expense	(41,891)	(5,333)	-	19,058	-	(399,245)	-	(427,411)	(44,387)
Gain(loss) on disposal of assets	-	-	-	-	-	-	-	-	(28,886)
Total nonoperating revenues	<u>(4,435)</u>	<u>18,104</u>	<u>148,180</u>	<u>62,864</u>	<u>9,299</u>	<u>(392,494)</u>	<u>23,487</u>	<u>(134,995)</u>	<u>18,499</u>
Income (loss) before contributions and transfers	<u>1,849,753</u>	<u>1,712,121</u>	<u>309,046</u>	<u>(117,464)</u>	<u>33,099</u>	<u>77,358</u>	<u>263,281</u>	<u>4,127,194</u>	<u>1,471,901</u>
Transfers in	-	-	-	805,699	-	-	-	805,699	-
Transfers out	-	(715,700)	-	-	-	(35,736)	(161,310)	(912,746)	(484,731)
Capital contributions	<u>1,129,452</u>	<u>-</u>	<u>-</u>	<u>318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,129,770</u>	<u>191,489</u>
Change in net assets	<u>2,979,205</u>	<u>996,421</u>	<u>309,046</u>	<u>688,553</u>	<u>33,099</u>	<u>41,622</u>	<u>101,971</u>	<u>5,149,917</u>	<u>1,178,659</u>
Net assets, beginning	<u>52,349,176</u>	<u>3,081,401</u>	<u>2,909,962</u>	<u>1,332,668</u>	<u>(110,150)</u>	<u>5,625,171</u>	<u>2,989,452</u>	<u>15,566,925</u>	
Net assets, end of year	<u>\$ 55,328,381</u>	<u>\$ 4,077,822</u>	<u>\$ 3,219,008</u>	<u>\$ 2,021,221</u>	<u>\$ (77,051)</u>	<u>\$ 5,666,793</u>	<u>\$ 3,091,423</u>	<u>\$ 16,745,584</u>	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.								318,550	
Change in net assets of business-type activities								<u>\$ 5,468,467</u>	

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 Year Ended June 30, 2011

	Business type activities - Enterprise Funds							Governmental Activities	
	Sanitary Sewer Operations	Storm Drainage Operations	Sanitary Sewer Capital	Storm Drainage Capital	Ambulance	Booth Kelly	Other Nonmajor Proprietary	Total	Internal Service Funds
Cash flows from operating activities:									
Cash received from customers	\$ 6,566,135	\$ 5,774,393	\$ 47,401	\$ -	\$ 5,152,024	\$ 1,440,054	\$ 479,476	\$ 19,459,483	\$ -
Cash received from interfund services provided	-	-	-	-	-	-	-	-	4,033,612
Cash paid for employee services	(1,616,382)	(2,364,688)	-	-	(3,489,765)	(31,841)	-	(7,502,676)	(608,799)
Cash paid to suppliers for goods and services	(1,165,948)	(1,373,286)	(198,240)	(182,193)	(1,514,224)	(218,152)	(211,154)	(4,863,197)	(1,818,763)
Other operating receipts	1,118	-	250,354	-	22,553	500	-	274,525	703,629
Net cash provided by (used in) operating activities	<u>3,784,923</u>	<u>2,036,419</u>	<u>99,515</u>	<u>(182,193)</u>	<u>170,588</u>	<u>1,190,561</u>	<u>268,322</u>	<u>7,368,135</u>	<u>2,309,679</u>
Cash flows from noncapital financing activities:									
Transfers from other funds	-	-	-	318	-	-	-	318	-
Transfers to other funds	-	(715,700)	-	805,699	-	(35,736)	(161,310)	(107,047)	(484,731)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(715,700)</u>	<u>-</u>	<u>806,017</u>	<u>-</u>	<u>(35,736)</u>	<u>(161,310)</u>	<u>(106,729)</u>	<u>(484,731)</u>
Cash flows from capital and related financing activities:									
Bond costs	30,247	-	-	-	-	-	-	30,247	-
Acquisition and construction of capital assets	(925,001)	(268,806)	(2,055,069)	(743,811)	-	-	-	(3,992,687)	(376,214)
Disposition of capital assets	-	-	-	-	-	-	-	-	134,361
Proceeds from revenue bond sale	-	-	-	10,502,008	-	-	-	10,502,008	-
Principal paid on bonds and notes	(1,398,948)	-	-	-	-	(520,070)	-	(1,919,018)	(273,776)
Interest paid on bonds and notes	(21,497)	100,356	-	19,058	-	(399,245)	-	(301,328)	(44,387)
Net cash used in capital and related financing activities	<u>(2,315,199)</u>	<u>(168,450)</u>	<u>(2,055,069)</u>	<u>9,777,255</u>	<u>-</u>	<u>(919,315)</u>	<u>-</u>	<u>4,319,222</u>	<u>(560,016)</u>
Cash flows from investing activities:									
Interest received	40,019	19,654	170,917	12,306	7,472	7,154	25,039	282,561	98,573
Net change in cash and investments	<u>1,509,743</u>	<u>1,171,923</u>	<u>(1,784,637)</u>	<u>10,413,385</u>	<u>178,060</u>	<u>242,664</u>	<u>132,051</u>	<u>11,863,189</u>	<u>1,363,505</u>
Cash and investments, beginning of year	<u>4,067,769</u>	<u>2,766,155</u>	<u>19,092,838</u>	<u>1,340,013</u>	<u>485,125</u>	<u>761,936</u>	<u>2,939,853</u>	<u>31,453,689</u>	<u>11,118,356</u>
Cash and investments, end of year	<u>\$ 5,577,512</u>	<u>\$ 3,938,078</u>	<u>\$ 17,308,201</u>	<u>\$ 11,753,398</u>	<u>\$ 663,185</u>	<u>\$ 1,004,600</u>	<u>\$ 3,071,904</u>	<u>\$ 43,316,878</u>	<u>\$ 12,481,861</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities									
Operating income (loss)	\$ 1,854,188	\$ 1,694,017	\$ 160,866	\$ (180,328)	\$ 23,800	\$ 469,852	\$ 239,794	\$ 4,262,189	\$ 1,453,402
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation & amortization	1,805,655	-	-	-	21,046	721,579	-	2,548,280	1,097,717
Changes in assets and liabilities:									
Accounts receivable	(7,061)	176,783	47,401	-	(39,798)	(3,748)	28,432	202,009	(215,734)
Prepaid expenses	-	-	-	-	18,295	-	-	18,295	-
Accounts payable	(9,653)	14,294	(108,752)	(1,865)	74,497	3,979	96	(27,404)	(21,867)
Accrued interest payable	-	-	-	-	-	-	-	-	(6,287)
Accrued payroll and other liabilities	114,787	108,256	-	-	86,385	(1,601)	-	307,827	(7,098)
Net OPEB obligation payable	27,007	43,069	-	-	80,472	-	-	150,548	9,546
Deposits	-	-	-	-	21	500	-	521	-
Unearned revenue	-	-	-	-	(94,130)	-	-	(94,130)	-
Net cash provided by (used in) operating activities	<u>\$ 3,784,923</u>	<u>\$ 2,036,419</u>	<u>\$ 99,515</u>	<u>\$ (182,193)</u>	<u>\$ 170,588</u>	<u>\$ 1,190,561</u>	<u>\$ 268,322</u>	<u>\$ 7,368,135</u>	<u>\$ 2,309,679</u>
Noncash capital and related financing activities:									
Contributed capital assets	\$ 1,129,452	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,129,452	\$ 191,489
Retirement and disposition of capital assets, net of accumulated depreciation	-	-	-	-	-	-	-	-	(28,886)

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND
June 30, 2011

ASSETS

Cash and investments	<u>\$ 3,009,377</u>
Total assets	<u><u>\$ 3,009,377</u></u>

LIABILITIES

Amounts held in trust for other parties	<u>\$ 3,009,377</u>
Total liabilities	<u><u>\$ 3,009,377</u></u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Springfield 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 principles.

The more significant accounting policies are described below.

1. Financial Reporting Entity

The accompanying financial statements present the City of Springfield and its component units. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

DISCRETELY PRESENTED COMPONENT UNIT

Metropolitan Wastewater Management Commission (MWMC) provides regional sewage treatment and is governed by a board comprised of appointed members. The City of Springfield provides all administrative duties for MWMC in accordance with an intergovernmental agreement. Given the nature and significance of MWMC's relationship, the City of Springfield believes it would be misleading to exclude MWMC from the basic financial statements. MWMC is presented as an enterprise fund type.

The Regional Fiber Consortium was formed by units of local government on August 1, 1999 pursuant to ORS190. There are twenty member governments: fifteen cities and five counties. The board is comprised of one representative appointed by each member government. The City of Springfield provides administrative duties for the Regional Fiber Consortium in accordance with an intergovernmental agreement, however, this administrative activity is minor and insignificant to the City as a whole, and therefore, the City has determined that the Regional Fiber Consortium does not qualify as a 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, the SEDA funds are blended with those of the City by including them in the appropriate statements and schedules of this Comprehensive Annual Financial Report.

Complete financial statements for each of the component units may be obtained as follows:

<u>MWMC</u>	<u>Springfield Economic Development Agency</u>
City of Springfield 225 5 th Street Springfield, Oregon 97477	City of Springfield 225 5 th Street Springfield, Oregon 97477

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government 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.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. 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 collectible 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 current fiscal period. 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, other taxes and interest 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. 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

The City reports the following major proprietary funds:

The Ambulance Fund accounts for the City's ambulance operations. Revenue is derived mainly from ambulance fees. The fund also performs billing and collection of ambulance operations for other Oregon cities. This service is provided for a fee.

The Booth-Kelly Fund accounts for operations and maintenance of the Booth-Kelly Center and other similarly managed City owned properties. Revenue is derived from commercial leases.

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

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

The Sewer Capital Projects Fund accounts for sewer capital improvement costs and is supported by sewer connection fees and Sewer Operations Fund revenues.

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

Additionally, the government reports the following fund types:

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

The Agency Fund is a fiduciary fund used to account for funds received and held by the City in a custodial capacity. The majority of the activity in this fund is made up of Ambulance fees and fees collected by the municipal court, and are passed on to other government agencies.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

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

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

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

Investments are reported at fair value.

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

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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

For the year ended June 30, 2011, the City’s tax levy did not exceed the Oregon constitutional limitation. The total property tax levy was \$26,956,427. This includes general property taxes to support general obligation bond debt service of \$3,231,306.

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 deferred revenue and, accordingly, have not been recorded as revenue in the governmental funds.

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

c. Inventory

Governmental fund types – Inventory of materials and supplies is recorded at first-in, first-out (FIFO) cost and is shown in the balance sheet as an asset and a reservation of fund balance. The amount shown as inventory has been recorded as an expenditure, consistent with the “purchase method” of accounting for inventories.

d. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2011 are recorded as prepaid items.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 balance sheet.

f. Capital Assets

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

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

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

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

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

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

g. Compensated Absences

Liabilities for accumulated vacation pay, holiday pay, compensatory time pay and sick pay at year-end are recorded in the government-wide financial statements and proprietary fund financial statements. The governmental fund financial statements do not report liabilities for compensated absences unless they are due for payment.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 assets.

i. Fund Balance

In the year ended June 30, 2011, the City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

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

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

Fund balance is reported as committed when the City Council takes formal action that places specific constraints on how the resources may be used. The City Council can modify or rescind the commitment at any time through taking a similar formal action.

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.

j. Indirect Expenses Allocation

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

k. 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.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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 assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “all liabilities are reported in the statement of net assets, however if they are not due and payable in the current period, they are not recorded in the governmental funds.” The details of this \$36,080,809 difference are as follows:

Bonds payable, net of original issue discount	\$ 27,693,797
Notes payable	1,699,344
Due to developer	210,000
Accrued interest payable	125,273
Compensated absences	4,478,916
Net OPEB obligation	<u>1,873,479</u>
Total	<u>\$ 36,080,809</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 assets at their net depreciable value.” The details of this \$135,452,462 are as follows:

Capital assets (net of accumulated depreciation) reported in the Statement of Net Assets – governmental activities column:	
Land and work in progress	\$ 61,469,900
Other capital assets (net of accumulated depreciation)	79,482,768
Total capital assets reported in internal service funds included in the Statement of Net Assets – governmental activities column (net of accumulated depreciation):	<u>(5,500,206)</u>
Net adjustment	<u>\$ 135,452,462</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 assets of government activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$191,173 difference are as follows:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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

Capital outlay	\$ 2,377,939
Donated capital assets	2,276,108
Depreciation	<u>(4,462,874)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 191,173</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 assets. Also, governmental funds report the effect of issuance costs, 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 \$2,230,733 difference are as follows:

Principal repayment of general obligation debt	\$ 2,030,000
Principal repayment of note payable	221,618
Amortization of deferred charge on refunding	(19,676)
Amortization on issuance costs	(27,156)
Amortization of bond discounts	(507)
Amortization of bond premiums	15,612
Decrease in accrued interest payable	<u>10,842</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 2,230,733</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 \$1,992,832 difference are as follows:

Increase in accrued compensated absences	\$ (1,289,330)
Increase in net OPEB obligation	<u>(703,502)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (1,992,832)</u>

NOTE C – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

In April of each year, the City Manager submits a recommended budget to the Budget Committee (which consists of the City Council and an equal number of citizens of the City). The City’s budget is prepared for each fund on the modified accrual basis of accounting. Estimated receipts and expenditures are budgeted for by fund, program and

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE C – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

object. Information on the past two year’s actual receipts and expenditures and current-year amended budgets are included in the budget document.

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

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

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

The City Council may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Oregon Revised statutes. Management may administratively transfer budget amounts between individual line items within the control level, but cannot make changes between the legal levels of control. During the fiscal year ended June 30, 2011, the City Council approved several transfer resolutions and supplemental budgets increasing appropriations by \$16,720,957.

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, 2011, cash and investments are comprised of the following:

Cash on Hand	\$ 8,947
Cash with Fiscal Agent	5,500
Deposits	13,326,942
Local Government Investment Pool Accounts	55,473,078
Investments	<u>95,603,850</u>
	<u>\$ 164,418,319</u>

Each fund’s portion of this pool is displayed in the Statement of Net Assets.

Governmental Funds	\$ 32,367,331
Business-type Funds	43,316,878
Component Units	
MWMC	83,233,983
MWMC Restricted	2,490,750
Not Appearing on Statement of Net Assets	
Fiduciary Fund	<u>3,009,377</u>
	<u>\$ 164,418,319</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE D – CASH AND INVESTMENTS - Continued

Deposits

On June 30, 2011 the City of Springfield held \$13,326,942 in deposits. Of this total, \$1,331,783 is in commercial checking accounts with a bank balance of \$1,413,185. The difference is due to transactions in process. The remainder is invested in time certificates of deposit with local institutions. The Oregon legislature passed new public funds collateralization statutes effective July 1, 2008. The new legislation creates a shared liability structure for depository banks but does not guarantee that public funds are 100% protected. ORS requires depository banks to pledge collateral against public funds in excess of federal depository insurance (FDIC) amounts and sets the value and type of collateral needed. The Public Funds Collateralization Program (PFCP) was created by the Oregon Office of the State Treasurer to facilitate depository bank, custodian, and public official compliance with ORS. Depository banks are required to report quarterly to the Office of the State Treasurer information on public funds in excess of FDIC insurance limits, the bank's net worth, and FDIC capitalization information. Based on this information the PFCP calculates the amount of collateral required for the following quarter. The City is 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. The City must also report, at least annually, the depository banks the City does business with and public official contact information. \$1,000,000 of the City's cash and investment balance is insured by the FDIC. The remaining balance has been placed in qualified depository banks in compliance with Oregon Revised Statutes.

The City's policy for custodial credit risk for deposits 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, which states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Local Government Investment Pool

The Oregon State Treasurer maintains the Oregon Short Term Fund, of which the Local Government Investment Pool (LGIP) is a part. Participation by local governments is voluntary. The State of Oregon Investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. LGIP was created to offer a short-term investment alternative for Oregon local governments. The investments are regulated by the Oregon Short-term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Separate financial statements for the Oregon Short-term Fund are available from the Oregon State Treasurer or www.ost.state.or.us. On June 30, 2011, the City had \$39,714,262 in the LGIP and \$15,758,816 in the MWMC LGIP account. The maximum amount of pooled investments to be placed in the LGIP is limited by Oregon Statute. At June 30, 2011, that amount was \$43,889,508.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE D – CASH AND INVESTMENTS - Continued

Investments

On June 30, 2011, the City of Springfield held \$95,603,851 of investments: Corporate indebtedness of \$36,107,344 and Government Agency securities totaling \$59,496,508.

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, 2011, 98% of the total investments were considered short-term and had maturities less than 18 months and 2% were considered long-term and had maturities of more than 18 months but less than 3 years. The table below displays the liquidity requirements of the investment policy and the liquidity characteristics of the City’s cash and investments on June 30, 2011.

Short-Term Investments:

<u>Maturity</u>	<u>Amount</u>	<u>Actual %</u>	<u>Investment Policy %</u>
Under 30 days	\$ 65,599,629	41%	10 % minimum
Under 90 days	87,686,198	54	25 % minimum
Under 270 days	113,556,121	70	50 % minimum
Under one year	131,125,579	81	80 % minimum
Under 18 months	161,414,239	100	100 % minimum

Long-Term Investments:

<u>Maturity</u>	<u>Amount</u>	<u>Actual %</u>	<u>Investment Policy %</u>
Over 18 months	\$ 3,004,080	2%	Finance Director’s discretion

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, 2011, all of the corporate debt in the City’s portfolio is in compliance with the investment policy. The Local Government Investment Pool is not rated and is not registered with the U.S. Securities and Exchange Commission.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE D – CASH AND INVESTMENTS – Continued

C. Custodial credit risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The City's investment policy requires that broker/dealers meet certain qualifications and that purchased investment securities will be delivered by FED book entry, DTC, or physical delivery, and held in third party safekeeping - registered to the City of Springfield - with a designated custodian. All of the City's investments at June 30, 2011 were delivered by book entry to the account of BNY Western Trust Company, who held the securities for the benefit of the City.

D. Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy provides concentration guidelines by both institution and by type of investment. The table below displays the investment policy parameters and the actual concentrations of cash and investment funds at June 30, 2011.

Diversification by Financial Institution:

<u>Financial Institution</u>	<u>Amount</u>	<u>% Invested</u>	<u>Maximum % of Portfolio</u>
State of Oregon Investment Pool	\$ 55,473,078	34%	100
Government Agencies	59,496,508	36	N/A
US Bank	1,331,783	1	15
Sterling Bank	2,013,214	1	15
Umpqua Bank	9,980,945	6	15
Bank of America	1,000	0	15
Corporate Indebtedness:			
Citibank	5,012,650	3	5
Wells Fargo	6,135,645	4	5
General Elec Cap Corp	5,151,000	3	5
Countrywide Corp	6,258,750	4	5
Morgan Stanley	7,519,419	5	5
Credit Suisse	6,029,880	3	5
Other	14,447	0	N/A
Totals	<u>\$ 164,418,319</u>	<u>100%</u>	

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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	\$ 55,473,078	34%	100 %
Interest Bearing Checking Account	1,331,783	1	50 %
Money Market Account	7,276,646	4	50 %
Time Certificates of Deposit	4,718,513	3	25 %
Corporate Indebtedness	36,107,344	22	25 %
Government Agencies	59,496,508	36	50 %
Other	14,447	0	0 %
Totals	<u>\$ 164,418,319</u>	<u>100 %</u>	

E. Foreign currency

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

NOTE E – RECEIVABLES AND DEFERRED REVENUE

Receivables at June 30, 2011 consist of the following:

<u>Fund</u>	<u>Property Taxes and Other</u>	<u>Accounts</u>	<u>Assessments and Liens</u>	<u>Grants</u>	<u>Accrued Interest</u>	<u>Mortgage Notes</u>	<u>Total Gross Receivable</u>	<u>Less Allowance for Uncollectible</u>	<u>Total Net Receivable</u>
General	\$ 1,037,381	\$ 651,041	\$ -	\$ -	\$ 53,608	\$ -	\$ 1,742,030	\$ -	\$ 1,742,030
CDBG	-	-	-	332,129	-	3,879,901	4,212,030	-	4,212,030
Sewer	-	492,032	-	-	23,705	-	515,737	-	515,737
Storm Drainage	-	446,929	-	-	15,427	-	462,356	-	462,356
Sanitary Sewer Capital	-	-	-	-	85,950	-	85,950	-	85,950
Storm Drainage Capital	-	-	-	-	39,210	-	39,210	-	39,210
Ambulance	-	1,395,528	-	-	1,956	-	1,397,484	(914,579)	482,905
Booth-Kelly	-	26,976	-	-	3,944	-	30,920	-	30,920
Nonmajor Gov	608,759	1,359,533	310,132	180,556	64,774	8,409	2,532,163	-	2,532,163
Nonmajor Prop	-	5,598	-	-	14,017	-	19,615	-	19,615
Internal Service Funds	-	228,314	-	-	55,325	-	283,639	-	283,639
	<u>\$ 1,646,140</u>	<u>\$ 4,605,951</u>	<u>\$ 310,132</u>	<u>\$ 512,685</u>	<u>\$ 357,916</u>	<u>\$ 3,888,310</u>	<u>\$11,321,134</u>	<u>\$ (914,579)</u>	<u>\$ 10,406,555</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE E – RECEIVABLES AND DEFERRED REVENUE - Continued

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

Mortgage notes within the Special Revenue and CDBG funds are a result of loans made under the HOME and CDBG federal programs. 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. Rental rehabilitation loans are considered paid in full 10 years after the date the note is signed, provided the client meets all contract requirements. If all contract requirements are not met, the note becomes immediately due in full. Home revolving loans are due and payable at the earlier of sale or transfer of title, or 24 months from the date of project completion. CHDO and HOME loans require amortized monthly payments. The first payment is due a specified number of months after project completion. 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 deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2011, the various components of deferred revenue consist of the following:

<u>FUND BY TYPE</u>	<u>Deferred</u>
Property taxes receivable:	
General Fund	\$ 986,182
Debt service funds	265,708
Special revenue funds	323,199
Fees and charges:	
General Fund	243,040
Special revenue funds	5,359
Capital projects funds	4,268
Mortgage notes receivable:	
Special revenue funds	8,409
CDBG Fund	3,879,901
Assessments:	
Debt service funds	12,494
Capital projects funds	297,638
Other:	
General Fund	<u>119,774</u>
Total deferred revenue	<u>\$ 6,145,972</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE F – CAPITAL ASSETS

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 53,114,065	\$ -	\$ -	\$ 53,114,065
Work in progress	<u>7,926,883</u>	<u>2,210,615</u>	<u>(1,781,663)</u>	<u>8,355,835</u>
Total capital assets, not being depreciated	<u>61,040,948</u>	<u>2,210,615</u>	<u>(1,781,663)</u>	<u>61,469,900</u>
Capital assets, being depreciated:				
Buildings	46,259,412	167,323	-	46,426,735
Infrastructure	56,656,454	3,599,836	-	60,256,290
Machinery & equipment	18,531,394	1,025,640	(808,246)	18,748,788
Library books	1,998,269	-	-	1,998,269
Studies	<u>644,561</u>	<u>-</u>	<u>-</u>	<u>644,561</u>
Total capital assets, being depreciated	<u>124,090,090</u>	<u>4,792,799</u>	<u>(808,246)</u>	<u>128,074,643</u>
Less accumulated depreciation for :				
Buildings	(9,769,316)	(2,183,372)	-	(11,952,688)
Infrastructure	(20,940,783)	(1,830,693)	-	(22,771,476)
Machinery & equipment	(11,246,497)	(1,385,736)	644,997	(11,987,236)
Library books	(1,452,194)	(96,334)	-	(1,548,528)
Studies	<u>(267,491)</u>	<u>(64,456)</u>	<u>-</u>	<u>(331,947)</u>
Total depreciation	<u>(43,676,281)</u>	<u>(5,560,591)</u>	<u>644,997</u>	<u>(48,591,875)</u>
Total capital assets, being depreciated, net	<u>80,413,809</u>	<u>767,792</u>	<u>(163,249)</u>	<u>79,482,768</u>
Governmental activities capital assets, net	<u>\$ 141,454,757</u>	<u>\$ 1,442,823</u>	<u>\$ (1,944,912)</u>	<u>\$ 140,952,668</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE F – CAPITAL ASSETS- Continued

