

CITY OF SPRINGFIELD, MISSOURI

Comprehensive Annual Financial Report

June 30, 2012

CITY OF SPRINGFIELD, MISSOURI
Comprehensive Annual Financial Report
Fiscal Year July 01, 2011 through June 30, 2012

Mayor

Robert L. Stephens

City Council

<i>Jeff Seifried</i>	<i>Zone 1</i>
<i>Cindy Rushefsky</i>	<i>Zone 2</i>
<i>Jerry Compton</i>	<i>Zone 3</i>
<i>Scott Bailes</i>	<i>Zone 4</i>
<i>Jan Fisk</i>	<i>General (A)</i>
<i>John Rush</i>	<i>General (B)</i>
<i>Doug Burlison</i>	<i>General (C)</i>
<i>Thomas Bieker (resigned November 2, 2012)</i>	<i>General (D)</i>

City Officials

<i>Greg Burris</i>	<i>City Manager</i>
<i>Fred Marty</i>	<i>Deputy City Manager</i>
<i>Collin Quigley</i>	<i>Assistant City Manager</i>
<i>Daniel Wichmer</i>	<i>City Attorney</i>
<i>Brenda Cirtin</i>	<i>City Clerk</i>
<i>Phil Broyles</i>	<i>Director of Public Works</i>
<i>Steve Meyer</i>	<i>Director of Environmental Services</i>
<i>Kevin Gipson</i>	<i>Director of Public Health and Welfare</i>
<i>Mary Mannix-Decker</i>	<i>Director of Finance</i>
<i>Paul Williams</i>	<i>Chief of Police</i>
<i>David Hall</i>	<i>Fire Chief</i>
<i>Bob Belote</i>	<i>Director of Parks and Recreation</i>
<i>Sheila Maerz</i>	<i>Director of Human Resources</i>
<i>Ralph Rognstad</i>	<i>Director of Planning and Development</i>
<i>Mary Lily Smith</i>	<i>Director of Economic Development</i>
<i>Brian Weiler</i>	<i>Director of Aviation</i>
<i>John Peine</i>	<i>Interim Director of Work Force Development</i>
<i>Chris Straw</i>	<i>Director of Building Development</i>
<i>Todd Thornhill</i>	<i>Chief Municipal Judge</i>
<i>Nick Nelson</i>	<i>Director of Art Museum</i>
<i>J.R. Webb</i>	<i>Interim Director of Emergency Communication</i>
<i>Ryan Nicholls</i>	<i>Director of Emergency Management</i>
<i>Cora Scott</i>	<i>Director of Public Information</i>
<i>Jeff Coiner</i>	<i>Director of Information Systems</i>
<i>Kristy Bork</i>	<i>Internal Auditor</i>

CITY OF SPRINGFIELD, MISSOURI

Table of Contents

	Page(s)
Introductory Section (Unaudited):	
Organization Chart	1
Letter of Transmittal	2 – 6
GFOA Certificate of Achievement	7
Financial Section:	
Independent Auditors' Report	8 – 9
Management's Discussion and Analysis (Unaudited)	10 – 16
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	17
Statement of Activities	18
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	20
Statement of Revenues, Expenditures and Changes in Fund Balances	21
Reconciliation of the Change in Fund Balances of Governmental Funds to the Statement of Activities	22
Proprietary Funds:	
Statement of Net Assets	23 – 24
Statement of Revenues, Expenses and Changes in Fund Net Assets	25
Statement of Cash Flows	26
Fiduciary Funds:	
Statement of Fiduciary Net Assets	27
Statement of Changes in Fiduciary Net Assets	28
Notes to Basic Financial Statements	29 – 87
Required Supplementary Information (Unaudited):	
Budgetary Comparison Schedules	88 - 90
Notes to Budgetary Comparison Schedules	91
Schedules of Funding Progress	92 – 93

CITY OF SPRINGFIELD, MISSOURI

Table of Contents

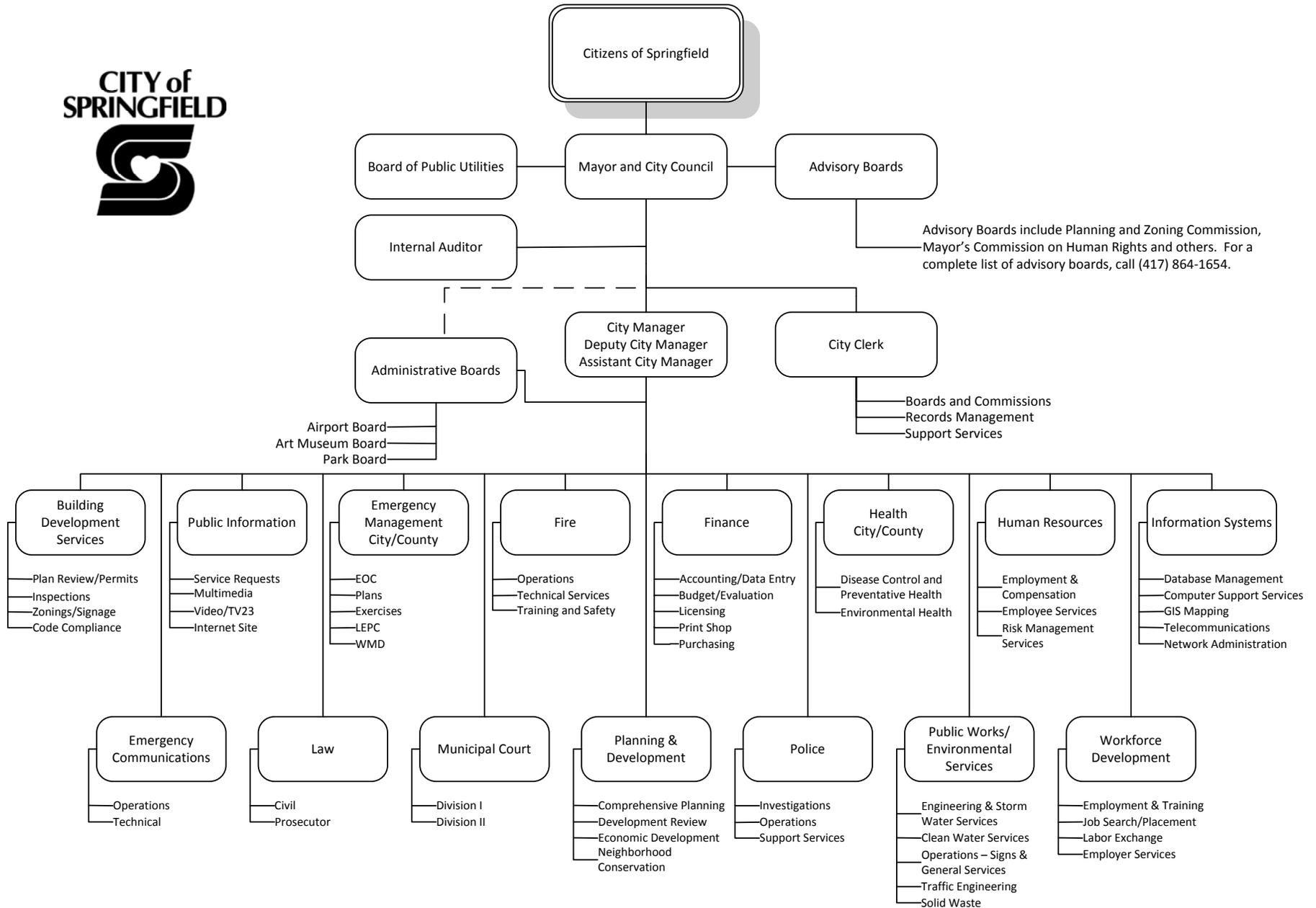
	Page(s)
Supplemental Information:	
Combining Balance Sheet – Nonmajor Governmental Funds	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	95
Nonmajor Governmental Funds – Special Revenue Funds	96
Combining Balance Sheet – Nonmajor Special Revenue Funds	97
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	98
Special Revenue Funds – Budgetary Comparison Schedules	99 – 108
Nonmajor Governmental Funds – Debt Service Funds	109
Combining Balance Sheet – Nonmajor Debt Service Funds	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	111
Nonmajor Governmental Funds – Capital Project Funds	112
Combining Balance Sheet – Nonmajor Capital Projects Funds	113
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	114
Nonmajor Governmental Funds – Permanent Funds	115
Combining Balance Sheet – Nonmajor Permanent Funds	116
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Permanent Funds	117
Nonmajor Enterprise Funds	118
Combining Statement of Net Assets – Nonmajor Enterprise Funds	119
Combining Statement of Revenues, Expenses and Changes in Net Assets – Nonmajor Enterprise Funds	120
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	121
Internal Service Funds	122
Combining Statement of Net Assets – Internal Service Funds	123
Combining Statement of Revenues, Expenses and Changes in Net Assets – Internal Service Funds	124
Combining Statement of Cash Flows – Internal Service Funds	125
Agency Funds	126
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	127
Statistical Section (Unaudited):	
Net Assets by Component	129
Changes in Net Assets	130 – 131
Fund Balances, Governmental Funds	132
Changes in Fund Balances, Governmental Funds	133
Tax Revenues by Source, Governmental Funds	134
Assessed Value and Estimated Actual Value of Taxable Property	135
Direct and Overlapping Property Tax Rates	136 – 137
Principal Property Tax Payors	138 – 139

CITY OF SPRINGFIELD, MISSOURI

Table of Contents

	Page(s)
Property Tax Levies and Collections	140
Taxable Sales by Category	141
Direct and Overlapping Sales Tax Rates	142
Sales Tax Revenue Payors by Industry	143
Ratios of Outstanding Debt by Type	145
Ratios of General Bonded Debt Outstanding	146
Direct and Overlapping Governmental Activities Debt	147
Legal Debt Margin Information	148
Pledged-Revenue Coverage	149
Demographic and Economic Statistics	150
Principal Employers	151
Full-Time Equivalent City Government Employees by Function/Program	152
Operating Indicators by Function/Program	153
Capital Asset Statistics by Function/Program	154

INTRODUCTORY SECTION



Advisory Boards include Planning and Zoning Commission, Mayor's Commission on Human Rights and others. For a complete list of advisory boards, call (417) 864-1654.

Note: All Departments include an administrative section

City Government's Organization Chart

City of Springfield, Missouri

December 11, 2012

The Honorable Mayor
The Members of the City Council
Citizens of the City of Springfield, Missouri:

The Finance Department is pleased to present the Comprehensive Annual Financial Report (CAFR) for the City of Springfield, Missouri (the City) for the fiscal year ended June 30, 2012. This report is submitted to you in compliance with the City Charter, Section 5.2, which requires an annual report to the City Council on the financial condition of the City.

Responsibility to report financial data that is complete and accurate rests with the City. It is our belief that the information reported in this document fairly presents the financial position of the City, in all material aspects, on a government-wide and a fund basis. To enhance the reader's understanding of these financial statements, note disclosures have been included as an integral part of this document.

To provide a reasonable basis for making these representations, the City's management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements. Additionally, the Finance Department staff has prepared this report in conformity with U.S. generally accepted accounting principles (GAAP), which are standard guidelines for financial reporting, further ensuring that the financial position of the City is presented fairly.

The independent auditing firm of BKD LLP (BKD) has audited the City's financial statements. The purpose of the audit conducted by BKD was to provide reasonable assurance that the City's financial statements for the year ended June 30, 2012 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the government-wide and fund financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

In addition to the independent audit of the financial statements, a separate, federally mandated "Single Audit" was performed to meet the needs of specific grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the audited government's internal controls and compliance with legal requirements with special emphasis on the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section is designed to introduce the reader to the report and includes this transmittal letter, the City's organizational chart, a list of principal officials, and the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the 2011 CAFR.

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 of Springfield, Missouri for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the 35th 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 GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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.

The financial section begins with the independent auditors' report. The auditors' report discloses the opinion of the independent auditors with regard to the presentation of the financial statements. This section also includes management's discussion and analysis (MD&A), the basic financial statements and notes that provide an overview of the City's financial position and operating results, the combining statements for nonmajor funds, and other schedules that provide detailed information relative to the basic financial statements.

The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. This section is designed to provide the user with a broader and more complete understanding of the City and its financial affairs than is possible from only the financial statements and supporting schedules presented in the financial section.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found in the financial section immediately following the report of the independent auditors.

Profile of the City

The City is a home rule city, which incorporated on February 18, 1838. Springfield is the third largest city in Missouri with approximately 160,660 residents, and it serves as the county seat for Greene County. With an estimated 82.5 square miles of land, the City is at the center of a rapidly growing region in the southwestern corner of the state. It is approximately 170 miles southeast of Kansas City and 220 miles southwest of St. Louis. The City is empowered to levy property taxes on both real and personal property located within its boundaries and has the authority to extend its corporate limits through annexation when deemed appropriate and as approved by City Council.

The City has operated under the Council-Manager form of government since March 17, 1953. As the legislative body, the City Council is responsible for enacting all ordinances, resolutions, and regulations governing the City as well as for appointing the members of various statutory and ordinance boards, the City Manager, and the City Clerk.

The City Council consists of the Mayor and eight Council members who are elected on a nonpartisan basis. The Mayor serves a two-year term and Council members, four at-large and one from each of four zones within the City, each serve staggered four-year terms. As chief administrator, the City Manager is responsible for enforcement of the laws and ordinances as well as for the supervision of all offices and departments created by the Council.

The City provides the full range of services normally associated with a municipality including police and fire protection, an emergency communication center, public works and environmental services, public health services, parks and other recreational facilities, an art museum, and general administrative services. The City also operates the Springfield-Branson National Airport, the sanitary sewerage and solid waste disposal systems, and the City's municipal golf courses, all of which are accounted for in the financial statements as business-type funds.

This report presents data for the financial reporting entity, which includes all departments, funds, boards, and commissions of the primary government (the City, as legally defined), as well as all of its component units. Component units are legally separate entities for which the City is financially accountable. The two component units of the City include the Public Building Corporation of the City of Springfield, Missouri (PBC), which is a blended component unit, and City Utilities of Springfield, Missouri, which is a discretely presented component unit. The financial reporting entity is discussed further in note 1 to the basic financial statements.

The Springfield R-12 School District and the Springfield Housing Authority do not meet the criteria for inclusion in the financial reporting entity and, accordingly, are not presented in this report.

The annual budget serves as the foundation for the City's financial planning and control. During the budget preparation process, each office, department, and agency of the reporting entity provides detailed estimates of revenue and expenditures for evaluation by the City Manager. The City Manager also reviews estimates of all pending capital projects and those recommended for approval in the next budget year and within the succeeding five years. The City Manager may revise the estimates, as he deems necessary. At least 60 days prior to the beginning of each budget year, the City Manager submits to City Council a final budget. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within their departments; however, transfers between departments require the special approval of the City Council. Budget-to-actual comparisons for the general and special revenue funds are provided in this report.

Factors Affecting Financial Condition

Local Economy – The City is experiencing slight population growth as is reflected in the 0.7% growth rate for the metropolitan area. Springfield's economy is highly diversified with major medical, manufacturing, and educational institutions keeping the City's unemployment rate below the state and national rates. The June 2012 unemployment rate for the metropolitan area was 6.2% as compared to the state rate of 7.0% and the national rate of 8.4%. In December 2011, 24/7 Wall St., an online financial news reporting company, reported that Springfield had the third biggest percentage increase in job growth in the country between November 2010 and October 2011.

Some well-known companies with operations in Springfield are: Kraft Foods; 3M; Bass Pro Shops (Headquarters); O'Reilly Auto Parts (Headquarters); Chase Card Services; Paul Mueller Company (Headquarters); Burlington Northern Santa Fe Railroad; Jack Henry & Associates; BKD (Headquarters); Springfield Remanufacturing Corporation (Headquarters); Reckitt Benckiser; T-Mobile; Dairy Farmers of America; Prime; and Expedia, Inc. Springfield has what many businesses are looking for – a high quality of life, a well-trained workforce, and a low cost of living.

Missouri State University, with an enrollment of approximately 21,000 students, is located in Springfield along with 14 other colleges and universities including Drury University, Evangel University, Baptist Bible College, Central Bible College, and Ozarks Technical Community College (OTC). OTC provides vocational and technical training services to nearly 14,000 students within the region surrounding the City.

Long-Term Financial Planning – The City utilizes a five-year capital improvement program to prioritize public projects that will be scheduled over a number of years, as financial resources are available. When possible, the City looks for creative funding solutions such as cost sharing with other governmental agencies, public-private cooperative efforts, special purpose taxes, and modifications to development regulations as methods of providing needed capital items. The underlying philosophy of the capital improvements program prioritizes needs into three categories: (1) the protection of life, health, and public safety; (2) improvements to the City's existing infrastructure; and (3) construction of new infrastructure to keep up with the community's growth.

The December 31, 2011 Capital Improvements Projects Status Report contains approximately 160 funded projects with a total projected cost of \$326,602,578. The report includes projects at the Springfield-Branson National Airport; numerous street, storm water, sanitary sewer, and solid waste improvements; development of new public parks and special facilities and park improvements; and municipal buildings and grounds and traffic management/signal improvements. During the fiscal year, significant capital improvements were completed at the Springfield-Branson National Airport, Sequiota Park Lake and Channel, Park Central Square, the Busch Municipal Building, and the Southwest Wastewater Treatment Plant. The City also continued making improvements to streets, sidewalks, the storm sewer system, and streetscapes.

American Recovery and Reinvestment Act (ARRA) – The City has applied for and received ARRA funding for a variety of projects and programs. During the fiscal year ended June 30, 2012, the following departments utilized ARRA funding as indicated:

Planning and Development – Various Brownfields Assessment and Cleanup agreements

Police – Justice Assistance Grant Program and 2012 Internet Cyber Crime Initiative

Public Works and Environmental Services – Spring Branch Sewer and Ozone projects, Energy Efficiency and Conservation Block Grant Program, and Renewable Energy/Sustainable Food Feasibility Study

The Honorable Mayor
The Members of the City Council
December 11, 2012
Page 6

Debt Management – Moody’s Investors Services has assigned a rating of Aa1 on the City’s outstanding general obligation bonds. This rating was affirmed in May 2012. Municipal issuers with an Aa rating demonstrate very strong creditworthiness relative to other U.S. municipal or tax-exempt issuers. The City’s rating on leasehold revenue/annual appropriation bonds is one notch below the general obligation rating. This small distinction reflects the essentiality of the bonded projects as well as the risk of annual appropriation.

This strong rating is reflective of the City’s diverse tax base and role as a regional economic hub. Over the last three years, despite difficult economic conditions, the City has balanced the operating budget. This was achieved by re-balancing the budget quarterly. The City’s general fund reserve balance is a solid 20% of the operating revenue.

Acknowledgements

Our appreciation is extended to the various elected officials, agency and department directors, and employees responsible for contributing to the sound financial condition of the City. Furthermore, the preparation of this report would not have been possible without the efficient and dedicated services of several members of the Finance Department. In particular, we would like to express appreciation to David Holtmann, Accounting Manager, and Financial Analysts Glenda Hudson and Jody Vernon for their unflinching efforts in production of this report.

Sincerely,



Mary Mannix Decker
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Springfield
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

Independent Auditors' Report

The Honorable Mayor and Members
of the City Council
City of Springfield, Missouri

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, Missouri, as of and for the year ended June 30, 2012, 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, Missouri, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in *Note 1(c) p*, in 2012, the previously issued 2011 financial statements have been restated to correct a material misstatement therein.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary, pension and other postemployment benefit information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an

appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Springfield, Missouri's, basic financial statements. The supplemental information statements and schedules listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was performed for the purpose of forming opinions on the basic financial statements as a whole. The introductory and statistical sections listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has 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 it.