Business-type activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 4,689,625	\$ 69,233	\$ -	\$ 4,758,858
Construction in progress	<u>4,123,691</u>	<u>1,258,108</u>	<u>(38,801)</u>	<u>5,342,998</u>
Total capital assets, not being depreciated:	<u>8,813,316</u>	<u>1,327,341</u>	<u>(38,801)</u>	<u>10,101,856</u>
Capital assets, being depreciated:				
Buildings & structure	74,120,741	3,647,420	-	77,768,161
Land improvements	507,931	-	-	507,931
Equipment	1,223,852	1,340	-	1,225,192
Studies	<u>1,649,593</u>	<u>10,211</u>	<u>-</u>	<u>1,659,804</u>
Total capital assets, being depreciated	<u>77,502,117</u>	<u>3,658,971</u>	<u>-</u>	<u>81,161,088</u>
Less accumulated depreciation for:				
Land improvements	(482,140)	(22,367)	-	(504,507)
Buildings	(17,664,937)	(2,395,063)	-	(20,060,000)
Equipment	(1,044,865)	(38,305)	-	(1,083,170)
Studies	<u>(234,736)</u>	<u>(46,530)</u>	<u>-</u>	<u>(281,266)</u>
Total depreciation	<u>(19,426,678)</u>	<u>(2,502,265)</u>	<u>-</u>	<u>(21,928,943)</u>
Total capital assets, being depreciated, net	<u>58,075,439</u>	<u>1,156,706</u>	<u>-</u>	<u>59,232,145</u>
Business-type activities capital assets, net	<u>\$ 66,888,755</u>	<u>\$ 2,484,047</u>	<u>\$ (38,801)</u>	<u>\$ 69,334,001</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE F – CAPITAL ASSETS- Continued

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

Governmental activities:

General Government	\$ 135,029
Police	2,045,735
Fire	734,355
Public Works	2,240,104
Library	116,312
Development Services	53,168
Unallocated	<u>235,888</u>

Total depreciation expense – governmental activities \$ 5,560,591

Business-type activities:

Sewer	\$ 1,759,640
Booth-Kelly	721,579
Ambulance	<u>21,046</u>

Total depreciation expense – business type activities \$ 2,502,265

Reconciliation to Proprietary Funds Statement of Revenues, Expenses and Changes
in Fund Net Assets

Business type activities depreciation	\$ 2,502,265
Amortization of bond issue costs	5,646
Amortization of original issue discount	<u>3,181</u>
Total depreciation and amortization expense	<u>\$ 2,511,092</u>

NOTE G - RISK MANAGEMENT

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

The City maintains professional risk management and health and wellness programs. Various loss-control techniques are used to minimize or prevent losses. These techniques and programs include but are not limited to: contracting for risk and benefit broker services, contracting for legal services, maintenance of an emergency management program, 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 purchases third-party coverage for all lines of coverage. These include but are not limited to personal injury, public officials' errors and omissions, automobile, employer's liability, worker's compensation, property, medical, dental, and vision insurance. No significant reductions in the levels of insurance coverage have been made in the past fiscal year. Settled claims have not exceeded insurance coverage in any of the past four fiscal years.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE H - CAPITAL AND OPERATING LEASES

The City purchased equipment in the fiscal year ending June 30, 2006 for \$20,794 with no down payment and monthly payments over 5 years. The City purchased equipment in the fiscal year ending June 30, 2007 for \$6,130 with no down payment and monthly payments over 5 years. The City purchased three pumper engines in the fiscal year ending June 30, 2010 for \$1,360,555 with no down payment and entered into a lease agreement for financing in the amount of \$1,360,555 over 5 years with lease payments being made annually. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Machinery and equipment	\$ 1,403,789
Less: Accumulated depreciation	<u>(175,676)</u>
Total	<u>\$ 1,228,113</u>

The future minimum lease obligations as of June 30, 2011, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 262,664	\$ 41,103
2013	271,751	31,382
2014	281,832	21,300
2015	<u>292,288</u>	<u>10,844</u>
Totals	<u>\$ 1,108,535</u>	<u>\$ 104,629</u>

NOTE I - LONG-TERM DEBT

General Obligation Bonds

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

General obligation bonds payable transactions for the year ended June 30, 2011 are as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Effective Interest Rate</u>	<u>Outstanding July 1, 2010</u>	<u>Issued During Year</u>	<u>Matured During Year</u>	<u>Outstanding June 30, 2011</u>	<u>Due Within One Year</u>
Series 2007	3-09-07	2026	4.00%	<u>\$22,060,000</u>	\$ _____	<u>\$(995,000)</u>	<u>\$21,065,000</u>	<u>\$1,035,000</u>
Series 2005	7-26-05	2025	3.48%	<u>\$ 7,915,000</u>	\$ _____	<u>\$(1,035,000)</u>	<u>\$ 6,880,000</u>	<u>\$1,065,000</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE I - LONG-TERM DEBT- Continued

Revenue Bonds

The City issues revenue bonds to finance major construction projects in business-type activities. Revenue bonds are secured and serviced by system revenues. The original amount of revenue bonds issued in prior years was \$24,800,000.

Revenue obligation bonds payable transactions for the year ended June 30, 2011 are as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Effective Interest Rate</u>	<u>Outstanding July 1, 2010</u>	<u>Issued During Year</u>	<u>Matured During Year</u>	<u>Outstanding June 30, 2011</u>	<u>Due Within One Year</u>
Series 2005	5-13-05	2015	3.700%	<u>\$ 1,080,000</u>	<u>\$ -</u>	<u>\$ (200,000)</u>	<u>\$ 880,000</u>	<u>\$ 205,000</u>
Series 2009	4-02-09	2029	4.070%	<u>\$22,155,000</u>	<u>\$ -</u>	<u>\$ (825,000)</u>	<u>\$21,330,000</u>	<u>\$ 850,000</u>
Series 2010	10-06-10	2030	3.149%	<u>\$ -</u>	<u>\$10,000,000</u>	<u>\$ -</u>	<u>\$10,000,000</u>	<u>\$ 365,000</u>

Maturities of bond principal and interest are as follows:

<u>Year</u>	<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011-12	\$ 2,100,000	\$ 1,110,993	\$ 1,420,000	\$ 1,231,305	\$ 3,520,000	\$ 2,342,298
2012-13	2,180,000	1,033,473	1,465,000	1,188,956	3,645,000	2,222,429
2013-14	2,255,000	951,283	1,515,000	1,144,050	3,770,000	2,095,333
2014-15	2,340,000	865,618	1,560,000	1,097,325	3,900,000	1,962,943
2015-16	1,435,000	773,133	1,380,000	1,039,531	2,815,000	1,812,664
2016-17	1,495,000	710,608	1,425,000	988,281	2,920,000	1,698,889
2017-18	1,560,000	645,117	1,480,000	935,256	3,040,000	1,580,373
2018-19	1,615,000	586,618	1,540,000	880,181	3,155,000	1,466,799
2019-20	1,680,000	525,830	1,595,000	822,931	3,275,000	1,348,761
2020-21	1,745,000	460,310	1,655,000	763,506	3,400,000	1,223,816
2021-26	9,540,000	1,191,407	9,275,000	2,813,269	18,815,000	4,004,676
2026-30	-	-	7,900,000	757,200	7,900,000	757,200
	<u>\$ 27,945,000</u>	<u>\$ 8,854,390</u>	<u>\$ 32,210,000</u>	<u>\$ 13,661,791</u>	<u>\$ 60,155,000</u>	<u>\$ 22,516,181</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE I - LONG-TERM DEBT- Continued

Notes Payable

At June 30, 2011 notes payable are as follows:

Governmental activities:

Oregon Special Public Works (OSPW), McKenzie Gateway payable in annual installments of \$81,684 including interest at 5.8%, due 2015	\$ 284,344
Bank of America (FS 16), payable in semi-annual installments including interest at 4.9%, due 2018	<u>1,415,000</u>
Total governmental activities	<u>\$ 1,699,344</u>

Business-type activities:

McKenzie Enterprises, Inc. note payable in monthly installments of \$7,024 including interest at 7%, due in 2017 Carter Building	\$ 412,013
Bank of the West (BLM), Note payable with monthly installments beginning June 2009 at 6.97%, due in May of 2019	5,069,579
Oregon Department of Environmental Quality (DEQ) state Revolving Fund loan, payable in semiannual installments of \$36,609 including interest at 3%, due 2014	208,556
Oregon Department of Environmental Quality (DEQ) state Revolving Fund loan, payable in semiannual installments of \$147,256 including interest at 3.93%, due 2011. In addition, the City pays additional interest annually based on the declining principal balance.	<u>144,418</u>
Total business-type activities	<u>\$ 5,834,566</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE I - LONG-TERM DEBT- Continued

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2011-12	\$ 230,192	\$ 766,510
2012-13	238,973	664,064
2013-14	252,973	708,961
2014-15	262,206	683,264
2015-16	195,000	732,460
Thereafter	<u>520,000</u>	<u>2,279,307</u>
	<u>\$ 1,699,344</u>	<u>\$ 5,834,566</u>

Beginning in 2004, the City entered into an initial agreement with the US Bureau of Land Management (USBLM) to finance their portion of the construction of a shared facility constructed by the Oregon Department of Military. In 2006, the City secured a \$6.4 million construction loan from the Bank of the West and construction began. The building was completed in the 2009 fiscal year and the construction loan was converted into a ten-year conventional loan with remaining loan proceeds used to reduce the new loan balance to \$6 million. The USBLM's portion of the building was capitalized by the City and is being depreciated over ten years on the straight-line method. The USBLM will make lease payments to the City equal to the City's debt service payments. Per the terms of the loan agreement with the Bank of the West, the City is under no obligation to make debt service payments above the lease payments received by the USBLM. At the end of ten years, the capital asset and related loan will be fully depreciated and repaid, and the building transferred to the Oregon Department of Military.

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

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE I - LONG-TERM DEBT - continued

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental activities:</u>					
General obligation bonds	\$ 29,975,000	\$ -	\$ (2,030,000)	\$ 27,945,000	\$ 2,100,000
Less deferred amounts					
For issuance premiums	261,503	-	(15,612)	245,891	-
For issuance discounts	<u>(7,611)</u>	<u>-</u>	<u>507</u>	<u>(7,104)</u>	<u>-</u>
Total bonds payable	30,228,892	-	(2,045,105)	28,183,787	2,100,000
Notes payable	1,920,962	-	(221,618)	1,699,344	230,192
Contracts payable	210,000	-	-	210,000	-
Capital leases	1,382,311	-	(273,776)	1,108,535	262,664
Accrued absences	3,224,515	2,341,011	(1,081,457)	4,484,069	1,509,397
OPEB obligation	<u>1,179,917</u>	<u>713,049</u>	<u>-</u>	<u>1,892,965</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 38,146,597</u>	<u>\$ 3,054,060</u>	<u>\$ (3,621,956)</u>	<u>\$ 37,578,700</u>	<u>\$ 4,102,253</u>
<u>Business-type activities:</u>					
Bonds payable:					
Revenue bonds	\$ 23,235,000	\$ 10,000,000	\$ (1,025,000)	\$ 32,210,000	\$ 1,420,000
Less deferred amounts					
For issuance discounts	(15,772)	-	3,181	(12,591)	-
For issuance premiums	<u>244,507</u>	<u>521,066</u>	<u>(46,982)</u>	<u>718,591</u>	<u>-</u>
Total bonds payable	23,463,735	10,521,066	(1,068,801)	32,916,000	1,420,000
Notes payable	6,697,965	-	(863,399)	5,834,566	766,510
Accrued absences	444,876	477,850	(190,822)	731,904	297,367
OPEB obligation	<u>291,201</u>	<u>150,547</u>	<u>-</u>	<u>441,749</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 30,897,777</u>	<u>\$ 11,149,463</u>	<u>\$ (2,123,022)</u>	<u>\$ 39,924,219</u>	<u>\$ 2,483,877</u>

For the governmental activities, compensated absences are generally liquidated by the General Fund.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE J – RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

Interfund Payables & Receivables

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Storm Drainage	Internal service funds	\$ 163,899
Sanitary Sewer	Internal service funds	102,287
Booth Kelly	Internal service funds	52,028
Ambulance	Internal service funds	<u>182,250</u>
Total due to/from other funds (different fund types)		<u>\$ 500,464</u>

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

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

Amounts due to/from component units at June 30, 2011 are presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Metropolitan Wastewater	Internal service funds	<u>\$ 53,728</u>

Interfund Transfers

Fund	General	Nonmajor Governmental Funds	Drainage Capital	Total Transfers Out
General	\$ -	\$ 594,764	\$ -	\$ 594,764
Nonmajor Governmental	858,255	2,005,731	-	2,863,986
Storm Drainage	-	-	715,700	715,700
Booth Kelly	35,736	-	-	35,736
Nonmajor Enterprise	-	71,311	89,999	161,310
Internal Service Funds	<u>247,215</u>	<u>237,516</u>	<u>-</u>	<u>484,731</u>
Total Transfers In	<u>\$ 1,141,206</u>	<u>\$ 2,909,322</u>	<u>\$ 805,699</u>	<u>\$ 4,856,227</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 that statute or budget requires to collect them to the fund the statute or budget requires to expend them.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE K – REBATABLE ARBITRAGE

The City issued general obligation bonds in the amount of \$12,425,000 in December 2005 and \$24,650,000 in March 2007. Arbitrage liability has been paid on the 2005 issue, and the liability on the 2007 issue was reduced to zero in the previous fiscal year. There is no remaining arbitrage liability.

Metropolitan Wastewater Management Commission, a component unit of the City, issued revenue bonds in the amount of \$47,270,000 in November 2006 and \$50,730,000 in November 2008. Due to unfavorable investment returns, the arbitrage liability is estimated at zero for both issues as of June 30, 2011.

NOTE L – CITY PENSION PLAN

The City sponsors a single-employer pension plan for Springfield Police Association employees hired before April 1, 1996 (City Retirement Plan – CRP). 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. 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 City contributes 6% of salaries as employee contributions. The City will also pay an employer contribution of 12.8% for public safety employees and employer contribution of 10% for police dispatchers and 7% for other union employees. 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.

Funding policy – The City’s contribution rate, through June 30, 2011, based upon the actuarial valuation as of July 1, 2008, was 45.08%.

The City’s contribution to the CRP was calculated using the covered base salary amount of \$2,667,420. The City’s total payroll was \$28,592,881.

Annual Pension Cost – For the fiscal year 2010-11, the City’s contribution of \$1,213,564 for the CRP was equal to the City’s required and actual contributions. The required contribution was determined as part of the July 2008 actuarial valuation using the Individual Entry Age Actuarial Cost method and an actuarial asset method which smoothes investment returns different than the assumed investment return over a five-year period. The UAL amortization period was open for the July 2008 valuation and was equal to 20 years.

The significant actuarial assumptions used in the 2008 valuation include: (a) a rate of return on the investment of present and future assets of 7.5% per year; (b) projected annual salary increases for inflation of 5% per year; (c) and demographic assumptions as described below.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE L – CITY PENSION PLAN - Continued

ADMINISTRATIVE EXPENSES. Assumed administrative expenses for future years are equal to the administrative expenses for the prior year increased by the average increase over the prior 3 years, but not less than the 3-year average administrative expense.

MORTALITY. Healthy mortality is assumed to follow the RP-2000 Mortality for Combined Healthy Employee/Annuitant projected to 2008 using Projection Scale AA.

RETIREMENT. All active Members are assumed to retire by age 65 according to the following table:

<u>Age</u>	<u>Rate of Retirement</u>
50-54	5%
55-61	10%
62	20%
63	15%
64	15%
65	100%

All inactive Members are assumed to retire at age 65.

DISABLEMENT. None.

OTHER TERMINATIONS OF EMPLOYMENT. Withdrawal refers to an employee terminating employment for reasons other than death or retirement. Participants are expected to terminate employment prior to age 50 as specified in Table T-1 from the Actuary’s Pension Handbook adjusted for mortality. Selected rates are shown below.

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	5.44%	35	2.35%
25	4.90%	40	1.13%
30	3.71%	45	0.27%

The City makes contributions as a percentage of actual covered base salary. Thus, as long as the percentage equals the percentage required by the applicable actuarial valuation, the dollar amount of the Annual Required Contribution (ARC) and Annual Pension Cost (APC) is equal to the actual dollar amount of the City’s contributions. Because the City contributed the applicable APC, the Net Pension Obligation is zero. The following tables present trend information for the CRP:

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE L – CITY PENSION PLAN - Continued

The July 1, 2006 actuarial valuation was used to determine the 2005-06, 2006-07 and the 2007-08 ARC. The July 1, 2008 actuarial evaluation was used to determine the 2008-09, 2009-10, and the 2010-11 ARC. The July 1, 2010 actuarial valuation was used to determine the 2011-12 ARC. Below is a summary of the ARC by fiscal year:

<u>Fiscal Year Ending June 30,</u>	<u>Annual Recommended Contribution (percent of base salary)</u>
2006	41.72%
2007	41.72%
2008	41.72%
2009	45.08%
2010	45.08%
2011	45.08%
2012	23.1% plus \$1,215,000

For the July 1, 2010 actuarial valuation, the amortization period was increased from an open period of 20 years to a close period of 30 years. The amortization of the unfunded liability was changed to be expressed as a level dollar amount as opposed to a percentage of salary. These changes affect contribution rates for years beginning after June 30, 2011.

<u>Fiscal Year Ending</u>	<u>Annual Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2003	\$ 803,591	100%	-
6/30/2004	756,650	100%	-
6/30/2005	801,702	100%	-
6/30/2006	1,220,539	100%	-
6/30/2007	1,253,254	100%	-
6/30/2008	1,272,654	100%	-
6/30/2009	1,358,806	100%	-
6/30/2010	1,303,162	100%	-
6/30/2011	1,213,564	100%	-

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b) – (a)</u>	<u>Funded Ratio (a) / (b)</u>	<u>Estimated Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b) – (a)] / (c)</u>
7/1/2006	\$18,447,240	\$27,011,984	\$8,564,744	68.3%	\$3,299,007	260%
7/1/2008	20,873,921	30,276,437	9,402,516	68.9%	3,017,170	312%
7/1/2010	18,354,656	32,329,421	13,974,765	56.8%	2,904,027	481%

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE L – CITY PENSION PLAN - Continued

This schedule of funding progress presents multiyear trend information showing whether the actuarial value of assets is increasing or decreasing over time relative to the actuarial liability for benefits.

Beginning July 1, 2006, the actuarial liability was determined using the Individual Entry Age Actuarial Cost Method. Beginning July 1, 2008, the actuarial value of assets is determined using five-year smoothing of investment gains and losses, limited to within 10% of the market value of assets. No changes to assumptions or methods were made in the July 1, 2010 actuarial valuation which affected the results in the schedule of funding progress.

A separate, audited GAAP-basis pension plan report for this plan is not available.

NOTE M – PERS PENSION PLAN

Plan Description – All City employees in qualified fire public safety positions and full time regular public safety employees covered by the Springfield Police Association (SPA) hired on or after April 1, 1996, and beginning April 1, 2002, all general service employees participate in the Oregon Public Employees Retirement System (OPERS). Contributions are made for employees after six months of employment unless they are already members of OPERS and eligible for contributions when they begin employment. OPERS is a cost sharing multiple-employer defined benefit pension plan that acts as a common investment and administrative agent for government units in the State of Oregon. Benefits generally vest after five years of continuous service in OPERS covered position(s).

Retirement age varies depending on whether the member belongs to Tier 1, Tier 2 or OPSRP, whether the member is a general services employee or a public safety employee and whether the member is retiring with full or reduced benefits.

	Full Benefit		Reduced Benefit	
	<u>Public Safety</u>	<u>General Service</u>	<u>Public Safety</u>	<u>General Service</u>
PERS Tier 1	55	58	50	55
PERS Tier 2	55	60	50	55
OPSRP	60	65	50	55

Compulsory retirement age is 70.

Contributions made by, or on the behalf of, the employee are payable in a lump sum or monthly amounts using several payment options. OPERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes, Chapter 238, Oregon Revised Statutes.

In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for PERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive PERS members who return to employment following a six month or greater break in service. The new plan consists of a defined benefit program (the Pension Program) and a defined contribution portion (the

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE M – PERS PENSION PLAN - Continued

Individual Account Program or IAP). The Pension Program portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service and a factor that varies based on type of service (general vs. police or fire).

Beginning January 1, 2004, all PERS member contributions go into the IAP portion of OPSRP. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member’s IAP, not the member’s PERS account. Those employees who had established a PERS membership prior to creation of OPSRP will be members of both the PERS and OPSRP system as long as they remain in covered employment.

Both existing PERS and OPSRP accounts are administered by the Oregon Public Employees Retirement Board (OPERB). The comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to the Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700, by calling (503) 598-7377, or by accessing the PERS website at www.pers.state.or.us.

Funding Policy – The City’s contribution rate for the fiscal year ended June 30, 2011 was 7.72% of covered payroll for the following members: PERS Fire (Emergency Services), PERS Fire Management (Emergency Services), PERS General Service and PERS Police (Emergency Services). For members of OPSRP Fire (Emergency Services), OPSRP Fire Management (Emergency Services), OPSRP Police (Emergency Services), the Rate was 6.68% of covered payroll. For members of OPSRP General Service, the rate was 3.97% of covered payroll.

The required employee contribution of 6% of covered compensation is paid by the City for non-union, SPA, OPEU and AFSCME members. For IAFF, the employee portion is contributed by the employee. The contribution requirements of the City are established and may be amended by the Public Employees Retirement Board (PERB), while the employees’ rate is set by the state statute, ORS 238.200. The City’s payroll for employees covered by OPERS for the year ended June 30, 2011 was \$25,925,460. The City’s total payroll was \$28,592,881.

Annual Pension Cost – For the fiscal year 2010-11, the City’s annual pension cost of \$3,370,522 for OPERS was equal to the City’s required and actual contributions. Of this amount, \$1,809,885 was funded by the City and \$1,560,637 was paid by employee contributions from fire public safety and general service members.

The following table presents three-year trend information for the City’s Defined Benefit Pension Plan:

Fiscal Year <u>Ending</u>	Annual Pension Cost <u>(APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/09	\$ 3,524,074	100	\$ -
6/30/10	3,268,693	100	-
6/30/11	3,370,522	100	-

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE N – OTHER POSTEMPLOYMENT BENEFITS

The City administers a single-employer defined benefit healthcare plan as established through negotiations between the City and collective bargaining units. The healthcare plan provides post-retirement medical, dental, and vision coverage for eligible retirees, spouses, domestic partners, and dependents. The following groups are eligible: Non-Medicare eligible regular retirees, disability retirees, Non-Medicare eligible early retirees eligible for pension under a City Plan or OPERS with at least 2 years of benefited service at the City, and Non-Medicare eligible early retirees whose age plus years of service equal 70 or greater at their time of retirement. The authority for this coverage is City personnel policy. At June 30, 2011, 31 qualified retirees are eligible to receive this benefit. The cost of the coverage, financed on a pay-as-you-go basis, is shared between the City and the retirees. The city's share is capped at \$115 per month, per qualified retiree. The total cost of providing this coverage for the fiscal year ended June 30, 2011 was \$36,713.

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

For these employees, the amount of the pension contribution is either 7%, 10%, or 12.8% of the employee's last monthly salary, depending on what the employee's contribution rate was before retirement. At June 30, 2011, there were three employees receiving this benefit. No payments are sent to the plan for these employees, but their accounts are credited for the correct amount.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance within the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the fiscal year ending June 30, 2011, the amount actually contributed to the plans, and changes in the City's net OPEB obligation:

Annual required contribution	\$ 1,399,522
Interest on net OPEB obligation	68,634
Adjustment to ARC	<u>(107,659)</u>
Annual OPEB cost (expense)	1,360,497
Contributions	<u>(475,593)</u>
Increase in net OPEB obligation	884,904
Net OPEB obligation, beginning of year	<u>1,525,203</u>
Net OPEB obligation, end of year	<u>\$ 2,410,107</u>

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE N – OTHER POSTEMPLOYMENT BENEFITS - Continued

The City’s annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for 2011 and the preceding year were as follows:

<u>Fiscal year ending June 30</u>	<u>Annual OPEB Cost</u>	<u>Contribution</u>	<u>Percentage of annual OPEB cost contributed</u>	<u>Net OPEB obligation</u>
2009	\$ 963,449	\$ 358,817	37.24%	\$ 604,632
2010	1,295,266	374,695	28.93%	1,525,203
2011	1,360,497	475,593	34.96%	2,410,107

* Annual OPEB costs are not available for fiscal years prior to the fiscal year ending June 30, 2009.

Funded Status and Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2006	\$ -	\$ 6,469,229	\$ 6,469,229	0%	\$ 24,377,875	27%
7/1/2008	-	8,929,996	8,929,996	0%	28,602,068	31%
7/1/2010	-	7,851,047	7,851,047	0%	28,390,341	28%

As of July 1, 2010, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$7,851,047, and the actuarial value of assets was zero, resulting in an unfunded accrued liability of \$7,851,047.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to the evaluation date. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

City of Springfield, Oregon

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE N – OTHER POSTEMPLOYMENT BENEFITS - Continued

The July 1, 2010 actuarial valuations for the OPEB plan is based on the projected unit credit actuarial cost method. The actuarial assumptions include an investment return of 4.0%, a healthcare cost inflation trend rate of 11.0% for the 1st year, July 1, 2010 to July 1, 2011, 7.25% in the 2nd year, 6.25% in the third year, 6.0% in the fourth, fifth, and sixth year, 5.75% for the 7th through 26th year, 5.50% for the 27th through 32nd, and 5.25% thereafter. Annual payroll increases are compounded at 3.75% annually. The unfunded actuarially accrued liability and the gain or loss is amortized as a level percentage of projected payroll over 15 years on an open basis.

NOTE O - COMMITMENTS AND CONTINGENCIES

The Sick Leave Reserve Program was substantially revised effective July 1, 2004. The plan allows employees to join by contributing hours from their sick leave bank. The number of hours required to join depends on the employee's status (full time vs. part time) and regular weekly schedule (40 hours vs. 56 hours). Employees may draw from the reserve bank under certain circumstances. Prior to drawing, employees must exhaust all their own leave accruals first. At June 30, 2011, the Sick Leave Reserve Program bank contained 5,677 hours. The value of these hours is not included in the liability for compensated absences because there is no estimate of the number of hours that will be used.

NOTE P – CONSTITUTIONAL PROPERTY TAX LIMITATION

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

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

NOTE Q – SUBSEQUENT EVENTS

The City adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 165, "Subsequent Events" (ASC 855), as of June 30, 2009. ASC 855 establishes new accounting and disclosure requirements for subsequent events. Management has evaluated subsequent events through December 15, 2011, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

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Required Supplementary Information

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City of Springfield, Oregon
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 17,340,357	\$ 17,340,357	\$ 17,139,200	\$ (201,157)	\$ -	\$ 17,139,200
Licenses and permits	2,982,020	2,982,020	2,259,845	(722,175)	-	2,259,845
Intergovernmental revenues	3,900,989	3,903,969	3,778,249	(125,720)	-	3,778,249
Charges for services	4,690,893	4,690,893	4,442,674	(248,219)	-	4,442,674
Fines and forfeitures	1,930,222	1,930,222	1,608,031	(322,191)	-	1,608,031
Use of money and property	137,000	137,000	108,648	(28,352)	(651)	107,997
Miscellaneous receipts	112,998	126,049	227,098	101,049	-	227,098
Total revenues	31,094,479	31,110,510	29,563,745	(1,546,765)	(651)	29,563,094
Expenditures:						
Current operating:						
City manager's office	1,316,784	1,317,324	1,256,083	61,241	334	1,256,417
Court	1,311,211	1,311,211	1,246,609	64,602	511	1,247,120
Human resources	403,304	443,304	391,521	51,783	279	391,800
Finance	914,029	914,029	781,847	132,182	-	781,847
Information technology	1,289,119	1,289,119	1,275,045	14,074	746	1,275,791
Fire	10,207,041	10,216,512	9,853,100	363,412	1,714	9,854,814
Police	11,924,242	11,924,242	11,533,068	391,174	4,316	11,537,384
Library	1,314,434	1,332,664	1,287,777	44,887	2,828	1,290,605
Public works	1,015,209	1,017,709	983,523	34,186	343	983,866
Development services	1,559,869	1,575,569	1,523,935	51,634	1,579	1,525,514
Contingency	600,000	600,000	-	600,000	-	-
Debt Service:						
Principal	160,000	160,000	160,000	-	-	160,000
Interest	75,215	75,215	75,215	-	-	75,215
Total expenditures	32,090,457	32,176,898	30,367,723	1,809,175	12,650	30,380,373
Excess of revenues over (under) expenditures	(995,978)	(1,066,388)	(803,978)	262,410	(13,301)	(817,279)
Other financing sources (uses):						
Transfers in	1,185,079	1,185,079	1,141,206	(43,873)	-	1,141,206
Transfers out	(1,090,307)	(1,105,307)	(594,764)	510,543	-	(594,764)
Total other financing sources (uses)	94,772	79,772	546,442	466,670	-	546,442
Net change in fund balances	(901,206)	(986,616)	(257,536)	729,080	(13,301)	(270,837)
Fund balance, beginning of year	7,265,103	7,808,672	7,808,672	-	45,143	7,853,815
Fund balance, end of year	\$ 6,363,897	\$ 6,822,056	\$ 7,551,136	\$ 729,080	\$ 31,842	\$ 7,582,978

City of Springfield, Oregon

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

Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenues	\$ 1,081,750	\$ 2,267,201	\$ 1,373,080	\$ (894,121)	\$ 1,695	\$ 1,374,775
Use of money and property	-	14,179	16,795	2,616	-	16,795
Total revenues	1,081,750	2,281,380	1,389,875	(891,505)	1,695	1,391,570
Expenditures:						
Current operating						
Finance	20,002	20,002	17,529	2,473	-	17,529
Development services	1,061,748	2,261,378	1,370,744	890,634	(6,000)	1,364,744
Special payments	14,141	140,950	-	140,950	-	-
Total expenditures	1,095,891	2,422,330	1,388,273	1,034,057	(6,000)	1,382,273
Net change in fund balances	(14,141)	(140,950)	1,602	142,552	7,695	9,297
Fund balance, beginning of year	14,141	140,950	140,950	-	(6,000)	134,950
Fund balance, end of year	\$ -	\$ -	\$ 142,552	\$ 142,552	\$ 1,695	\$ 144,247

City of Springfield, Oregon

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2011

SCHEDULE OF FUNDING PROGRESS

Schedule of OPEB Funding Progress

Other Post Employment Benefits schedule of funding progress:

Actrial Valuation Date	Actrial Value of Assets	Actrial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2006	\$ -	\$ 6,469,229	\$ 6,469,229	0%	\$ 24,377,875	27%
7/1/2008	-	8,929,996	8,929,996	0%	28,602,068	31%
7/1/2010	-	7,851,047	7,851,047	0%	28,390,341	28%

Schedule of CRP Funding Progress

City Retirement Plan schedule of funding progress:

Actrial Valuation Date	Actrial Value of Assets	Actrial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2006	\$ 18,447,240	\$ 27,011,984	\$ 8,564,744	68.3%	\$ 3,299,007	260%
7/1/2008	20,873,921	30,276,437	9,402,516	68.9%	3,017,170	312%
7/1/2010	18,354,656	32,329,421	13,974,765	56.8%	2,904,027	481%

City Retirement Plan employer contributions:

Fiscal Year Ending	Annual Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2006	\$ 1,220,539	100%	\$ -
6/30/2007	1,253,254	100%	-
6/30/2008	1,272,654	100%	-
6/30/2009	1,358,806	100%	-
6/30/2010	1,303,162	100%	-
6/30/2011	1,213,564	100%	-

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Other Supplementary Information

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**Nonmajor Governmental Funds
Combining Statements**

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City of Springfield, Oregon
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

June 30, 2011

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 4,518,956	\$ 6,149,558	\$ 878,044	\$ 11,546,558
Receivables:				
Accounts	592,683	766,850	-	1,359,533
Taxes	336,178	-	272,581	608,759
Grants	168,668	11,888	-	180,556
Accrued interest	23,471	29,695	11,608	64,774
Assessments and liens	-	297,638	12,494	310,132
Mortgage notes	8,409	-	-	8,409
Inventory	67,752	-	-	67,752
Deposits	111,446	-	-	111,446
	<u>\$ 5,827,563</u>	<u>\$ 7,255,629</u>	<u>\$ 1,174,727</u>	<u>\$ 14,257,919</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 200,096	\$ 134,659	\$ -	\$ 334,755
Accrued payroll and other liabilities	388,882	2,467	482	391,831
Deferred revenue	336,967	301,906	278,202	917,075
	<u>925,945</u>	<u>439,032</u>	<u>278,684</u>	<u>1,643,661</u>
Fund Balances:				
Unspendable	179,198	-	-	179,198
Restricted	4,008,359	2,168,120	702,193	6,878,672
Committed	670,639	3,876,276	-	4,546,915
Assigned	43,422	772,201	193,850	1,009,473
	<u>4,901,618</u>	<u>6,816,597</u>	<u>896,043</u>	<u>12,614,258</u>
Total liabilities and fund balances	<u>\$ 5,827,563</u>	<u>\$ 7,255,629</u>	<u>\$ 1,174,727</u>	<u>\$ 14,257,919</u>

City of Springfield, Oregon
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Year ended June 30, 2011

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 7,890,476	\$ -	\$ 3,140,246	\$ 11,030,722
Licenses, permits and fees	278,464	-	-	278,464
Intergovernmental revenues	4,137,665	114,434	-	4,252,099
Charges for services	1,343,575	1,631,229	-	2,974,804
Fines and forfeitures	199,549	-	-	199,549
Use of money and property	62,426	59,848	16,251	138,525
Special assessments	-	22,731	2,894	25,625
Miscellaneous receipts	114,559	322,388	-	436,947
Total revenues	<u>14,026,714</u>	<u>2,150,630</u>	<u>3,159,391</u>	<u>19,336,735</u>
Expenditures:				
Current operating:				
General government	771,963	69,110	13,582	854,655
Fire	1,518,631	-	-	1,518,631
Police	5,220,597	-	-	5,220,597
Library	84,428	-	-	84,428
Public works	5,393,899	269,225	-	5,663,124
Development services	1,388,122	-	-	1,388,122
Capital projects	-	2,845,047	-	2,845,047
Debt service:				
Principal	-	-	2,091,618	2,091,618
Interest	3,267	-	1,204,894	1,208,161
Total expenditures	<u>14,380,907</u>	<u>3,183,382</u>	<u>3,310,094</u>	<u>20,874,383</u>
Excess of revenues over (under) expenditures	<u>(354,193)</u>	<u>(1,032,752)</u>	<u>(150,703)</u>	<u>(1,537,648)</u>
Other financing sources (uses)				
Transfers in	2,189,673	624,381	95,267	2,909,321
Transfers out	<u>(2,163,794)</u>	<u>(394,050)</u>	<u>(306,142)</u>	<u>(2,863,986)</u>
Total other financing sources (uses):	<u>25,879</u>	<u>230,331</u>	<u>(210,875)</u>	<u>45,335</u>
Net change in fund balances	(328,314)	(802,421)	(361,578)	(1,492,313)
Fund balance, beginning of year	<u>5,228,905</u>	<u>7,619,018</u>	<u>1,257,621</u>	<u>14,105,544</u>
Change in reserve for inventory	<u>1,027</u>	<u>-</u>	<u>-</u>	<u>1,027</u>
Fund balance, end of year	<u>\$ 4,901,618</u>	<u>\$ 6,816,597</u>	<u>\$ 896,043</u>	<u>\$ 12,614,258</u>

Special Revenue Funds

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

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

Major Special Revenue Funds:

Housing and 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.

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.

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

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

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

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

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

Fire Local Option Levy – This fund accounts for revenue received from a 4-year Fire Local Option Levy to restore staffing to Fire Station #3.

Police Local Option Levy – This fund accounts for revenue received from a 4-year Police Local Option Levy to enhance public safety services by adding staff to the Police and Court Departments.

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

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

June 30, 2011

	Street	Special Revenue	Transient Room Tax	Building	SEDA Glenwood	SEDA Downtown	Fire Levy	Police Levy	Jail Operations	Total
ASSETS										
Cash and investments	\$ 82,251	\$ 453,280	\$ 89,700	\$ 607,989	\$ 13,471	\$ 1,579	\$ 951,847	\$ 1,595,816	\$ 723,023	\$ 4,518,956
Receivables:										
Accounts	462,214	-	66,624	-	-	-	-	-	63,845	592,683
Taxes	-	-	-	-	18,806	10,275	86,505	220,592	-	336,178
Grants	15,940	152,728	-	-	-	-	-	-	-	168,668
Accrued interest	28	-	401	4,076	180	96	5,140	11,409	2,141	23,471
Mortgage notes	-	8,409	-	-	-	-	-	-	-	8,409
Inventory	67,752	-	-	-	-	-	-	-	-	67,752
Deposits	-	111,446	-	-	-	-	-	-	-	111,446
Total assets	<u>\$ 628,185</u>	<u>\$ 725,863</u>	<u>\$ 156,725</u>	<u>\$ 612,065</u>	<u>\$ 32,457</u>	<u>\$ 11,950</u>	<u>\$ 1,043,492</u>	<u>\$ 1,827,817</u>	<u>\$ 789,009</u>	<u>\$ 5,827,563</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 90,579	\$ 23,972	\$ 990	\$ 1,467	\$ 14,003	\$ 1,257	\$ 2,895	\$ 17,145	\$ 47,788	\$ 200,096
Accrued payroll and other liabilities	120,906	21,711	6,740	35,266	-	-	55,239	78,438	70,582	388,882
Deferred revenue	5,359	8,409	-	-	16,473	9,833	83,462	213,431	-	336,967
Total liabilities	<u>216,844</u>	<u>54,092</u>	<u>7,730</u>	<u>36,733</u>	<u>30,476</u>	<u>11,090</u>	<u>141,596</u>	<u>309,014</u>	<u>118,370</u>	<u>925,945</u>
Fund balances:										
Nonspendable	67,752	111,446	-	-	-	-	-	-	-	179,198
Restricted	336,689	523,803	148,995	575,332	1,981	860	901,896	1,518,803	-	4,008,359
Committed	-	-	-	-	-	-	-	-	670,639	670,639
Assigned	6,900	36,522	-	-	-	-	-	-	-	43,422
Total fund balances	<u>411,341</u>	<u>671,771</u>	<u>148,995</u>	<u>575,332</u>	<u>1,981</u>	<u>860</u>	<u>901,896</u>	<u>1,518,803</u>	<u>670,639</u>	<u>4,901,618</u>
Total liabilities and fund balances	<u>\$ 628,185</u>	<u>\$ 725,863</u>	<u>\$ 156,725</u>	<u>\$ 612,065</u>	<u>\$ 32,457</u>	<u>\$ 11,950</u>	<u>\$ 1,043,492</u>	<u>\$ 1,827,817</u>	<u>\$ 789,009</u>	<u>\$ 5,827,563</u>

City of Springfield, Oregon
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
June 30, 2011

	Street	Special Revenue	Transient Room Tax	Building	SEDA Glenwood	SEDA Downtown	Fire Levy	Police Levy	Jail Operations	Total
Revenues:										
Taxes	\$ 981,208	\$ 286,263	\$ 777,085	\$ -	\$ 274,115	\$ 179,607	\$ 1,452,604	\$ 3,939,594	\$ -	\$ 7,890,476
Licenses and fees	177,615	-	-	-	-	-	-	-	100,849	278,464
Intergovernmental	3,040,314	1,094,026	-	-	3,001	324	-	-	-	4,137,665
Charges for services	456,561	-	-	773,108	-	-	-	-	113,906	1,343,575
Fines and forfeitures	-	199,549	-	-	-	-	-	-	-	199,549
Use of money and property	11,172	698	612	7,637	14,925	105	7,528	14,656	5,093	62,426
Miscellaneous receipts	44,325	68,291	289	5	-	152	11	132	1,354	114,559
Total revenues	4,711,195	1,648,827	777,986	780,750	292,041	180,188	1,460,143	3,954,382	221,202	14,026,714
Expenditures:										
Current operating:										
General government:										
City manager's office	1,881	-	193,210	-	96,354	130,708	-	-	-	422,153
Court	-	-	-	-	-	-	-	332,772	-	332,772
Finance	-	-	-	-	11,138	5,900	-	-	-	17,038
Fire	-	78,813	-	-	-	-	1,439,818	-	-	1,518,631
Police	-	797,186	-	-	-	-	-	2,075,840	2,347,571	5,220,597
Library	-	37,136	47,292	-	-	-	-	-	-	84,428
Public works	4,744,193	528,763	33,512	-	87,431	-	-	-	-	5,393,899
Development services	55,508	99,956	50,171	1,173,179	-	9,308	-	-	-	1,388,122
Debt Service:										
Interest	-	-	-	-	2,895	372	-	-	-	3,267
Total expenditures	4,801,582	1,541,854	324,185	1,173,179	197,818	146,288	1,439,818	2,408,612	2,347,571	14,380,907
Excess of revenues over (under) expenditures	(90,387)	106,973	453,801	(392,429)	94,223	33,900	20,325	1,545,770	(2,126,369)	(354,193)
Other financing sources (uses):										
Transfers in	74,474	86,578	-	-	178,000	77,500	-	-	1,773,121	2,189,673
Transfers out	-	-	(427,091)	(54,100)	(271,220)	(111,383)	-	(1,300,000)	-	(2,163,794)
Total other financing sources (uses)	74,474	86,578	(427,091)	(54,100)	(93,220)	(33,883)	-	(1,300,000)	1,773,121	25,879
Net change in fund balances	(15,913)	193,551	26,710	(446,529)	1,003	17	20,325	245,770	(353,248)	(328,314)
Fund balances, beginning of year	426,227	478,220	122,285	1,021,861	978	843	881,571	1,273,033	1,023,887	5,228,905
Change in reserve for inventory	1,027	-	-	-	-	-	-	-	-	1,027
Fund balances, end of year	\$ 411,341	\$ 671,771	\$ 148,995	\$ 575,332	\$ 1,981	\$ 860	\$ 901,896	\$ 1,518,803	\$ 670,639	\$ 4,901,618

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

Year ended June 30, 2011

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,158,090	\$ 1,122,007	\$ 981,208	\$ (140,799)	\$ -	\$ 981,208
Licenses and permits	172,345	172,345	177,615	5,270	-	177,615
Intergovernmental revenue	3,119,842	3,031,503	3,040,314	8,811	-	3,040,314
Charges for services	505,411	505,411	456,561	(48,850)	-	456,561
Use of money and property	5,742	5,742	11,149	5,407	23	11,172
Miscellaneous receipts	107,088	110,888	44,325	(66,563)	-	44,325
Total revenues	5,068,518	4,947,896	4,711,172	(236,724)	23	4,711,195
Expenditures:						
Current operating:						
City manager's office	1,881	1,881	1,881	-	-	1,881
Public works	5,208,650	5,111,907	4,739,934	371,973	4,259	4,744,193
Development services	59,388	59,388	55,508	3,880	-	55,508
Total expenditures	5,269,919	5,173,176	4,797,323	375,853	4,259	4,801,582
Excess of revenues over (under) expenditures	(201,401)	(225,280)	(86,151)	139,129	(4,236)	(90,387)
Other financing sources (uses):						
Transfers in	150,000	224,475	74,474	(150,001)	-	74,474
Net change in fund balances	(51,401)	(805)	(11,677)	(10,872)	(4,236)	(15,913)
Fund balance, beginning of year	53,718	359,501	359,501	-	66,726	426,227
Change in reserve for inventory	-	-	-	-	1,027	1,027
Fund balance, end of year	\$ 2,317	\$ 358,696	\$ 347,824	\$ (10,872)	\$ 63,517	\$ 411,341

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

Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 350,000	\$ 350,000	\$ 286,263	\$ (63,737)	\$ -	\$ 286,263
Intergovernmental revenue	776,721	1,245,846	1,094,026	(151,820)	-	1,094,026
Fines and forfeitures	15,000	15,000	199,549	184,549	-	199,549
Use of money and property	-	-	698	698	-	698
Miscellaneous receipts	39,010	73,180	68,291	(4,889)	-	68,291
Total revenues	1,180,731	1,684,026	1,648,827	(35,199)	-	1,648,827
Expenditures:						
Current operating:						
City manager's office	-	-	-	-	-	-
Fire	74,664	92,519	78,813	13,706	-	78,813
Police	877,459	1,166,200	797,186	369,014	-	797,186
Library	25,370	55,887	37,136	18,751	-	37,136
Public works	349,465	579,647	528,763	50,884	-	528,763
Development services	86,578	106,114	99,956	6,158	-	99,956
Total expenditures	1,413,536	2,000,367	1,541,854	458,513	-	1,541,854
Excess of revenues over (under) expenditures	(232,805)	(316,341)	106,973	423,314	-	106,973
Other financing sources (uses):						
Transfers in	121,643	121,643	86,578	(35,065)	-	86,578
Net change in fund balances	(111,162)	(194,698)	193,551	388,249	-	193,551
Fund balance, beginning of year	490,571	478,220	478,220	-	-	478,220
Fund balance, end of year	\$ 379,409	\$ 283,522	\$ 671,771	\$ 388,249	\$ -	\$ 671,771

City of Springfield, Oregon
 TRANSIENT ROOM TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 703,734	\$ 743,734	\$ 777,085	\$ 33,351	\$ -	\$ 777,085
Use of money and property	1,000	1,000	701	(299)	(89)	612
Miscellaneous receipts	-	-	289	289	-	289
Total revenues	<u>704,734</u>	<u>744,734</u>	<u>778,075</u>	<u>33,341</u>	<u>(89)</u>	<u>777,986</u>
Expenditures:						
Current operating:						
City managers office	197,360	200,176	193,210	6,966	-	193,210
Library	56,518	56,518	47,292	9,226	-	47,292
Public works	44,085	44,085	33,512	10,573	-	33,512
Development services	51,263	51,263	50,171	1,092	-	50,171
Capital Projects	-	13,500	-	13,500	-	-
Total expenditures	<u>349,226</u>	<u>365,542</u>	<u>324,185</u>	<u>41,357</u>	<u>-</u>	<u>324,185</u>
Excess of revenues over (under) expenditures	<u>355,508</u>	<u>379,192</u>	<u>453,890</u>	<u>74,698</u>	<u>(89)</u>	<u>453,801</u>
Other financing sources (uses):						
Transfers out	<u>(390,964)</u>	<u>(430,964)</u>	<u>(427,091)</u>	<u>3,873</u>	<u>-</u>	<u>(427,091)</u>
Net change in fund balances	<u>(35,456)</u>	<u>(51,772)</u>	<u>26,799</u>	<u>78,571</u>	<u>(89)</u>	<u>26,710</u>
Fund balance, beginning of year	<u>102,863</u>	<u>121,864</u>	<u>121,864</u>	<u>-</u>	<u>421</u>	<u>122,285</u>
Fund balance, end of year	<u>\$ 67,407</u>	<u>\$ 70,092</u>	<u>\$ 148,663</u>	<u>\$ 78,571</u>	<u>\$ 332</u>	<u>\$ 148,995</u>

City of Springfield, Oregon
 BUILDING CODE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,056,500	\$ 1,056,500	\$ 773,108	\$ (283,392)	\$ -	\$ 773,108
Use of money & property	8,860	8,860	9,879	1,019	(2,242)	7,637
Miscellaneous receipts	-	-	5	5	-	5
Total revenues	<u>1,065,360</u>	<u>1,065,360</u>	<u>782,992</u>	<u>(282,368)</u>	<u>(2,242)</u>	<u>780,750</u>
Expenditures:						
Current operating:						
Development services	<u>1,312,493</u>	<u>1,312,493</u>	<u>1,172,917</u>	<u>139,576</u>	<u>262</u>	<u>1,173,179</u>
Excess of revenues over (under) expenditures	(247,133)	(247,133)	(389,925)	(142,792)	(2,504)	(392,429)
Other financing sources (uses):						
Transfer out	<u>(54,100)</u>	<u>(54,100)</u>	<u>(54,100)</u>	<u>-</u>	<u>-</u>	<u>(54,100)</u>
Net change in fund balances	<u>(301,233)</u>	<u>(301,233)</u>	<u>(444,025)</u>	<u>(142,792)</u>	<u>(2,504)</u>	<u>(446,529)</u>
Fund balance, beginning of year	<u>1,077,062</u>	<u>1,016,241</u>	<u>1,016,241</u>	<u>-</u>	<u>5,620</u>	<u>1,021,861</u>
Fund balance, end of year	<u>\$ 775,829</u>	<u>\$ 715,008</u>	<u>\$ 572,216</u>	<u>\$ (142,792)</u>	<u>\$ 3,116</u>	<u>\$ 575,332</u>