BKD, LLP

December 11, 2012

CITY OF SPRINGFIELD, MISSOURI

Management's Discussion and Analysis (Unaudited)

June 30, 2012

As management of the City of Springfield, Missouri (the "City"), we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with the transmittal letter earlier in this report and the City's financial statements and notes, which follow this section.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$859 million (net assets). Of this amount, \$239 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors (including \$54 million net pension asset recognized for the pension trust fund).
- The City's total net assets increased approximately \$49 million, \$44.4 million from the City's "governmental activities" and \$4.2 from the "business-type activities."
- The City's investment in net capital assets (net of related debt) has increased approximately \$27 million to over one-half a billion dollars.

Overview of the Financial Statements

This discussion and analysis is provided as an introduction to the basic financial statements. The basic financial statements consist of three components: government-wide financial statements, fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements. The *government-wide financial statements* are a broad overview of the City's finances in a manner similar to a private business.

The *statement of net assets* presents all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Net assets are an important measure of the City's overall financial health. The increases and decreases in net assets can be monitored to determine whether the City's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the City'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 the related cash flow. 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 and earned but unused vacation leave.

Both of the government-wide financial statements report 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 for the City included general government, public works, public safety, parks and recreation, public health and planning and development. The business-type activities for the City include the airport, sanitary sewerage system, refuse disposal and golf.

CITY OF SPRINGFIELD, MISSOURI

Management's Discussion and Analysis (Unaudited)

June 30, 2012

Fund Financial Statements. A 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 compliance with finance-related legal requirements. These funds are divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of 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 the City'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, the reader 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 *governmental activities*.

Proprietary Funds. The City uses two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its service center, print shop and self-insurance (health and workers' compensation insurance) activities. Because these services predominately benefit governmental rather than business-type functions, they have been primarily included within the *governmental activities* in the government-wide financial statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Basic 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.

Other Information. In addition to the basic financial statements and accompanying notes, this report also contains certain *required supplementary information* regarding budgetary, pension and postretirement benefits information. The combining statements for the nonmajor funds and internal service funds are presented immediately following the required supplementary information on pensions and post retirement benefits.

CITY OF SPRINGFIELD, MISSOURI

Management's Discussion and Analysis (Unaudited)

June 30, 2012

Government-Wide Financial Analysis

Net assets may serve as a useful indicator of the City's financial position. As of June 30, 2012, assets exceeded liabilities by \$859 million. The largest portion of the City's net assets, \$557 million (65%), reflects its investment in capital assets, *e.g.*, land, construction in progress, buildings, improvements, machinery and equipment and infrastructure, less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Net Assets

The following table reflects the condensed schedule of net assets as of June 30, 2012 and 2011, (in thousands):

	City of Springfield Net Assets					
	Government activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 280,303	\$264,411	\$ 134,715	\$ 97,023	\$ 415,018	\$ 361,434
Capital assets	402,505	384,027	478,203	479,648	880,708	863,675
Total assets	682,808	648,438	612,918	576,671	1,295,726	1,225,109
Long-term debt outstanding	169,791	178,919	239,106	210,163	408,897	389,082
Other liabilities	17,489	18,385	10,411	7,263	27,900	25,648
Total liabilities	187,280	197,304	249,517	217,426	436,797	414,730
Net assets						
Invested in capital assets, net						
of related debt	268,253	242,388	288,317	287,230	556,570	529,618
Restricted	11,312	11,202	51,628	51,158	62,940	62,360
Unrestricted	215,963	197,544	23,456	20,857	239,419	218,401
Total net assets	\$ 495,528	\$451,134	\$ 363,401	\$ 359,245	\$ 858,929	\$ 810,379

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The City's combined net assets increased to \$859 million from \$810 million as a result of the increase in net assets reflected in the next table.

The largest portion of the City's net assets, \$557 million (65%), reflects its investment in capital assets, *e.g.*, land, construction in progress, buildings, improvements, machinery and equipment and infrastructure, less any related debt used to acquire those assets that are still outstanding. An additional portion of the City's net assets, \$63 million (7%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net assets, \$239 million (28%), represents unrestricted net assets that may be used to meet the City's ongoing obligations to citizens and creditors (including the \$54 million net pension asset recognized for the pension trust fund).

CITY OF SPRINGFIELD, MISSOURI

Management's Discussion and Analysis (Unaudited)

June 30, 2012

Change in Net Assets

The following table reflects the revenues and expenses from the City's activities (in thousands):

	City of Springfield Changes in Net Assets					
	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 20,161	18,259	51,348	46,441	71,509	64,700
Operating grants and contributions	21,389	23,650	44	55	21,433	23,705
Capital grants and contributions	9,136	15,438	12,872	12,897	22,008	28,335
General revenues:						
Property taxes	20,307	19,806	—	—	20,307	19,806
Sales and use taxes	116,281	110,892	—	—	116,281	110,892
Other revenues	28,582	28,568	5,333	6,642	33,915	35,210
Total revenues	<u>215,856</u>	<u>216,613</u>	<u>69,597</u>	<u>66,035</u>	<u>285,453</u>	<u>282,648</u>
Expenses:						
Public works	44,251	45,401	—	—	44,251	45,401
Public safety	62,259	62,112	—	—	62,259	62,112
Parks and recreation	26,637	22,464	—	—	26,637	22,464
Planning and development	3,488	4,623	—	—	3,488	4,623
Public health	8,872	9,778	—	—	8,872	9,778
General government	20,666	19,856	—	—	20,666	19,856
Interest on long-term debt	6,908	7,078	—	—	6,908	7,078
Airport	—	—	27,432	26,299	27,432	26,299
Sanitary sewerage system	—	—	28,201	28,585	28,201	28,585
Nonmajor	—	—	8,189	7,912	8,189	7,912
Total expenses	<u>173,081</u>	<u>171,312</u>	<u>63,822</u>	<u>62,796</u>	<u>236,903</u>	<u>234,108</u>
Increase in net assets before transfers	42,775	45,301	5,775	3,239	48,550	48,540
Transfers	1,619	1,272	(1,619)	(1,272)	—	—
Increase in net assets	44,394	46,573	4,156	1,967	48,550	48,540
Net assets, beginning as restated	<u>451,134</u>	<u>404,561</u>	<u>359,245</u>	<u>357,278</u>	<u>810,379</u>	<u>761,839</u>
Net assets, ending	<u>\$ 495,528</u>	<u>451,134</u>	<u>363,401</u>	<u>359,245</u>	<u>858,929</u>	<u>810,379</u>

Governmental Activities

Governmental activities increased the City's net assets by \$44.3 million. Sales and use tax revenues, the largest governmental category, were \$116.3 million, or 54%, of total revenues. Revenues from governmental activities total \$215.9 million, or 76%, of the total City revenues. Sales tax was approximately 5% higher for the current year.

CITY OF SPRINGFIELD, MISSOURI

Management’s Discussion and Analysis (Unaudited)

June 30, 2012

Certain revenues are generated that are specific to governmental program activity. These totaled \$51 million. The following table shows expenses and program revenues of the governmental activities for the years ended June 30, 2012 and 2011 (in thousands):

Net Cost of City of Springfield’s Governmental Activities

	Total cost of service		Net cost of service	
	2012	2011	2012	2011
Public works	\$ 44,251	45,401	35,561	30,671
Public safety	62,259	62,112	50,233	51,985
Parks and recreation	26,637	22,464	18,449	15,336
Planning and development	3,488	4,623	903	(1,401)
Public health	8,872	9,778	3,664	2,923
General government	20,666	19,856	6,678	7,373
Interest on long-term debt	6,908	7,078	6,908	7,078
	<u>\$ 173,081</u>	<u>171,312</u>	<u>122,396</u>	<u>113,965</u>

As previously noted, expenses from governmental activities total \$173 million. However, net costs of these services were \$122 million. The difference represents direct revenues received from charges for services of \$20.1 million, operating grants and contributions of \$21.4 million and capital grants and contributions of \$9.1 million. Taxes and other revenues of \$165 million were collected to cover these net costs.

Business-Type Activities

Business-type activities increased the City’s net assets by approximately \$4.2 million. Individual fluctuations are as follows:

- The airport recorded an increase of \$1.7 million in net assets for the year, which is attributed to federal grants received for capital improvement projects totaling \$11.9 million and current year operations with a loss over \$10 million.
- The sewer system recorded an increase of \$1.1 million in net assets for the year, which is attributed to the results of federal grants received for capital improvement projects totaling \$778,000 and current year operations income of \$322,000.

Financial Analysis of the City’s Funds

As of the end of the fiscal year, the City’s governmental funds report a combined fund balance of \$179 million. The fund balance of the General Fund increased to \$20.3 million (an increase of \$3.5 million) as a result of higher than expected sales tax revenue and a continued emphasis on controlling operating expenses.

CITY OF SPRINGFIELD, MISSOURI

Management's Discussion and Analysis (Unaudited)

June 30, 2012

The net assets in the Community Development Fund increased to \$45.9 million. Total revenue exceeded expenditures by approximately \$1 million.

The Public Safety Pension Sales Tax Fund collected and remitted \$27.9 million to the Pension Trust Fund in the second full year of collection.

The National Airport Fund's net assets increased \$1.7 million (1%) in the current year as a result of federal grants received for capital improvement projects totaling \$11.9 million and current year activity with a loss over \$10 million.

The Sanitary Sewerage System Fund's net assets increased \$1.1 million in the current year attributed to the result of federal grants received for capital improvements projects totaling \$778,000 and current year operations income of \$322,000. Sewer operating revenue increased approximately \$4.3 million (18%) from the previous year mainly from increased user rates.

General Fund Budgetary Highlights

Differences between the original and the final amended budget can be summarized as follows:

- The original revenue budget of \$67.6 million was increased to \$68.2 million as a result of higher sales tax revenue collections. Total revenues exceeded the revised budget by \$2.2 million.
- The total original expenditure budget of \$65.6 million increased to \$68.6 million (an increase of \$3 million). Actual expenditures were \$3.6 million less than budget.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2012, amounts to \$881 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, collections systems, machinery and equipment and infrastructure. Capital assets increased \$17 million during the period.

Major capital events during the current fiscal year included the following:

- Training facility totaling \$4.4 million
- Campbell and Weaver intersection project totaling \$3.9 million
- Doling Aquatics Center project totaling \$1.9 million
- Chestnut Expressway and Highway 65 interchange project totaling \$1.2 million
- Early Action Plan Sanitary Sewer Overflow Control Program totaling \$2.2 million
- Doling Park Lake and Channel improvements totaling \$1.4 million
- Replace SWTP Ozone Generators project totaling \$4.5 million

CITY OF SPRINGFIELD, MISSOURI

Management's Discussion and Analysis (Unaudited)

June 30, 2012

City of Springfield Capital Assets (amounts expressed in thousands, net of accumulated depreciation)

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 53,774	52,996	17,347	17,017	71,121	70,013
Construction in progress	45,944	30,804	23,543	16,657	69,487	47,461
Buildings	67,253	67,513	112,264	116,067	179,517	183,580
Improvements	54,066	46,512	99,873	99,392	153,939	145,904
Machinery and equipment	6,394	5,155	10,988	11,496	17,382	16,651
Infrastructure/sewer collection system	175,074	181,047	214,188	219,019	389,262	400,066
Total	\$ 402,505	384,027	478,203	479,648	880,708	863,675

For additional information on capital assets, see *Note 2(c)* to financial statements.

Debt Administration

The City, at the end of fiscal 2012, had a total of \$377 million of outstanding long-term debt. The City issued \$9.7 million of governmental activity bonds, of which \$7.3 million refunded existed debt. The City also issued over \$33 million of special obligation bonds for the sewer system.

City of Springfield Outstanding Debt (amounts expressed in thousands)

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds **	\$ 143,205	151,770	—	—	143,205	151,770
Revenue bonds	—	—	191,752	161,728	191,752	161,728
Notes payable	—	—	34,554	35,927	34,554	35,927
Section 108 Loan Program	7,231	7,463	—	—	7,231	7,463
Capital lease obligations	212	327	142	256	354	583
Total	\$ 150,648	159,560	226,448	197,911	377,096	357,471

** Including Public Building Corporation bonds, certificates of participation and bond premium.

Note: 2011 has been restated to include the Section 108 Loan Program

For additional information on debt administration, see *Note 2(d)* to the financial statements.

Requests for Information

This financial report is designed to provide the reader a general overview of the City's finances. Questions or requests for more information concerning any of the information provided in this report should be directed to David Holtmann, Accounting Manager, Finance Department, City of Springfield, P.O. Box 8368, 840 Boonville Avenue, Springfield, Missouri, 65801.

CITY OF SPRINGFIELD, MISSOURI

Statement of Net Assets

June 30, 2012

Assets	Primary government			Component unit
	Governmental activities	Business-type activities	Total	City Utilities
Cash and investments	\$ 111,840,725	29,000,094	140,840,819	53,594,000
Property taxes receivable, net	18,597,707	—	18,597,707	—
Special assessments receivable, net	2,987,264	—	2,987,264	—
Accounts receivable	20,166,249	3,823,081	23,989,330	24,529,000
Unbilled revenue	—	1,251,781	1,251,781	12,499,000
Accrued interest receivable	526,313	147,819	674,132	—
Inventories	2,955,548	2,348,545	5,304,093	35,140,000
Notes and loans receivable, net	42,322,195	—	42,322,195	—
Net pension asset	54,015,135	—	54,015,135	1,734,000
Internal balances	(653,424)	653,424	—	—
Due from other government agencies	9,374,748	3,162,870	12,537,618	—
Restricted assets:				
Cash and investments	15,537,760	87,819,878	103,357,638	214,717,000
Other	—	3,993,043	3,993,043	—
Deferred charges and other	2,632,892	2,514,182	5,147,074	21,510,000
Capital assets:				
Nondepreciable	99,717,974	40,890,110	140,608,084	65,983,000
Depreciable, net	302,786,911	437,313,263	740,100,174	1,346,574,000
Total assets	<u>682,807,997</u>	<u>612,918,090</u>	<u>1,295,726,087</u>	<u>1,776,280,000</u>
Liabilities				
Accounts payable and other current liabilities	9,683,657	6,308,494	15,992,151	23,770,000
Unearned revenue	1,787,347	260,642	2,047,989	—
Estimated liability for incurred but unreported claims	1,919,000	—	1,919,000	—
Other liabilities	—	—	—	31,582,000
Due to other governments	—	—	—	1,136,000
Due to pension fund	4,098,938	—	4,098,938	—
Utility customer deposits	—	—	—	4,213,000
Current liabilities payable from restricted assets	—	3,788,088	3,788,088	—
Long-term liabilities:				
Due within one year	11,608,391	11,093,258	22,701,649	18,152,000
Due in more than one year	158,182,396	228,066,779	386,249,175	791,186,000
Total liabilities	<u>187,279,729</u>	<u>249,517,261</u>	<u>436,796,990</u>	<u>870,039,000</u>
Net Assets				
Invested in capital assets, net of related debt	268,253,358	288,316,613	556,569,971	682,652,000
Restricted for:				
Debt service	10,042,164	51,628,033	61,670,197	12,088,000
Perpetual care – nonexpendable	1,269,362	—	1,269,362	—
Unrestricted	215,963,384	23,456,183	239,419,567	211,501,000
Total net assets	<u>\$ 495,528,268</u>	<u>363,400,829</u>	<u>858,929,097</u>	<u>906,241,000</u>

See accompanying notes to basic financial statements.

CITY OF SPRINGFIELD, MISSOURI

Statement of Activities

Year ended June 30, 2012

Functions/programs	Expenses	Program revenues			Net revenue (expense) and changes in net assets			Component unit
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government		City Utilities	
					Governmental activities	Business-type activities		Total
Primary government:								
Governmental activities:								
Public works	\$ 44,250,868	2,053,209	564,970	6,071,715	(35,560,974)	—	(35,560,974)	—
Public safety	62,258,803	3,618,514	6,886,014	1,521,042	(50,233,233)	—	(50,233,233)	—
Parks and recreation	26,636,615	6,142,569	1,514,305	531,309	(18,448,432)	—	(18,448,432)	—
Planning and development	3,488,471	52,246	1,809,892	722,850	(903,483)	—	(903,483)	—
Public health	8,871,778	1,563,174	3,644,577	—	(3,664,027)	—	(3,664,027)	—
General government	20,666,186	6,730,789	6,968,765	289,099	(6,677,533)	—	(6,677,533)	—
Interest on long-term debt	6,907,856	—	—	—	(6,907,856)	—	(6,907,856)	—
Total governmental activities	173,080,577	20,160,501	21,388,523	9,136,015	(122,395,538)	—	(122,395,538)	—
Business-type activities:								
National airport	27,431,629	14,145,418	—	11,937,925	—	(1,348,286)	(1,348,286)	—
Sanitary sewerage system	28,201,357	28,103,578	—	778,033	—	680,254	680,254	—
Refuse disposal	5,343,805	6,205,418	44,132	156,248	—	1,061,993	1,061,993	—
Golf	2,845,568	2,893,383	—	—	—	47,815	47,815	—
Total business-type activities	63,822,359	51,347,797	44,132	12,872,206	—	441,776	441,776	—
Total primary government	\$ 236,902,936	71,508,298	21,432,655	22,008,221	(122,395,538)	441,776	(121,953,762)	—
Component unit:								
City Utilities	\$ 395,705,000	402,248,000	—	—	—	—	—	6,543,000
General revenues:								
Property taxes					\$ 20,306,635	—	20,306,635	—
Sales and use taxes					116,281,248	—	116,281,248	—
Franchise taxes					6,869,352	—	6,869,352	—
Room taxes					3,835,365	—	3,835,365	—
Payment in lieu of taxes					12,421,954	—	12,421,954	—
Revenues from use of money and property					995,738	2,014,623	3,010,361	8,338,000
Other revenue					4,459,691	3,318,848	7,778,539	3,296,000
Transfers					1,619,449	(1,619,449)	—	—
Total general revenues and transfers					166,789,432	3,714,022	170,503,454	11,634,000
Change in net assets					44,393,894	4,155,798	48,549,692	18,177,000
Net assets – beginning, as restated					451,134,374	359,245,031	810,379,405	888,064,000
Net assets – ending					\$ 495,528,268	363,400,829	858,929,097	906,241,000

See accompanying notes to basic financial statements.

CITY OF SPRINGFIELD, MISSOURI

Governmental Funds Balance Sheet

June 30, 2012

Assets	General	Community development	Public Safety Pension Sales Tax	Nonmajor governmental funds	Total governmental funds
Cash and investments	\$ 11,727,303	2,770,089	—	90,415,643	104,913,035
Property taxes receivable (net uncollectible amounts)	—	—	—	18,597,707	18,597,707
Special assessments receivable, net	—	—	—	2,987,264	2,987,264
Restricted cash and investments	—	—	—	15,537,760	15,537,760
Accrued interest receivable	88,680	12,903	—	400,390	501,973
Sales tax and other receivables, net	7,929,123	247,753	4,098,938	7,890,435	20,166,249
Inventories	24,128	443,863	—	2,140,278	2,608,269
Notes and loans receivable, net	—	42,322,195	—	—	42,322,195
Due from other funds	2,156,309	—	—	102,522	2,258,831
Due from other governments	305,618	555,347	—	8,513,783	9,374,748
Total assets	\$ 22,231,161	46,352,150	4,098,938	146,585,782	219,268,031
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and other current liabilities	\$ 1,765,315	237,121	—	6,515,996	8,518,432
Unearned revenue	109,113	94,187	—	1,584,047	1,787,347
Deferred revenue	—	36,959	—	24,229,991	24,266,950
Due to other funds	—	—	4,098,938	1,708,596	5,807,534
Total liabilities	1,874,428	368,267	4,098,938	34,038,630	40,380,263
Fund balances:					
Nonspendable	24,128	42,766,058	—	3,409,640	46,199,826
Restricted	—	3,217,825	—	83,093,086	86,310,911
Committed	14,600,000	—	—	23,617,145	38,217,145
Assigned	5,732,605	—	—	2,633,940	8,366,545
Unassigned	—	—	—	(206,659)	(206,659)
Total fund balances	20,356,733	45,983,883	—	112,547,152	178,887,768
Total liabilities and fund balances	\$ 22,231,161	46,352,150	4,098,938	146,585,782	219,268,031

See accompanying notes basic to financial statements.