City of Springfield, Oregon
 SEDA GLENWOOD FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 305,000	\$ 305,000	\$ 274,115	\$ (30,885)	\$ -	\$ 274,115
Intergovernmental revenue	-	-	3,001	3,001	-	3,001
Use of money and property	-	-	14,776	14,776	149	14,925
Total revenues	305,000	305,000	291,892	(13,108)	149	292,041
Expenditures:						
Current operating:						
City manager's office	300,603	300,603	96,354	204,249	-	96,354
Finance	11,635	11,635	11,138	497	-	11,138
Public works	268,000	268,000	87,431	180,569	-	87,431
Development services	40,000	40,000	-	40,000	-	-
Debt service:						
Interest	4,455	4,455	2,895	1,560	-	2,895
Total expenditures	624,693	624,693	197,818	426,875	-	197,818
Excess of revenues over (under) expenditures	(319,693)	(319,693)	94,074	413,767	149	94,223
Other financing sources (uses):						
Interfund loan proceeds	616,000	616,000	178,000	(438,000)	(178,000)	-
Interfund loan repaid	(297,000)	(297,000)	(271,220)	25,780	271,220	-
Transfers in	-	-	-	-	178,000	178,000
Transfers out	-	-	-	-	(271,220)	(271,220)
Total other financing sources (uses)	319,000	319,000	(93,220)	(412,220)	-	(93,220)
Net change in fund balances	(693)	(693)	854	1,547	149	1,003
Fund balance, beginning of year	913	978	978	-	-	978
Fund balance, end of year	<u>\$ 220</u>	<u>\$ 285</u>	<u>\$ 1,832</u>	<u>\$ 1,547</u>	<u>\$ 149</u>	<u>\$ 1,981</u>

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

Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 217,000	\$ 217,000	\$ 179,607	\$ (37,393)	\$ -	\$ 179,607
Intergovernmental revenue	-	-	324	324	-	324
Use of money and property	-	-	25	25	80	105
Miscellaneous receipts	-	-	152	152	-	152
Total revenues	217,000	217,000	180,108	(36,892)	80	180,188
Expenditures:						
Current operating:						
City manager's office	268,850	198,226	130,708	67,518	-	130,708
Finance	6,435	6,435	5,900	535	-	5,900
Development services	-	13,624	9,308	4,316	-	9,308
Debt service:						
Interest	2,100	2,100	372	1,728	-	372
Total expenditures	277,385	220,385	146,288	74,097	-	146,288
Excess of revenues over (under) expenditures	(60,385)	(3,385)	33,820	37,205	80	33,900
Other financing sources (uses):						
Interfund loan proceeds	120,000	120,000	77,500	(42,500)	(77,500)	-
Interfund loan repaid	(60,000)	(117,000)	(111,383)	5,617	111,383	-
Transfers in	-	-	-	-	77,500	77,500
Transfers out	-	-	-	-	(111,383)	(111,383)
Total other financing sources (uses)	60,000	3,000	(33,883)	(36,883)	-	(33,883)
Net change in fund balances	(385)	(385)	(63)	322	80	17
Fund balance, beginning of year	3,205	844	843	(1)	-	843
Fund balance, end of year	\$ 2,820	\$ 459	\$ 780	\$ 321	\$ 80	\$ 860

City of Springfield, Oregon
 FIRE LOCAL OPTION LEVY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 1,472,511	\$ 1,472,511	\$ 1,452,604	\$ (19,907)	\$ -	\$ 1,452,604
Use of money and property	6,000	6,000	7,090	1,090	438	7,528
Miscellaneous receipts	-	-	11	11	-	11
 Total revenues	 <u>1,478,511</u>	 <u>1,478,511</u>	 <u>1,459,705</u>	 <u>(18,806)</u>	 <u>438</u>	 <u>1,460,143</u>
Expenditures:						
Current operating:						
Fire	<u>1,455,576</u>	<u>1,455,576</u>	<u>1,439,818</u>	<u>15,758</u>	<u>-</u>	<u>1,439,818</u>
 Net change in fund balances	 22,935	 22,935	 19,887	 (3,048)	 438	 20,325
Fund balance, beginning of year	<u>844,386</u>	<u>877,750</u>	<u>877,750</u>	<u>-</u>	<u>3,821</u>	<u>881,571</u>
Fund balance, end of year	<u>\$ 867,321</u>	<u>\$ 900,685</u>	<u>\$ 897,637</u>	<u>\$ (3,048)</u>	<u>\$ 4,259</u>	<u>\$ 901,896</u>

City of Springfield, Oregon
POLICE LOCAL OPTION LEVY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 3,977,917	\$ 3,977,917	\$ 3,939,594	\$ (38,323)	\$ -	\$ 3,939,594
Use of money and property	5,000	5,000	12,309	7,309	2,347	14,656
Miscellaneous receipts	-	-	132	132	-	132
Total revenues	<u>3,982,917</u>	<u>3,982,917</u>	<u>3,952,035</u>	<u>(30,882)</u>	<u>2,347</u>	<u>3,954,382</u>
Expenditures:						
Current operating:						
Court	247,067	360,067	332,772	27,295	-	332,772
Police	2,145,128	2,145,128	2,075,840	69,288	-	2,075,840
Total expenditures	<u>2,392,195</u>	<u>2,505,195</u>	<u>2,408,612</u>	<u>96,583</u>	<u>-</u>	<u>2,408,612</u>
Excess of revenues over (under) expenditures	1,590,722	1,477,722	1,543,423	65,701	2,347	1,545,770
Other financing sources (uses):						
Transfers out	(1,184,975)	(1,300,000)	(1,300,000)	-	-	(1,300,000)
Net change in fund balances	405,747	177,722	243,423	65,701	2,347	245,770
Fund balance, beginning of year	998,076	1,265,927	1,265,927	-	7,106	1,273,033
Fund balance, end of year	<u>\$ 1,403,823</u>	<u>\$ 1,443,649</u>	<u>\$ 1,509,350</u>	<u>\$ 65,701</u>	<u>\$ 9,453</u>	<u>\$ 1,518,803</u>

City of Springfield, Oregon
JAIL OPERATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Licenses and fees	\$ 75,134	\$ 75,134	\$ 100,849	\$ 25,715	\$ -	\$ 100,849
Charges for services	-	-	113,906	113,906	-	113,906
Use of money & property	10,000	10,000	6,170	(3,830)	(1,077)	5,093
Miscellaneous receipts	-	-	1,354	1,354	-	1,354
Total revenues	85,134	85,134	222,279	137,145	(1,077)	221,202
Expenditures:						
Current operating:						
Police	2,574,494	2,574,494	2,346,288	228,206	1,283	2,347,571
Excess of revenues over (under) expenditures	(2,489,360)	(2,489,360)	(2,124,009)	365,351	(2,360)	(2,126,369)
Other financing sources (uses):						
Transfers in	1,858,096	1,858,096	1,773,121	(84,975)	-	1,773,121
Net change in fund balance	(631,264)	(631,264)	(350,888)	280,376	(2,360)	(353,248)
Fund balance, beginning of year	1,400,621	1,021,035	1,021,036	(1)	2,851	1,023,887
Fund balance, end of year	<u>\$ 769,357</u>	<u>\$ 389,771</u>	<u>\$ 670,148</u>	<u>\$ 280,375</u>	<u>\$ 491</u>	<u>\$ 670,639</u>

SPRINGFIELD



OREGON

Debt Service Funds

Combining statements for all individual nonmajor debt service funds are reported here. The combined totals are reported in the combining nonmajor governmental fund statements. The city has no major debt service funds.

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

Nonmajor Debt Service Funds:

General Obligation Debt Service Fund – This fund is used to account for payments on all general obligation debt, except for debt secured by assessment liens. Ad valorem property taxes are levied to make the debt service payments.

Bancroft Redemption Fund – This fund is used to account for all assessments financed at the election of property owners under the State Bancroft Bonding Act.

SPRINGFIELD



OREGON

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

June 30, 2011

	<u>General Obligation Debt Service</u>	<u>Bancroft Redemption</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 685,366	\$ 192,678	\$ 878,044
Receivables:			
Property taxes	270,941	1,640	272,581
Accrued interest	9,954	1,654	11,608
Assessments and liens	<u>-</u>	<u>12,494</u>	<u>12,494</u>
Total assets	<u>\$ 966,261</u>	<u>\$ 208,466</u>	<u>\$ 1,174,727</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued payroll and related liabilities	\$ -	\$ 482	\$ 482
Deferred revenues	<u>264,068</u>	<u>14,134</u>	<u>278,202</u>
Total liabilities	<u>264,068</u>	<u>14,616</u>	<u>278,684</u>
Fund balances:			
Restricted	702,193	-	702,193
Assigned	<u>-</u>	<u>193,850</u>	<u>193,850</u>
Total liabilities and fund balances	<u>\$ 966,261</u>	<u>\$ 208,466</u>	<u>\$ 1,174,727</u>

City of Springfield, Oregon
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2011

	General Obligation Debt Service	Bancroft Redemption	Total
Revenues:			
Taxes	\$ 3,140,121	\$ 125	\$ 3,140,246
Use of money and property	12,195	4,056	16,251
Special assessments	-	2,894	2,894
Total revenues	3,152,316	7,075	3,159,391
Expenditures:			
Current operating:			
Finance	-	13,582	13,582
Debt service:			
Principal	2,091,618	-	2,091,618
Interest	1,204,894	-	1,204,894
Total expenditures	3,296,512	13,582	3,310,094
Excess of revenues over (under) expenditures	(144,196)	(6,507)	(150,703)
Other financing sources (uses):			
Transfers in	81,685	13,582	95,267
Transfers out	-	(306,142)	(306,142)
Total other financing sources (uses)	81,685	(292,560)	(210,875)
Net change in fund balances	(62,511)	(299,067)	(361,578)
Fund balances, beginning of year	764,704	492,917	1,257,621
Fund balances, end of year	\$ 702,193	\$ 193,850	\$ 896,043

City of Springfield, Oregon
GENERAL OBLIGATION DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ 3,041,533	\$ 3,041,533	\$ 3,140,120	\$ 98,587	\$ -	\$ 3,140,121
Use of money and property	6,000	6,000	10,153	4,153	2,042	12,195
Total revenues	<u>3,047,533</u>	<u>3,047,533</u>	<u>3,150,273</u>	<u>102,740</u>	<u>2,043</u>	<u>3,152,316</u>
Expenditures:						
Debt service:						
Principal	2,091,618	2,091,618	2,091,618	-	-	2,091,618
Interest	1,204,894	1,204,894	1,204,894	-	-	1,204,894
Total expenditures	<u>3,296,512</u>	<u>3,296,512</u>	<u>3,296,512</u>	<u>-</u>	<u>-</u>	<u>3,296,512</u>
Excess of revenues over (under) expenditures	<u>(248,979)</u>	<u>(248,979)</u>	<u>(146,239)</u>	<u>102,740</u>	<u>2,043</u>	<u>(144,196)</u>
Other financing sources (uses):						
Transfers in	<u>81,685</u>	<u>81,685</u>	<u>81,685</u>	<u>-</u>	<u>-</u>	<u>81,685</u>
Net change in fund balances	<u>(167,294)</u>	<u>(167,294)</u>	<u>(64,554)</u>	<u>102,740</u>	<u>2,043</u>	<u>(62,511)</u>
Fund balance, beginning of year	<u>722,791</u>	<u>758,498</u>	<u>758,498</u>	<u>-</u>	<u>6,206</u>	<u>764,704</u>
Fund balance, end of year	<u>\$ 555,497</u>	<u>\$ 591,204</u>	<u>\$ 693,944</u>	<u>\$ 102,740</u>	<u>\$ 8,249</u>	<u>\$ 702,193</u>

City of Springfield, Oregon
 BANCROFT REDEMPTION FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Taxes	\$ -	\$ -	\$ 125	\$ 125	\$ -	\$ 125
Use of money and property	2,500	2,500	5,961	3,461	(1,905)	4,056
Special assessments	6,500	6,500	2,894	(3,606)	-	2,894
Total revenues	9,000	9,000	8,980	(20)	(1,905)	7,075
Expenditures:						
Current operating:						
Finance	16,123	16,123	13,582	2,541	-	13,582
Excess of revenues over (under) expenditures	(7,123)	(7,123)	(4,602)	2,521	(1,905)	(6,507)
Other financing sources (uses):						
Transfers in	16,123	16,123	13,582	(2,541)	-	13,582
Transfers out	(335,000)	(337,632)	(306,142)	31,490	-	(306,142)
Total other financing sources (uses)	(318,877)	(321,509)	(292,560)	28,949	-	(292,560)
Net change in fund balances	(326,000)	(328,632)	(297,162)	31,470	(1,905)	(299,067)
Fund balance, beginning of year	488,014	489,642	489,642	-	3,275	492,917
Fund balance, end of year	\$ 162,014	\$ 161,010	\$ 192,480	\$ 31,470	\$ 1,370	\$ 193,850

Capital Projects Funds

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

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

Nonmajor Capital Projects Funds:

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

Development Capital Projects Fund – This fund is used to account for costs of constructing and improving City-owned buildings and for infrastructure projects with shared funding. Financing is provided by grants, contracts, intergovernmental revenues, pre-1991 system development charges, and other non-recurring revenues.

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

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

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

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

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

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City of Springfield, Oregon
NONMAJOR CAPITAL PROJECTS FUNDS
BALANCE SHEET
June 30, 2011

	Development Assessments Capital Projects	Development Capital Projects	Police Building Bond Capital Projects	SEDA Glenwood Capital Projects	Street Capital	Transportation Reimbursement SDC	Transportation Improvement SDC	Total
ASSETS								
Cash and investments	\$ 1,179,394	\$ 2,833,535	\$ 267,395	\$ 42,034	\$ 241,857	\$ 363,182	\$ 1,222,161	\$ 6,149,558
Receivables:								
Accounts	-	762,582	-	-	-	789	3,479	766,850
Grants	-	11,888	-	-	-	-	-	11,888
Accrued interest	6,135	11,953	-	197	1,134	1,743	8,533	29,695
Assessments and liens	297,638	-	-	-	-	-	-	297,638
Total assets	<u>\$ 1,483,167</u>	<u>\$ 3,619,958</u>	<u>\$ 267,395</u>	<u>\$ 42,231</u>	<u>\$ 242,991</u>	<u>\$ 365,714</u>	<u>\$ 1,234,173</u>	<u>\$ 7,255,629</u>
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts and contracts payable	\$ -	\$ 51,171	\$ 67,158	\$ -	\$ -	\$ 3,949	\$ 12,381	\$ 134,659
Accrued payroll and payroll taxes	2,467	-	-	-	-	-	-	2,467
Deferred revenue	297,638	-	-	-	-	789	3,479	301,906
Total liabilities	<u>300,105</u>	<u>51,171</u>	<u>67,158</u>	<u>-</u>	<u>-</u>	<u>4,738</u>	<u>15,860</u>	<u>439,032</u>
Fund balances:								
Restricted	-	346,363	200,237	42,231	-	360,976	1,218,313	2,168,120
Committed	1,183,062	2,693,214	-	-	-	-	-	3,876,276
Assigned	-	529,210	-	-	242,991	-	-	772,201
Total fund balances	<u>1,183,062</u>	<u>3,568,787</u>	<u>200,237</u>	<u>42,231</u>	<u>242,991</u>	<u>360,976</u>	<u>1,218,313</u>	<u>6,816,597</u>
Total liabilities and fund balances	<u>\$ 1,483,167</u>	<u>\$ 3,619,958</u>	<u>\$ 267,395</u>	<u>\$ 42,231</u>	<u>\$ 242,991</u>	<u>\$ 365,714</u>	<u>\$ 1,234,173</u>	<u>\$ 7,255,629</u>

City of Springfield, Oregon
NONMAJOR CAPITAL PROJECTS FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended June 30, 2011

	Development Assessments Capital Projects	Development Capital Projects	Police Building Bond Capital Project	SEDA Glenwood Capital Projects	Street Capital	Transportation Reimbursement SDC	Transportation Improvement SDC	Total
Revenues:								
Intergovernmental revenues	\$ -	\$ 114,434	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,434
Charges for services	-	1,294,089	-	-	-	72,841	264,299	1,631,229
Use of money and property	11,816	24,351	1,846	690	2,053	2,949	16,143	59,848
Special assessments	22,731	-	-	-	-	-	-	22,731
Miscellaneous receipts	-	320,618	-	-	-	885	885	322,388
Total revenues	34,547	1,753,492	1,846	690	2,053	76,675	281,327	2,150,630
Expenditures:								
Current operating:								
General government	69,110	-	-	-	-	-	-	69,110
Public works	-	-	-	-	-	39,605	229,620	269,225
Capital projects	250,354	704,453	167,323	-	-	33,438	1,689,479	2,845,047
Total expenditures	319,464	704,453	167,323	-	-	73,043	1,919,099	3,183,382
Excess of revenues over (under) expenditures	(284,917)	1,049,039	(165,477)	690	2,053	3,632	(1,637,772)	(1,032,752)
Other financing sources (uses):								
Transfer in	6,142	618,239	-	-	-	-	-	624,381
Transfer out	(13,582)	(370,094)	-	-	-	(10,374)	-	(394,050)
Total other financing sources (uses)	(7,440)	248,145	-	-	-	(10,374)	-	230,331
Net change in fund balances	(292,357)	1,297,184	(165,477)	690	2,053	(6,742)	(1,637,772)	(802,421)
Fund balance, beginning of year	1,475,419	2,271,603	365,714	41,541	240,938	367,718	2,856,085	7,619,018
Fund balance, end of year	\$ 1,183,062	\$ 3,568,787	\$ 200,237	\$ 42,231	\$ 242,991	\$ 360,976	\$ 1,218,313	6,816,597

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

Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ 556,000	\$ 905,000	\$ 114,434	\$ (790,566)	\$ -	\$ 114,434
Charges for services	295,093	1,470,093	1,469,089	(1,004)	(175,000)	1,294,089
Use of money and property	35,255	35,255	37,054	1,799	(12,703)	24,351
Miscellaneous receipts	-	178,418	320,618	142,200	-	320,618
Total revenues	886,348	2,588,766	1,941,195	(647,571)	(187,703)	1,753,492
Expenditures:						
Capital projects	1,314,637	2,230,174	704,453	1,525,721	-	704,453
Excess of revenues over (under) expenditures	(428,289)	358,592	1,236,742	878,150	(187,703)	1,049,039
Other financing sources (uses):						
Interfund loan repayments	357,000	357,000	382,603	25,603	(382,603)	-
Interfund loans issued	(736,000)	(736,000)	(255,500)	480,500	255,500	-
Transfer in	264,137	264,137	235,636	(28,501)	382,603	618,239
Transfer out	(77,064)	(114,595)	(114,594)	1	(255,500)	(370,094)
Total other financing sources (uses)	(191,927)	(229,458)	248,145	477,603	-	248,145
Net change in fund balances	(620,216)	129,134	1,484,887	1,355,753	(187,703)	1,297,184
Fund balance, beginning of year	3,196,134	2,073,996	2,073,996	-	197,607	2,271,603
Fund balance, end of year	\$ 2,575,918	\$ 2,203,130	\$ 3,558,883	\$ 1,355,753	\$ 9,904	\$ 3,568,787

City of Springfield, Oregon
STREET CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 6,120	\$ 6,120	\$ 2,829	\$ (3,291)	\$ (776)	\$ 2,053
Expenditures:						
Capital projects	34,000	34,000	-	34,000	-	-
Excess of revenues over (under) expenditures	(27,880)	(27,880)	2,829	30,709	(776)	2,053
Fund balance, beginning of year	628,705	239,223	239,222	(1)	1,716	240,938
Fund balance, end of year	<u>\$ 600,825</u>	<u>\$ 211,343</u>	<u>\$ 242,051</u>	<u>\$ 30,708</u>	<u>\$ 940</u>	<u>\$ 242,991</u>

City of Springfield, Oregon
SDC TRANSPORTATION REIMBURSEMENT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 258,758	\$ 258,758	\$ 72,841	\$ (185,917)	\$ -	\$ 72,841
Use of money and property	1,750	1,750	3,301	1,551	(352)	2,949
Miscellaneous receipts	-	-	885	885	-	885
Total revenues	260,508	260,508	77,027	(183,481)	(352)	76,675
Expenditures:						
Current operating:						
Public works	39,607	39,607	39,605	2	-	39,605
Capital projects	556,743	556,743	33,438	523,305	-	33,438
Total expenditures	596,350	596,350	73,043	523,307	-	73,043
Excess of revenues over (under) expenditures	(335,842)	(335,842)	3,984	339,826	(352)	3,632
Other financing sources (uses):						
Transfer out	(10,374)	(10,374)	(10,374)	-	-	(10,374)
Net change in fund balances	(346,216)	(346,216)	(6,390)	339,826	(352)	(6,742)
Fund balance, beginning of year	348,914	365,922	365,922	-	1,796	367,718
Fund balance, end of year	\$ 2,698	\$ 19,706	\$ 359,532	\$ 339,826	\$ 1,444	\$ 360,976

City of Springfield, Oregon
SDC TRANSPORTATION IMPROVEMENT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,505,889	\$ 1,505,889	\$ 264,299	\$ (1,241,590)	\$ -	\$ 264,299
Use of money and property	19,000	19,000	21,360	2,360	(5,217)	16,143
Miscellaneous receipts	-	-	885	885	-	885
Total revenues	<u>1,524,889</u>	<u>1,524,889</u>	<u>286,544</u>	<u>(1,238,345)</u>	<u>(5,217)</u>	<u>281,327</u>
Expenditures:						
Current operating:						
Public works	229,622	229,622	229,620	2	-	229,620
Capital projects	3,497,773	3,281,767	1,686,901	1,594,866	2,578	1,689,479
Total expenditures	<u>3,727,395</u>	<u>3,511,389</u>	<u>1,916,521</u>	<u>1,594,868</u>	<u>2,578</u>	<u>1,919,099</u>
Net change in fund balances	<u>(2,202,506)</u>	<u>(1,986,500)</u>	<u>(1,629,977)</u>	<u>356,523</u>	<u>(7,795)</u>	<u>(1,637,772)</u>
Fund balance, beginning of year	<u>2,925,634</u>	<u>2,843,797</u>	<u>2,843,798</u>	<u>-</u>	<u>12,287</u>	<u>2,856,085</u>
Fund balance, end of year	<u><u>\$ 723,128</u></u>	<u><u>\$ 857,297</u></u>	<u><u>\$ 1,213,821</u></u>	<u><u>\$ 356,523</u></u>	<u><u>\$ 4,492</u></u>	<u><u>\$ 1,218,313</u></u>

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

Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 15,800	\$ 15,800	\$ 13,092	\$ (2,708)	\$ (1,276)	\$ 11,816
Special assessments	5,000	5,000	22,731	17,731	-	22,731
Total revenues	<u>20,800</u>	<u>20,800</u>	<u>35,823</u>	<u>15,023</u>	<u>(1,276)</u>	<u>34,547</u>
Expenditures:						
Current operating:						
Finance	84,787	84,787	69,110	15,677	-	69,110
Capital projects	-	290,659	250,354	40,305	-	250,354
Total expenditures	<u>84,787</u>	<u>375,446</u>	<u>319,464</u>	<u>55,982</u>	<u>-</u>	<u>319,464</u>
Excess of revenues over (under) expenditures	<u>(63,987)</u>	<u>(354,646)</u>	<u>(283,641)</u>	<u>71,005</u>	<u>(1,276)</u>	<u>(284,917)</u>
Other financing sources (uses):						
Transfer in	6,500	9,132	6,142	(2,990)	-	6,142
Transfer out	(16,123)	(16,123)	(13,582)	2,541	-	(13,582)
Total other financing sources (uses)	<u>(9,623)</u>	<u>(6,991)</u>	<u>(7,440)</u>	<u>(449)</u>	<u>-</u>	<u>(7,440)</u>
Net change in fund balances	<u>(73,610)</u>	<u>(361,637)</u>	<u>(291,081)</u>	<u>70,556</u>	<u>(1,276)</u>	<u>(292,357)</u>
Fund balance, beginning of year	<u>1,481,118</u>	<u>1,469,059</u>	<u>1,469,059</u>	<u>-</u>	<u>6,360</u>	<u>1,475,419</u>
Fund balance, end of year	<u>\$ 1,407,508</u>	<u>\$ 1,107,422</u>	<u>\$ 1,177,978</u>	<u>\$ 70,556</u>	<u>\$ 5,084</u>	<u>\$ 1,183,062</u>

City of Springfield, Oregon
POLICE BUILDING BOND CAPITAL PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ -	\$ -	\$ 1,846	\$ 1,846	\$ -	\$ 1,846
Expenditures:						
Capital projects	-	365,714	167,323	198,391	-	167,323
Net change in fund balances	-	(365,714)	(165,477)	200,237	-	(165,477)
Fund balance, beginning of year	-	365,714	365,714	-	-	365,714
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,237</u>	<u>\$ 200,237</u>	<u>\$ -</u>	<u>\$ 200,237</u>

City of Springfield, Oregon
 SEDA GLENWOOD CAPITAL PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 880,000	\$ 880,000	\$ 1,190	\$ (878,810)	\$ (500)	\$ 690
Expenditures:						
Capital projects	350,000	350,000	-	350,000	-	-
Net change in fund balances	530,000	530,000	1,190	(528,810)	(500)	690
Fund balance, beginning of year	40,771	40,878	40,878	-	663	41,541
Fund balance, end of year	<u>\$ 570,771</u>	<u>\$ 570,878</u>	<u>\$ 42,068</u>	<u>\$ (528,810)</u>	<u>\$ 163</u>	<u>\$ 42,231</u>

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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 assets – budget and actual are presented here for each individual enterprise fund.

Major Enterprise Funds:

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

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

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

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

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

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

Nonmajor Enterprise Funds:

Storm Drainage Reimbursement SDC Fund – This fund accounts for public storm drainage improvements supported by reimbursement system development charges.

Storm Drainage Improvement SDC Fund – This fund accounts for capacity-increasing public storm drainage improvements supported by system development charges.

Sewer Reimbursement SDC Fund – This fund accounts for public sanitary sewer improvements supported by reimbursement system development charges.

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

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City of Springfield, Oregon
COMBINING BALANCE SHEET
NONMAJOR ENTERPRISE FUNDS

June 30, 2011

	Storm Drainage Reimbursement SDC Fund	Storm Drainage Improvement SDC Fund	Sewer Reimbursement SDC Fund	Sewer Improvement SDC Fund	Total
ASSETS					
Current assets:					
Cash and investments	\$ 14,495	\$ 1,708,087	\$ 992,505	\$ 356,817	\$ 3,071,904
Accounts receivable, net of allowance for estimated uncollectibles	-	-	3,562	2,036	5,598
Accrued interest	39	8,184	4,335	1,459	14,017
Total current assets	<u>14,534</u>	<u>1,716,271</u>	<u>1,000,402</u>	<u>360,312</u>	<u>3,091,519</u>
LIABILITIES					
Current liabilities:					
Accounts payable	39	57	-	-	96
NET ASSETS					
Restricted	<u>14,495</u>	<u>1,716,214</u>	<u>1,000,402</u>	<u>360,312</u>	<u>3,091,423</u>
Total net assets	<u>\$ 14,495</u>	<u>\$ 1,716,214</u>	<u>\$ 1,000,402</u>	<u>\$ 360,312</u>	<u>\$ 3,091,423</u>

City of Springfield, Oregon
NONMAJOR ENTERPRISE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
Year Ended June 30, 2011

	Storm Drainage Reimbursement SDC Fund	Storm Drainage Improvement SDC Fund	Sewer Reimbursement SDC Fund	Sewer Improvement SDC Fund	Total Fund
Operating revenues:					
Charges for services	\$ 35,216	\$ 61,382	\$ 231,615	\$ 122,831	\$ 451,044
Operating expenses:					
Public works	27,436	49,649	97,230	36,935	211,250
Operating income (loss)	7,780	11,733	134,385	85,896	239,794
Nonoperating revenues (expenses):					
Interest on investments	53	13,969	7,046	2,419	23,487
Income (loss) before contributions	7,833	25,702	141,431	88,315	263,281
Other financing sources (uses):					
Transfers out	-	(115,648)	-	(45,662)	(161,310)
Change in net assets	7,833	(89,946)	141,431	42,653	101,971
Net assets, beginning of year	6,662	1,806,160	858,971	317,659	2,989,452
Net assets, end of year	\$ 14,495	\$ 1,716,214	\$ 1,000,402	\$ 360,312	\$ 3,091,423

City of Springfield, Oregon
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2011

	Storm Drainage Reimbursement SDC Fund	Storm Drainage Improvement SDC Fund	Sewer Reimbursement SDC Fund	Sewer Improvement SDC Fund	Total
Cash flows from operating activities:					
Cash received from customers	\$ 37,903	\$ 72,141	\$ 239,860	\$ 129,572	\$ 479,476
Cash paid to suppliers for goods and services	<u>(27,397)</u>	<u>(49,592)</u>	<u>(97,230)</u>	<u>(36,935)</u>	<u>(211,154)</u>
Net cash provided by (used in) operating activities	<u>10,506</u>	<u>22,549</u>	<u>142,630</u>	<u>92,637</u>	<u>268,322</u>
Cash flows from noncapital financing activities:					
Operating transfers to other funds	<u>-</u>	<u>(115,648)</u>	<u>-</u>	<u>(45,662)</u>	<u>(161,310)</u>
Cash flows from investing activities:					
Interest received	<u>14</u>	<u>15,542</u>	<u>6,878</u>	<u>2,605</u>	<u>25,039</u>
Net change in cash and investments	10,520	(77,557)	149,508	49,580	132,051
Cash and investments, beginning of year	<u>3,975</u>	<u>1,785,644</u>	<u>842,997</u>	<u>307,237</u>	<u>2,939,853</u>
Cash and investments, end of year	<u>\$ 14,495</u>	<u>\$ 1,708,087</u>	<u>\$ 992,505</u>	<u>\$ 356,817</u>	<u>\$ 3,071,904</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 7,780	\$ 11,733	\$ 134,385	\$ 85,896	\$ 239,794
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Changes in assets and liabilities:					
Accounts receivable	2,687	10,759	8,245	6,741	28,432
Accounts payable	<u>39</u>	<u>57</u>	<u>-</u>	<u>-</u>	<u>96</u>
Net cash provided by (used in) operating activities	<u>\$ 10,506</u>	<u>\$ 22,549</u>	<u>\$ 142,630</u>	<u>\$ 92,637</u>	<u>\$ 268,322</u>

The accompanying notes are an integral part of this statement.

City of Springfield, Oregon
SEWER OPERATIONS FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 6,288,594	\$ 6,429,609	\$ 6,602,070	\$ 172,461	\$ (28,874)	\$ 6,573,196
Use of money and property	54,400	54,400	38,224	(16,176)	(768)	37,456
Miscellaneous receipts	-	-	1,118	1,118	-	1,118
Total revenues	<u>6,342,994</u>	<u>6,484,009</u>	<u>6,641,412</u>	<u>157,403</u>	<u>(29,642)</u>	<u>6,611,770</u>
Expenses:						
Current operating:						
Public works	2,969,232	2,969,232	2,743,388	225,844	142,656	2,886,044
Development services	18,938	18,938	18,571	367	-	18,571
Finance	9,873	9,873	9,856	17	-	9,856
Debt service:						
Principal	1,371,024	1,371,024	1,371,024	-	(1,371,024)	-
Interest	942,050	944,176	944,174	2	(902,283)	41,891
Depreciation	-	-	-	-	1,805,655	1,805,655
Total expenses	<u>5,311,117</u>	<u>5,313,243</u>	<u>5,087,013</u>	<u>226,230</u>	<u>(324,996)</u>	<u>4,762,017</u>
Excess of revenues over (under) expenses	<u>1,031,877</u>	<u>1,170,766</u>	<u>1,554,399</u>	<u>383,633</u>	<u>295,354</u>	<u>1,849,753</u>
Other financing sources (uses):						
Capital contributions	-	-	-	-	1,129,452	1,129,452
Change in net assets	1,031,877	1,170,766	1,554,399	383,633	1,424,806	2,979,205
Net assets, beginning of year	<u>3,794,562</u>	<u>4,364,487</u>	<u>4,364,487</u>	<u>-</u>	<u>47,984,689</u>	<u>52,349,176</u>
Net assets, end of year	<u>\$ 4,826,439</u>	<u>\$ 5,535,253</u>	<u>\$ 5,918,886</u>	<u>\$ 383,633</u>	<u>\$ 49,409,495</u>	<u>\$ 55,328,381</u>

City of Springfield, Oregon
 STORM DRAINAGE OPERATIONS FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 5,207,782	\$ 5,510,095	\$ 5,617,050	\$ 106,955	\$ (19,440)	\$ 5,597,610
Use of money and property	22,230	22,230	19,701	(2,529)	3,736	23,437
Total revenues	<u>5,230,012</u>	<u>5,532,325</u>	<u>5,636,751</u>	<u>104,426</u>	<u>(15,704)</u>	<u>5,621,047</u>
Expenses:						
Current operating:						
Public works	4,319,624	4,319,624	3,710,424	609,200	142,068	3,852,492
Development services	42,552	42,552	41,248	1,304	-	41,248
Finance	9,870	9,870	9,853	17	-	9,853
Debt service:						
Interest	-	168,450	168,450	-	(163,117)	5,333
Total expenses	<u>4,372,046</u>	<u>4,540,496</u>	<u>3,929,975</u>	<u>610,521</u>	<u>(21,049)</u>	<u>3,908,926</u>
Excess of revenues over (under) expenses	<u>857,966</u>	<u>991,829</u>	<u>1,706,776</u>	<u>714,947</u>	<u>5,345</u>	<u>1,712,121</u>
Other financing sources (uses):						
Transfers out	<u>(500,000)</u>	<u>(715,700)</u>	<u>(715,700)</u>	<u>-</u>	<u>-</u>	<u>(715,700)</u>
Change in net assets	357,966	276,129	991,076	714,947	5,345	996,421
Net assets, beginning of year	<u>2,048,834</u>	<u>3,239,103</u>	<u>3,239,103</u>	<u>-</u>	<u>(157,702)</u>	<u>3,081,401</u>
Net assets, end of year	<u>\$ 2,406,800</u>	<u>\$ 3,515,232</u>	<u>\$ 4,230,179</u>	<u>\$ 714,947</u>	<u>\$ (152,357)</u>	<u>\$ 4,077,822</u>

City of Springfield, Oregon
SEWER CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 96,800	\$ 96,800	\$ 161,413	\$ 64,613	\$ (13,233)	\$ 148,180
Miscellaneous receipts	-	-	-	-	250,354	250,354
Total revenues	<u>96,800</u>	<u>96,800</u>	<u>161,413</u>	<u>64,613</u>	<u>237,121</u>	<u>398,534</u>
Expenses:						
Current operating:						
Public works	-	-	-	-	89,488	89,488
Capital projects	16,043,190	16,369,777	1,894,203	14,475,574	(1,894,203)	-
Total expenses	<u>16,043,190</u>	<u>16,369,777</u>	<u>1,894,203</u>	<u>14,475,574</u>	<u>(1,804,715)</u>	<u>89,488</u>
Change in net assets	(15,946,390)	(16,272,977)	(1,732,790)	14,540,187	2,041,836	309,046
Net assets, beginning of year	<u>17,704,989</u>	<u>18,905,611</u>	<u>18,905,611</u>	-	(15,995,649)	2,909,962
Net assets, end of year	<u>\$ 1,758,599</u>	<u>\$ 2,632,634</u>	<u>\$ 17,172,821</u>	<u>\$ 14,540,187</u>	<u>\$ (13,953,813)</u>	<u>\$ 3,219,008</u>

City of Springfield, Oregon
STORM DRAINAGE CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 10,100	\$ 10,100	\$ 17,305	\$ 7,205	\$ 26,501	\$ 43,806
Expenses:						
Current operating:						
Public works	-	-	-	-	180,328	180,328
Debt service:						
Bond issue costs	-	200,000	101,098	(98,902)	(101,098)	-
Interest	-	-	-	-	(19,058)	(19,058)
Capital projects	964,880	10,044,657	732,723	9,311,934	(732,723)	-
Total expenses	964,880	10,244,657	833,821	9,213,032	(672,551)	161,270
Excess of revenues over (under) expenses	(954,780)	(10,234,557)	(816,516)	9,220,237	699,052	(117,464)
Other financing sources:						
Transfers in	500,000	715,700	715,700	-	89,999	805,699
Proceeds from revenue bond sale	-	10,000,000	10,521,066	521,066	(10,521,066)	-
Capital contributions	-	-	-	-	318	318
Total other financing sources (uses)	500,000	10,715,700	11,236,766	521,066	(10,430,749)	806,017
Change in net assets	(454,780)	481,143	10,420,250	9,220,237	(9,731,697)	688,553
Net assets, beginning of year	1,238,844	1,326,677	1,326,677	-	5,991	1,332,668
Net assets, end of year	\$ 784,064	\$ 1,807,820	\$ 11,746,927	\$ 9,220,237	\$ (9,725,706)	\$ 2,021,221

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

Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 4,895,678	\$ 4,895,678	\$ 5,214,207	\$ 318,529	\$ 6,463,497	\$ 11,677,704
Less: Contractual adjustments	-	-	-	-	(6,504,177)	(6,504,177)
Intergovernmental revenues	-	116,471	114,998	(1,473)	-	114,998
Use of money and property	1,000	1,000	7,779	6,779	1,520	9,299
Miscellaneous receipts	5,000	5,000	1,664	(3,336)	-	1,664
Total revenues	<u>4,901,678</u>	<u>5,018,149</u>	<u>5,338,648</u>	<u>320,499</u>	<u>(39,160)</u>	<u>5,299,488</u>
Expenses:						
Current operating:						
Fire	5,092,719	5,224,190	5,087,042	137,148	158,301	5,245,343
Depreciation	-	-	-	-	21,046	21,046
Total expenses	<u>5,092,719</u>	<u>5,224,190</u>	<u>5,087,042</u>	<u>137,148</u>	<u>179,347</u>	<u>5,266,389</u>
Excess of revenues over (under) expenses	(191,041)	(206,041)	251,606	457,647	(218,507)	33,099
Other financing sources (uses):						
Transfers in	145,543	160,543	-	(160,543)	-	-
Change in net assets	(45,498)	(45,498)	251,606	297,104	(218,507)	33,099
Net assets, beginning of year	45,498	45,498	-	(45,498)	(110,150)	(110,150)
Net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,606</u>	<u>\$ 251,606</u>	<u>\$ (328,657)</u>	<u>\$ (77,051)</u>

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

Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,323,357	\$ 1,323,357	\$ 1,423,952	\$ 100,595	\$ 19,850	\$ 1,443,802
Use of money	4,000	4,000	6,641	2,641	110	6,751
Total revenues	<u>1,327,357</u>	<u>1,327,357</u>	<u>1,430,593</u>	<u>103,236</u>	<u>19,960</u>	<u>1,450,553</u>
Expenses:						
Current operating:						
Public works	14,767	28,045	19,819	8,226	2,197	22,016
Development services	350,993	350,993	224,476	126,517	5,879	230,355
Capital projects	444,000	474,281	7,188	467,093	(7,188)	-
Debt service:						
Principal	517,374	517,374	517,374	-	(517,374)	-
Interest	401,940	401,940	401,940	-	(2,695)	399,245
Depreciation	-	-	-	-	721,579	721,579
Total expenses	<u>1,729,074</u>	<u>1,772,633</u>	<u>1,170,797</u>	<u>601,836</u>	<u>202,398</u>	<u>1,373,195</u>
Excess of revenues over (under) expenses	<u>(401,717)</u>	<u>(445,276)</u>	<u>259,796</u>	<u>705,072</u>	<u>(182,438)</u>	<u>77,358</u>
Other financing sources (uses):						
Transfers out	<u>(35,736)</u>	<u>(35,736)</u>	<u>(35,736)</u>	<u>-</u>	<u>-</u>	<u>(35,736)</u>
Change in net assets	<u>(437,453)</u>	<u>(481,012)</u>	<u>224,060</u>	<u>705,072</u>	<u>(182,438)</u>	<u>41,622</u>
Net assets, beginning of year	<u>620,704</u>	<u>752,757</u>	<u>752,757</u>	<u>-</u>	<u>4,872,414</u>	<u>5,625,171</u>
Net assets, end of year	<u>\$ 183,251</u>	<u>\$ 271,745</u>	<u>\$ 976,817</u>	<u>\$ 705,072</u>	<u>\$ 4,689,976</u>	<u>\$ 5,666,793</u>

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

Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 158,526	\$ 164,012	\$ 37,902	\$ (126,110)	\$ (2,686)	\$ 35,216
Use of money and property	570	570	21	(549)	32	53
Total revenues	159,096	164,582	37,923	(126,659)	(2,654)	35,269
Expenses:						
Current operating:						
Public works	24,475	29,961	27,436	2,525	-	27,436
Capital projects	21,000	21,000	-	21,000	-	-
Total expenses	45,475	50,961	27,436	23,525	-	27,436
Change in net assets	113,621	113,621	10,487	(103,134)	(2,654)	7,833
Net assets, beginning of year	-	3,974	3,974	-	2,688	6,662
Net assets, end of year	\$ 113,621	\$ 117,595	\$ 14,461	\$ (103,134)	\$ 34	\$ 14,495

City of Springfield, Oregon
 STORM IMPROVEMENT SYSTEM DEVELOPMENT CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 (NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 263,389	\$ 276,343	\$ 72,141	\$ (204,202)	\$ (10,759)	\$ 61,382
Use of money and property	12,000	12,000	14,769	2,769	(800)	13,969
Total revenues	<u>275,389</u>	<u>288,343</u>	<u>86,910</u>	<u>(201,433)</u>	<u>(11,559)</u>	<u>75,351</u>
Expenses:						
Current operating:						
Public works	40,497	53,451	49,551	3,900	98	49,649
Capital projects	1,425,638	1,425,638	90,096	1,335,542	(90,096)	-
Total expenses	<u>1,466,135</u>	<u>1,479,089</u>	<u>139,647</u>	<u>1,339,442</u>	<u>(89,998)</u>	<u>49,649</u>
Excess of revenues over (under) expenses	(1,190,746)	(1,190,746)	(52,737)	1,138,009	78,439	25,702
Other financing sources (uses):						
Transfers out	(25,649)	(25,649)	(25,649)	-	(89,999)	(115,648)
Change in net assets	(1,216,395)	(1,216,395)	(78,386)	1,138,009	(11,560)	(89,946)
Net assets, beginning of year	<u>1,814,982</u>	<u>1,787,819</u>	<u>1,787,819</u>	<u>-</u>	<u>18,341</u>	<u>1,806,160</u>
Net assets, end of year	<u>\$ 598,587</u>	<u>\$ 571,424</u>	<u>\$ 1,709,433</u>	<u>\$ 1,138,009</u>	<u>\$ 6,781</u>	<u>\$ 1,716,214</u>

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

Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 480,962	\$ 480,962	\$ 239,859	\$ (241,103)	\$ (8,244)	\$ 231,615
Use of money and property	9,000	9,000	6,693	(2,307)	353	7,046
Total revenues	<u>489,962</u>	<u>489,962</u>	<u>246,552</u>	<u>(243,410)</u>	<u>(7,891)</u>	<u>238,661</u>
Expenses:						
Current operating:						
Public works	73,872	73,872	73,870	2	23,360	97,230
Capital projects	254,000	254,000	23,360	230,640	(23,360)	-
Total expenses	<u>327,872</u>	<u>327,872</u>	<u>97,230</u>	<u>230,642</u>	<u>-</u>	<u>97,230</u>
Change in net assets	162,090	162,090	149,322	(12,768)	(7,891)	141,431
Net assets, beginning of year	<u>803,175</u>	<u>843,926</u>	<u>843,926</u>	<u>-</u>	<u>15,045</u>	<u>858,971</u>
Net assets, end of year	<u>\$ 965,265</u>	<u>\$ 1,006,016</u>	<u>\$ 993,248</u>	<u>\$ (12,768)</u>	<u>\$ 7,154</u>	<u>\$ 1,000,402</u>

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

Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 241,497	\$ 241,497	\$ 129,573	\$ (111,924)	\$ (6,742)	\$ 122,831
Use of money and property	3,350	3,350	2,487	(863)	(68)	2,419
Total revenues	<u>244,847</u>	<u>244,847</u>	<u>132,060</u>	<u>(112,787)</u>	<u>(6,810)</u>	<u>125,250</u>
Expenses:						
Current operating:						
Public works	36,937	36,937	36,935	2	-	36,935
Capital projects	85,000	85,000	-	85,000	-	-
Total expenses	<u>121,937</u>	<u>121,937</u>	<u>36,935</u>	<u>85,002</u>	<u>-</u>	<u>36,935</u>
Excess of revenues over (under) expenses	122,910	122,910	95,125	(27,785)	(6,810)	88,315
Other financing sources (uses):						
Transfers out	(45,662)	(45,662)	(45,662)	-	-	(45,662)
Change in net assets	77,248	77,248	49,463	(27,785)	(6,810)	42,653
Net assets, beginning of year	298,030	307,604	307,604	-	10,055	317,659
Net assets, end of year	<u>\$ 375,278</u>	<u>\$ 384,852</u>	<u>\$ 357,067</u>	<u>\$ (27,785)</u>	<u>\$ 3,245</u>	<u>\$ 360,312</u>

SPRINGFIELD



OREGON

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 assets – budget and actual are presented here for each individual internal service fund.

Vehicle & 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 program. Resources are provided by charges to other City funds.