CITY OF SPRINGFIELD, MISSOURI
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2012

Fund balances – total governmental funds	\$ <u>178,887,768</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	657,346,270
Less accumulated depreciation	<u>(255,517,516)</u>
	401,828,754
Net prepaid pension asset	54,015,135
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(1,042,299)
Adjustment of deferred revenue	24,266,950
Internal service funds are used by management to charge the costs of certain activities to individual funds. Certain assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets	4,374,852
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds, net of unamortized premiums/discounts	(169,432,784)
Unamortized issuance costs on bonds	<u>2,629,892</u>
Net assets of governmental activities	<u>\$ <u>495,528,268</u></u>

See accompanying notes to basic financial statements.

CITY OF SPRINGFIELD, MISSOURI

Governmental Funds Statement of Revenues, Expenditures

and Changes in Fund Balances

Year ended June 30, 2012

	<u>General</u>	<u>Community development</u>	<u>Public Safety Pension Sales Tax</u>	<u>Nonmajor governmental funds</u>	<u>Total governmental funds</u>
Revenues:					
Taxes:					
Property	\$ —	—	—	20,018,747	20,018,747
Sales	43,019,406	—	27,869,481	45,679,308	116,568,195
Franchise	6,900,026	—	—	—	6,900,026
Room	107,868	—	—	3,727,497	3,835,365
Licenses and permits	3,395,849	—	—	—	3,395,849
Intergovernmental	1,148	2,463,506	—	28,906,642	31,371,296
Charges for services	2,954,532	—	—	8,835,468	11,790,000
Fines and forfeitures	1,563,100	—	—	—	1,563,100
Special assessments	—	—	—	1,433,729	1,433,729
Revenues from use of money and property	180,203	9,071	—	755,794	945,068
Payments in lieu of taxes	12,428,289	—	—	—	12,428,289
Other	178,243	945,009	—	5,004,427	6,127,679
Total revenues	<u>70,728,664</u>	<u>3,417,586</u>	<u>27,869,481</u>	<u>114,361,612</u>	<u>216,377,343</u>
Expenditures:					
Current:					
Public works	6,381,822	—	—	11,375,481	17,757,303
Public safety	43,203,476	—	27,869,481	14,301,344	85,374,301
Parks and recreation	—	—	—	23,371,235	23,371,235
Planning and development	997,012	2,367,269	—	—	3,364,281
Public health	—	—	—	9,044,293	9,044,293
General government	13,568,843	—	—	7,471,765	21,040,608
Debt service:					
Principal	84,482	232,000	—	11,303,698	11,620,180
Bond issuance costs	—	—	—	219,376	219,376
Interest and other charges	7,007	162,011	—	6,459,113	6,628,131
Capital outlay:					
Public works	156,580	—	—	30,084,092	30,240,672
Public safety	358,654	—	—	506,853	865,507
Parks and recreation	—	—	—	7,171,247	7,171,247
Planning and development	—	—	—	912,522	912,522
General government	250,265	—	—	144,926	395,191
Total expenditures	<u>65,008,141</u>	<u>2,761,280</u>	<u>27,869,481</u>	<u>122,365,945</u>	<u>218,004,847</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,720,523</u>	<u>656,306</u>	<u>—</u>	<u>(8,004,333)</u>	<u>(1,627,504)</u>
Other financing sources (uses):					
Issuance of debt	—	—	—	2,480,000	2,480,000
Bond premium (discount)	—	—	—	438,280	438,280
Issuance of refunding bonds	—	—	—	7,260,000	7,260,000
Payment to bond escrow agent	—	—	—	(7,335,000)	(7,335,000)
Transfers in	2,876,040	310,966	—	18,692,944	21,879,950
Transfers out	<u>(5,045,805)</u>	<u>(582,455)</u>	<u>—</u>	<u>(14,542,083)</u>	<u>(20,170,343)</u>
Total other financing sources (uses)	<u>(2,169,765)</u>	<u>(271,489)</u>	<u>—</u>	<u>6,994,141</u>	<u>4,552,887</u>
Net change in fund balances	3,550,758	384,817	—	(1,010,192)	2,925,383
Fund balances – beginning, as restated	16,805,975	45,599,066	—	113,557,344	175,962,385
Fund balances – ending	\$ <u>20,356,733</u>	<u>45,983,883</u>	<u>—</u>	<u>112,547,152</u>	<u>178,887,768</u>

See accompanying notes to basic financial statements.

CITY OF SPRINGFIELD, MISSOURI
 Reconciliation of the Change in Fund Balances
 of Governmental Funds to the Statement of Activities
 Year ended June 30, 2012

Net change in fund balances – total governmental funds	\$ <u>2,925,383</u>
Amounts reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (in excess of the capitalization threshold) is allocated over their estimated useful lives and reported as depreciation expense. The following is the detail of the amount by which capital outlays (in excess of the capitalization threshold) exceeded depreciation in the current period:	
Capital outlay	41,928,137
Depreciation	<u>(23,366,303)</u>
	<u>18,561,834</u>
The net effect of various miscellaneous transactions involving capital assets <i>i.e.</i> , sales, trade-ins, donations and disposals, is to decrease net assets	<u>(20,863)</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	<u>(3,468,972)</u>
The issuance of long-term debt <i>e.g.</i> , bonds, loan, 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. 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. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:	
Bond proceeds	(9,740,000)
Repayment of principal including payment to bond escrow agent (bonds and capitalized lease obligations)	18,955,180
Premiums (discounts) received, net of amortization	(334,124)
Issuance cost paid, net of amortization	(17,646)
Loss on refundings amortization	(217,594)
Accrued interest	<u>70,735</u>
	<u>8,716,551</u>
Some expenses reported in the statement of activities (pension, other postemployment benefits, claims and judgments and compensated absences) do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds	
Increase in net pension asset	14,110,466
Increase in OPEB liability	(293,630)
Increase (decrease) in claims, judgments and compensated absences liability	<u>1,006,632</u>
	<u>14,823,468</u>
Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities	<u>2,856,493</u>
Change in net assets of governmental activities	\$ <u><u>44,393,894</u></u>

See accompanying notes to basic financial statements.

CITY OF SPRINGFIELD, MISSOURI

Proprietary Funds Statement of Net Assets

June 30, 2012

Assets	Enterprise funds				Internal service funds
	National airport	Sanitary sewerage system	Nonmajor	Total	
Current assets:					
Cash and cash equivalents	\$ 7,471	1,000	3,516	11,987	6,927,690
Investments	2,974,021	7,519,157	5,519,852	16,013,030	—
Accrued interest receivable	31,099	64,059	52,661	147,819	24,340
Accounts receivable	1,568,305	2,234,810	19,966	3,823,081	—
Due from other governments	7,134	2,996,479	159,257	3,162,870	—
Unbilled revenue	—	1,251,781	—	1,251,781	—
Inventories	883,615	1,221,806	243,124	2,348,545	347,279
Prepaid expenses	115,451	—	—	115,451	—
Restricted assets:					
Cash and cash equivalents	5,854,425	31,287,950	—	37,142,375	—
Investments	3,106,700	—	—	3,106,700	—
Other	3,157,750	835,293	—	3,993,043	—
Total current assets	17,705,971	47,412,335	5,998,376	71,116,682	7,299,309
Noncurrent assets:					
Restricted assets:					
Investments	10,041,435	37,529,368	—	47,570,803	—
Investments	2,409,796	6,092,641	4,472,640	12,975,077	—
Unamortized bond issue costs	1,314,203	1,084,528	—	2,398,731	3,000
Capital assets:					
Land and easements	10,020,682	4,645,812	2,680,080	17,346,574	23,614
Buildings	124,395,454	62,298,653	1,900,065	188,594,172	1,058,097
Collection system	—	338,467,171	—	338,467,171	—
Improvements other than buildings	141,085,740	14,303,349	24,907,569	180,296,658	684,399
Machinery and equipment	17,741,189	7,836,971	9,376,483	34,954,643	259,751
Less accumulated depreciation	293,243,065	427,551,956	38,864,197	759,659,218	2,025,861
Construction in progress	(96,973,538)	(185,557,586)	(22,468,257)	(304,999,381)	(1,349,730)
Total capital assets, net	196,269,527	241,994,370	16,395,940	454,659,837	676,131
Total noncurrent assets	638,256	21,733,668	1,171,612	23,543,536	—
Total assets	196,907,783	263,728,038	17,567,552	478,203,373	676,131
Total noncurrent assets	210,673,217	308,434,575	22,040,192	541,147,984	679,131
Total assets	228,379,188	355,846,910	28,038,568	612,264,666	7,978,440

CITY OF SPRINGFIELD, MISSOURI

Proprietary Funds Statement of Net Assets

June 30, 2012

Liabilities	Enterprise funds				Internal service funds
	National airport	Sanitary sewerage system	Nonmajor	Total	
Current liabilities:					
Accounts payable	\$ 435,252	4,202,530	311,089	4,948,871	122,926
Retainages payable	—	1,257,002	96,443	1,353,445	—
Accrued compensated absences	84,414	70,453	34,701	189,568	20,609
Due to other funds	—	—	380,000	380,000	170,235
Accrued interest payable	—	—	6,178	6,178	—
Unearned revenue	260,575	67	—	260,642	—
Estimated liability for incurred but unreported claims	—	—	—	—	1,919,000
Payables from restricted assets:					
Current maturities of long-term debt	2,265,000	8,501,373	137,317	10,903,690	31,022
Payables from restricted assets	2,311,110	1,476,978	—	3,788,088	—
Total current liabilities	5,356,351	15,508,403	965,728	21,830,482	2,263,792
Long-term liabilities, less current maturities:					
Revenue bonds payable, net	93,336,885	90,394,536	5,663	183,737,084	—
Notes and capitalized lease obligations payable	—	31,579,621	63,165	31,642,786	137,912
Accrued landfill closure/postclosure care costs	—	—	10,425,925	10,425,925	—
Other postemployment benefits	197,499	175,534	118,317	491,350	—
Accrued compensated absences	407,747	872,745	489,142	1,769,634	168,460
Total long-term debt	93,942,131	123,022,436	11,102,212	228,066,779	306,372
Total liabilities	99,298,482	138,530,839	12,067,940	249,897,261	2,570,164
Net Assets					
Net assets:					
Invested in capital assets, net of related debt	109,207,717	161,747,489	17,361,407	288,316,613	676,131
Restricted for debt service	11,947,381	39,680,652	—	51,628,033	—
Unrestricted	7,925,608	15,887,930	(1,390,779)	22,422,759	4,732,145
Total net assets	\$ 129,080,706	217,316,071	15,970,628	362,367,405	5,408,276
Some of the amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities				1,033,424	
Net assets of business-type activities				\$ 363,400,829	

See accompanying notes to basic financial statements.

CITY OF SPRINGFIELD, MISSOURI

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

Year ended June 30, 2012

	Enterprise funds			Internal service funds	
	National airport	Sanitary sewerage system	Nonmajor		Total
Operating revenues:					
Sewer service charges	\$ —	27,906,866	—	27,906,866	—
Sewer connection charges	—	196,712	—	196,712	—
Sale of fuel and oil	3,855,574	—	—	3,855,574	—
Flight fees, airport facility rental and other charges	10,250,820	—	—	10,250,820	—
Golf course fees	—	—	2,893,383	2,893,383	—
Landfill charges	—	—	5,802,144	5,802,144	—
Yardwaste recycling sales	—	—	353,675	353,675	—
Billings to departments	—	—	—	—	8,236,825
Contributions – City and employees	—	—	—	—	12,066,708
Other	39,024	—	49,599	88,623	—
Total operating revenues	14,145,418	28,103,578	9,098,801	51,347,797	20,303,533
Operating expenses:					
Personnel services	5,244,732	5,904,261	3,528,257	14,677,250	1,332,666
Other services	2,731,365	5,992,442	1,629,180	10,352,987	12,865,587
Supplies	4,167,610	2,849,425	1,051,285	8,068,320	2,532,361
Other expenses	—	—	—	—	90,332
Depreciation and amortization	10,384,154	10,209,189	1,691,503	22,284,846	63,509
Total operating expenses	22,527,861	24,955,317	7,900,225	55,383,403	16,884,455
Operating income (loss)	(8,382,443)	3,148,261	1,198,576	(4,035,606)	3,419,078
Nonoperating revenues (expenses):					
Interest revenue	125,658	1,767,470	39,523	1,932,651	—
Interest on long-term debt	(5,055,235)	(2,869,660)	(55,612)	(7,980,507)	—
Administrative fees and other debt charges	(58,206)	(563,748)	—	(621,954)	—
Gain (loss) from disposal of capital assets	5,161	1,741	75,070	81,972	—
Claims and settlements	—	3,712	(358,291)	(354,579)	—
Rental car customer facility charge revenue	1,294,690	—	—	1,294,690	—
Rental car customer facility fuel sales	558,895	—	—	558,895	—
Passenger facility charge revenue	1,440,832	—	—	1,440,832	—
Other nonoperating income	—	10,955	9,607	20,562	49,526
Net nonoperating revenues (expenses)	(1,688,205)	(1,649,530)	(289,703)	(3,627,438)	49,526
Income (loss) before contributions and transfers	(10,070,648)	1,498,731	908,873	(7,663,044)	3,468,604
Contributions and grants	11,937,925	778,033	200,380	12,916,338	—
Transfers in	—	—	64,998	64,998	47,500
Transfers out	(150,000)	(1,176,343)	(358,104)	(1,684,447)	(137,658)
Change in net assets	1,717,277	1,100,421	816,147	3,633,845	3,378,446
Net assets, beginning of year	127,363,429	216,215,650	15,154,481	358,733,560	2,029,830
Net assets, end of year	\$ 129,080,706	217,316,071	15,970,628	362,367,405	5,408,276
Some of the amounts reported for business-type activities in the statement of activities are different because the net revenue of certain internal service funds are reported with business-type activities				521,953	
Change in net assets of business-type activities				\$ 4,155,798	

See accompanying notes to basic financial statements.

CITY OF SPRINGFIELD, MISSOURI
Proprietary Funds Statement of Cash Flows
Year ended June 30, 2012

	Enterprise funds				Internal service funds
	National airport	Sanitary sewerage system	Nonmajor	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 13,736,060	27,610,961	8,666,793	50,013,814	20,303,533
Cash paid to suppliers	(6,832,900)	(4,283,699)	(2,630,410)	(13,747,009)	(15,633,884)
Cash paid to employees	(5,217,830)	(5,856,350)	(3,555,550)	(14,629,730)	(1,330,462)
Net cash provided by operating activities	<u>1,685,330</u>	<u>17,470,912</u>	<u>2,480,833</u>	<u>21,637,075</u>	<u>3,339,187</u>
Cash flows from noncapital financing activities:					
Transfers in	—	—	64,998	64,998	47,500
Transfers out	(150,000)	(1,176,343)	(358,104)	(1,684,447)	(137,658)
Net cash provided by (used in) noncapital financing activities	<u>(150,000)</u>	<u>(1,176,343)</u>	<u>(293,106)</u>	<u>(1,619,449)</u>	<u>(90,158)</u>
Cash flows from capital and related financing activities:					
Principal payments on long-term debt	(2,095,000)	(4,186,244)	(167,502)	(6,448,746)	(29,752)
Proceeds from issuance of long-term debt	—	32,233,006	—	32,233,006	—
Debt issuance costs	(33,988)	(1,010,970)	—	(1,044,958)	—
Interest paid on long-term debt obligations	(5,055,235)	(2,869,660)	(19,491)	(7,944,386)	(8,084)
Additions to capital assets	(9,275,630)	(9,389,165)	(2,175,919)	(20,840,714)	—
Decrease (increase) in other restricted assets	(2,558,708)	24,116	—	(2,534,592)	—
Increase (decrease) in payables from restricted assets	(37,166)	(1,650,371)	—	(1,687,537)	—
Capital contributions	11,937,925	778,033	200,380	12,916,338	—
Rental car customer facility charge revenue	1,294,690	—	—	1,294,690	—
Rental car customer facility fuel sale revenue	558,895	—	—	558,895	—
Passenger facility charges received	1,440,832	—	—	1,440,832	—
Proceeds from sale of capital assets	5,161	1,741	75,070	81,972	—
Net cash used in capital and related financing activities	<u>(3,818,224)</u>	<u>13,930,486</u>	<u>(2,087,462)</u>	<u>8,024,800</u>	<u>(37,836)</u>
Cash flows from investing activities:					
Sale of investments	20,600,872	42,129,956	9,354,035	72,084,863	—
Purchases of investments	(18,674,007)	(46,007,155)	(9,501,070)	(74,182,232)	—
Interest received	129,098	1,761,774	48,861	1,939,733	59,264
Net cash provided by (used in) investing activities	<u>2,055,963</u>	<u>(2,115,425)</u>	<u>(98,174)</u>	<u>(157,636)</u>	<u>59,264</u>
Net increase (decrease) in cash and cash equivalents	(226,931)	28,109,630	2,091	27,884,790	3,270,457
Cash and cash equivalents, beginning of year	6,088,827	3,179,320	1,425	9,269,572	3,657,233
Cash and cash equivalents, end of year	<u>\$ 5,861,896</u>	<u>31,288,950</u>	<u>3,516</u>	<u>37,154,362</u>	<u>6,927,690</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ (8,382,443)	3,148,261	1,198,576	(4,035,606)	3,419,078
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	10,384,154	10,209,189	1,691,503	22,284,846	63,509
Other nonoperating expenses	(58,206)	14,667	(348,684)	(392,223)	—
Decrease (increase) in:					
Inventories	(12,196)	(42,711)	(32,776)	(87,683)	17,553
Accounts receivable	(350,286)	(309,643)	819	(659,110)	—
Due from other governments	(7,134)	—	(109,897)	(117,031)	—
Unbilled revenue	—	(197,708)	—	(197,708)	—
Prepaid expenses	(14,251)	—	—	(14,251)	—
Increase (decrease) in:					
Accounts payable	92,522	3,404,415	2,244	3,499,181	(12,927)
Retainage payable	—	1,196,464	81,508	1,277,972	—
Unearned revenue	6,268	67	—	6,335	—
Due to other funds	—	—	(332,694)	(332,694)	95,770
Accrued landfill closure/postclosure care costs	—	—	357,527	357,527	—
Estimated liability for incurred but unreported claims	—	—	—	—	(246,000)
Other postemployment benefits	19,886	17,982	11,424	49,292	—
Accrued compensated absences	7,016	29,929	(38,717)	(1,772)	2,204
Total adjustments	<u>10,067,773</u>	<u>14,322,651</u>	<u>1,282,257</u>	<u>25,672,681</u>	<u>(79,891)</u>
Net cash provided by operating activities	<u>\$ 1,685,330</u>	<u>17,470,912</u>	<u>2,480,833</u>	<u>21,637,075</u>	<u>3,339,187</u>
Supplemental cash flows information:					
ARRA loan not yet disbursed at year end for allowable costs incurred - Due from other governments	\$ —	2,996,479	—	2,996,479	—

See accompanying notes to basic financial statements.

CITY OF SPRINGFIELD, MISSOURI

Fiduciary Funds Statement of Fiduciary Net Assets

June 30, 2012

Assets	Pension Trust	Agency funds
Cash and short-term investments	\$ 1,870,954	5,418,246
Investments, at fair value:		
U.S. government securities	19,544,234	—
Debt securities	21,504,590	—
Equity securities	164,600,803	—
Due from other funds	4,098,938	—
Accrued interest receivable	299,874	956
	211,919,393	5,419,202
Liabilities		
Accounts payable	9,551	5,302,365
Escrows payable	—	82,309
Municipal court bond deposits	—	34,528
	9,551	5,419,202
Net Assets		
Held in trust for pension benefits	\$ 211,909,842	—

See accompanying notes to basic financial statements.

CITY OF SPRINGFIELD, MISSOURI

Fiduciary Funds Statement of Changes in Fiduciary Net Assets

Year ended June 30, 2012

	<u>Pension Trust</u>
Additions:	
Contributions:	
Employer	\$ 2,996,883
Plan members	7,857,005
Public safety sales tax	<u>27,869,481</u>
Total contributions	<u>38,723,369</u>
Investment earnings:	
Interest and dividends	2,137,024
Net decrease in the fair value of investments	<u>(43,664)</u>
Total investment earnings	2,093,360
Less investment expense	<u>(572,831)</u>
Net investment earnings	<u>1,520,529</u>
Other revenue	<u>574</u>
Total additions	<u>40,244,472</u>
Deductions:	
Benefits	17,374,369
Refunds of contributions	1,810,823
Administrative expenses	<u>316,999</u>
Total deductions	<u>19,502,191</u>
Change in net assets	20,742,281
Net assets – beginning	<u>191,167,561</u>
Net assets – ending	<u>\$ 211,909,842</u>

See accompanying notes to basic financial statements.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

The City of Springfield, Missouri (the “City”), operates under the Council-Manager form of government with the council consisting of the Mayor and eight council members who are elected on a nonpartisan basis. The City provides a variety of general government services to residents including law enforcement, fire protection, community development, recreation and various social services. Additionally, the City has several business-type operations that offer services associated with the National Airport, sanitary sewerage system, refuse disposal facilities and municipal golf courses.

The financial reporting entity consists of the primary government and its component units, entities for which the government is considered financially accountable. The determination of financial accountability includes consideration of a number of criteria, including: (1) the appointment of a voting majority of an entity’s governing authority and the ability of the primary government to impose its will on the entity; (2) the potential for the entity to provide specific financial benefits to, or impose specific financial burdens on, the primary government; and (3) the entity’s fiscal dependency on the primary government. Two types of component units are included within the government-wide financial statements:

Blended Component Unit – The following legally separate entity is a component unit that is, in substance, a part of the City’s general operations. This component unit provides services entirely, or almost entirely, to the primary government or provides services that exclusively, or almost exclusively, benefit the primary government. Data from this unit is combined with data of the primary government for financial reporting purposes.

The Public Building Corporation of the City of Springfield, Missouri (PBC) – The PBC, a not-for-profit corporation, was incorporated under the laws of the State of Missouri on October 2, 1989. The PBC was established to promote, acquire, develop, construct and own facilities within the City, which are approved by the City Council for the purpose of promoting the economic, social, industrial, cultural and commercial growth and for the general benefit of the City and its residents.

The board of directors of the PBC consists of nine persons appointed by the Mayor with the advice and consent of the City Council. Financial information for the PBC has been included within the governmental activities and governmental funds. Although it is legally separate from the City, the PBC is reported as if it were part of the primary government, because its sole purpose is to finance the construction of various capital projects within the City. No separately issued financial statements are prepared for the PBC.

Discretely Presented Component Unit – The below mentioned discretely presented component unit is reflected separately in the government-wide financial statements to emphasize that it is legally separate from the primary government.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

City Utilities of Springfield, Missouri (City Utilities) – City Utilities is a legally separate municipally owned utility controlled by the Board of Public Utilities, which is appointed by the City Council in accordance with the City Charter.

The City Council approves the rates for user charges, the annual budget plan and bond issuance authorizations. Financial information for City Utilities is as of and for the year ended September 30, 2011. City Utilities elected to apply Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, for their proprietary operations, unless these pronouncements conflict with applicable Governmental Accounting Standards Board (GASB) guidance or pronouncements. City Utilities is comprised of the Public Utility (including the Electric, Gas, Transportation and Telecommunications departments) and the Water Utility, which are controlled by the Board of Public Utilities.

As required in Section 16.11 of the City Charter, the City Utilities component unit follows, in all significant respects, accounting policies and procedures established for investor-owned gas and electric utilities by the Federal Energy Regulatory Commission (FERC) and for investor-owned water utilities by the National Association of Regulatory Utility Commissioners. The City Utilities' financial statements are reported using the economic resource measurement focus and the accrual basis of accounting.

Complete financial statements for the City Utilities are available from their general offices:

City Utilities of Springfield, Missouri
301 East Central
P. O. Box 551
Springfield, Missouri 65801-0551

No other entities met the criteria for inclusion as component units of the City.

Joint Venture – Both the City and the City Utilities component unit (along with other participants) participate in a joint venture. The City's cumulative investment in the joint venture has been included in the capital assets of the governmental activities, while City Utilities' equity interest in the joint venture is reported within its discrete component unit presentation.

(b) Government-Wide and Fund Financial Statements

The financial statements include both the government-wide (the statement of net assets and the statement of activities) and fund financial statements.

Government-Wide Financial Statements – The government-wide financial statements display information about the primary government and its component unit, except for fiduciary activities. For the most part, the interfund activity has been eliminated from these statements to minimize the duplication of internal activities. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for services for support.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

In the government-wide statement of net assets, both the governmental and business-type activities are each consolidated and presented on the full accrual, economic resources basis of accounting. The consolidated presentation incorporates long-term assets and receivables, as well as long-term debt and obligations, and it provides valuable information for greater analysis and comparability.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for the business-type activities. Direct expenses are those that are specifically associated with a program or a function. Program revenues include (a) charges paid by recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meet operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements – Separate fund financial statements report information on the City's governmental, proprietary and fiduciary funds, though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds in their respective categories.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Consequently, the emphasis on near-term inflows and outflows of resources do not present the long-term impact of transactions. 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 City considers revenue to be available if they are collected within 60 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 pension costs, are recorded only when payment is due. Conversely, the proprietary and pension trust fund statements incorporate the accrual basis of accounting and focus on the change in total economic resources. Agency funds adhere to the accrual basis of accounting and do not have a measurement focus. This presentation records long-term assets and liabilities and recognizes revenues and expenses when transactions occur, regardless of their impact on the flow of cash. Since the accounting differs significantly between the governmental funds and the proprietary funds, it is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the governmental funds balance sheet and the statement of revenues, expenditures and changes in fund balance identifying categories that required conversion from the fund financial statements.

Property taxes, sales taxes, franchise taxes, grants, payments in lieu of taxes and interest associated with the current fiscal period are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the government.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Operating activities of the proprietary funds include all transactions and other events that are not defined as capital and related financing, noncapital financing or investing activities. More specifically, operating revenues consist of sales and charges for service. Operating expenses of the proprietary funds include personnel services, operating supplies and services incurred in conducting daily business.

The City reports the following major governmental funds:

General Fund – This 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.

Community Development – This fund accounts for grants received from the Department of Housing and Urban Development (HUD) along with various revolving loans. The purpose of this fund is to improve neighborhoods in low to moderate income areas.

Public Safety Pension Sales Tax – This fund accounts for the proceeds from the ¾ cent public safety pension sales tax revenue.

The City reports the following major proprietary funds:

National Airport – This fund accounts for all operations and developmental improvements relating to the Springfield-Branson National Airport and the Ozark Airport site.

Sanitary Sewerage System – This fund accounts for the maintenance activities of the existing collection system and capital improvements pertaining to the Southwest Treatment Plant, Northwest Treatment Plant, lift stations and phosphorus treatment facilities.

The City reports the following fund types:

Internal Service Funds – These funds account for the costs of the Service Center Garage, the Print Shop and the Self-Insurance Funds on a cost-reimbursement basis.

Pension Trust Funds – These funds account for moneys held in trust by the City for pension benefits.

Agency Funds – These funds account for moneys held on behalf of the Cooper Tennis Trust, Municipal Court Bond and the Revolving Payroll Fund.

The City applies all applicable pronouncements of the FASB issued on or before November 30, 1989, in accounting and reporting for both the government-wide and proprietary fund financial statements, unless these pronouncements conflict with applicable GASB guidance as prescribed by GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*. No pronouncements of the FASB issued after November 30, 1989, have been adopted.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

(c) *Assets, Liabilities, and Net Assets or Fund Balance*

a. **Deposits and Investments**

The City's investment policies are governed by the City Charter and management policies. City moneys are deposited in Federal Deposit Insurance Corporation (FDIC) – insured banks located within the state. The City is authorized to use demand and time deposits. Permissible investments include obligations of the U.S. government, State of Missouri, or City of Springfield; bonds, bills, or notes guaranteed by the U.S., state, or city governments; certificates of deposit; repurchase agreements; banker's acceptances; and commercial paper. The City purchases investments from Securities and Exchange Commission (SEC)-registered broker-dealers and banks. The City's investments are stated at fair value, which is determined by quoted market prices.

Collateral is pledged to secure the City's demand deposits and certificates of deposit. In accordance with the City Charter, collateral pledged must have a market value of at least 102% of deposits not covered by federal deposit insurance and may consist of the same type of obligations in which the City may invest. Obligations pledged to secure deposits are delivered to the bank's joint custody account at the Federal Reserve Bank. Written custodial agreements are required that provide, among other things, that collateral be held separately from the assets of the custodial bank. At least quarterly, the City determines that the fair value of collateral pledged is adequate to cover deposits. The City also utilizes guaranteed investment contracts that have pledged securities backing the investments in excess of 100% of the investments held in the name of the City's trustee bank. The guaranteed investment contracts also contain voluntary liquidation clauses if the investment ratings fall below certain levels.

The City also maintains The Policemen and Firemen's Retirement Fund (the "Plan"), which is managed by a board of trustees. The Plan's investments are recorded at fair value, based on quoted market prices at the valuation date. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation includes the gains and losses on investments bought and sold during the year.

The City Utilities component unit also maintains cash and investment securities, which are carried at fair value plus accrued interest. Bond ordinances permit investments only in direct obligations of the U.S. government, such as bills, notes or bonds, and any other obligations guaranteed as to payment of principal and interest by the U.S. government or any agency or instrumentality thereof. City Utilities is also authorized to invest in repurchase agreements, for which the underlying securities must be U.S. Treasury notes, bonds or bills. City Utilities' investment portfolio includes securities that are either insured or registered, or for which the securities are held by City Utilities' agents in City Utilities' name.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

For purposes of the statements of cash flows, the City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

b. Receivables and Payables

Activity between funds that are representative of borrowing/lending arrangements outstanding at the end of the fiscal year is referred to as either "due to/due 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."

All receivables are shown net of an allowance for doubtful accounts.

Property taxes are assessed on January 1 and are finalized and levied by September 1 and become delinquent after December 31 each year. The City contracts with Greene County (the "County") to have its taxes billed, collected and remitted each year. A lien attaches to all property on January 1, for which taxes are unpaid. The City pays the County 2% of collections plus \$10,000 per year as a fee for this service.

The City is permitted by state statute to levy taxes up to \$1 per \$100 of assessed valuation for general government services. Specific amounts beyond \$1 may be voted upon by the public to support certain types of operations. The City also has the authority to levy taxes, without limit, to pay the annual principal and interest on general long-term debt as required.

The tax levy, per \$100 assessed valuation, for the City during the fiscal year was as follows:

Parks department	\$	0.1807
Health department		0.1232
Art museum		0.0378
Debt service		<u>0.2592</u>
Total tax levy	\$	<u><u>0.6009</u></u>

Special assessments of \$27,684,629 have been issued since 1980 (\$325,289 issued during the year ended June 30, 2012), and collections have totaled 88%, or \$24,430,440. Special assessments receivable of \$2,987,264 is net of delinquent accounts of \$28,629.

The City has issued a variety of loans for residential, rehabilitation and small businesses projects in low to moderate income areas funded by grants received from the Department of Housing and Urban Development (HUD). These notes and loans receivable have different repayment requirements and have provisions to attach liens to properties that go into default. As of June 30, 2012, the notes and loans receivable of \$42,322,195 is net of a \$28,125 reserve for doubtful accounts.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

c. Inventories and Prepaid Items

Inventories are stated at cost, which approximates market, using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Materials, supplies inventories and gas stored underground for the City Utilities component unit are stated at the lower of average cost or market. Coal inventory is stated at the lower of cost using the last-in, first-out (LIFO) method or market. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Restricted Assets

Certain proceeds of the City's bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the applicable balance sheets and statement of net assets because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

e. Capital Assets

Capital assets include land, buildings, improvements, equipment and infrastructure assets (e.g., roads, bridges, storm sewers and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, excluding land and infrastructure, are defined by the City as assets with a cost of \$5,000 or greater and an estimated useful life of at least one year. All land purchases are capitalized regardless of cost. Infrastructure assets with a cost of \$50,000 or greater and an estimated useful life of at least one year are capitalized. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. 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.

In conformity with GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, infrastructure assets, such as streets, intersections and storm sewers, completed in the current year have been capitalized. Additionally, the City elected to depreciate its infrastructure assets. Infrastructure assets not completed by year end have been reported as construction in progress.

Major outlays for capital improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. Costs for the City Utilities component unit's utility plant additions include the cost of material, labor, vehicle and equipment usage, related overhead items, capitalized interest and administrative and general expenses.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Property, plant, equipment, and infrastructure are depreciated using the straight-line method over the following estimated lives:

	<u>Years</u>
Primary government (excluding National Airport):	
Buildings	40
Improvements other than buildings	20
Sewer plant and collection system	40
Machinery and equipment	3-10
Infrastructure	20
National Airport	
Buildings	25-40
Improvements other than buildings	10-40
Machinery and equipment	3-20
Infrastructure	15-40
City Utilities component unit:	
Electric utility plant	33
Gas utility plant	33
Transportation plant and equipment	15
Water utility plant	50
Common plant and equipment	27

f. Compensated Absences

All vested or accumulated vacation, scheduled holiday leave and vested accumulated sick leave is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

g. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and obligations are reported in the statement of net assets as liabilities in the applicable governmental and business-type categories. Bond premiums and discounts, as well as issuance costs and amounts deferred on refundings, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges (other assets) and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

h. Fund Balances

In the fund financial statements, governmental funds report up to five components of fund balance from most restrictive in nature to least restrictive: nonspendable; restrictive; committed; assigned and unassigned.

The City recognizes the important nature of setting aside funds for use in emergency situations or when significant revenue shortages arise. The City has formally set its stabilization fund as “Committed” funds at the target range of 15-20% of the City’s operating revenues for the General Fund. As such, stabilization funds can only be used when estimated revenue is expected to be 5% or more below budgeted revenues for a major revenue item, or in emergency situations requiring emergency action by City government. Emergency situations are not expected to occur routinely and should not be readily foreseeable by the City. Any amounts expended from stabilization funds should be replenished within a two- to five-year period of time following the end of the event prompting the need for such funds.

The City Council formally established and adopted the “default” spending policy, spending resources in the following manner when available: restricted, committed, assigned and unassigned. The default policy is meant to prioritize the flow of resources from most restrictive to least restrictive for normal business activities. Formal action by the City Council commits fund balance for a particular purpose.

The City Council passed an ordinance authorizing the City Manager and the Director of Finance to express assignments on behalf of the City to document the City’s intent to use available resources. The applicable assignments do not require formal City Council approval.

i. Unbilled Revenue

Both the City’s sanitary sewerage system and the City Utilities component unit bill their customers on a cyclical basis and, therefore, record estimated unbilled revenues at year end less allowance for uncollectible accounts.

j. Electric Fuel and Purchased Gas Adjustments – City Utilities Component Unit

General Ordinance Numbers 5531 and 57805 require City Utilities to adjust customers’ electric and natural gas bills, respectively, for changes between estimated and actual costs of electric fuel, purchased power and purchased natural gas to City Utilities. Such costs includes amounts recognized in connection with financial instruments used to manage the overall costs of natural gas. An under-recovery of \$4,285,000 for

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

electric fuel and an over-recovery of \$27,000 for purchased natural gas adjustment clauses were recorded at September 30, 2011, as a component of other liabilities. An under-recovery of \$112,000 for costs associated with financial instruments was recorded at September 30, 2011.

k. Capitalization of Interest

Net interest costs related to acquisition or construction is capitalized as part of the cost of the related asset for the business-type and proprietary activities of the City and City Utilities component unit. Total interest costs incurred by the City were \$14,396,448, of which \$656,717 was capitalized. Total interest costs incurred by the City Utilities component unit were \$35,033,000, of which \$7,758,000 was capitalized.

l. Designated Improvement Account Investments and Escrow for Bonded Indebtedness – City Utilities Component Unit

Rates enacted by City Ordinance No. 4125, dated June 4, 1990, establish electric, natural gas and water revenue adjustment schedules. The revenues generated will contribute to the funding of major capital projects relating to Clean Air Act Amendments of 1990 requirements and natural gas transmission and supply. Other designated funds include funds set aside for self-insurance reserves and long-range plan for major project funding. In addition, in accordance with City Ordinances, City Utilities maintained funds in escrow for bonded indebtedness.

A summary of the designated improvement account and escrow for bonded indebtedness, which consists of U.S. government obligations, U.S. government agency obligations, repurchase agreements and mortgage-backed securities as of September 30, 2011, is as follows:

Funds for bonded indebtedness	\$	68,440,000
Designated for improvement accounts		<u>146,277,000</u>
Total	\$	<u><u>214,717,000</u></u>

m. Interfund and Related-Party Transactions

Transactions between the City’s various funds are accounted for as revenues and expenditures or expenses in the funds involved if they are similar to transactions with organizations external to City government. Certain transactions between City Utilities and the City are also treated in this manner. The operations of City Utilities for the year ended September 30, 2011, reflect payments in lieu of taxes to the City of \$12,954,000.

In addition, City Utilities also provides services such as energy for street lighting and other electric, gas and water services without charge to the City. The cost of providing such services was approximately \$8,676,000 for the year ended September 30, 2011.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

n. Net Assets

In the government-wide and proprietary fund financial statements, net assets are displayed in three components as follows:

Invested in Capital Assets, Net of Related Debt – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

o. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

p. Restatement of Prior Year Net Assets and Fund Balance

During fiscal year ended June 30, 2012, the City determined certain Housing and Urban Development (HUD) Section 108 loans had not been appropriately recognized as long-term liabilities in the financial statements of the governmental net assets for the year ended June 30, 2011. Management has revised the governmental net assets as of July 1, 2011, to correct this error.

The following is a summary of the adjustment:

	Governmental activities
Net assets, July 1, 2011, as previously reported	\$ 458,321,228
HUD Section 108 loan not previously reported	(7,463,000)
Accrued interest	(60,610)
Addition to net assets for loan advances	336,756
Net assets, July 1, 2011, as revised	\$ 451,134,374

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

In addition, the City did not recognize the HUD Section 108 loan advances correctly in the Community Development Fund. The advances were previously noted as unearned revenue on the balance sheet and intergovernmental revenue as the loans were issued in the statement of revenue, expenditures and changes in fund balances. As a result, an adjustment to the beginning fund balance (July 1, 2011) is as follows:

	Community development fund
Fund balance, July 1, 2011, as previously reported	\$ 45,262,310
Addition to fund balance for loan advances	336,756
Fund balance, July 1, 2011, as adjusted	\$ 45,599,066

q. New Accounting Pronouncements Not Yet Adopted

Deferrals and Net Position

The City will implement GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement 65, *Items Previously Reported as Assets and Liabilities*, in fiscal years 2013 and 2014. As it relates to the City, Statement 63 will change the Statement of Net Assets to the Statement of Net Position. Statement 65 will require deferred outflows and inflows be reclassified from assets and liabilities, with the residual amount being net position.

Pension Plan Benefits Obligation

The City will implement GASB Statement 68, *Accounting and Financial Reporting for Pensions*, in fiscal year 2015. Statement 68 will require the inclusion of long-term obligations for pension benefits as a liability and will expand required disclosures. The amount to be recorded as a liability will be based on an actuarial valuation.