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

SPRINGFIELD



OREGON

City of Springfield, Oregon
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2011

	Vehicle and Equipment	Insurance	SDC Administration	Total
ASSETS				
Current assets:				
Cash and investments	\$ 7,390,492	\$ 4,846,132	\$ 245,237	\$ 12,481,861
Accounts receivable	-	227,612	702	228,314
Accrued interest receivable	32,807	21,427	1,091	55,325
Total current assets	7,423,299	5,095,171	247,030	12,765,500
Capital assets:				
Machinery and equipment	15,194,667	-	-	15,194,667
Less accumulated depreciation	9,694,461	-	-	9,694,461
Total capital assets	5,500,206	-	-	5,500,206
Total assets	12,923,505	5,095,171	247,030	18,265,706
LIABILITIES				
Current liabilities:				
Accounts and contracts payable	32,063	141,077	1,320	174,460
Accrued interest payable	25,901	-	-	25,901
Capital lease obligation, current portion	262,664	-	-	262,664
Accrued payroll and other related liabilities	-	172,602	19,138	191,740
Total current liabilities	320,628	313,679	20,458	654,765
Noncurrent liabilities:				
Capital lease obligation, less current portion	845,871	-	-	845,871
Net OPEB obligation payable	-	7,456	12,030	19,486
Total noncurrent liabilities	845,871	7,456	12,030	865,357
Total liabilities	1,166,499	321,135	32,488	1,520,122
NET ASSETS				
Invested in capital assets, net of related debt	4,391,671	-	-	4,391,671
Unrestricted	7,365,335	4,774,036	214,542	12,353,913
Total net assets	\$ 11,757,006	\$ 4,774,036	\$ 214,542	\$ 16,745,584

City of Springfield, Oregon
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
Year ended June 30, 2011

	Vehicle and Equipment	Insurance	SDC Administration	Total
Operating revenues:				
Charges for services	\$ 1,495,069	\$ 2,287,786	\$ 466,491	\$ 4,249,346
Licenses & permits	-	-	48,140	48,140
Intergovernmental revenue	-	12,546	-	12,546
Miscellaneous receipts	-	642,943	-	642,943
	<u>1,495,069</u>	<u>2,943,275</u>	<u>514,631</u>	<u>4,952,975</u>
Total operating revenues				
Operating expenses:				
Current operating:				
Court	1,764	-	-	1,764
Human resources	-	1,810,433	-	1,810,433
Finance	2,757	-	28,266	31,023
Information technology	63,594	-	-	63,594
Fire	28,538	-	-	28,538
Police	2,522	-	-	2,522
Public works	13,273	-	357,393	370,666
Development services	-	-	93,316	93,316
Depreciation	1,097,717	-	-	1,097,717
	<u>1,210,165</u>	<u>1,810,433</u>	<u>478,975</u>	<u>3,499,573</u>
Total operating expenses				
Operating income (loss)	<u>284,904</u>	<u>1,132,842</u>	<u>35,656</u>	<u>1,453,402</u>
Nonoperating revenues(expenses):				
Interest income	53,890	35,715	2,167	91,772
Interest expense	(44,387)	-	-	(44,387)
Gain (loss) on disposition of equipment	(28,886)	-	-	(28,886)
	<u>(19,383)</u>	<u>35,715</u>	<u>2,167</u>	<u>18,499</u>
Total nonoperating revenues (expenses)				
Income (loss) before capital contributions and transfers	265,521	1,168,557	37,823	1,471,901
Transfers out	-	(484,731)	-	(484,731)
Capital contributions	191,489	-	-	191,489
	<u>457,010</u>	<u>683,826</u>	<u>37,823</u>	<u>1,178,659</u>
Change in net assets				
Net assets, beginning of year	<u>11,299,996</u>	<u>4,090,210</u>	<u>176,719</u>	<u>15,566,925</u>
Net assets, end of year	<u>\$ 11,757,006</u>	<u>\$ 4,774,036</u>	<u>\$ 214,542</u>	<u>\$ 16,745,584</u>

City of Springfield, Oregon
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2011

	Vehicle and Equipment	Insurance	SDC Administration	Total
Cash flows from operating activities:				
Cash received from interfund services provided	\$ 1,495,069	\$ 2,060,174	\$ 478,369	\$ 4,033,612
Cash paid for employee services	-	(222,427)	(386,372)	(608,799)
Cash paid to suppliers for goods and services	(96,374)	(1,601,640)	(120,749)	(1,818,763)
Other operating receipts	-	655,489	48,140	703,629
	<u>1,398,695</u>	<u>891,596</u>	<u>19,388</u>	<u>2,309,679</u>
Cash flows from noncapital financing activities:				
Operating transfers to other funds	-	(484,731)	-	(484,731)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(376,214)	-	-	(376,214)
Disposition of capital assets	134,361	-	-	134,361
Capital lease principal paid	(273,776)	-	-	(273,776)
Interest paid	(44,387)	-	-	(44,387)
	<u>(560,016)</u>	<u>-</u>	<u>-</u>	<u>(560,016)</u>
Cash flows from investing activities:				
Interest received	54,593	41,047	2,933	98,573
	<u>893,272</u>	<u>447,912</u>	<u>22,321</u>	<u>1,363,505</u>
Cash and investments, beginning of year				
	<u>6,497,220</u>	<u>4,398,220</u>	<u>222,916</u>	<u>11,118,356</u>
Cash and investments, end of year				
	<u>\$ 7,390,492</u>	<u>\$ 4,846,132</u>	<u>\$ 245,237</u>	<u>\$ 12,481,861</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 284,904	\$ 1,132,842	\$ 35,656	\$ 1,453,402
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,097,717	-	-	1,097,717
Changes in assets and liabilities:				
Accounts receivable	-	(227,612)	11,878	(215,734)
Accounts payable	22,361	(42,300)	(1,928)	(21,867)
Accrued interest payable	(6,287)	-	-	(6,287)
Accrued payroll and other liabilities	-	25,104	(32,202)	(7,098)
Net OPEB obligation payable	-	3,562	5,984	9,546
	<u>1,398,695</u>	<u>891,596</u>	<u>19,388</u>	<u>2,309,679</u>
Noncash capital and related financing activities:				
Contributed capital assets	\$ 191,489	\$ -	\$ -	\$ 191,489
Retirement and disposition of capital assets, net of accumulated depreciation	(28,886)	-	-	(28,886)

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

Year ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 1,649,673	\$ 1,594,857	\$ 1,495,069	\$ (99,788)	\$ -	\$ 1,495,069
Use of money and property	63,879	63,879	52,743	(11,136)	1,147	53,890
Miscellaneous receipts	-	-	134,361	134,361	(134,361)	-
Total revenues	1,713,552	1,658,736	1,682,173	23,437	(133,214)	1,548,959
Expenses:						
Current operating:						
City manager's office	2,400	2,400	-	2,400	-	-
Court	4,000	4,750	1,764	2,986	-	1,764
Human resources	5,200	5,200	-	5,200	-	-
Finance	8,150	8,150	2,757	5,393	-	2,757
Information technology	211,000	211,000	139,795	71,205	(76,201)	63,594
Library	5,200	5,200	-	5,200	-	-
Fire	438,000	438,000	177,773	260,227	(149,235)	28,538
Police	175,100	215,100	158,637	56,463	(156,115)	2,522
Public works	469,185	497,046	60,667	436,379	(47,394)	13,273
Development services	-	6,500	-	6,500	-	-
Debt service:						
Principal	260,496	260,496	257,467	3,029	(257,467)	-
Interest	51,280	51,280	50,675	605	(6,288)	44,387
Depreciation	-	-	-	-	1,097,717	1,097,717
Total expenses	1,630,011	1,705,122	849,535	855,587	405,017	1,254,552
Excess of revenues over (under) expenses	83,541	(46,386)	832,638	879,024	(538,231)	294,407
Other financing sources (uses):						
Gain (loss) on disposal of assets	-	-	-	-	(28,886)	(28,886)
Assets contributed by other funds	-	-	-	-	191,489	191,489
Transfers out	(80,000)	(80,000)	-	(80,000)	-	-
Total other financing sources (uses)	(80,000)	(80,000)	-	(80,000)	162,603	162,603
Change in net assets	3,541	(126,386)	832,638	(959,024)	(375,628)	457,010
Net assets, beginning of year	6,380,424	6,531,411	6,531,411	-	4,768,585	11,299,996
Net assets, end of year	\$ 6,383,965	\$ 6,405,025	\$ 7,364,049	\$ (959,024)	\$ 4,392,957	\$ 11,757,006

City of Springfield, Oregon
INSURANCE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
(NONGAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 16,171,698	\$ 16,171,698	\$ 14,681,251	\$ (1,490,447)	\$ (12,393,465)	\$ 2,287,786
Intergovernmental revenue	30,000	30,000	12,546	(17,454)	-	12,546
Use of money and property	53,000	53,000	38,753	(14,247)	(3,038)	35,715
Miscellaneous receipts	25,000	25,000	642,943	617,943	-	642,943
Total revenues	16,279,698	16,279,698	15,375,493	(904,205)	(12,396,503)	2,978,990
Expenses:						
Current operating:						
Human resources	812,568	813,451	692,483	120,968	1,117,950	1,810,433
Statutory payments	15,481,755	15,481,755	13,503,663	1,978,092	(13,503,663)	-
Total expenses	16,294,323	16,295,206	14,196,146	2,099,060	(12,385,713)	1,810,433
Excess of revenues over (under) expenses	(14,625)	(15,508)	1,179,347	1,194,855	(10,790)	1,168,557
Other financing sources (uses):						
Transfers out	(482,852)	(484,731)	(484,731)	-	-	(484,731)
Change in net assets	(497,477)	(500,239)	694,616	1,194,855	(10,790)	683,826
Net assets, beginning of year	4,573,352	4,080,811	4,080,811	-	9,399	4,090,210
Net assets, end of year	<u>\$ 4,075,875</u>	<u>\$ 3,580,572</u>	<u>\$ 4,775,427</u>	<u>\$ 1,194,855</u>	<u>\$ (1,391)</u>	<u>\$ 4,774,036</u>

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

Year ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 445,000	\$ 445,000	\$ 475,250	\$ 30,250	\$ (8,759)	\$ 466,491
Licenses and permits	55,641	55,641	51,259	(4,382)	(3,119)	48,140
Use of money and property	1,200	1,200	2,704	1,504	(537)	2,167
Total revenues	<u>501,841</u>	<u>501,841</u>	<u>529,213</u>	<u>27,372</u>	<u>(12,415)</u>	<u>516,798</u>
Expenses:						
Current operating:						
Finance	28,266	28,266	28,266	-	-	28,266
Public works	489,115	489,115	381,185	107,930	(23,792)	357,393
Development services	98,889	98,889	93,316	5,573	-	93,316
Total expenses	<u>616,270</u>	<u>616,270</u>	<u>502,767</u>	<u>113,503</u>	<u>(23,792)</u>	<u>478,975</u>
Change in net assets	(114,429)	(114,429)	26,446	140,875	11,377	37,823
Net assets, beginning of year	<u>176,948</u>	<u>203,669</u>	<u>203,669</u>	<u>-</u>	<u>(26,950)</u>	<u>176,719</u>
Net assets, end of year	<u>\$ 62,519</u>	<u>\$ 89,240</u>	<u>\$ 230,115</u>	<u>\$ 140,875</u>	<u>\$ (15,573)</u>	<u>\$ 214,542</u>

Fiduciary Funds

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

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

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

SPRINGFIELD



OREGON

City of Springfield, Oregon
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 Year Ended June 30, 2011

	Beginning Balance	Additions	Reductions	Ending Balance
ASSETS				
Cash and investments	\$ 2,849,741	\$ 14,024,510	\$ (13,864,874)	\$ 3,009,377
LIABILITIES				
Due to other agencies	\$ 2,849,741	\$ 23,771,018	\$ (23,611,382)	\$ 3,009,377

SPRINGFIELD



OREGON

Component Unit

Budget and actual statements are presented here for the City's discretely presented component unit, the Metropolitan Wastewater Management Commission.

The Metropolitan Wastewater Management Commission is budgeted in one enterprise fund, four capital project funds and one debt service fund. A combining statement is also presented here.

SPRINGFIELD



OREGON

Metropolitan Wastewater Management Commission
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 Year Ended June 30, 2011

	Regional Wastewater Fund	Regional Capital Fund	Regional Bond Capital Fund	Regional Wastewater Improve SDC Fund	Regional Wastewater Reimb SDC Fund	Regional Debt Service Fund	Eliminations	Total
Revenues:								
Charges for services	\$ 27,689,038	\$ 4,108	\$ -	\$ 643,669	\$ 51,621	\$ -	\$ (972,205)	\$ 27,416,231
Use of money and property	120,826	284,288	183,036	34,766	13,788	-	-	636,704
Licenses and permits	9,442	-	-	-	-	-	-	9,442
Fines and forfeitures	1,400	-	-	-	-	-	-	1,400
Miscellaneous receipts	2,491	-	8,276	-	-	-	-	10,767
Total revenues	27,823,197	288,396	191,312	678,435	65,409	-	(972,205)	28,074,544
Expenses:								
Current operating:								
Finance	79,825	-	-	-	-	-	-	79,825
Public works	13,826,893	19,881	13,074	1,132	1,177	-	(972,205)	12,889,952
Debt service:								
Interest	161,130	(156,434)	(14,178)	-	-	2,061,521	-	2,052,039
Depreciation	7,365,057	-	-	-	-	-	-	7,365,057
Total expenses	21,432,905	(136,553)	(1,104)	1,132	1,177	2,061,521	(972,205)	22,386,873
Excess of revenues over (under) expenses	6,390,292	424,949	192,416	677,303	64,232	(2,061,521)	-	5,687,671
Other financing sources (uses):								
Transfers in	8,488,141	12,677,984	1,675,000	-	-	7,851,288	(30,692,413)	-
Transfers out	(16,304,272)	(4,679,457)	(1,534,164)	(2,500,000)	(50,000)	(5,624,520)	30,692,413	-
Loss on disposal of assets	(409,162)	-	-	-	-	-	-	(409,162)
Total other financing sources (uses)	(8,225,293)	7,998,527	140,836	(2,500,000)	(50,000)	2,226,768	-	(409,162)
Change in net assets	(1,835,001)	8,423,476	333,252	(1,822,697)	14,232	165,247	-	5,278,509
Net assets, beginning of year	145,922,152	(15,641,779)	(19,244,429)	4,434,164	32,055	422,028	-	115,924,191
Prior period adjustment	327,663	-	-	-	-	-	-	327,663
Net assets, as restated	146,249,815	(15,641,779)	(19,244,429)	4,434,164	32,055	422,028	-	116,251,854
Net assets, end of year	\$ <u>144,414,814</u>	\$ <u>(7,218,303)</u>	\$ <u>(18,911,177)</u>	\$ <u>2,611,467</u>	\$ <u>46,287</u>	\$ <u>587,275</u>	\$ <u>-</u>	\$ <u>121,530,363</u>

Metropolitan Wastewater Management Commission
REGIONAL WASTEWATER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 26,920,795	\$ 26,920,795	\$ 27,429,000	\$ 508,205	\$ 260,038	\$ 27,689,038
Use of money and property	150,000	150,000	115,045	(34,955)	5,781	120,826
Licenses and permits	7,500	7,500	9,414	1,914	28	9,442
Fines and forfeitures	1,500	1,500	1,400	(100)	-	1,400
Miscellaneous receipts	700,500	700,500	2,491	(698,009)	-	2,491
Total revenues	<u>27,780,295</u>	<u>27,780,295</u>	<u>27,557,350</u>	<u>(222,945)</u>	<u>265,847</u>	<u>27,823,197</u>
Expenses:						
Current operating:						
Finance	87,171	87,171	79,825	7,346	-	79,825
Public works	15,060,269	15,060,269	13,626,346	1,433,923	200,547	13,826,893
Debt service:						
Debt service principal	425,000	425,000	163,140	261,860	(163,140)	-
Interest	165,650	165,650	97,241	68,409	63,889	161,130
Depreciation	-	-	-	-	7,365,057	7,365,057
Total expenses	<u>15,738,090</u>	<u>15,738,090</u>	<u>13,966,552</u>	<u>1,771,538</u>	<u>7,466,353</u>	<u>21,432,905</u>
Excess of revenues over (under) expenses	<u>12,042,205</u>	<u>12,042,205</u>	<u>13,590,798</u>	<u>1,548,593</u>	<u>(7,200,506)</u>	<u>6,390,292</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	8,488,141	8,488,141
Transfers out	(16,141,132)	(16,141,132)	(16,141,132)	-	(163,140)	(16,304,272)
Gain (loss) on disposal of assets	-	-	-	-	(409,162)	(409,162)
Total other financing sources (uses)	<u>(16,141,132)</u>	<u>(16,141,132)</u>	<u>(16,141,132)</u>	<u>-</u>	<u>7,915,839</u>	<u>(8,225,293)</u>
Change in net assets	<u>(4,098,927)</u>	<u>(4,098,927)</u>	<u>(2,550,334)</u>	<u>1,548,593</u>	<u>715,333</u>	<u>(1,835,001)</u>
Net assets, beginning of year	10,584,063	10,959,616	10,959,616	-	134,962,536	145,922,152
Prior period adjustment	-	-	-	-	327,663	327,663
Net assets, as restated	<u>10,584,063</u>	<u>10,959,616</u>	<u>10,959,616</u>	<u>-</u>	<u>135,290,199</u>	<u>146,249,815</u>
Net assets, end of year	<u>\$ 6,485,136</u>	<u>\$ 6,860,689</u>	<u>\$ 8,409,282</u>	<u>\$ 1,548,593</u>	<u>\$ 136,005,532</u>	<u>\$ 144,414,814</u>

Metropolitan Wastewater Management Commission
REGIONAL WASTEWATER CAPITAL FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Intergovernmental revenue	\$ -	\$ -	\$ 4,108	\$ 4,108	\$ -	\$ 4,108
Use of money and property	355,300	355,300	265,559	(89,741)	18,729	284,288
Total revenues	<u>355,300</u>	<u>355,300</u>	<u>269,667</u>	<u>(85,633)</u>	<u>18,729</u>	<u>288,396</u>
Expenses:						
Current operating:						
Public works	605,579	907,515	331,959	575,556	(312,078)	19,881
Debt service:						
Interest	-	-	-	-	(156,434)	(156,434)
Capital projects	26,111,059	23,703,589	4,347,497	19,356,092	(4,347,497)	-
Bond sale expense	-	174,513	174,512	(1)	(174,512)	-
Total expenses	<u>26,716,638</u>	<u>24,785,617</u>	<u>4,853,968</u>	<u>19,931,647</u>	<u>(4,990,521)</u>	<u>(136,553)</u>
Excess of revenues over (under) expenses	<u>(26,361,338)</u>	<u>(24,430,317)</u>	<u>(4,584,301)</u>	<u>19,846,016</u>	<u>5,009,250</u>	<u>424,949</u>
Other financing sources (uses):						
Transfers in	10,839,844	10,839,844	10,839,844	-	1,838,140	12,677,984
Transfers out	-	-	-	-	(4,679,457)	(4,679,457)
Intergovernmental	10,306,739	10,306,739	3,349,528	(6,957,211)	(3,349,528)	-
Total other financing sources (uses)	<u>21,146,583</u>	<u>21,146,583</u>	<u>14,189,372</u>	<u>(6,957,211)</u>	<u>(6,190,845)</u>	<u>7,998,527</u>
Change in net assets	<u>(5,214,755)</u>	<u>(3,283,734)</u>	<u>9,605,071</u>	<u>12,888,805</u>	<u>(1,181,595)</u>	<u>8,423,476</u>
Net assets, beginning of year	<u>34,863,273</u>	<u>35,138,081</u>	<u>35,138,079</u>	<u>(2)</u>	<u>(50,779,858)</u>	<u>(15,641,779)</u>
Net assets, end of year	<u>\$ 29,648,518</u>	<u>\$ 31,854,347</u>	<u>\$ 44,743,150</u>	<u>\$ 12,888,803</u>	<u>\$ (51,961,453)</u>	<u>\$ (7,218,303)</u>

Metropolitan Wastewater Management Commission
REGIONAL WASTEWATER BOND CAPITAL FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Use of money and property	\$ 148,550	\$ 148,550	\$ 158,221	\$ 9,671	\$ 24,815	\$ 183,036
Miscellaneous receipts	3,500	3,500	8,275	4,775	1	8,276
Total revenues	<u>152,050</u>	<u>152,050</u>	<u>166,496</u>	<u>14,446</u>	<u>24,816</u>	<u>191,312</u>
Expenses:						
Current operating:						
Public works	-	-	-	-	13,074	13,074
Debt service:						
Interest	-	-	-	-	(14,178)	(14,178)
Arbitrage	-	294,810	-	294,810	-	-
Capital projects	6,253,709	19,222,484	1,534,163	17,688,321	(1,534,163)	-
Total expenses	<u>6,253,709</u>	<u>19,517,294</u>	<u>1,534,163</u>	<u>17,983,131</u>	<u>(1,535,267)</u>	<u>(1,104)</u>
Excess of revenues over (under) expenses	<u>(6,101,659)</u>	<u>(19,365,244)</u>	<u>(1,367,667)</u>	<u>17,997,577</u>	<u>1,560,083</u>	<u>192,416</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	1,675,000	1,675,000
Transfers out	-	-	-	-	(1,534,164)	(1,534,164)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,836</u>	<u>140,836</u>
Change in net assets	<u>(6,101,659)</u>	<u>(19,365,244)</u>	<u>(1,367,667)</u>	<u>17,997,577</u>	<u>1,700,919</u>	<u>333,252</u>
Net assets, beginning of year	<u>15,197,563</u>	<u>29,859,692</u>	<u>29,859,693</u>	<u>1</u>	<u>(49,104,122)</u>	<u>(19,244,429)</u>
Net assets, end of year	<u>\$ 9,095,904</u>	<u>\$ 10,494,448</u>	<u>\$ 28,492,026</u>	<u>\$ 17,997,578</u>	<u>\$ (47,403,203)</u>	<u>\$ (18,911,177)</u>

Metropolitan Wastewater Management Commission
REGIONAL WASTEWATER IMPROVEMENT SDC FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 530,848	\$ 530,848	\$ 639,868	\$ 109,020	\$ 3,801	\$ 643,669
Use of money and property	32,930	32,930	42,793	9,863	(8,027)	34,766
Total revenues	<u>563,778</u>	<u>563,778</u>	<u>682,661</u>	<u>118,883</u>	<u>(4,226)</u>	<u>678,435</u>
Expenses:						
Current operating:						
Public works	4,000	4,000	1,132	2,868	-	1,132
Excess of revenues over (under) expenses	559,778	559,778	681,529	121,751	(4,226)	677,303
Other financing sources (uses):						
Transfers out	(2,500,000)	(2,500,000)	(2,500,000)	-	-	(2,500,000)
Change in net assets	(1,940,222)	(1,940,222)	(1,818,471)	121,751	(4,226)	(1,822,697)
Net assets, beginning of year	4,279,825	4,410,944	4,410,945	1	23,219	4,434,164
Net assets, end of year	<u>\$ 2,339,603</u>	<u>\$ 2,470,722</u>	<u>\$ 2,592,474</u>	<u>\$ 121,752</u>	<u>\$ 18,993</u>	<u>\$ 2,611,467</u>

Metropolitan Wastewater Management Commission
REGIONAL WASTEWATER REIMBURSEMENT SDC FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Revenues:						
Charges for services	\$ 58,433	\$ 58,433	\$ 51,265	\$ (7,168)	\$ 356	\$ 51,621
Use of money and property	271	271	15,057	14,786	(1,269)	13,788
Total revenues	<u>58,704</u>	<u>58,704</u>	<u>66,322</u>	<u>7,618</u>	<u>(913)</u>	<u>65,409</u>
Expenses:						
Current operating:						
Public works	7,500	7,500	1,177	6,323	-	1,177
Excess of revenues over (under) expenses	51,204	51,204	65,145	13,941	(913)	64,232
Other financing sources (uses):						
Transfers out	(50,000)	(50,000)	(50,000)	-	-	(50,000)
Change in net assets	1,204	1,204	15,145	-	(913)	14,232
Net assets, beginning of year	26,496	24,958	24,958	-	7,097	32,055
Net assets, end of year	<u>\$ 27,700</u>	<u>\$ 26,162</u>	<u>\$ 40,103</u>	<u>\$ 13,941</u>	<u>\$ 6,184</u>	<u>\$ 46,287</u>

Metropolitan Wastewater Management Commission
REGIONAL WASTEWATER DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
(NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Original Budget	Revised Budget	Budget Basis Actual	Variance	Adjustments to Budget Basis Actual	GAAP Basis Actual
Expenses:						
Debt service:						
Principal	\$ 3,360,000	\$ 3,360,000	\$ 3,350,000	\$ 10,000	\$ (3,350,000)	\$ -
Interest	4,491,288	4,491,288	4,358,375	132,913	(2,296,854)	2,061,521
Total expenses	<u>7,851,288</u>	<u>7,851,288</u>	<u>7,708,375</u>	<u>142,913</u>	<u>(5,646,854)</u>	<u>2,061,521</u>
Other financing sources (uses):						
Transfers in	7,851,288	7,851,288	7,851,288	-	-	7,851,288
Transfers out	-	-	-	-	(5,624,520)	(5,624,520)
Total other financing sources (uses)	<u>7,851,288</u>	<u>7,851,288</u>	<u>7,851,288</u>	<u>-</u>	<u>(5,624,520)</u>	<u>2,226,768</u>
Change in net assets	-	-	142,913	-	22,334	165,247
Net assets, beginning of year	-	1,159,591	1,159,590	(1)	(737,562)	422,028
Net assets, end of year	<u>\$ -</u>	<u>\$ 1,159,591</u>	<u>\$ 1,302,503</u>	<u>\$ 142,912</u>	<u>\$ (715,228)</u>	<u>\$ 587,275</u>

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Supplemental Schedules

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City of Springfield, Oregon
 SCHEDULE OF PROPERTY TAX TRANSACTIONS - ALL FUNDS
 Year Ended June 30, 2011

	Taxes Receivable 7/1/2010	Tax Levy	(Adjustments) Interest and (Discounts)	(Deduct) Collections	Taxes Receivable 6/30/2011
Prior Years	\$ 80,332	\$ -	\$ 1,016	\$ (2,630)	\$ 78,718
2001-02	10,987	-	16	(346)	10,657
2002-03	11,675	-	71	(515)	11,231
2003-04	12,339	-	73	(648)	11,764
2004-05	14,110	-	(457)	(1,352)	12,301
2005-06	17,321	-	(1,396)	(1,945)	13,980
2006-07	45,022	-	8,025	(31,521)	21,526
2007-08	140,319	-	19,036	(95,203)	64,152
2008-09	337,611	-	32,818	(161,986)	208,443
2009-10	1,188,244	-	(285,069)	(489,731)	413,444
2010-11	-	26,956,427	(834,043)	(25,339,490)	782,894
	<u>\$ 1,857,960</u>	<u>\$ 26,956,427</u>	<u>\$ (1,059,910)</u>	<u>\$ (26,125,367)</u>	<u>\$ 1,629,110</u>

Summary by fund:

General Fund	\$ (17,139,200)	\$ 1,022,174
Fire Levy Fund	(1,452,605)	86,505
Police Levy Fund	(3,939,594)	220,592
SEDA Glenwood General Fund	(274,115)	17,096
SEDA Downtown General Fund	(179,607)	10,164
Debt Service Funds:		
Bancroft Redemption	(125)	1,640
General Obligation	(3,140,120)	270,941
	<u>\$ (26,125,366)</u>	<u>\$ 1,629,112</u>

SCHEDULE OF OTHER TAX REVENUES RECEIVED

Special Revenue Funds:

Transient room taxes	\$ 777,085
Gas Tax	981,208
911 Tax	286,263
	<u>\$ 2,044,556</u>