(2) Detailed Notes on All Funds

(a) City Deposits (Excluding Pension Trust and City Utilities)

The City maintains a cash and investment pool that is available for use by all funds. The pool is comprised of deposits, repurchase agreements and other investments with maturities of primarily less than one year. At June 30, 2012, the bank balance of the City's deposits was \$10,576,332, which was covered by federal depository insurance or by collateral held by the City's agent in the City's name. A difference exists between bank and book balances of \$2,037,823 due to deposits in transit and other reconciling items.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

(b) Investments

i) City Investments (Excluding Pension Trust and City Utilities)

Statutes authorize the City to invest in investments that are:

- a. Obligations of the U.S. government, the State of Missouri, this city;
- b. In bonds, bills, notes, debentures or other obligations guaranteed as to payment of principal and interest by the government of the United States or any agency or instrumentality thereof, the State of Missouri, or this city;
- c. In revenue bonds of the City;
- d. In certificates of deposit; savings accounts as defined in Chapter 369, Revised Missouri Statutes; or in interest-bearing time deposits when such funds are held in U.S. banks; state banks; savings and loan associations operating under Chapter 369, Revised Missouri Statutes; or savings and loan associations authorized by the U.S. government so long as such deposits, savings accounts and interest-bearing deposits are secured by one or more of the types of securities described in subparagraphs (a), (b) or (c) of this section;
- e. Banker's acceptances issued by domestic commercial banks possessing the highest rating issued by a nationally recognized rating agency;
- f. Commercial paper issued by domestic corporations that has received the highest rating issued by a nationally recognized rating agency; or
- g. Investments permitted by the City Council that are authorized in the model investment policy prepared by the State of Missouri for political subdivisions.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

As of June 30, 2012, the City holds the following investments:

Investment type	Fair Value	Investment maturities			
		Less than 6 months	6-12 months	12-24 months	More than 24 months
U.S. Treasury securities	\$ 66,720,320	16,489,921	25,305,656	14,389,554	10,535,189
U.S. Agency:					
FHLB	31,053,044	—	7,997,384	23,055,660	—
FHLMC	14,062,102	—	—	8,997,507	5,064,595
FFCB	7,031,395	—	—	7,031,395	—
FNMA	26,252,208	26,252,208	—	—	—
Collateralized deposits:					
AIG Matched Corp Inv. Ag.	1,653,926	—	—	—	1,653,926
AIG MFC I/C	36,667	—	—	—	36,667
AIG MFC Res I/A	260,400	—	—	—	260,400
AIGFMC	755,000	—	—	—	755,000
CDC Funding Corp	31,232,277	—	—	—	31,232,277
FSA Cap Management Repo	5,281,782	—	—	—	5,281,782
Societe Generale Repo	7,524,133	—	—	—	7,524,133
West Deutsche Landmark	485,711	—	—	—	485,711
Trinity Plus Funding	53,868	—	—	—	53,868
Money market mutual funds:					
Cavanal Hill U.S. Treasury Fund	11,025,593	11,025,593	—	—	—
Federated Prime Obligation Fund	3,946,034	3,946,034	—	—	—
Fidelity Treasury Fund	325,173	325,173	—	—	—
Financial Square Trust Treasury	3,809,972	3,809,972	—	—	—
Invesco Government & Agency	28,235,067	28,235,067	—	—	—
Total	\$ 239,744,672	90,083,968	33,303,040	53,474,116	62,883,548

The following is a listing of cash and investments held by the City as of June 30, 2012, excluding pension trusts and City Utilities:

Deposits	\$ 8,825,073
Investments	239,744,672
Trustee accounts	848,243
Imprest funds	198,715
Total	\$ 249,616,703

The deposits and investments of the City at June 30, 2012, excluding pension trust funds and City Utilities are reflected in the financial statements as follows:

	Government-wide statement of net assets	Fiduciary Funds statement of net assets (excluding pension trusts)	Total
Cash and investments	\$ 140,840,819	5,418,246	146,259,065
Restricted cash and investments	103,357,638	—	103,357,638
	\$ 244,198,457	5,418,246	249,616,703

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. According to the City's policy, all trades, where applicable, will be executed by delivery vs. payment to ensure that fixed income securities are deposited in eligible financial institutions prior to the release of funds. In addition, all fixed income securities shall be perfected in the name or for the account of the City and shall be held by a third-party custodian as evidenced by safekeeping receipts. At June 30, 2012, approximately \$47.3 million of underlying securities were held by the investments' counterparty, not in the name of the City.

Interest Rate Risk

Interest rate risk is the risk that the fair value of the City's investments will decrease as a result of increase in interest rates. The City will minimize the risk that the market value of fixed income securities in the portfolio will fall due to changes in the general interest rates by structuring the investment portfolio so that fixed income securities mature to meet cash requirements for ongoing operations and by investing operating funds primarily in shorter term fixed income securities. The City does not have a formal policy relating to a specific investment-related risk.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The City does not have a formal policy relating to foreign currency risk.

Credit Risk

Credit risk is the risk that the City will not recover its investments due to the inability of the counterparty to fulfill their obligations. The City will minimize credit risk by prequalifying the financial institutions, broker-dealers, intermediaries and advisors with which the City will do business and by diversifying the portfolio so that potential losses on individual fixed income securities will be minimized. As of June 30, 2012, the City's investments were rated by Moody's Investment Service (Moody's) or Standard & Poor's as follows:

<u>Investment Type</u>	<u>Rating</u>
U.S. agency securities	AA+
Collateralized deposits	Baa1 or Higher
Money market mutual funds	AAA

ii) *Police Officers' and Fire Fighters' Retirement Fund – Pension Trust (the “Plan”)*

Deposits and Investments

It is the objective of the Plan in managing its investment portfolio as a whole to realize an investment return that, at a minimum equals the Plan's actuarial long-term rate of return assumption on an ongoing basis.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

The City has delegated the authority to manage the Plan's investments to the Plan's Board of Trustees. The City approves the investment guidelines and objectives for the Plan. Trustees recommend the appropriate asset types to the City for approval. The Trustees may add, delete or change asset classes within those asset types at their discretion at any time within the parameters established by the City.

The asset type classes, target asset allocation and ranges to be used in the Plan are shown below. All percentages are based on market values. The portfolio will be rebalanced any time it is not within the appropriate ranges. Each investment manager retained by the Trustees, may hold cash under the guidelines set out below; however, that cash shall be considered invested in the asset class assigned. The investment policy allows investment managers to use pooled investments to obtain the targeted percentages below. The asset classes and targets at June 30, 2012, were as follows:

<u>Asset type and class</u>	<u>Range</u>	<u>Target</u>
Equities:	45%-75%	
Large cap		30.00%
Small cap		10.00%
International equities		15.00%
Emerging markets		5.00%
Fixed Income:	25%-40%	
Domestic		21.75%
International		10.75%
Alternatives:	0%-15%	
Real estate		7.50%
Hedge funds		—
Commodities		—

A portion of the Plan's assets are exposed to risks, including credit risks, concentration of credit risks, custodial risk and interest rate risk that have the potential to result in losses.

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligation. The Plan's investment policy limits its international fixed income investment managers to invest only in securities that are rated BBB- or higher by one of the three established rating agencies. However, the Plan's investment policy does not specifically limit the investment choices for any other type of securities based on ratings given by the rating agencies.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

The following table provides information regarding Standard & Poor's credit ratings associated with the Plan's investments as of June 30, 2012:

<u>Investment Type</u>	<u>Rating</u>	<u>Percentage</u>
Domestic		
Corporate debt obligations	AAA to D	9%
Municipal debt obligations	AAA or AA	1%
U.S. Agency Securities explicitly guaranteed by the Government	N/A	1%
Foreign		
Corporate debt obligations	AAA to BBB-	less than 1%
Index Funds		
Russell 2000 Index Fund	N/A	10%
S&P 500 Flagship NL Fund	N/A	32%
Dow Jones USB Commodity Index Fund	N/A	5%
U.S.TIPS Index - NL Fund	N/A	1%
Index Fund - International Fixed Income		
Brandywine International Fixed Income Fund	N/A	9%
Index Fund - International Securities		
Pictet International Equity Fund	N/A	17%
Real Estate Fund		
Prudential - PRISA	N/A	5%

The Plan's investments in U.S. government agency securities and money market funds are rated AA+ by Standard & Poor's and Aaa by Moody's Investor Services.

Concentration of Credit Risks

The Plan's investment policy mandates that no managed account may invest more than 5% of managed assets in the securities of a single issuer with the exception of the U.S. government and its agencies. As of June 30, 2012, the Plan was in compliance with its policy.

Custodial Credit Risk

In the event of a failure of a financial institution or counterparty, custodial credit risk is the risk that the Plan would not be able to recover its deposits, investments or collateral securities in the possession of an outside party. The Plan has no formal policy for custodial credit risk for deposits and investments.

At June 30, 2012, the bank balances of the Plan's deposits totaled \$1,870,954. Of this amount, \$500,000 was covered by FDIC insurance and \$1,370,954 was supported by collateral, held by banks in the City's name that do not hold collateralized deposits.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Interest Rate Risk

Interest rate risk is the risk that changes in financial market rates of interest will adversely affect the value of an investment. As a means of limiting exposure to interest rate risk, the Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The Plan coordinates its investment maturities to closely match cash flow needs.

The Plan's investments at June 30, 2012, mature as follows:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>			<u>More than 10 years</u>
		<u>1 year</u>	<u>Less than 5 years</u>	<u>10 years</u>	
U.S. Treasury securities	\$ 913,110	—	—	913,110	—
U.S. agency securities	16,711,606	—	—	3,950,155	12,761,451
Corporate bonds	17,746,818	738,152	6,577,667	7,079,249	3,351,750
Foreign bonds	1,266,755	—	996,910	269,845	—
Municipal bonds	2,491,017	—	834,659	825,368	830,990
Index fund - international fixed income	19,496,076	19,496,076	—	—	—
Index fund - fixed income	2,990,390	2,990,390	—	—	—
Money market mutual funds	1,919,518	1,919,518	—	—	—
		<u>25,144,136</u>	<u>8,409,236</u>	<u>13,037,727</u>	<u>16,944,191</u>
Index funds - securities	97,120,383				
Index funds -international securities	34,926,689				
Real estate fund	10,067,265				
Total	\$ <u>205,649,627</u>				

At June 30, 2012, as reported at fair value, the Plan's U.S. agency securities consist of \$4,014,455 Federal Home Loan Mortgage Corporation (FHLMC), \$2,015,546 Small Business Administration (SBA), \$101,111 Overseas Private Investment Corporation (OPIC), \$7,496,322 Federal National Mortgage Association (FNMA) and \$3,085,172 Government National Mortgage Association (GNMA) debt securities.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Plan does not have a formal policy relating to foreign currency risk.

iii) City Utilities Component Unit

City Utilities maintains cash and investment securities. The Public Utility and Water Utility bond ordinances permit investments only in direct obligations of the U.S. government, such as bills, notes or bonds and any other obligations guaranteed as to payment of principal and interest by the U.S. government or any agency or instrumentality thereof. City Utilities is also authorized to invest in interest-earning investment contracts for which the underlying securities must be U.S. Treasury notes, bonds, bills or other obligations guaranteed by the

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

U.S. Government or any agency or instrumentality thereof. Funds in the form of overnight bank deposits and cash on deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by permitted investments held by the City Utilities' agents in the City Utilities' name.

City Utilities' investment portfolio includes securities that are either insured or registered, or for which the securities are held by the City Utilities' agents in City Utilities' name.

City Utilities investments are all held at market value with readily determinable quoted prices.

Interest Rate Risk

Interest rate risk is the risk that the fair value of City Utilities' fixed income investments will decrease as a result of increases in interest rates. As a means of limiting its exposure to interest rate risk, City Utilities' investment policy prohibits investments that are highly sensitive to interest rate changes. As of September 30, 2011, City Utilities investment portfolio matures as follows (in thousands):

	Recorded Value	Investment Maturities			
		Less than 1 year	2 - 3 years	4 - 5 years	More than 5 years
U.S. Treasury securities	\$ 25,947	—	2,228	10,416	13,303
U.S. government agencies	60,402	8,312	31,209	11,538	9,343
Mortgage-backed securities	74,111	14,047	13,253	10,062	36,749
Federal agency securities and cash subject to a forward delivery agreement	52,813	—	—	—	52,813
Accrued interest	1,444	1,444	—	—	—
Total					
investments	214,717	23,803	46,690	32,016	112,208
Cash	53,594	53,594	—	—	—
Total cash and investments	\$ 268,311	77,397	46,690	32,016	112,208

Interest-earnings investment contracts earn a fixed rate of interest ranging from 4.9% to 5.2%.

Credit Risk

Credit risk is the risk that City Utilities' will not recover its investment due to the inability of the counterparty to fulfill their obligations. As a means of limiting credit risk, City Utilities' investment policy permits investments in U.S. government-backed securities or in investments contracts collateralized by U.S. government-backed securities. As of September 30, 2011, City Utilities' investments in U.S. government agencies and mortgage-backed securities were all assigned long-term ratings of AAA and Aaa by Moody's Investors Service and AA or AA+ by Standard and Poor's.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of City Utilities' investment in a single issuer. As a means of limiting concentration of credit risk, City Utilities' investment policy prohibits concentration of more than 40% in any one U.S. government security. No securities held by City Utilities exceeded this threshold at September 30, 2011.

As of September 30, 2011, City Utilities was invested in a forward delivery agreement with The Bank of New York Trust Company, N.A., comprising approximately 25% of City Utilities total investments. Earnings resulting from investments acquired with the proceeds of the Series 2006 Public Utility Revenue bonds are limited to the tax-exempt interest rate of such bonds, as defined within the related tax declaration dated September 27, 2006. Any excess investment earnings must be related to the federal government. A rebate of \$10.7 million is included in other liabilities in the Statement of Net Assets.

(c) **Capital Assets**

Capital asset activity for the year ended June 30, 2012, was as follows:

Governmental Activities

	Balance June 30, 2011	Additions	Deductions/ Transfers	Balance June 30, 2012
Nondepreciable capital assets:				
Land	\$ 52,996,106	783,420	(5,294)	53,774,232
Construction in progress	30,803,508	37,449,368	(22,309,134)	45,943,742
Total nondepreciable capital assets	<u>83,799,614</u>	<u>38,232,788</u>	<u>(22,314,428)</u>	<u>99,717,974</u>
Depreciable capital assets:				
Buildings	88,725,718	1,909,337	—	90,635,055
Improvement other than buildings	76,751,419	11,130,539	(9,292)	87,872,666
Machinery and equipment	39,109,367	3,703,203	(1,204,058)	41,608,512
Infrastructure	<u>330,276,520</u>	<u>9,261,404</u>	<u>—</u>	<u>339,537,924</u>
Total depreciable capital assets	<u>534,863,024</u>	<u>26,004,483</u>	<u>(1,213,350)</u>	<u>559,654,157</u>
Less accumulated depreciation:				
Buildings	(21,211,735)	(2,170,250)	—	(23,381,985)
Improvement other than buildings	(30,238,762)	(3,575,815)	7,666	(33,806,911)
Machinery and equipment	(33,954,492)	(2,449,862)	1,190,115	(35,214,239)
Infrastructure	<u>(149,230,226)</u>	<u>(15,233,885)</u>	<u>—</u>	<u>(164,464,111)</u>
Total accumulated depreciation	<u>(234,635,215)</u>	<u>(23,429,812)</u>	<u>1,197,781</u>	<u>(256,867,246)</u>
Total depreciable capital assets, net	<u>300,227,809</u>	<u>2,574,671</u>	<u>(15,569)</u>	<u>302,786,911</u>
Total governmental activities, capital assets	<u>\$ 384,027,423</u>	<u>40,807,459</u>	<u>(22,329,997)</u>	<u>402,504,885</u>

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Depreciation expense was charged to functions as follows:

General government	\$	1,259,140
Public safety		1,913,491
Public works		16,425,136
Parks and recreation		3,461,570
Planning and development		145,713
Public health		161,253
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		<u>63,509</u>
Total depreciation expense – governmental activities	\$	<u><u>23,429,812</u></u>

Business-Type Activities

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deductions/ Transfers</u>	<u>Balance June 30, 2012</u>
Nondepreciable capital assets:				
Land	\$ 17,016,754	—	329,820	17,346,574
Construction in progress	16,657,179	18,060,219	(11,173,862)	23,543,536
Total nondepreciable capital assets	<u>33,673,933</u>	<u>18,060,219</u>	<u>(10,844,042)</u>	<u>40,890,110</u>
Depreciable capital assets:				
Buildings	189,308,169	7,885	(721,882)	188,594,172
Sewer collection system	335,545,949	2,921,222		338,467,171
Improvement other than buildings	170,699,250	9,204,985	392,423	180,296,658
Machinery and equipment	33,883,816	1,813,776	(742,949)	34,954,643
Total depreciable capital assets	<u>729,437,184</u>	<u>13,947,868</u>	<u>(1,072,408)</u>	<u>742,312,644</u>
Less accumulated depreciation:				
Buildings	(73,240,931)	(5,094,917)	2,006,149	(76,329,699)
Sewer collection system	(116,527,216)	(7,752,314)		(124,279,530)
Improvements other than buildings	(71,307,478)	(7,118,193)	(1,997,500)	(80,423,171)
Machinery and equipment	(22,387,987)	(2,319,422)	740,428	(23,966,981)
Total accumulated depreciation	<u>(283,463,612)</u>	<u>(22,284,846)</u>	<u>749,077</u>	<u>(304,999,381)</u>
Total depreciable capital assets, net	<u>445,973,572</u>	<u>(8,336,978)</u>	<u>(323,331)</u>	<u>437,313,263</u>
Total business-type capital assets	\$ <u><u>479,647,505</u></u>	<u><u>9,723,241</u></u>	<u><u>(11,167,373)</u></u>	<u><u>478,203,373</u></u>

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Depreciation expense was charged to functions as follows:

National airport	\$	10,384,154
Sanitary sewerage system		10,209,189
Nonmajor enterprise funds		<u>1,691,503</u>
Total depreciation expense – business-type activities	\$	<u><u>22,284,846</u></u>

Component Unit – City Utilities

	<u>September 30, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>September 30, 2011</u>
Public Utility:				
Nondepreciable assets:				
Land	\$ 39,444,000	7,000	—	39,451,000
Construction work in progress	583,742,000	67,018,000	(624,228,000)	26,532,000
Depreciable assets				
Electric	808,056,000	606,592,000	(4,777,000)	1,409,871,000
Natural gas	185,549,000	8,326,000	(564,000)	193,311,000
Transportation	3,440,000	729,000	(190,000)	3,979,000
Water	245,239,000	8,095,000	(322,000)	253,012,000
Customer service	13,617,000	—	—	13,617,000
Telecommunication	52,678,000	3,341,000	(74,000)	55,945,000
Common	<u>56,265,000</u>	<u>953,000</u>	<u>(119,000)</u>	<u>57,099,000</u>
Total capital assets	1,988,030,000	695,061,000	(630,274,000)	2,052,817,000
Less accumulated depreciation	<u>(594,873,000)</u>	<u>(51,239,000)</u>	<u>5,852,000</u>	<u>(640,260,000)</u>
Net capital assets	<u><u>1,393,157,000</u></u>	<u><u>643,822,000</u></u>	<u><u>(624,422,000)</u></u>	<u><u>1,412,557,000</u></u>

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

(d) Long-Term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended June 30, 2012:

<u>Governmental activities</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
Bonds payable:	\$ 150,949,715	9,740,000	(18,638,698)	142,051,017	9,182,063
Plus bond premium (discount)	820,139	451,131	(117,007)	1,154,263	—
Less deferred amount on refunding	<u>(2,183,236)</u>	<u>(28,300)</u>	<u>245,894</u>	<u>(1,965,642)</u>	<u>—</u>
Total bonds payable	149,586,618	10,162,831	(18,509,811)	141,239,638	9,182,063
Capital lease obligations	326,719		(114,234)	212,485	74,573
Section 108 Loan Guarantee Assistance Programs	7,463,000	—	(232,000)	7,231,000	272,000
Accrued claims and judgments	793,000	100,000	(583,000)	310,000	310,000
Other postemployment benefits	2,682,833	1,795,923	(1,502,293)	2,976,463	—
Accrued compensated absences	<u>18,342,629</u>	<u>1,236,550</u>	<u>(1,757,978)</u>	<u>17,821,201</u>	<u>1,769,755</u>
Total governmental activities long-term liabilities	<u>\$ 179,194,799</u>	<u>13,295,304</u>	<u>(22,699,316)</u>	<u>169,790,787</u>	<u>11,608,391</u>

The general fund and certain special revenue funds have typically been used in prior years to liquidate the compensated absences, pension and other postemployment benefit obligation liabilities for the governmental activities.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$189,069 for compensated absences and \$168,934 for capital lease obligations of internal service funds is included in the above governmental activities amounts.

<u>Business-type activities</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
National airport fund:					
Revenue bonds	\$ 95,480,000	—	(2,095,000)	93,385,000	2,265,000
Plus bond premium	2,306,580	—	(89,695)	2,216,885	—
Total revenue bonds	97,786,580	—	(2,184,695)	95,601,885	2,265,000
Other postemployment benefits	177,613	121,626	(101,740)	197,499	—
Compensated absences	485,145	89,968	(82,952)	492,161	84,414
Total national airport fund	98,449,338	211,594	(2,369,387)	96,291,545	2,349,414
Sanitary sewerage system fund:					
Revenue bonds	61,803,711	32,973,272	(2,775,047)	92,001,936	5,526,925
Plus bond premium	1,904,365	2,217,857	(153,657)	3,968,565	—
Less deferred amount on refunding	(65,385)	—	16,345	(49,040)	—
Total revenue bonds	63,642,691	35,191,129	(2,912,359)	95,921,461	5,526,925
Notes payable	35,926,910	38,356	(1,411,197)	34,554,069	2,974,448
Other postemployment benefits	157,552	109,981	(91,999)	175,534	—
Compensated absences	913,269	103,050	(73,121)	943,198	70,453
Total sanitary sewerage system fund	100,640,422	35,442,516	(4,488,676)	131,594,262	8,571,826
Nonmajor enterprise fund:					
Revenue bonds	232,848	—	(53,556)	179,292	58,213
Less deferred amount on refunding	(153,888)	—	38,472	(115,416)	—
Total revenue bonds	78,960	—	(15,084)	63,876	58,213
Accrued landfill closure/ postclosure care costs	10,068,398	357,527	—	10,425,925	—
Capital lease obligation	256,215	—	(113,946)	142,269	79,104
Other postemployment benefits	106,893	69,870	(58,446)	118,317	—
Compensated absences	562,560	—	(38,717)	523,843	34,701
Total nonmajor enterprise fund	11,073,026	427,397	(226,193)	11,274,230	172,018
Total business-type activities long-term liabilities	\$ 210,162,786	36,081,507	(7,084,256)	239,160,037	11,093,258

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Debt service requirements on long-term debt at June 30, 2012, are as follows:

Governmental activities		
bonds		
	<u>Principal</u>	<u>Interest</u>
2013	\$ 9,182,063	6,356,220
2014	9,595,428	5,967,454
2015	10,177,059	5,580,248
2016	11,400,000	5,146,805
2017	10,895,000	4,663,365
2018-2022	48,005,150	17,744,758
2023-2027	36,637,720	15,135,566
2028-2031	6,158,597	7,700,454
	<u>\$ 142,051,017</u>	<u>68,294,870</u>

Enterprise funds		
National airport		
Revenue bonds		
	<u>Principal</u>	<u>Interest</u>
2013	\$ 2,265,000	4,473,195
2014	2,425,000	4,358,595
2015	2,585,000	4,235,220
2016	2,750,000	4,103,395
2017	2,935,000	3,962,320
2018-2022	17,760,000	17,324,550
2023-2027	19,780,000	12,374,695
2028-2032	15,860,000	8,235,005
2033-2037	27,025,000	4,001,785
	<u>\$ 93,385,000</u>	<u>63,068,760</u>

Sanitary sewerage system				
	<u>Revenue bonds</u>		<u>Notes payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 5,526,925	3,766,703	2,974,448	—
2014	6,179,903	3,737,378	3,099,782	—
2015	6,410,325	3,430,787	3,184,170	—
2016	5,780,100	3,139,134	2,861,432	—
2017	5,850,000	2,864,180	2,853,052	—
2018-2022	31,779,900	9,970,816	14,841,045	—
2023-2027	19,881,200	3,808,846	4,536,331	—
2028-2032	10,593,583	1,266,206	203,809	—
	<u>\$ 92,001,936</u>	<u>31,984,050</u>	<u>34,554,069</u>	<u>—</u>

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

		Nonmajor enterprise funds	
		Revenue bonds	
		Principal	Interest
2013	\$	58,213	9,267
2014		62,870	6,211
2015		58,209	2,911
	\$	<u>179,292</u>	<u>18,389</u>

Bonds payable at June 30, 2012, are comprised of the following individual issues:

5.300% to 6.125% Public Building Corporation of the City of Springfield, Missouri, Leasehold Revenue Bonds, Series 2000A (Jordan Valley Park Projects), due through June 1, 2021, callable in inverse order of maturity on or after June 1, 2010, at par	\$ 4,081,467
4.1% to 5.0% General Obligation Sewer Improvement Bonds, Series 2001B, due through May 1, 2021, callable in inverse order of maturity on or after May 1, 2011, at premiums beginning at 101% of the principal amount decreasing ratably over the term of the bonds to 100% on May 1, 2013	1,720,000
2.95% to 5.00% Springfield Center City Development Corporation Leasehold Revenue Bonds, Series 2002A (Jordan Valley Park – Exposition Center Project), due through June 1, 2027, callable on or after June 1, 2012, at par	18,105,000
7.52% Springfield Center City Development Corporation Taxable Revenue Bonds, Series 2002B (Jordan Valley Park – Baseball Stadium Project), due through June 1, 2028, callable in inverse order of maturity on or after December 1, 2017, at premiums beginning at 104% of the principal amount decreasing ratably over the term of the bonds to 100% on December 1, 2021	5,105,000
7.52% Springfield Center City Development Corporation Taxable Revenue Bonds, Series 2002C (Jordan Valley Park Project), due through June 1, 2028, callable in inverse order of maturity on or after December 1, 2017, at premiums beginning at 104% of the principal amount decreasing ratably over the term of the bonds to 100% on December 1, 2021	4,485,000
1.6% to 5.0% Public Building Corporation of the City of Springfield, Missouri, Leasehold Revenue Bonds, Series 2002 (Capital Improvement LPT Projects), due through June 1, 2017, callable on or after June 1, 2012, at par	3,295,000

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Variable Rate, as determined as the Weekly Rate (3.0% and 1.0%, respectively, at June 30, 2012), not to exceed 11.00% or the maximum rate permitted by law, Land Clearance for Redevelopment Authority of the City of Springfield, Missouri, Taxable Variable Rate Demand Revenue Bonds, Series 2003 (University Plaza Hotel Redevelopment Project), due through October 1, 2020, callable at the City's direction at par	\$ 5,120,000
Variable Rate, as determined as the Weekly Rate (0.34% at June 30, 2012), not to exceed 11.00% or the maximum rate permitted by law, Public Building Corporation of the City of Springfield, Missouri, Taxable Variable Rate Demand Revenue Bonds, Series 2003 (Jordan Valley Ice Park Refunding), due through June 1, 2025, callable at the City's direction at par	8,445,000
3.00% to 5.25% Public Building Corporation of the City of Springfield, Missouri, Leasehold Revenue Bonds, Series 2004 (Capital Improvement Program), due through March 1, 2024, callable on or after March 1, 2014, at par	17,314,550
2.500% to 4.125% City of Springfield, Missouri, General Obligation Sewer Improvement Bonds, Series 2003, due through January 1, 2019, callable on or after January 1, 2013, at par	1,620,000
3.0% to 4.0% City of Springfield, Missouri, General Obligation Sewer Improvement Bonds, Series 2005, due through January 1, 2020, callable on or after January 1, 2014, at par	2,375,000
3.35% City of Springfield, Missouri, Lone Pine Greenspace Neighborhood Improvement District Bonds, Series 2003, due through March 1, 2024, callable in inverse order of maturity beginning March 1, 2005, at par	455,000
1.7% to 6.5% Land Clearance for Redevelopment Authority (LCRA) of the City of Springfield, Missouri, Taxable Revenue Bonds, Series 2004 (SBD Loan Pool Funding Program), due through October 1, 2022, callable on or after October 1, 2014, at par	1,705,000
3.0% to 4.0% Public Building Corporation of the City of Springfield, Missouri, Municipal Facilities Revenue Bonds, Series 2005A (LPT Capital Improvement Projects), due through May 1, 2020, callable on or after May 1, 2015, at par	3,485,000
3.000% to 4.375% Public Building Corporation of the City of Springfield, Missouri, Municipal Facilities Revenue Bonds, Series 2005B (Park Facilities Project), due through May 1, 2025, callable on or after May 1, 2015, at par	2,080,000

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

3.5% to 4.0% City of Springfield, Missouri, General Obligation Sewer Improvement Bonds, Series 2005B, due through March 1, 2020, callable on or after March 1, 2015, at par	\$ 2,485,000
4.0% to 4.5% Public Building Corporation of the City of Springfield, Missouri, Municipal Facilities Revenue Bonds, Series 2006 (Stormwater Improvement Projects), due through May 1, 2026, callable on or after May 1, 2016, at par	5,920,000
4.00% to 4.75% City of Springfield, Missouri, Special Obligation Bonds, College Station Garage Project, Series 2007A, due through November 1, 2027, callable on or after November 1, 2017, at par	9,960,000
4.00% to 4.75% City of Springfield, Missouri, Special Obligation Bonds, Heers Garage Project, Series 2007B, due through November 1, 2027, callable on or after November 1, 2017, at par	5,725,000
4.0% to 5.0% Public Building Corporation of the City of Springfield, Missouri, Municipal Facilities Revenue Bonds, Series 2007 (Stormwater Improvement Projects), due through May 1, 2027, callable on or after May 1, 2017, at par	7,285,000
2.25% to 4.75% Public Building Corporation of the City of Springfield, Missouri, Municipal Facilities Revenue Bonds, Series 2009 (Stormwater Improvement Projects), due through May 1, 2029, callable on or after May 1, 2017, at par	4,440,000
2.0% to 3.3% City of Springfield, Missouri, General Obligation Sewer Improvement Bonds, Series 2010, due through March 1, 2025, callable after March 1, 2019, at par	2,950,000
2.0% to 4.0% Special Obligation Refunding Bonds of the City of Springfield, Missouri, Series 2010, due through June 1, 2021	14,985,000
2.0% to 5.0% Special Obligation Refunding and Improvement Bonds of the Springfield, Missouri, Series 2011A and 2011B, due through June 1, 2031, callable on or after June 1, 2021 (Series 2011A only)	8,910,000
Total governmental activities bonds	\$ <u>142,051,017</u>

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Revenue bonds payable at June 30, 2012, are comprised of the following individual issues:

National airport fund:

4.0% to 5.0% Public Building Corporation of the City of Springfield, Missouri, Leasehold Revenue Improvement Bonds, Series 2006A&B (Springfield Branson National Airport Terminal Project), due through July 1, 2036, callable on or after July 1, 2016, at par \$ 87,060,000

2.50% to 6.85% Public Building Corporation of the City of Springfield, Missouri, Taxable Leasehold Revenue Improvement Bonds, Series 2009 (Springfield Branson National Airport Consolidated Rental Car Facility Project), due through March 1, 2029, callable on or after March 1, 2019, at par 6,325,000

Sanitary sewerage system fund:

3.00% to 5.25% Public Building Corporation of the City of Springfield, Missouri, Leasehold Revenue Bonds, Series 2004 (Sanitary Sewer Improvement Refunding), due through March 1, 2024, callable on or after March 1, 2014, at par 76,153

4.90% to 6.55% State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control Revenue Bonds (State Revolving Program – Multiple Participant Series), Series 1992A, due through July 1, 2014, callable on or after June 1, 2004, at par 2,195,000

5.25% to 7.20% State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control Revenue Bonds (State Revolving Program – Multiple Participant Series), Series 1994B, due through January 1, 2016, callable on or after June 1, 2006, at par 372,000

3.45% to 5.25% State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control and Drinking Water Revenue Bonds State Revolving Fund – Master Trust, Series 1998B, due through January 1, 2019, callable on or after December 1, 2010, at par 630,000

2.375% to 5.500% State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control and Drinking Water Revenue Bonds State Revolving Fund – Master Trust Series 2002B, due through July 1, 2022, callable on or after December 1, 2012, at par 37,945,000

3.0% to 5.0% State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control and Drinking Water Revenue Bonds State Revolving Fund – Series 2005A, due through July 1, 2026, callable on or after June 1, 2015, at par 6,610,000

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

4.00% to 4.75% State Environmental Improvement and Energy Resources Authority (State of Missouri) Water Pollution Control and Drinking Water Revenue Bonds State Revolving Fund, Series 2007A, due through January 1, 2028, callable on or after June 1, 2017, at par	\$ 6,750,000
1.49% Special Obligation Bonds (State of Missouri – Direct Loan Program – ARRA), Series 2010, City of Springfield, Not to Exceed \$13 Million, due through July 1, 2030	11,038,783
3.00% to 5.00% Special Obligation Bonds City of Springfield, Missouri, Series 2012 (Sewer System Improvement Project), due through April 1, 2032, callable on or after April 1, 2022, at par	26,385,000
Nonmajor enterprise fund:	
3.00% to 5.25% Public Building Corporation of the City of Springfield, Missouri, Leasehold Revenue Bonds, Series 2004 (Golf Course Improvements Refunding), due through March 1, 2024, callable on or after March 1, 2014, at par	179,292
Total revenue bonds payable	<u>\$ 185,566,228</u>

Notes Payable

Notes payable at June 30, 2012, consisted of the following obligations:

Sanitary sewerage system fund:

Noninterest-bearing State of Missouri Wastewater Revolving Fund Program intergovernmental notes	\$ 34,554,069
Total notes payable	<u>\$ 34,554,069</u>

Capital Lease Obligations

The City entered into a capital lease through June 1, 2017, for the replacement of the fuel tanks at the service center with an interest rate of 4.23%. Capital assets under lease obligations were \$317,373 at June 30, 2012. In addition, the City entered into a capital lease through December 2, 2012, to purchase police and fire vehicles with an interest rate of 4.11%. Capital assets under lease obligations were \$35,589 at June 30, 2012. The future minimum lease obligations and net present value of the minimum lease payments as of June 30, 2012, were as follows:

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

	Governmental activities
	<u> </u>
Year ending June 30:	
2013	\$ 82,057
2014	37,836
2015	37,836
2016	37,836
2017	<u>37,835</u>
Total minimum lease payments	233,400
Less amounts representing interest	<u>(20,915)</u>
Present value of minimum lease payments	<u><u>\$ 212,485</u></u>

The City entered into a capital lease through December 2, 2012, to purchase a tub grinder for the City's landfill with an interest rate of 4.11%. Capital assets under lease obligations were \$192,995 at June 30, 2012. The City entered into two capital leases through November 21, 2015, to purchase mowers for the City's golf courses with an interest rate of 4.37% and 2.29%. Capital assets under lease obligations were \$141,804 at June 30, 2012. The future minimum lease obligations and net present value of the minimum lease payments as of June 30, 2012, were as follows:

	Nonmajor enterprise fund
	<u> </u>
Year ending June 30:	
2013	\$ 81,938
2014	26,479
2015	26,480
2016	<u>12,190</u>
Total minimum lease payments	147,087
Less amounts representing interest	<u>(4,818)</u>
Present value of minimum lease payments	<u><u>\$ 142,269</u></u>

Section 108 Loan Guarantee Assistance Programs

During 2005, the City entered into a contract with the U.S. Department of Housing and Urban Development for Section 108 loan guarantee assistance totaling \$8.1 million. Since that time, the following loans have been issued for the following projects:

- \$2.4 million to 319 N. Main, LLC
- \$3 million to College Station

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

- \$1.6 million for small business loan pool
- \$1.1 million for Brick City, LP, Nanotechnology Partners, LLC, and 28 Properties, LLC

Principal and interest requirements for the combined Section 108 program notes are as follows:

	Principal	Interest
2013	\$ 272,000	157,227
2014	289,000	150,388
2015	393,000	142,889
2016	411,000	134,233
2017	435,000	124,886
2018-2022	2,557,000	458,874
2023-2027	2,874,000	133,812
	<u>7,231,000</u>	<u>1,302,309</u>

Other Debt Information

The City has issued two series of variable rate bonds: LCRA Series 2003 University Plaza Hotel and Public Building Corporation Series 2003. The variable rate bonds bear interest at a weekly rate. They are subject to purchase at the option of the owner and are required to be purchased in certain events. The principal and interest payments for the LCRA Series 2003 bonds are by an irrevocable direct pay letter of credit issued by BOKF, N.A. and the PBC Series 2003 bonds are supported by an irrevocable direct pay letter of credit issued by U.S. Bank.

Issuer	Amount	Interest Rate	Expiration Date
BOKF, N.A.	Principal balance plus 35 days accrued interest	BOKF national prime rate minus 100 basis points	10/01/2013*
U.S. Bank	\$ 8,878,979	Prime plus 1.50% Maximum rate = 10%	10/15/2015

*Automatically extended for 12 months unless the Bank provides notice

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Under current state statutes, the City's general obligation bonded debt issuances are subject to legal limitation based on total assessed value of real and personal property. General obligation debt issues are secured by the full faith and credit of the City. As of June 30, 2012, the City's net general obligation bonded debt of \$3,551,629 represents .4% of the legal debt limit of \$813,164,032.

The PBC Leasehold Revenue Bonds (Civic Park Projects and Capital Improvement Programs) are payable solely from lease payments made by the City to the PBC, pursuant to lease agreements executed at the time the bonds were issued. These issues were used to finance various capital projects within the City.

At June 30, 2012, a total of \$8,053,371 was available in the debt service funds for retirement of general obligation debt issues. The remainder of these obligations will be repaid from future property tax levies and other general revenue sources.

Principal and interest on the PBC Leasehold Revenue Refunding and Improvement Bonds, Series 1998 (Airport Project) are to be paid from the revenues of the national airport fund and are recorded therein. Principal and interest on the PBC Leasehold Improvement Revenue Bonds, Golf Course Improvements are to be paid from revenues of the golf fund and are recorded therein. Principal and interest on the PBC Leasehold Improvement Revenue Bonds, Sewer Improvements are to be paid from revenues of the sanitary sewer fund and are recorded therein. The PBC bonds are payable solely from lease payments made by the City to the PBC, pursuant to lease agreements executed at the time the bonds were issued.

The Sewer Improvement issues are payable, as to both principal and interest, first from interest-bearing special assessments levied and assessed against property benefited by sanitary sewer improvements financed with proceeds of the bonds and second from ad valorem taxes that may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. At June 30, 2012, \$6,850,614 was available in the debt service funds for retirement of these obligations.

Conduit Debt

The City authorized the issuance of \$21,500,000 Industrial Development Revenue Bonds to provide economic financial assistance to private entities. These bonds are secured by the improvements that are to be made. The debt service of these issues are paid solely from the private entities through lease agreements; therefore, the issues do not constitute a debt of the City and, accordingly, are not included in the City's statement of net assets. The total principal balance for the Industrial Development Revenue Bonds as of June 30, 2012, is \$17,492,523.

LCRA industrial development revenue bonds of \$4,039,085 were outstanding at June 30, 2012. The debt service on this issue is paid solely from a third party through a lease agreement; therefore, the issue does not constitute a debt of the City and, accordingly, is not included in the City's statement of net assets.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Debt Defeasance

In prior years, the City's PBC issued bonds to defease the 1995 PBC Leasehold Improvement Revenue Bonds (golf, sewer and parks component) and the 2000B PBC Leasehold Revenue Bonds. The outstanding balances on the bonds totaled \$11,615,000 as of June 30, 2012. Securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. Therefore, these issues are considered defeased, and the liability has been removed from long-term debt.