City of Springfield, Oregon

SCHEDULE OF BONDED DEBT TRANSACTIONS

Year Ended June 30, 2011

	Issue Date	Effective Interest Rate	Original Issue	Principal Transactions				Interest Transactions				
				Outstanding July 1, 2010	Issued	Bonds Matured/ Called	Bonds Paid	Outstanding June 30, 2011	Outstanding July 1, 2010	Matured 2010-11	Paid in 2010-11	Outstanding June 30, 2011
<u>General Obligation Bonds</u>												
General issue bonds:												
Series 2007	3/9/2007	4.00%	\$ 24,650,000	\$ 22,060,000	\$ -	\$ 995,000	\$ 995,000	\$ 21,065,000	\$ -	\$ 913,370	\$ 913,370	\$ -
Series 2005	7/26/2005	3.48%	12,425,000	7,915,000	-	1,035,000	1,035,000	6,880,000	-	271,458	271,458	-
Total general obligation bonds				<u>\$ 29,975,000</u>	<u>\$ -</u>	<u>\$ 2,030,000</u>	<u>\$ 2,030,000</u>	<u>\$ 27,945,000</u>	<u>\$ -</u>	<u>\$ 1,184,828</u>	<u>\$ 1,184,828</u>	<u>\$ -</u>
<u>Revenue Bonds</u>												
Revenue Bonds:												
Series 2005	5/13/2005	3.70%	\$ 1,985,000	\$ 1,080,000	\$ -	\$ 200,000	\$ 200,000	\$ 880,000	\$ -	\$ 36,563	\$ 36,563	\$ -
Series 2009	4/2/2009	4.07%	22,815,000	22,155,000	-	825,000	825,000	21,330,000	-	883,781	883,781	-
Series 2010	9/22/2010	3.15%	10,000,000	-	10,000,000	-	-	10,000,000	-	168,450	168,450	-
Total City revenue bonds				<u>\$ 23,235,000</u>	<u>\$ 10,000,000</u>	<u>\$ 1,025,000</u>	<u>\$ 1,025,000</u>	<u>\$ 32,210,000</u>	<u>\$ -</u>	<u>\$ 1,088,794</u>	<u>\$ 1,088,794</u>	<u>\$ -</u>
<u>Component Unit</u>												
MWMC Revenue Bonds:												
Series 2006	11/15/2006	3.97%	\$ 47,270,000	\$ 42,605,000	\$ -	\$ 1,675,000	\$ 1,675,000	\$ 40,930,000	\$ -	\$ 2,024,962	\$ 2,024,962	\$ -
Series 2008	11/20/2008	4.91%	50,730,000	49,110,000	-	1,675,000	1,675,000	47,435,000	-	2,333,413	2,333,413	-
Total MWMC revenue bonds				<u>\$ 91,715,000</u>	<u>\$ -</u>	<u>\$ 3,350,000</u>	<u>\$ 3,350,000</u>	<u>\$ 88,365,000</u>	<u>\$ -</u>	<u>\$ 4,358,375</u>	<u>\$ 4,358,375</u>	<u>\$ -</u>

City of Springfield, Oregon

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENTS OF
CITY ISSUED GENERAL OBLIGATION BONDS
GENERAL ISSUE

June 30, 2011

	<u>Series 2005 Bonds</u>		<u>Series 2007 Bonds</u>		Total	Total	Total
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2011-12	\$ 1,065,000	\$ 240,408	\$ 1,035,000	\$ 870,585	\$ 2,100,000	\$ 1,110,993	\$ 3,210,993
2012-13	1,100,000	207,393	1,080,000	826,080	2,180,000	1,033,473	3,213,473
2013-14	1,130,000	171,643	1,125,000	779,640	2,255,000	951,283	3,206,283
2014-15	1,165,000	134,352	1,175,000	731,266	2,340,000	865,618	3,205,618
2015-16	205,000	94,743	1,230,000	678,390	1,435,000	773,133	2,208,133
2016-17	210,000	87,568	1,285,000	623,040	1,495,000	710,608	2,205,608
2017-18	220,000	79,902	1,340,000	565,215	1,560,000	645,117	2,205,117
2018-19	225,000	71,653	1,390,000	514,965	1,615,000	586,618	2,201,618
2019-20	235,000	62,990	1,445,000	462,840	1,680,000	525,830	2,205,830
2020-21	245,000	53,825	1,500,000	406,485	1,745,000	460,310	2,205,310
2021-22	255,000	44,025	1,560,000	346,485	1,815,000	390,510	2,205,510
2022-23	265,000	33,825	1,625,000	284,085	1,890,000	317,910	2,207,910
2023-24	275,000	22,960	1,690,000	219,085	1,965,000	242,045	2,207,045
2024-25	285,000	11,685	1,755,000	151,485	2,040,000	163,170	2,203,170
2025-26	-	-	1,830,000	77,772	1,830,000	77,772	1,907,772
	<u>\$ 6,880,000</u>	<u>\$ 1,316,972</u>	<u>\$ 21,065,000</u>	<u>\$ 7,537,418</u>	<u>\$ 27,945,000</u>	<u>\$ 8,854,390</u>	<u>\$ 36,799,390</u>

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Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	118-122
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	123-126
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.	127-131
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.	132-133
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.	134-136

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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Financial Trend Information

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets, net of related debt	\$ 64,575,366	\$ 67,293,340	\$ 69,745,316	\$ 73,775,040	\$ 82,593,165	\$ 97,072,830	\$ 99,380,714	\$ 107,712,593	\$ 109,751,002
Restricted	4,575,250	8,827,375	8,616,435	6,709,199	8,109,950	7,347,374	5,956,816	5,268,152	12,102,762
Unrestricted	22,032,997	23,520,828	29,931,254	32,344,595	31,810,532	35,138,340	33,973,864	29,581,397	20,196,736
Total governmental activities net assets	<u>\$ 91,183,613</u>	<u>\$ 99,641,543</u>	<u>\$ 108,293,005</u>	<u>\$ 112,828,834</u>	<u>\$ 122,513,647</u>	<u>\$ 139,558,544</u>	<u>\$ 139,311,394</u>	<u>\$ 142,562,142</u>	<u>\$ 142,050,500</u>
Business-type activities									
Invested in capital assets, net of related debt	\$ 27,984,816	\$ 24,282,731	\$ 33,842,248	\$ 36,211,661	\$ 37,602,170	\$ 48,309,073	\$ 49,313,676	\$ 52,807,159	\$ 55,717,106
Restricted	5,226,609	5,509,851	4,260,230	5,011,183	5,522,505	4,433,871	3,447,456	2,989,453	3,091,423
Unrestricted	10,377,605	15,130,205	8,971,858	8,554,956	9,583,199	8,759,032	9,478,068	12,562,982	15,019,532
Total business-type activities net assets	<u>\$ 43,589,030</u>	<u>\$ 44,922,787</u>	<u>\$ 47,074,336</u>	<u>\$ 49,777,800</u>	<u>\$ 52,707,874</u>	<u>\$ 61,501,976</u>	<u>\$ 62,239,200</u>	<u>\$ 68,359,594</u>	<u>\$ 73,828,061</u>
Primary government									
Invested in capital assets, net of related debt	\$ 92,559,182	\$ 91,576,071	\$ 103,587,564	\$ 109,986,701	\$ 120,195,335	\$ 145,381,903	\$ 148,694,390	\$ 160,519,752	\$ 165,468,108
Restricted	9,801,859	14,337,226	12,876,665	11,720,382	13,632,455	11,781,245	9,404,272	8,257,605	15,194,185
Unrestricted	32,410,603	38,651,033	38,903,112	40,899,551	41,393,731	43,897,372	43,451,932	42,144,379	35,216,268
Total primary government net assets	<u>\$ 134,771,644</u>	<u>\$ 144,564,330</u>	<u>\$ 155,367,341</u>	<u>\$ 162,606,634</u>	<u>\$ 175,221,521</u>	<u>\$ 201,060,520</u>	<u>\$ 201,550,594</u>	<u>\$ 210,921,736</u>	<u>\$ 215,878,561</u>

(1) The City implemented GASB 34, the new reporting standard, in fiscal year 2003. Therefore, ten years of data is not available but will be accumulated over time.

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities:									
General government	\$ 4,552,975	\$ 4,840,651	\$ 5,088,042	\$ 5,452,865	\$ 5,512,588	\$ 3,929,091	\$ 4,791,069	\$ 3,560,757	\$ 5,386,231
Fire	6,230,207	7,833,341	8,394,509	8,714,544	9,713,840	10,354,699	10,858,907	10,691,161	11,760,498
Police	9,219,461	10,454,210	11,652,431	12,040,291	12,619,083	13,116,023	13,974,177	17,259,569	18,444,853
Library	1,415,560	1,330,856	1,278,006	1,298,373	1,269,704	1,309,218	1,400,056	1,382,782	1,513,148
Public works	5,704,476	6,239,200	9,125,560	10,869,437	10,006,943	9,711,960	10,295,174	7,641,190	8,446,669
Development services	4,720,587	6,515,102	5,410,298	4,791,592	6,326,538	5,566,714	4,601,270	5,919,093	4,358,054
Depreciation, unallocated	235,888	235,888	235,888	255,614	259,908	273,239	313,042	283,227	283,227
Interest on long-term debt	571,376	538,563	516,454	381,657	706,762	1,394,478	1,406,144	1,373,371	1,301,309
Total governmental activities expense	<u>32,650,530</u>	<u>37,987,811</u>	<u>41,701,188</u>	<u>43,804,373</u>	<u>46,415,366</u>	<u>45,655,422</u>	<u>47,639,839</u>	<u>48,111,150</u>	<u>51,493,989</u>
Sewer	6,505,305	6,677,105	6,918,423	7,653,331	7,854,400	7,745,843	6,619,628	4,803,431	4,886,099
Storm drainage	-	-	-	-	-	-	3,894,947	3,956,135	4,031,641
Booth-Kelly	496,460	438,049	502,163	520,007	589,313	660,713	779,773	1,433,965	1,334,099
Ambulance	4,467,552	4,654,840	5,018,686	4,785,189	4,865,158	4,602,490	4,939,277	5,000,748	5,202,146
Business-type activities expenses	<u>11,469,317</u>	<u>11,769,994</u>	<u>12,439,272</u>	<u>12,958,527</u>	<u>13,308,871</u>	<u>13,009,046</u>	<u>16,233,625</u>	<u>15,194,279</u>	<u>15,453,985</u>
Total primary government expenses	<u>\$ 44,119,847</u>	<u>\$ 49,757,805</u>	<u>\$ 54,140,460</u>	<u>\$ 56,762,900</u>	<u>\$ 59,724,237</u>	<u>\$ 58,664,468</u>	<u>\$ 63,873,464</u>	<u>\$ 63,305,429</u>	<u>\$ 66,947,974</u>
Program Revenue									
Governmental activities:									
Charges for services:									
General government	\$ 2,622,159	\$ 2,900,208	\$ 3,865,736	\$ 3,442,133	\$ 3,749,720	\$ 2,078,657	\$ 2,403,988	\$ 1,940,273	\$ 3,360,519
Fire	1,065,802	919,655	1,679,977	1,423,906	1,587,419	1,659,654	1,677,216	1,716,417	1,725,642
Police	170,630	150,892	156,735	250,968	232,563	274,968	490,731	246,682	513,759
Library	108,720	100,226	94,313	79,534	88,338	91,273	89,853	103,475	97,718
Public works	2,831,343	2,664,605	8,071,249	4,627,601	4,487,753	1,424,937	1,494,678	883,252	518,971
Development services	1,617,568	2,807,175	3,565,487	4,483,247	3,804,598	4,370,602	2,118,612	1,284,749	1,025,667
Operating grants and contributions	7,453,464	4,320,643	5,632,824	4,679,550	6,106,694	4,527,430	4,161,206	6,436,204	5,616,572
Capital grants and contributions	814,064	8,862,192	2,894,691	2,019,869	6,003,405	16,101,592	155,634	3,994,233	3,661,254
Total governmental activities program revenues	<u>16,683,750</u>	<u>22,725,596</u>	<u>25,961,012</u>	<u>21,006,808</u>	<u>26,060,490</u>	<u>30,529,113</u>	<u>12,591,918</u>	<u>16,605,285</u>	<u>16,520,102</u>
Business-type activities:									
Charges for services:									
Sewer	5,887,097	7,476,531	6,933,656	7,687,885	8,967,919	9,116,078	5,590,002	6,325,689	6,927,642
Storm drainage	-	-	-	-	-	-	4,475,347	4,984,732	5,694,208
Booth-Kelly	563,247	537,199	593,937	600,968	634,721	664,398	788,095	1,381,649	1,443,802
Ambulance	4,248,020	3,753,519	4,266,972	4,194,871	4,436,801	4,260,912	4,662,981	4,834,330	5,173,527
Operating grants and contributions	-	-	675	6,068	2,294	-	-	-	-
Capital grants and contributions	1,932,085	926,308	2,683,114	3,004,413	1,263,879	7,201,122	1,367,790	3,161,477	1,129,770
Total business-type activities program revenues	<u>12,630,449</u>	<u>12,693,557</u>	<u>14,478,354</u>	<u>15,494,205</u>	<u>15,305,614</u>	<u>21,242,510</u>	<u>16,884,215</u>	<u>20,687,877</u>	<u>20,368,949</u>
Total primary government program revenues	<u>\$ 29,314,199</u>	<u>\$ 35,419,153</u>	<u>\$ 40,439,366</u>	<u>\$ 36,501,013</u>	<u>\$ 41,366,104</u>	<u>\$ 51,771,623</u>	<u>\$ 29,476,133</u>	<u>\$ 37,293,162</u>	<u>\$ 36,889,051</u>
Net (Expense) Revenue									
Governmental activities	\$ (15,966,780)	\$ (15,262,215)	\$ (15,740,176)	\$ (22,797,565)	\$ (20,354,876)	\$ (15,126,309)	\$ (35,047,921)	\$ (31,505,865)	\$ (34,973,887)
Business-type activities	1,161,132	923,563	2,039,082	2,535,678	1,996,743	8,233,464	650,590	5,493,598	4,914,964
Total primary government net expense	<u>\$ (14,805,648)</u>	<u>\$ (14,338,652)</u>	<u>\$ (13,701,094)</u>	<u>\$ (20,261,887)</u>	<u>\$ (18,358,133)</u>	<u>\$ (6,892,845)</u>	<u>\$ (34,397,331)</u>	<u>\$ (26,012,267)</u>	<u>\$ (30,058,923)</u>

Continued

Continued

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes									
Property taxes	\$ 13,711,384	\$ 16,778,764	\$ 16,542,797	\$ 17,978,830	\$ 19,023,927	\$ 20,761,839	\$ 24,888,500	\$ 26,616,211	\$ 25,890,066
Room taxes	822,279	524,726	586,748	678,594	819,206	783,767	771,994	679,566	777,085
Other taxes	1,203,474	2,441,620	2,756,003	2,960,673	2,943,197	3,650,019	3,391,158	3,088,825	3,018,549
Payment in lieu of taxes	1,950,145	2,148,012	2,208,008	2,258,956	2,307,909	2,288,217	2,275,036	2,346,889	2,373,660
Investment earnings	629,891	295,382	814,959	1,702,251	2,758,907	2,945,365	1,727,120	664,423	421,956
Miscellaneous	258,703	253,878	151,033	206,256	385,310	323,133	379,635	201,184	486,358
Gain (loss) on disposition of capital assets	5,401,456	(108,614)	-	49,900	(35,598)	-	19,810	(57,355)	-
Shared revenue	880,291	927,259	1,000,195	1,090,631	1,193,858	1,146,172	1,377,642	1,247,546	1,387,527
Transfer to a separate entity	-	-	(100,454)	-	-	-	-	-	-
Transfers	(4,109,189)	455,019	454,999	416,552	643,168	272,692	593,130	(30,673)	107,047
Total governmental activities	<u>20,748,434</u>	<u>23,716,046</u>	<u>24,414,288</u>	<u>27,342,643</u>	<u>30,039,884</u>	<u>32,171,204</u>	<u>35,424,025</u>	<u>34,756,616</u>	<u>34,462,248</u>
Business-type activities:									
Investment earnings	350,104	141,853	328,840	441,688	868,946	821,733	559,713	409,360	292,416
Miscellaneous	42,882	165,850	238,626	142,650	707,548	11,597	120,051	186,763	368,134
Gain on disposition of capital assets	-	557,509	-	-	-	-	-	-	-
Transfers	4,109,189	(455,019)	(454,999)	(416,552)	(643,168)	(272,692)	(593,130)	30,673	(107,047)
Total business-type activities	<u>4,502,175</u>	<u>410,193</u>	<u>112,467</u>	<u>167,786</u>	<u>933,326</u>	<u>560,638</u>	<u>86,634</u>	<u>626,796</u>	<u>553,503</u>
Total primary government	<u>\$ 25,250,609</u>	<u>\$ 24,126,239</u>	<u>\$ 24,526,755</u>	<u>\$ 27,510,429</u>	<u>\$ 30,973,210</u>	<u>\$ 32,731,842</u>	<u>\$ 35,510,659</u>	<u>\$ 35,383,412</u>	<u>\$ 35,015,751</u>
Change In Net Assets									
Governmental activities	\$ 4,781,654	\$ 8,453,831	\$ 8,674,112	\$ 4,545,078	\$ 9,685,008	\$ 17,044,895	\$ 376,104	\$ 3,250,751	\$ (511,639)
Business-type activities	5,663,307	1,333,755	2,151,549	2,703,464	2,930,069	8,794,102	737,224	6,120,394	5,468,467
Total primary government	<u>\$ 10,444,961</u>	<u>\$ 9,787,586</u>	<u>\$ 10,825,661</u>	<u>\$ 7,248,542</u>	<u>\$ 12,615,077</u>	<u>\$ 25,838,997</u>	<u>\$ 1,113,328</u>	<u>\$ 9,371,145</u>	<u>\$ 4,956,828</u>

- 1 This schedule reports using the accrual basis of accounting.
- 2 Expenses include allocated indirect expenses.
- 3 The City implemented GASB 34, the new reporting standard, in fiscal year 2003. Therefore, ten years of data is not available but will be accumulated over time.

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ 281,390	\$ 289,211	\$ 288,075	\$ 293,103	\$ 494,395	\$ 391,918	\$ 926,688	\$ 388,528	\$ 10,546	\$ -
Unreserved	3,802,111	4,620,032	5,679,318	6,437,254	6,896,167	7,874,253	8,350,863	6,966,896	7,843,269	-
Nonspendable	-	-	-	-	-	-	-	-	-	5,420
Restricted	-	-	-	-	-	-	-	-	-	600,000
Committed	-	-	-	-	-	-	-	-	-	65,721
Assigned	-	-	-	-	-	-	-	-	-	39,224
Unassigned	-	-	-	-	-	-	-	-	-	6,872,613
Total general fund	<u>\$ 4,083,501</u>	<u>\$ 4,909,243</u>	<u>\$ 5,967,393</u>	<u>\$ 6,730,357</u>	<u>\$ 7,390,562</u>	<u>\$ 8,266,171</u>	<u>\$ 9,277,551</u>	<u>\$ 7,355,424</u>	<u>\$ 7,853,815</u>	<u>\$ 7,582,978</u>
All Other Governmental Funds										
Reserved	\$ 11,048,251	\$ 4,398,131	\$ 8,766,419	\$ 8,556,200	\$ 4,835,844	\$ 6,104,214	\$ 6,868,556	\$ 5,339,010	\$ 4,492,479	\$ -
Unreserved, reported in:										
Special revenue funds	2,738,673	1,340,937	3,147,625	4,514,516	8,118,406	8,487,980	3,137,842	4,329,775	4,459,760	-
Capital projects funds	4,008,754	7,018,212	3,574,657	8,275,997	11,029,365	30,228,095	24,023,946	14,937,692	4,030,636	-
Debt service funds	-	3,551,441	3,187,568	2,561,169	2,433,530	2,036,894	1,718,922	1,369,823	1,257,621	-
Nonspendable	-	-	-	-	-	-	-	-	-	179,198
Restricted	-	-	-	-	-	-	-	-	-	7,022,919
Committed	-	-	-	-	-	-	-	-	-	4,546,915
Assigned	-	-	-	-	-	-	-	-	-	1,009,473
Total all other governmental funds	<u>\$ 17,795,678</u>	<u>\$ 16,308,721</u>	<u>\$ 18,676,269</u>	<u>\$ 23,907,882</u>	<u>\$ 26,417,145</u>	<u>\$ 46,857,183</u>	<u>\$ 35,749,266</u>	<u>\$ 25,976,300</u>	<u>\$ 14,240,496</u>	<u>\$ 12,758,505</u>

Notes

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenue:										
Taxes	\$ 12,258,721	\$ 13,785,136	\$ 18,091,192	\$ 18,762,676	\$ 19,907,659	\$ 21,201,934	\$ 22,756,676	\$ 26,796,400	\$ 28,121,897	\$ 28,169,922
Licenses and permits	2,054,215	2,941,609	3,440,031	2,685,926	2,799,900	3,357,236	3,975,361	3,147,467	2,583,181	2,538,309
Intergovernmental	7,645,630	7,399,782	11,785,002	9,480,359	9,136,228	10,481,742	8,053,038	8,051,131	9,857,571	9,405,123
Charges for services	3,571,736	4,329,354	5,195,554	14,260,750	10,477,114	9,745,427	16,598,189	7,660,854	7,041,256	7,417,478
Fines & forfeitures	813,991	959,806	804,953	975,892	1,058,271	1,216,083	1,162,425	1,285,427	1,437,612	1,807,580
Use of money & property	2,237,325	1,138,208	1,158,436	1,317,205	1,800,266	2,489,523	2,821,836	1,159,664	452,130	263,317
Special assessments	363,647	171,544	59,444	88,103	138,754	53,236	38,011	11,684	10,856	25,625
Miscellaneous receipts	698,554	830,924	416,801	149,089	167,044	525,944	312,154	464,200	267,380	664,045
Total Revenues	29,643,819	31,556,363	40,951,413	47,720,000	45,485,236	49,071,125	55,717,690	48,576,827	49,771,883	50,291,399
Expenditures:										
Current Operating:										
General government	4,368,236	4,339,989	4,635,351	4,517,243	5,118,518	5,338,050	5,815,636	6,460,455	5,536,753	5,825,159
Public safety	13,638,410	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fire	n/a	6,146,043	7,721,591	8,532,848	8,733,057	9,881,752	10,486,561	10,988,771	10,651,586	11,373,445
Police	n/a	9,078,155	10,279,002	11,319,761	12,136,134	13,038,101	13,267,724	14,138,500	16,185,060	16,757,981
Library	1,016,003	1,254,486	1,198,034	1,222,631	1,279,663	1,260,454	1,263,439	1,354,548	1,360,464	1,375,033
Community development	7,201,846	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Public works	n/a	4,073,602	4,852,380	5,525,541	6,572,644	7,973,446	6,991,568	8,096,133	6,118,140	6,646,990
Development services	n/a	4,051,355	3,950,812	4,061,002	4,291,759	4,539,636	4,814,244	4,584,530	5,966,952	4,278,380
Capital Projects	2,803,188	3,270,813	4,321,051	5,697,868	7,409,155	9,570,207	20,164,161	13,773,261	12,119,784	2,845,047
Debt service:										
Principal	815,475	681,894	641,285	673,046	668,462	984,177	1,732,030	2,030,047	2,173,240	2,251,618
Interest	638,424	571,377	538,562	507,382	372,870	413,956	1,572,382	1,390,816	1,364,942	1,283,376
Bond issue costs	-	-	-	-	63,112	355,501	-	-	-	-
Arbitrage	-	-	-	-	-	-	-	-	49,406	-
Total expenditures	30,481,582	33,467,714	38,138,068	42,057,322	46,645,374	53,355,280	66,107,745	62,817,061	61,526,327	52,637,029
Excess of revenues over (under) expenditures	(837,763)	(1,911,351)	2,813,345	5,662,678	(1,160,138)	(4,284,155)	(10,390,055)	(14,240,234)	(11,754,444)	(2,345,630)
Other financing sources (Uses):										
Proceeds of sale of capital assets	-	5,401,455	-	-	-	-	-	-	-	-
Capital contributions	-	-	105,237	-	-	-	-	-	-	-
Transfers in	820,469	4,397,447	1,733,278	2,660,992	1,651,223	1,772,318	2,523,359	6,070,182	4,647,041	4,050,527
Transfers out	(581,445)	(8,308,247)	(1,231,260)	(2,205,993)	(1,300,957)	(1,129,150)	(2,248,737)	(5,287,262)	(4,146,202)	(3,458,750)
Bond proceeds	-	-	-	(100,454)	12,290,353	24,962,242	-	-	-	-
Proceeds of debt issuance	-	-	-	-	-	-	-	1,800,000	-	-
Payment to refunded bond escrow agent	-	-	-	-	(8,301,763)	-	-	-	-	-
Total other financing sources (uses)	239,024	1,490,655	607,255	354,545	4,338,856	25,605,410	274,622	2,582,920	500,839	591,777
Net changes in fund balances	\$ (598,739)	\$ (420,696)	\$ 3,420,600	\$ 6,017,223	\$ 3,178,718	\$ 21,321,255	\$ (10,115,433)	\$ (11,657,314)	\$ (11,253,605)	\$ (1,753,853)
Debt services as a percentage of non-capital expenditures	4.93%	3.98%	3.23%	2.95%	2.45%	3.00%	6.96%	6.96%	7.14%	8.69%

Notes

- a) Prior to fiscal year 2003, Fire and Police services were combined into a single reporting function titled Public Safety. Separate information was not available.
b) Prior to fiscal year 2003, Public Works and Development Services were combined into a single reporting function titled Community Development. Separate information was not available.