Refunding

On November 15, 2011, the City issued \$7.26 million in Special Obligation Refunding Bonds with an average interest rate of 3.1 percent to refund \$7.335 million of outstanding 1998 and 2000 PBC bonds with an average interest rate of 4-7.3 percent. The net proceeds of \$7.5 million (after payment of \$163,518 of issuance costs and underwriter fees) were used to refund the applicable 1998 and 2000 PBC bonds.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$28,300. This difference, reported in the accompanying financial statements as a deduction of bonds payable, is being charged to operations through the year 2021 using the straight-line method. The City completed the refunding to reduce its total debt service payments over the next 9 years by \$792,133 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$675,687.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Pledged Revenues

The City has pledged specific revenue streams to secure the repayment of certain outstanding debt issues. The following table lists those revenues and the corresponding debt issue along with the purpose of the debt, the amount of the pledge remaining, the current fiscal year principal and interest on the debt, the amount of pledged revenue collected during the current fiscal year, and the approximate percentage of the revenue stream that has been committed if estimable:

<u>Issue</u>	<u>Type of revenue pledged</u>	<u>Amount of revenue pledged</u>	<u>General purpose for debt</u>	<u>Term of commitment</u>	<u>Percentage of revenue pledged</u>	<u>Principal and interest for the year ended June 30, 2012</u>	<u>Recognized for the year ended June 30, 2012</u>
SCCDC Taxable Revenue Bonds Series 2002B Jordan Valley Park-Baseball Stadium Project	Rental payment from developer	\$ 8,947,720	Acquisition of real estate for baseball stadium	Through 2028	100%	\$ 561,304	563,164
SCCDC Taxable Revenue Bonds Series 2002C Jordan Valley Park Project	Hotel/motel tax	7,859,224	Jordan Valley Park Projects	Through 2028	27	493,176	1,802,811
LCRA Taxable Variable Rate Demand Revenue Bonds, Series 2003, University Plaza Hotel Redevelopment Project	Rental payment from developer	6,380,993	University Plaza Hotel redevelopment	Through 2021	100	616,897	619,510
Lone Pine Greenspace Neighborhood Improvement District Series 2003	NID payments	559,687	Acquisition of greenspace	Through 2024	100	46,247	46,422
LCRA Taxable Revenue Bonds Series 2004 SBD Loan Pool Funding Program	Loan program revenue	2,218,182	Provide proceeds for SBD loan program	Through 2023	100	345,913	290,391

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

<u>Issue</u>	<u>Type of revenue pledged</u>	<u>Amount of revenue pledged</u>	<u>General purpose for debt</u>	<u>Term of commitment</u>	<u>Percentage of revenue pledged</u>	<u>Principal and interest for the year ended June 30, 2012</u>	<u>Recognized for the year ended June 30, 2012</u>
Special Obligation Bonds Series 2007A College Station Garage Project	Sales tax levied by the College Station Transportation Development District and by the College Station Community Improvement District	\$ 14,346,800	College Station Parking Garage	Through 2028	100%	\$ 774,975	70,499
Special Obligation Bonds Series 2007B Heers Garage Project	Heers Tower Redevelopment Project Revenues	8,460,350	Heers Parking Garage	Through 2028	100	269,575	32
PBC Leasehold/Municipal Facilities Revenue Bonds – Level Property Tax Program Series 2002, 2004, 2005A, 2006, 2007 and 2009	Level property tax	53,771,836	Level property tax program – capital improvement and stormwater projects	Through 2029	56	4,457,425	7,914,597
PBC Leasehold Revenue Bonds Series 2004	Law enforcement sales tax	2,167,952	Police department expansion and renovation	Through 2024	3	182,017	6,793,797
PBC Municipal Facility Revenue Bond Series 2005B Park Facilities Project	Park property tax	2,765,138	Cooper Park Indoor Tennis Facility expansion	Through 2025	4	213,280	5,517,618

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

<u>Issue</u>	<u>Type of revenue pledged</u>	<u>Amount of revenue pledged</u>	<u>General purpose for debt</u>	<u>Term of commitment</u>	<u>Percentage of revenue pledged</u>	<u>Principal and interest for the year ended June 30, 2012</u>	<u>Recognized for the year ended June 30, 2012</u>
PBC Leasehold Revenue							
Improvement Bonds, Series 2006A&B and 2009, Springfield Branson National Airport Projects	National airport revenues	\$ 156,453,760	Construction of Midfield Terminal	Through 2037	47%	\$ 6,673,955	14,145,418
State Environmental Improvement and Energy Resources (State of Missouri) Water Pollution Control and Drinking Water Revenue bonds State Revolving Fund – Series 1992A, 1994B, 1998B, 2002B, 2005A and 2007A	Sanitary sewerage system revenues	71,884,294	Finance and construction of sanitary sewerage system	Through 2028	18	5,066,412	28,103,578
Special Obligation Bonds (State of Missouri-Direct Loan Program) Series 2010	Sanitary sewerage system revenues	12,885,781	Extend and improve sanitary sewerage system	Through 2031	22	623,755	28,103,578

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

City Utilities Component Unit

The following is a summary of long-term obligations outstanding for the City Utilities component unit (in thousands):

	Balance September 30, 2011
Public Utility Revenue Bonds, Series 2006; 4.00% to 5.00%; due August 1, 2012 to 2036	\$ 615,000
Public Utility obligation under the February 2006 lease financing agreement; 3.25% to 5.00%; due December 1, 2012 to 2021	49,865
Public Utility obligation under the February 1, 2001, financing agreement; 3.75% to 4.85%; due January 1, 2012 to 2016	4,375
Public Utility obligation under the 2006 Master Lease financing agreement; 3.60% to 3.81%; due October 6, 2012, to October 6, 2021	3,304
Public Utility obligation under the 2007 Master Lease financing agreement; 3.60% to 3.80%; due February 22, 2012, to February 22, 2022	49,671
Total Public Utility	<u>722,215</u>
Waterworks Refunding and Improvement Revenue Bonds, Series 2003; 2.00% to 5.00%; due May 1, 2018	19,140
Water Utility obligation under the 2007 Master Lease financing agreement; 3.80%; due February 22, 2012, to February 22, 2022	11,859
Water Utility obligation under the 2008 Master Lease financing agreement; 3.64% to 4.67%; due October 31, 2012, to September 30, 2029	7,946
Total Water Utility	<u>38,945</u>
Total City Utilities	761,160
Less current maturities of long-term obligations	<u>(18,152)</u>
Total City Utilities component unit	<u><u>\$ 743,008</u></u>

The Public Utility revenue bonds are collateralized by the revenues of the Public Utility. The Public Utility obligations under the financing agreements are subordinated to the Public Utility revenue bonds as to revenues. The Waterworks Refunding and Improvement Revenue Bonds, Series 2003 are collateralized by the revenues of the Water Utility. Assets financed by the financing agreements are pledged as collateral for those agreements.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Long-term debt activity for the year ended September 30, 2011, was as follows (in thousands):

	Bonds and obligations payable September 30, 2010	Additions	Reductions	Bonds and obligations payable September 30, 2011	Principal due in one year
Revenue bonds - Public Utility	\$ 636,720	—	(2,580)	634,140	7,950
Unamortized debt premium					
net of debt discount	14,181	—	(727)	13,454	—
Other obligations	136,851	—	(9,831)	127,020	10,202
Compensated absences	21,877	11,024	(11,421)	21,480	—
Other	19,276	4,268	(10,300)	13,244	—
	<u>828,905</u>	<u>15,292</u>	<u>(34,859)</u>	<u>809,338</u>	<u>18,152</u>
Total City Utilities	\$ <u>828,905</u>	<u>15,292</u>	<u>(34,859)</u>	<u>809,338</u>	<u>18,152</u>

The debt service to maturity on outstanding bonds and obligations as of September 30, 2011 is summarized in the following table (in thousands):

	Bonds and other obligations	
	Principal	Interest
2012	\$ 18,152	\$ 34,749
2013	18,905	33,987
2014	20,412	33,101
2015	21,957	32,210
2016	23,542	31,261
2017-2021	130,628	139,164
2022-2026	110,045	111,805
2027-2031	149,860	83,535
2032-2036	267,659	43,000
	\$ <u>761,160</u>	\$ <u>542,812</u>

City Utilities' long-term debt is publicly traded infrequently; therefore, a current market price is not readily available for these bonds and leases. The fair value of long-term debt is estimated based upon market prices for similar issues or on the current rates offered for instruments of the same remaining maturities. The estimated fair value of long-term debt at September 30, 2011, is \$911,913,000.

City Utilities has pledged specific revenue streams to secure the repayment of certain outstanding debt issues. The following table lists those revenues and the corresponding debt issue along with the purpose of the debt, the amount and term of pledge remaining, the current year principal and interest on the debt, the amount of pledged revenue recognized during the current fiscal year and the approximate percentage of the revenue stream that has been committed if estimable (dollars in thousands):

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

<u>Issue</u>	<u>Type revenue pledged</u>	<u>Amount of pledge</u>	<u>Term of commitment</u>	<u>Percentage of revenue pledged</u>	<u>Principal and interest for the year ended 2011</u>
City Utilities Debt Obligations	Operating Revenue	\$ 1,303,972	Through 2036	12%	\$ 47,615

Certain of City Utilities' long-term obligations contain restrictions that require the maintenance of coverage ratios as defined in the related agreements. City Utilities' calculations of these ratios are performed in accordance with the long-term obligation agreements and are used solely to determine compliance with such covenants. City Utilities was in compliance with these covenants as of September 30, 2011.

(e) Components of Fund Balance

The following presents the various components of fund balance within the governmental funds:

	<u>General</u>	<u>Community development</u>	<u>Public Safety Pension Sales Tax</u>	<u>Nonmajor governmental funds</u>	<u>Total governmental funds</u>
Fund balances:					
Nonspendable:					
Inventory	\$ 24,128	443,863	—	2,140,278	2,608,269
Long-term loans	—	42,322,195	—	—	42,322,195
Permanent fund principal	—	—	—	1,269,362	1,269,362
Restricted:					
Public works	—	—	—	57,298,014	57,298,014
Public safety	—	—	—	1,680,052	1,680,052
Parks and recreation	—	—	—	7,670,746	7,670,746
Planning and development	—	3,217,825	—	6,221	3,224,046
General government	—	—	—	900,293	900,293
Debt service reserve	—	—	—	15,537,760	15,537,760
Committed:					
Public works	—	—	—	4,219,328	4,219,328
Public safety	—	—	—	485,550	485,550
Parks and recreation	—	—	—	1,501,986	1,501,986
General government	—	—	—	1,742,890	1,742,890
Economic stabilization	14,600,000	—	—	—	14,600,000
Debt service	—	—	—	15,667,391	15,667,391
Assigned:					
Public safety	—	—	—	563	563
Parks and recreation	—	—	—	721,092	721,092
Public health	—	—	—	1,792,680	1,792,680
Prior service credit	600,000	—	—	—	600,000
Future projects	3,911,121	—	—	—	3,911,121
Debt service	—	—	—	119,605	119,605
Encumbrances	1,221,484	—	—	—	1,221,484
Unassigned	—	—	—	(206,659)	(206,659)
Total fund balances	\$ 20,356,733	45,983,883	—	112,547,152	178,887,768

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

(f) **Encumbrances and Construction Commitments**

City of Springfield

A summary of the City's encumbrances and commitments on uncompleted construction contracts and the amount, which is expected to be funded by federal and state grants, follows:

<u>Fund</u>	<u>Encumbrances excluding construction</u>	<u>Construction contract amounts</u>	<u>Amount funded by grants</u>
General	\$ 872,229	349,255	—
Community Development	494,250	—	—
National Airport	254,504	824,221	650,969
Sanitary sewerage system	342,108	11,874,085	3,430,499
Nonmajor governmental	5,543,461	12,428,670	2,215,167
Nonmajor enterprise	417,407	149,601	—
Internal service	139,718	19,626	—
Total	\$ <u>8,063,677</u>	<u>25,645,458</u>	<u>6,296,635</u>

City Utilities Component Unit

As of September 30, 2011, anticipated capital expenditures for improvements during the 2012 fiscal year are estimated to be approximately \$69.4 million.

Obligations to Purchase Electric Power and Energy

Southwestern Power Administration – City Utilities has a purchased power agreement with the Southwestern Power Administration (SWPA) effective through June 30, 2015. Under this agreement, City Utilities purchases 50 MW of capacity and must take a minimum of 3,000 MWh of peaking energy each month. City Utilities must also purchase a minimum of 60,000 MWh for the year plus transmission service. For the fiscal year ended September 30, 2011, the cost of peaking capacity was \$3.1 million and the minimum for peaking energy was \$882,000 for the year. The peaking rate is periodically adjusted.

Kansas City Power and Light Company – City Utilities has a purchased power agreement with Kansas City Power and Light Company (KCPL) that runs through May 31, 2013. Under this agreement, City Utilities purchases 17 MW of capacity from three of KCPL's Montrose Power Station turbines (51 MW total). The capacity charge is \$75 per kW per year, which equals \$319,000 per month. The contract provides that KCPL will furnish City Utilities with 380,000 kWh hours of electricity annually (using an 85% availability factor) with the energy charge based on the actual production costs of the Montrose units.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Smoky Hills Wind Project II – City Utilities has a purchased power agreement with Smoky Hills Wind Project II (Smoky Hills) to receive power through December 31, 2028. City Utilities will purchase 33.67% of the total energy output of phase II of the Smoky Hills wind energy project at an average cost during fiscal year 2011 of \$716,000 per month.

Obligations to Purchase Coal

Arch Coal Sales Company, Inc. – On December 17, 2008, City Utilities entered into an agreement with Arch Coal Sales Company, Inc. effective until terminated by either party. The agreement was amended December 22, 2010. Under the terms of the amended agreement, City Utilities' coal purchase obligation is \$23,710,000, \$17,620,000, \$5,840,000 and \$6,200,000 for calendar years 2011, 2012, 2013 and 2014, respectively. As of September 30, 2011, City Utilities had purchased \$15,692,000 of coal for the contract period ended December 31, 2011. Management believes the minimum tonnage requirement will be met for calendar year 2011.

Cloud Peak Energy Resources LLC – On October 18, 2004, City Utilities entered into an agreement with Kennecott Coal Sales Company. On January 12, 2010, the agreement was amended with Cloud Peak Energy Resources LLC, as successor to Kennecott Coal Sales Company. On July 9, 2010, the agreement was extended through December 31, 2014. Under the terms of the extended agreement, City Utilities' coal purchase obligation is \$6,906,000, \$3,600,000, \$3,780,000 and \$4,005,000 for calendar years 2011, 2012, 2013 and 2014, respectively. As of September 30, 2011, City Utilities had purchased \$6,554,000 of coal for the contract period ending December 31, 2011. Management believes the minimum tonnage requirement will be met for calendar year 2011.

Obligations to Purchase Rail Services

Burlington Northern & Santa Fe Railway Co. – City Utilities has entered into an agreement with Burlington Northern & Santa Fe Railway Co. to purchase rail services for transporting coal to both City Utilities' power stations. Under the terms of the agreement, the tonnage nomination for calendar year 2011 was 2,150,800 tons. As of September 30, 2011, City Utilities had tendered coal tonnage of 1,647,000 tons.

Obligations for Transportation and Storage Services of Natural Gas

Southern Star Central Gas Pipeline, Inc. and CenterPoint Energy Gas Transportation Company

City Utilities has signed agreements with Southern Star Central Gas Pipeline, Inc. (formerly, Williams Gas Pipelines Central) and Centerpoint Energy Gas Transmission Company (formerly, Reliant Energy Gas Transmission Company) for transportation and/or storage services of natural gas, with various terms expiring in 1 to 20 years.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

(g) Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2012, is as follows:

<u>Receivable fund</u>	<u>Payable fund</u>		
General fund	Nonmajor governmental	\$	1,606,074
General fund	Internal Service		170,235
General fund	Nonmajor enterprise		380,000
Nonmajor governmental	Nonmajor governmental		102,522
Fiduciary fund	Public Safety Pension Sales Tax		4,098,938
Total		\$	<u><u>6,357,769</u></u>

Interfund payables and receivables are made for specific purposes for each fund and for overdraws of cash, both of which are made in the ordinary course of business. Interfund payables and receivables are intended to be repaid in future years.

Interfund transfers for the year ended June 30, 2012, are as follows:

	<u>Transfers to:</u>					<u>Total</u>
	<u>General fund</u>	<u>Community development</u>	<u>Nonmajor governmental</u>	<u>Nonmajor enterprise</u>	<u>Internal service</u>	
Transfers from:						
General fund	\$ —	64,045	4,869,262	64,998	47,500	5,045,805
Community development	—	246,921	335,534	—	—	582,455
Nonmajor governmental	1,053,935	—	13,488,148	—	—	14,542,083
Sanitary sewerage system	1,176,343	—	—	—	—	1,176,343
National Airport	150,000	—	—	—	—	150,000
Internal service	137,658	—	—	—	—	137,658
Nonmajor enterprise	358,104	—	—	—	—	358,104
Total transfers in	<u>\$ 2,876,040</u>	<u>310,966</u>	<u>18,692,944</u>	<u>64,998</u>	<u>47,500</u>	<u>21,992,448</u>

All interfund transfers provided funding for general operations of each fund. These transfers are permanent in nature and are not intended to be repaid in future years.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

(h) Operating Leases

The City has entered into operating leases for computer, copiers, vehicles and other operating equipment. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2012:

Year Ended June 30,	Operating Leases	
	Governmental Activities	Business- Type Activities
2013	\$ 454,011	\$ 85,159
2014	289,346	71,415
2015	175,947	28,038
2016	53,005	12,891
2017	6,266	3,771
	\$ 978,575	\$ 201,274

(3) Other Information

(a) Employee Retirement Systems and Plans

The City maintains the Pension Trust Fund, which covers substantially all employees of the City's police and fire departments that were hired on or before June 1, 2006. Employees of the City's police and fire departments hired after June 1, 2006, participate in the Missouri Local Government Employees Retirement System (LAGERS), a statewide local government retirement system. LAGERS covers substantially all of the City's employees (not covered under the Pension Trust Fund) and the employees of the City Utilities component unit.

I. The Policemen and Firemen's Retirement System

Plan Description

All of the City's police officers and firefighters hired before June 1, 2006, became members in the Pension Trust Fund, a single employer defined benefit pension plan, as a condition of their employment. The Pension Trust Fund provides retirement, disability and death benefits to plan members and beneficiaries. The City closed the Pension Trust Fund on January 31, 2010, to new entrants. Members hired on or after June 1, 2006, thru January 31, 2010, (the plan closing date), have voluntarily left the Pension Trust Fund and are participants in the LAGERS.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

A separate publicly available financial report is issued that includes financial statements and required supplementary information. The financial report may be obtained by writing to the City of Springfield, Finance Department, P.O. Box 8368, Springfield, Missouri, 65801-8368 or by calling (417) 864-1625.

Summary of Significant Accounting Policies

Basis of Accounting – The Pension Trust Fund’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Plan is accounted for using the economic resources measurement focus and the accrual basis of accounting. Plan participant contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Expenses are recognized when incurred. Benefits and refunds are recognized when due and payable under the terms of the Plan.

Method Used to Value Investments – Investments are valued at fair value, based on quoted market prices at the valuation date. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation includes the Plan’s gain and losses on investments bought and sold during the year.

Funding Policy

Operations of the Plan are governed by City ordinance and are administered by the Plan’s Board of Trustees (the “Trustees”). The Trustees consists of a member of the City Council designated by the Mayor to act as a liaison, one current member of the police department, one current member of the fire department, one former employee who is currently receiving benefits from the system and six citizens recommended by the City Manager and approved by the City Council. The Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974. The City’s funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due.

Participants entering the Plan prior to June 1, 2006, were required to contribute 13.35% of their annual salary to the Plan for the year ended June 30, 2012. The City may, at their discretion, contribute the remaining amounts necessary to fund the plan using the entry age normal actuarial method as specified by ordinance.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Annual Pension Cost and Net Pension Asset

For 2012, the Plan's annual pension cost was \$21,616,120. The City contributed \$35,726,586, which did meet the required contribution.