SPRINGFIELD



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Revenue Capacity Information

SPRINGFIELD



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City of Springfield, Oregon

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

<u>Fiscal year ended June 30,</u>	<u>Residential Property *</u>	<u>Commercial Property *</u>	<u>Industrial Property *</u>	<u>Less: Tax-Exempt Property *</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2002	-	-	-	-	\$ 2,496,155,203	\$ 5.17	\$ 3,156,227,240	79.09%
2003	-	-	-	-	2,559,245,219	5.15	3,170,223,788	80.73%
2004	-	-	-	-	2,736,470,045	6.17	3,410,483,722	80.24%
2005	-	-	-	-	2,805,856,167	6.15	3,682,479,200	76.19%
2006	-	-	-	-	2,983,283,348	6.10	4,247,810,785	70.23%
2007	-	-	-	-	3,149,357,159	6.12	5,566,220,630	56.58%
2008	-	-	-	-	3,436,084,339	6.13	6,655,887,099	51.62%
2009	-	-	-	-	3,502,295,304	7.19	7,205,559,254	48.61%
2010	-	-	-	-	3,726,631,985	7.13	7,309,497,628	50.98%
2011	-	-	-	-	3,747,745,557	7.06	6,750,427,991	55.52%

Source: Lane County Department of Assessment and Taxation

* Breakdown of assessed value into categories is not available

City of Springfield, Oregon

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

Fiscal Year	City Direct Rates					Overlapping Rates							
	Basic Rate	General Obligation Debt Service	Police Operating Levy	Fire Operating Levy	Total Direct	School District No. 19	Lane County	Lane Community College	Lane County I.E.D. (E.S.D.)	Willamalane Park District	Rainbow Water District	Lane County Metropolitan Wastewater District	Springfield Economic Development Agency
2002	4.74	0.43	-	-	5.17	5.69	1.44	0.86	0.22	2.38	3.12	0.05	-
2003	4.74	0.41	-	-	5.15	5.52	1.44	0.88	0.22	2.42	3.10	-	-
2004	4.74	0.41	0.66	0.36	6.17	5.57	1.43	0.88	0.22	2.35	3.25	-	-
2005	4.74	0.39	0.66	0.36	6.15	5.61	1.41	0.88	0.22	2.33	3.21	-	-
2006	4.73	0.35	0.66	0.36	6.10	5.50	1.40	0.88	0.22	2.32	3.18	-	0.02
2007	4.72	0.38	0.66	0.36	6.12	5.52	1.40	0.85	0.22	2.17	3.15	-	0.04
2008	4.71	1.02	-	0.40	6.13	5.55	1.39	0.83	0.22	2.13	3.73	-	0.06
2009	4.70	1.00	1.09	0.40	7.19	5.60	1.39	0.86	0.22	2.13	3.67	-	0.11
2010	4.70	0.94	1.09	0.40	7.13	5.59	1.38	0.85	0.22	1.99	-	-	0.11
2011	4.71	0.86	1.09	0.40	7.06	5.60	1.38	0.85	0.22	1.99	-	-	0.09

Source: Lane County Department of Assessment & Taxation

City of Springfield, Oregon
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2011			2002		
	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	\$ 174,492,796	1	4.66%	\$ -		
Symantec Corporation	77,550,173	2	2.07%	-		
Gateway Mall Partners	59,590,346	3	1.59%	40,695,749	2	1.63%
PeaceHealth	348,806,950	4	9.31%	-		
Rosboro Lumber Company	29,279,767	5	0.78%	17,608,410	4	0.71%
Comcast Corporation	29,062,100	6	0.78%	-		
RC Springfield 2007 LLC	22,748,802	7	0.61%	-		
McKenzie Willamette Regional Medical Ctr.	22,481,789	8	0.60%	-		
NCS Properties LLC	23,081,509	9	0.62%	-		
Sierra Pine	20,560,110	10	0.55%	13,703,810	7	0.55%
Weyerhaeuser Company	-			243,593,915	1	9.76%
Qwest Corp	-			31,489,364	3	1.26%
Kingsford Manufacturing	-			16,998,680	5	0.68%
Dunea USA Inc	-			15,134,515	6	0.61%
Weyerhaeuser Co Inc	-			13,041,210	8	0.52%
Servistar-Coast to Coast	-			11,102,510	9	0.44%
Farwest Steel Corporation	-			10,756,743	10	0.43%
	-			-		
Total	\$ 633,161,546		21.57%	\$ 414,124,906		16.59%

Source: Lane County Department of Assessment and Taxation

City of Springfield, Oregon

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections & Adjustments in Subsequent Years	Total Collections and Adjustments to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 12,432,664	\$ 11,910,378	95.8%	\$ 509,660	\$ 12,420,038	99.9%
2003	12,892,396	12,409,499	96.3%	467,997	12,877,496	99.9%
2004	16,625,557	16,012,967	96.3%	591,987	16,604,954	99.9%
2005	17,372,713	16,362,478	94.2%	962,208	17,324,686	99.7%
2006	18,347,448	17,394,011	94.8%	852,041	18,246,052	99.4%
2007	19,665,050	18,611,955	94.6%	836,062	19,448,017	98.9%
2008	21,473,863	20,128,824	93.7%	720,379	20,849,203	97.1%
2009	25,639,015	24,092,260	94.0%	745,617	24,837,877	96.9%
2010	27,170,891	25,473,655	93.8%	508,992	25,982,647	95.6%
2011	26,956,427	25,339,490	94.0%	834,043	26,956,427	100.0%

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

Debt Capacity Information

SPRINGFIELD



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City of Springfield, Oregon

RATIO OF OUTSTANDING DEBT, BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Notes Payable	Revenue Bonds	Notes Payable			
2002	\$ 9,880,000	\$ 60,000	\$ -	\$ 771,035	\$ 2,635,000	\$ 3,049,496	\$ 16,395,531	*	\$ 309
2003	9,315,000	-	-	713,249	2,495,000	2,686,629	15,209,878	0.17%	278
2004	8,725,000	-	-	661,964	2,345,000	2,525,606	14,257,570	0.15%	258
2005	8,105,000	-	-	608,918	1,985,000	2,248,720	12,947,638	0.13%	232
2006	11,805,000	-	157,584	560,456	1,815,000	1,842,482	16,180,522	0.15%	284
2007	35,520,000	-	126,629	511,278	1,645,000	8,690,632	46,493,539	0.41%	811
2008	33,840,000	-	87,507	459,249	1,470,000	8,861,225	44,717,981	0.38%	771
2009	31,940,000	-	46,305	2,129,202	24,095,000	7,513,982	65,724,489	0.56%	1,132
2010	29,975,000	-	1,382,311	1,920,962	23,235,000	6,697,965	63,211,238	0.53%	1,079
2011	27,945,000	-	1,108,535	1,699,344	32,210,000	5,834,566	68,797,445	**	1,152

Source: Annual Financial Reports

* not available

** not yet available

City of Springfield, Oregon

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Bonded Debt Outstanding</u>		<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>			
2002	\$	9,880,000	0.40%	\$ 186
2003		9,315,000	0.36%	170
2004		8,725,000	0.32%	158
2005		8,105,000	0.29%	145
2006		11,805,000	0.40%	207
2007		35,520,000	1.13%	620
2008		33,840,000	0.98%	583
2009		31,940,000	0.91%	550
2010		29,975,000	0.80%	512
2011		27,945,000	0.75%	468

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

City of Springfield, Oregon

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT

June 30, 2011

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Willamalane Park and Recreation District	\$ -	94.07%	\$ -
Lane County	10,610,000	15.88%	1,684,868
Lane County School District No. 4J	103,500,000	6.57%	6,799,950
Lane County School District No. 19	52,728,420	75.24%	39,672,863
Lane Community College	36,655,000	15.66%	5,740,173
Lane ESD	7,780,000	15.93%	1,239,354
Other debt			
Lane Community College self supporting full faith and credit debt	63,237,098	15.66%	9,902,930
Lane Council of Governments revenue bonds	453,369	-	-
Lane County self supporting full faith and credit debt	62,029,752	15.88%	9,850,325
Lane County Housing Authority revenue bonds	685,000	-	-
Lane County School District No. 4J self supporting full faith and credit debt	-	6.57%	-
Lane County School District No. 19 self supporting full faith and credit debt	-	75.24%	-
Lane ESD appropriation credits	50,000	-	-
Metropolitan Wastewater Management Commission	88,365,000	-	-
Willamalane Park and Recreation District self supporting full faith and credit debt	3,950,000	94.07%	3,715,765
Subtotal overlapping debt			78,606,228
City direct debt			
Debt repaid with property taxes			<u>27,945,000</u>
Total direct and overlapping debt			<u>\$ 106,551,228</u>

* For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value. This approach was also used for other debt. Lane County Housing Authority has only revenue backed debt and no methodology for estimating the percent of overlap has been developed.

Source: Municipal Bond Division of the State Treasury Department

City of Springfield, Oregon

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	<u>June 30, 2011</u>
Real market value	<u>\$ 6,750,427,991</u>
Debt limit 3% of real market value	\$ 202,512,840
Amount of debt applicable to debt limit:	
Total general issue debt	\$ 27,945,000
Less:	
Funds applicable to the payment of the principal thereof per ORS 287.004(2)	<u>702,193</u>
Total amount of debt applicable to limit	<u>27,242,807</u>
Total debt margin	<u>\$ 175,270,033</u>

	Fiscal Year									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	\$ 94,686,817	\$ 95,106,714	\$ 102,314,512	\$ 110,474,376	\$ 127,434,324	\$ 166,986,619	\$ 199,676,613	\$ 216,166,778	\$ 219,284,929	\$ 202,512,840
Total net debt applicable to limit	<u>9,506,042</u>	<u>8,994,773</u>	<u>8,373,242</u>	<u>7,753,964</u>	<u>11,432,921</u>	<u>35,257,315</u>	<u>33,421,463</u>	<u>31,352,605</u>	<u>29,210,296</u>	<u>27,242,807</u>
Legal debt margin	<u>\$ 85,180,775</u>	<u>\$ 86,111,941</u>	<u>\$ 93,941,270</u>	<u>\$ 102,720,412</u>	<u>\$ 116,001,403</u>	<u>\$ 131,729,304</u>	<u>\$ 166,255,150</u>	<u>\$ 184,814,173</u>	<u>\$ 190,074,633</u>	<u>\$ 175,270,033</u>
Total net debt applicable to the limit as a percentage of debt limit	10.04%	9.46%	8.18%	7.02%	8.97%	21.11%	16.74%	14.50%	13.32%	13.45%

City of Springfield
Pledged-Revenue Coverage
Last Ten Fiscal Years

Local Sewer Revenue Bonds						
Fiscal Year	System Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2002	\$ 6,811,090	\$ 3,905,832	\$ 2,905,258	\$ 135,000	\$ 144,315	10.40
2003	6,724,729	5,504,014	1,220,715	140,000	138,105	4.39
2004	7,647,413	5,742,853	1,904,560	150,000	131,525	6.77
2005	7,833,983	5,972,810	1,861,173	160,000	124,325	6.55
2006	9,504,855	6,853,225	2,651,630	170,000	66,898	11.19
2007	11,249,237	6,963,177	4,286,060	170,000	58,613	18.75
2008	10,426,775	6,567,949	3,858,826	175,000	53,513	16.89
2009	10,548,809	6,866,205	3,682,604	190,000	48,263	15.46
2010	11,893,479	6,947,301	4,946,178	860,000	1,094,244	2.53
2011	13,149,688	7,299,130	5,850,558	1,025,000	1,088,793	2.77

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

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Demographic and Economic Information

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City of Springfield, Oregon
Demographic and Economic Statistics,
Last Ten Calendar Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment	Unemployment Rate
2002	53,140	*	*	11,229	7.2%
2003	54,720	\$8,727,000	\$ 26,445	11,013	7.7%
2004	55,350	9,415,000	28,416	10,539	7.0%
2005	55,861	9,812,000	29,909	10,634	6.7%
2006	57,055	10,483,000	30,825	10,477	5.9%
2007	57,320	11,353,000	32,924	10,609	5.6%
2008	58,005	11,882,000	34,126	10,608	5.7%
2009	58,085	11,784,000	33,587	10,526	12.7%
2010	58,575	12,021,000	34,151	10,221	11.0%
2011	59,695	**	**	10,204	9.9%

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

Note: 2011 Personal Income and Per Capita Personal Income not yet available.
Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the end of the school year.

* Not available

** Not yet available

City of Springfield, Oregon

Principal Employers,

Current Year and Nine Years Ago

<u>Employer</u>	<u>2011</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Peace Health Oregon Region	3,350	1	13.74%	-		-
Springfield School District #19	1,291	2	5.30%	1,400	1	5.67%
Symantic	1,253	3	5.14%	787	3	3.19%
McKenzie Willamette Hospital	786	4	3.22%	1,096	2	4.44%
Peace Health Medical Laboratories	473	5	1.94%	-		-
Royal Caribbean Cruise Lines	425	6	1.74%	-		-
City of Springfield	423	7	1.74%	383	6	1.55%
Wal-Mart	405	8	1.66%	-		-
Willamalane Park and Recreation District	341	9	1.40%	237	10	0.96%
Rosboro Lumber Company	320	10	1.31%	385	5	1.56%
Weyerhaeuser	-		-	525	4	2.13%
McKenzie Forest Products	-		-	300	7	1.23%
U.S. Postal Service	-		-	275	8	1.11%
Sony	-		-	270	9	1.09%
Total	<u>5,717</u>		<u>23.45%</u>	<u>5,658</u>		<u>22.93%</u>

Source: City Economic Development Division

Operating Information

SPRINGFIELD



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City of Springfield, Oregon

Full-time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

Full-time Equivalent Employees as of June 30*

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General government										
City management	5.00	5.00	5.00	6.00	7.00	7.00	7.50	8.00	8.00	8.00
Finance	11.70	11.70	10.50	11.50	11.50	11.30	11.30	11.30	10.30	10.30
Human resources	10.00	8.20	7.50	7.00	7.00	7.00	7.00	7.00	6.00	6.00
Information technology	10.00	10.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00	10.00
Legal/Judicial services	6.55	6.55	7.55	7.55	7.55	7.55	7.55	8.55	8.55	8.55
Development services	38.25	36.25	36.00	35.75	33.00	35.25	37.25	39.75	34.75	33.25
Police										
Officers	62.00	62.00	69.00	70.00	70.00	70.00	70.00	70.00	66.00	69.00
Civilians	32.50	31.00	40.00	38.50	40.00	40.00	40.00	41.00	57.00	57.00
Fire										
Firefighters and officers	79.00	80.00	89.00	89.00	87.00	89.00	89.00	90.25	91.00	88.00
Civilians	18.55	17.55	18.55	14.05	14.55	16.05	21.25	21.00	17.00	18.00
Other public works										
Engineers	9.00	9.00	9.00	15.00	14.00	17.00	16.00	19.00	20.00	15.00
Other	86.50	84.50	83.50	93.50	97.50	100.50	106.60	110.00	101.00	101.00
Library	14.20	14.20	14.20	13.40	13.60	13.60	13.60	13.60	13.20	13.40
Total	<u>383.25</u>	<u>375.95</u>	<u>398.80</u>	<u>410.25</u>	<u>412.70</u>	<u>424.25</u>	<u>437.05</u>	<u>449.45</u>	<u>442.80</u>	<u>437.50</u>

Source: City Budget Office

* Based on published Budgeted FTE as of July 1, preceding year

City of Springfield, Oregon
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Physical arrests	6,539	7,486	6,841	7,192	10,993	9,044	8,523	7,054	7,107	7,527
Parking violations	1,426	1,397	1,452	1,114	939	941	457	395	354	***
Traffic violations	9,777	8,913	7,938	8,693	9,182	10,879	10,091	9,964	9,423	10,299
Fire										
Number of fire stations	5	5	5	5	5	5	5	5	5	5
Emergency responses	11,450	11,497	12,177	14,097	16,129	16,345	18,190	18,413	17,382	19,096
Fires extinguished	276	276	302	240	283	257	216	238	165	180
Inspections	2,951	2,642	3,024	3,016	3,540	3,719	3,374	3,329	2,103	1,670
Public works										
Crack sealing	19	20	53	27	33	28	18	41	12	9
Potholes repaired	782	1,463	934	1,094	1,343	989	1,142	722	1,569	1,062
Storm lines high velocity cleaning	349,955	378,623	383,778	251,249	231,891	132,637	215,683	32,584	7,810	9,452
Sanitary lines high velocity cleaning	580,982	527,637	954,912	781,234	518,889	664,822	657,295	932,839	965,853	653,641
Library										
Number of public computer log-ins	94,191	89,514	89,300	111,773	118,894	149,153	109,019	100,867	60,335	59,994
Total volumes loaned	324,424	323,450	314,371	306,946	309,277	293,068	297,982	326,235	344,809	344,586
Development services *										
Number of building permits	637	626	672	759	770	724	618	512	491	400
Building valuation (in thousands)	68,038	83,921	68,897	407,724	462,560	192,868	143,064	65,192	48,150	38,067

Sources: Various city departments

* Development services indicators are presented for calendar years

** Public computer provided beginning 2001

*** Data not available

City of Springfield, Oregon
Capital Asset Statistics by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	20	20	20	20	20	20	20	20	20	20
Fire stations	5	5	5	5	5	5	5	5	5	5
Public works										
Streets (miles)	197	381	385	387	390	392	398	401	412	420
Street lights	3,236	3,336	3,505	3,544	3,555	3,875	4,033	4,117	4,160	4,208
Traffic signals	-	-	-	-	72	70	68	68	69	68
Water										
Fire hydrants	1,205	1,213	1,273	1,302	1,500	1,516	1,553	1,552	1,552	1,552

Sources: Various city departments

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Compliance Section

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Audit Comments

SPRINGFIELD



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GROVE, MUELLER & SWANK, P.C.

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

INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY STATE REGULATORS

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

We have audited the basic financial statements of the City of Springfield, Oregon as of and for the year ended June 30, 2011, and have issued our report thereon dated December 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City of Springfield, Oregon'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.


OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting.

See report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.

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

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

By: 

Charles A. Swank, A Shareholder
December 15, 2011

Governmental Auditing Standards

SPRINGFIELD



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GROVE, MUELLER & SWANK, P.C.

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

***REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS***

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

We have audited the financial statements of City of Springfield, Oregon, as of and for the year ended June 30, 2011, and have issued our report thereon dated December 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered City of Springfield's internal control over financial reporting as a basis for designing our auditing procedures 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 of Springfield's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Springfield's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.


Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Springfield's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of City of Springfield in a separate letter dated December 15, 2011.

This report is intended solely for the information and use of the City Council, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.


CERTIFIED PUBLIC ACCOUNTANTS
December 15, 2011

**OMB Circular A-133
(Single Audit) Report**

SPRINGFIELD



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GROVE, MUELLER & SWANK, P.C.

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of City of Springfield, Oregon with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of City of Springfield is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered City of Springfield's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Springfield's internal control over compliance.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We noted certain matters that we reported to management of City of Springfield in a separate letter dated December 15, 2011.

This report is intended solely for the information and use of the City Council, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.


CERTIFIED PUBLIC ACCOUNTANTS

December 15, 2011

CITY OF SPRINGFIELD, OREGON, FEDERAL GRANT COMPLIANCE REPORT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control reporting:	
· Material weakness(es) identified?	No
· Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
· Material weakness(es) identified?	No
· Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Identification of major program:

CFDA Numbers

Name of Federal Program or Cluster

14.239	Home Investment Partnership
16.710	Public Safety Partnership and Community Policing Grants
81.128	Energy Efficiency and Conservation

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualifies as low-risk auditee?	Yes

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

CITY OF SPRINGFIELD, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number or Pass-Through Entity Identifying Number	Federal Expenditures in Fiscal Year 2010-2011	Amount Provided to Subrecipients
<u>U.S. Department of Justice</u>				
Direct Programs:				
Justice Assistance Grant - Local	16.738	2010-DJ-BX-0112	\$ 8,377	
Justice Assistance Grant - Stimulus - ARRA	16.804	2009-SB-B9-2909	26,630	
COPS Hiring Recovery Program (CHRP) Grant - ARRA	16.710	2009-RK-WX-0707	288,429	
Secure Our Schools Grant	16.710	2009-CD-WX-0747	5,521	\$ 5,521
Secure Our Schools Grant	16.710	2010-CK_WX-0725	31,664	\$ 31,664
Total U.S. Department of Justice			<u>360,621</u>	
<u>U.S. Department of Homeland Security</u>				
Grants passed through State of Oregon:				
State Homeland Security Program	97.073	07-232	17,855	
State Homeland Security Program	97.073	08-249	60,958	
Total U.S. Department of Homeland Security			<u>78,813</u>	
<u>U.S. Department of Energy</u>				
Direct Programs:				
Energy Efficiency Community Block Grant - ARRA	81.128	DE-SC0002787	528,763	
Total U.S. Department of Energy			<u>528,763</u>	
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
HOME Investment Partnership Programs	14.239	NA	597,933	
Community Development Block Grant-Section 108	14.248	NA	14,179	
<i>CDBG - Entitlement Grants Cluster</i>				
Community Development Block Grant	14.218	NA	712,318	\$ 99,488
Community Development Block Grant Program Income	14.218	NA	2,616	
Community Development Block Grant-Recovery - ARRA	14.253	NA	61,227	
<i>Total CDBG - Entitlement Grants Cluster</i>			<u>776,162</u>	
Total U.S. Department of Housing and Urban Development			<u>1,388,273</u>	
<u>U.S. Department of Transportation</u>				
<i>Highway Planning and Construction Cluster</i>				
Grants passed through State of Oregon:				
Highway Planning and Construction	20.205	NA	45,143	
Highway Planning and Construction - ARRA	20.205	NA	3,387	
Grants passed through Lane County Oregon:				
Highway Planning and Construction	20.205	NA	40,000	
<i>Total Highway Planning and Construction Cluster</i>			<u>88,530</u>	
<i>Federal Transit Cluster</i>				
Grants passed through Lane Transit District:				
Capital Improvement Grant	20.500	OR-03-0122	43,642	
<i>Total Federal Transit Cluster</i>			<u>43,642</u>	
<i>Highway Safety Cluster</i>				
Grants passed through State of Oregon:				
Safety Belt Traffic Safety Grant	20.601	69-8020-0-7-401	4,170	
Safety Belt Traffic Safety Grant	20.601	69-8020-0-7-401	3,500	
<i>Total Highway Safety Cluster</i>			<u>7,670</u>	
Total U.S. Department of Transportation			<u>139,842</u>	
<u>U.S. Department of the Interior</u>				
Grants passed through State of Oregon:				
Historic Preservation Fund	15.904	HPF OR-10-17	12,846	
Total U.S. Department of the Interior			<u>12,846</u>	
Total Expenditures of Federal Awards			<u>\$ 2,509,158</u>	<u>\$ 136,673</u>

City of Springfield, Oregon

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS

June 30, 2011

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

NOTE B – LOANS RECEIVABLE OUTSTANDING

The City had the following loan balances outstanding at June 30, 2011

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
Community Development Block Grant	14.218	\$ 812,427
HUD HOME Grant	14.239	<u>2,743,569</u>
		<u>\$ 3,555,996</u>

NOTE C – LOANS PAYABLE OUTSTANDING

As of June 30, 2011, the City did not have any loan balances outstanding included in the Schedule of Expenditures of Federal Awards.

SPRINGFIELD



OREGON