The annual pension cost and net pension asset as of June 30, 2012, is as follows:

Annual required contribution	\$	(20,881,652)
Interest on net pension asset		2,992,850
ARC adjustment		<u>(3,727,318)</u>
Annual pension cost		(21,616,120)
Contributions made		<u>35,726,586</u>
Change in pension asset		14,110,466
Net pension asset, beginning of year		<u>39,904,669</u>
Net pension asset, end of year	\$	<u><u>54,015,135</u></u>

Historical trend information:

	<u>APC</u>	<u>Percentage of APC contributed</u>	<u>Net pension obligation (asset)</u>
Fiscal year ended:			
June 30, 2010	\$ 13,133,307	243%	\$ (19,044,493)
June 30, 2011	13,281,689	257%	(39,904,669)
June 30, 2012	21,616,120	165%	(54,015,135)

Retirees and beneficiaries receiving benefits and terminated vested members	506
Active plan members:	
Fully vested	373
Nonvested	<u>—</u>
Total	<u><u>879</u></u>

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Plan Assumptions

The following summarizes the actuarial assumptions of the plan:

Actuarial cost method	Entry age
Amortizing method	Level percent closed
Remaining amortization period	18 years
Asset Valuation method	4-year smoothed market
Investment rate of return	7.5%
Projected salary increases, depending on age, attributable to seniority/merit	7.5% per year, decreasing to 4.5% after 6 years for fire and 8 years for police, the 3% after ten years for fire and twelve years for police.
Projected salary increases, attributable to inflation	3%
Increase in benefits per year after retirement	3%

Funding status of the plan:

Actuarial valuation date	(a) Actuarial value of assets	(b) Actuarial accrued liability	(b-a) Unfunded accrued liability (UAL)	(a/b) Funded ratio	(c) Annual covered payroll	[(b-a)/c] UAL as a percentage of covered payroll
June 30, 2012	\$ 211,406,045	356,339,821	144,933,776	59%	19,976,162	726%

See Schedule of Funding Progress contained in the Required Supplementary Information. This schedule presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

II. Missouri Local Government Employees Retirement System (LAGERS)

Plan Description

The City and City Utilities participate in the LAGERS, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan that provides retirement, disability and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMo 70.600-70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

The LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

Funding Policy

The City's and City Utilities' full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate. The rate for City Utilities was 20.0% for the year ended September 30, 2011. The rate for the City was 18.0% for general division employees, 14.5% for police division employees and 19.3% for fire division employees for the year ended June 30, 2012. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

Annual Pension Cost

The City Utilities' and the City's annual pension cost of \$13,660,000 and \$8,917,919, respectively, was equal to the required and actual contributions.

Prepaid Pension Asset

To reduce future fixed costs, City Utilities made two payments of \$18 million and \$3.4 million to LAGERS in November 1997 and September 1998, respectively. These payments reduced the past unfunded pension liability. The payments will be amortized to pension expense over 15 years. Giving effect to this payment in the actuarial studies that set the pension contribution rate will lower pension costs in future years, with savings currently estimated in excess of \$1.5 million per year.

Historical trend information:

	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation
Fiscal year ended:			
June 30, 2010	\$ 8,290,062	100%	\$ —
June 30, 2011	8,746,710	100%	—
June 30, 2012	8,917,919	100%	—

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Funding status of the City plan:

<u>Actuarial valuation date</u>	<u>(a) Actuarial value of assets</u>	<u>(b) Actuarial accrued liability</u>	<u>(b-a) Unfunded accrued liability (UAL)</u>	<u>(a/b) Funded ratio</u>	<u>(c) Annual covered payroll</u>	<u>[(b-a)/c] UAL as a percentage of covered payroll</u>
February 28, 2012	\$ 91,766,700	126,235,604	34,468,904	73%	49,271,969	70%

See Schedule of Funding Progress contained in the Required Supplementary Information. This schedule presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Plan Assumption – City of Springfield

The annual required contribution (ARC) was determined as part of the February 28, 2010, annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012, included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) preretirement mortality based on 75% of the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women and (e) postretirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2010, was 19 years for the General division, 30 years for the Police division and 30 years for the Fire division.

Historical trend information:

	City Utilities three-year trend information		
	Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation (asset)
Fiscal year ended:			
June 30, 2009	\$ 13,611,000	100%	\$ —
June 30, 2010	12,917,000	100%	—
June 30, 2011	13,660,000	100%	—

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Funding status of the City Utilities plan:

Actuarial valuation date	(a) Actuarial value of assets	(b) Actuarial accrued liability	(b-a) Unfunded accrued liability (UAL)	(a/b) Funded ratio	(c) Annual covered payroll	[(b-a)/c] UAL as a percentage of covered payroll
February 28, 2011	\$ 132,919,000	231,605,000	98,686,000	57%	68,100,000	145%

See Schedule of Funding Progress contained in the Required Supplementary Information. This schedule presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Plan Assumptions – City Utilities

The required contribution was determined as part of the February 28, 2010, annual actuarial contributions. The actuarial assumptions as of February 28, 2010, and February 28, 2011, included (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually; (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation; (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit; (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table; and (e) postretirement mortality based on the 1994 Group Annuity Mortality table projected to 2000 setback zero years for men and zero years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2011, was 15 years.

III. Postretirement Benefits Other than Pensions

The City of Springfield, Missouri, applies Governmental Accounting Standard Board Statement No. 45 (GASB 45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension, (OPEB)*. This statement requires the accounting for the annual cost of other post-employment benefits and the related outstanding liability using an actuarial approach similar to pensions. The City implemented prospectively (zero net obligation at transition).

Plan Description

The City sponsored a single-employer, defined benefit healthcare plan that provided healthcare benefits to retirees and their dependents, including medical and pharmacy coverage from July 1, 2007, through December 31, 2007. During that period, the City required retirees to pay the same medical premium charged to active participants unless they were covered under Medicare in which case they paid a reduced premium. The rates paid by retirees for benefits were lower than the costs of providing coverage. The difference between these amounts is the implicit rate subsidy, which is considered OPEB under GASB Statement No. 45.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Beginning January 1, 2008, the City sponsored a high-deductible healthcare plan for non-Medicare eligible retirees, spouses and dependents. Premiums for this plan are based on total costs of the plan. The City subsidizes the monthly premium by \$300 for the retirees and makes a \$1,000 annual contribution to their health savings account.

Beginning January 1, 2008, the City offered the single-employer, defined healthcare plan for Medicare eligible retirees, spouse and dependents. As an alternative option, the City acted as a paying agent for a Medicare supplement plan offered to this group of retirees at no cost to the City. Effective January 1, 2009, retirees eligible for Medicare are no longer eligible for coverage under the City's health insurance plan.

The plans do not issue stand-alone financial statements.

Funding Policy

GASB Statement No. 45 does not require funding of the OPEB liability, and at this time, the liability for the City is unfunded. Contributions are made to the plan on a pay-as-you-go basis.

For the year ended June 30, 2012, retirees receiving benefits contributed approximately \$1.2 million for current premiums (approximately 62% of total premiums), through the City for the plan offered. Total premiums paid for the year were approximately \$1.9 million. The City also contributed approximately \$267,000 toward the health savings accounts.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs 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 year, the amount actually contributed to the plan and change in the City's net OPEB obligation.

Normal cost	\$	2,153,117
Interest on net OPEB obligation		124,996
Adjustment to annual required contribution		(180,713)
Annual OPEB cost		<u>2,097,400</u>
Contributions made (employer)		<u>(1,754,478)</u>
Change in net OPEB obligation		342,922
Net OPEB obligation, beginning of year		3,124,891
Net OPEB obligation, end of year	\$	<u><u>3,467,813</u></u>

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 were as follows:

	<u>Annual OPEB cost (AOC)</u>	<u>Percentage of AOC contributed</u>	<u>Net OPEB obligation</u>
Fiscal year ended:			
June 30, 2010	\$ 1,711,617	62%	\$ 2,431,536
June 30, 2011	1,700,148	59	3,124,891
June 30, 2012	2,097,400	84	3,467,813

Funded Status and Funding Progress

As of June 30, 2012, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$21.2 million, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$21.2 million. The covered payroll (annual payroll of active employees covered by the plan) was \$74.4 million, and the ratio of the UAAL to covered payroll was 28.5%.

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 ARCs 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 following the notes to the financial statements, presents multiyear trend information over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting 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 of benefit costs between the employer and plan members to that point. 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.

In the June 30, 2012 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets (of which there are none) and on the employer's own investments calculated based on the funded level of the plan at the valuation date. Premiums for this plan are based on total costs of the plan. The City subsidizes the monthly premium

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

by \$300 for the retirees, hence no health care cost trend rate has been assumed. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2012, was 30 years.

(b) *Litigation and Contingent Liabilities*

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the City and the City Utilities component unit expect such amounts, if any, to be immaterial.

In the normal course of business, both the City and the City Utilities component unit are involved in various legal proceedings. Although the outcome of these proceedings is not presently determinable, it is the opinion of the City and City Utilities' legal counsel and management that the resolution of these matters will not have a material adverse effect on the financial position of the City or City Utilities.

(c) *Air Quality Standards – City Utilities Component Unit*

The Clean Air Act Amendments of 1990 (the "Act") include requirements for reductions in sulfur dioxide (SO₂) and nitrogen dioxide (NO_x) emissions for electric utility sources. The Act established a market-based compliance program that allows the selling and trading of SO₂ allowances. An "allowance" is the authorization to emit one ton of SO₂ in a given year. City Utilities is in full compliance with the emissions standards under the Act. No allowances were sold during the fiscal year ended September 30, 2011. City Utilities accounts for its allowances under the inventory method.

In March 2005, the Environmental Protection Agency (EPA) promulgated the Clean Air Interstate Rule (CAIR) to further restrict emissions of power plant SO₂ and NO_x. CAIR will require 28 eastern states, including Missouri, to reduce emissions by nearly 70% in two phases, beginning in 2009 and 2015 for NO_x and 2010 and 2015 for SO₂. In addition, EPA's 2005 Clean Air Mercury Rule (CAMR) established a phased 70% reduction requirement for power plant emissions of this heavy metal. As recommended by a compliance study, City Utilities successfully installed NO_x controls on JRPS in fiscal year 2007 and 2008 and at JETC in fiscal year 2008. In 2008, a federal appeals court struck down both the CAIR and CAMR rules, but allowed CAIR provisions to stand while EPA drafted a replacement rule for regional SO₂ and NO_x emissions. City Utilities believes it is in full compliance with current CAIR requirements.

In July 2011 the EPA promulgated the Cross State Air Pollution Rule (CSAPR) to replace CAIR. CSAPR further restricts emissions in the original 28 CAIR states and adds three more states to the control region. For example, Missouri's annual NO_x allowance budget under

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

CSAPR is approximately 15% below CAIR levels. CSAPR is also a phased program, with the initial reductions required in 2012 and Phase 2 reductions in calendar 2014.

On March 16, 2011, the EPA issued a proposed maximum achievable control technology (MACT) rule that would require reduction of emissions of toxic air pollutants from power plants, specifically industrial utility boilers. This proposed rule is expected to be finalized in early 2012. Specifically, the proposed rule would require reductions in emissions from new and existing coal- and oil-fired steam utility electric generating units. The proposed rule is being analyzed and it is unknown what the impacts to City Utilities will be until it is finalized.

Any changes in the environmental regulatory requirements imposed by federal or state law which are applicable to City Utilities generating stations could result in increased capital and operating costs being incurred by City Utilities. City Utilities is unable to predict whether any changes will be made to current environmental regulatory requirements and if such changes will be applicable to City Utilities.

(d) *Closure and Postclosure Care Costs*

State and federal laws and regulations require the City's sanitary landfill to place a final cover on each cell of the landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions on each cell for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that each cell of the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense of the refuse disposal fund in each period based on landfill capacity used as of each period. As of June 30, 2012, a total of \$10,425,925 is reported as landfill closure and postclosure liability on the statement of net assets, included as a component of long-term liabilities in the business-type activities column. This is an increase of \$357,527 in the liability reported as of June 30, 2012. During fiscal year 2003, construction was completed on the North Ravine Area (cell two) and the City received an "authorization to operate" from the MoDNR and began accepting waste in this area. During fiscal year 2007, construction was completed on the Compound Area and the City received an "authorization to operate" from MoDNR and began accepting waste in this area. During fiscal year 2011, construction was completed on the South Ravine Area - Phase One and the City received an "authorization to operate" from MoDNR and began accepting waste in it.

The closure and postclosure liability reported on the statement of net assets represents the cumulative amount reported to date, based on the estimated capacity used of the Noble Hill Area (cell one) (99.5%), the North Ravine Area (cell two) (94.2%), the Compound Area (86.9%) and the new South Ravine Area - Phase One (29.6%) of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$729,253 as the remaining capacity of these four currently approved disposal areas are filled. This amount is based on what it would cost to perform all closure and postclosure care in 2012. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The estimated remaining life of the Noble Hill Area (cell one), the North Ravine Area (cell two), the Compound Area, and the South Ravine Area - Phase One ranges from 2.5 years to 4.1 years based on average daily refuse received of 500 to 800 tons.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

The City is currently under a contract of obligation with the MoDNR executed December 15, 2011, for approximately \$11 million related to closure and postclosure costs for the four currently approved disposal areas of the landfill.

The City expects that all closure and postclosure care costs, as well as future inflation costs, will be paid from available operating revenues, reserves and interest earnings on cash and short-term investments held in the refuse disposal fund when the costs are incurred. However, if these resources are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be recovered through charges to future landfill users. Effective July 1, 2007, the City increased landfill charges by \$1.15 per ton and increased its small vehicle fee for waste loads less than 1,396 pounds from \$15 per load to \$20 per load in order to generate additional funds to be reserved for future closure/postclosure costs of the Compound Area.

(e) ***Risk Management***

The City is exposed to various risks, such as property exposures, automobile liability, workers' compensation claims, equipment losses, general liability claims and the costs associated with an employee health plan. The City's risk financing plans consist of insurance and self-insurance for the various risks identified. For property exposures, the City purchases an all-risk insurance policy. Current property values total \$651,973,327. This property insurance presently carries a primary deductible of \$50,000. While coverage is purchased for City-owned equipment, the comprehensive or collision exposure to City-owned vehicles is self-insured. Neither liability claims nor property losses have exceeded the limits of coverage that comprise the City's risk financing plans.

The City established a self-insurance program for workers' compensation in fiscal year 1988 and for health insurance in fiscal year 1985. The workers' compensation plan covers all City employees, while the health plan covers retirees and all permanent City employees who work at least 30 hours per week. The self-insurance fund, an internal service fund, was established to account for the premiums received from retirees and employees and the City's share of premiums for both health insurance and workers' compensation. The operating funds are charged a monthly rate per employee for both health insurance coverage and workers' compensation.

The premiums are available to pay claims, claim reserves and administrative costs of the programs. Stop-loss reinsurance coverages are maintained by the City to eliminate the risk of unlimited claim liability and minimize claim fluctuations due to catastrophic losses. Liabilities of the self-insurance fund include an amount for claims that have been incurred but not reported.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

Changes in the City's estimated liability for incurred but unreported claims in its self-insurance fund for fiscal years 2012 and 2011 were as follows:

		Liability balance, beginning of year	Current year claims, changes in estimates	Claims payments	Liability balance, end of year
Fiscal year ended:					
June 30, 2012	\$	2,165,000	12,281,734	(12,527,734)	1,919,000
June 30, 2011		1,618,000	13,602,125	(13,055,125)	2,165,000

Changes in the City's estimated liability for general government claims and judgments for fiscal years 2012 and 2011 were as follows:

		Liability balance, beginning of year	Current year claims, changes in estimates	Claims payments	Liability balance, end of year
Fiscal year ended:					
June 30, 2012	\$	793,000	100,000	(583,000)	310,000
June 30, 2011		615,000	390,000	(212,000)	793,000

The estimated liability for general government claims and judgments that are not expected to be liquidated with available expendable financial resources is recorded in the governmental activities column of the statement of net assets when it is probable that a loss has occurred and the amount can be reasonably estimated. Claim liabilities are calculated considering the effects of inflation, incremental costs, recent claim settlement trends (including frequency and amount of payouts) and other factors. Other nonincremental costs are not included in the basis of estimating the liability. Liabilities incurred for such losses or claims by a proprietary fund are recorded within the respective fund likewise when it is probable that a loss has occurred and the amount can be reasonably estimated.

(f) Joint Ventures

On June 28, 1993, the City Council approved a partnership agreement among the City, the City Utilities component unit, the Springfield Area Chamber of Commerce and the Springfield Business and Industrial Development Corporation to form a public/private joint venture for purposes of developing an industrial park.

Under this agreement, the City is to provide appropriate municipal improvements, such as streets, sanitary and storm sewers and infrastructure engineering. City Utilities is responsible for utility services, such as natural gas, water, electricity and fiber optic telecommunication. In addition, City Utilities will pay for consulting services to prepare a design and overall

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

concept plan for the industrial park, including parcel division, appropriate land use, transportation access and all related matters. At the request of the City Council, City Utilities has also acquired the land for the industrial center. The Chamber of Commerce, under terms of the agreement, will provide general marketing guidance, services and expertise. The Springfield Business and Industrial Development Corporation will be responsible for acquiring, from private sources, funds to construct a shell facility or facilities suitable for general manufacturing or industrial purposes.

The net profits or net losses of the partnership, as well as gains and losses realized upon the sale, lease, exchange or other conversion of any part or all of the real estate controlled by the partnership, are to be allocated based upon each partner's percentage of the partnership's capital accounts.

Financial accountability for the industrial park is vested in a nine-member Administrative Council. The Council consists of one City Council member appointed by the Mayor, one member from the Board of Public Utilities appointed by the Chairman of its Board, one member of the Springfield Business and Industrial Development Corporation appointed by its president, one member from the board of directors of the Springfield Area Chamber of Commerce appointed by its chairman, the City Manager of the City of Springfield or a designee selected from senior City staff, the General Manager of City Utilities or a designee selected from senior Utility staff officials, the President of the Springfield Area Chamber of Commerce or designee selected from senior Chamber staff, one member of the Greene County Commission appointed by the Presiding Commissioner and the Chairman of the City Utilities' Citizens' Advisory Council or a designee selected from the membership of the Citizens' Advisory Council.

For the year ended June 30, 2012, the City did not expend any funds toward development of the industrial park. The City had outstanding encumbrances of \$29,716 at June 30, 2012. These expenditures and encumbrances are included in the financial statements within the public works improvement fund.

The partnership has developed a second industrial park on the west side of Springfield, Missouri. City Utilities' participation in the second industrial park will be in the same capacity as the first industrial park, with the exception that land acquisitions will be made by the Springfield Business and Industrial Development Corporation. As of September 30, 2011, City Utilities had incurred \$2,062,000 for land and improvements and recognized losses of \$210,000, for a net equity balance of \$1,852,000.

The City received a distribution of \$160,318 from the partnership for the year ended June 30, 2004. The City's cumulative investment in the joint venture, net of distributions received or receivable, is included within the capital assets section. City Utilities' equity interest is reported within its discrete component unit presentation.

Separate financial statements for the partnership are prepared and distributed to each partner on a quarterly basis. Copies of the statements are available from the Partnership Industrial Center Administrative Council, 320 North Jefferson Avenue, Springfield, Missouri 65802.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

The City and City Utilities agreed to a joint venture to develop a landfill gas project of the City's Noble Hill Landfill. The project included an Electric Generation System (EGS) and a Gas Collection and Condensate Treatment System (GCCTS). City Utilities constructed and owns the EGS that includes power generation equipment with a target capacity of 3.2 MW with a total project cost of \$3.7 million. City Utilities also constructed transmission lines with a total costs of \$1.1 million. City Utilities paid the City \$1.5 million for the initial construction of the GCCTS. The City will retain ownership of all assets associated with the GCCTS.

(g) *Equity Interest in the Energy Authority – City Utilities Component Unit*

City Utilities is an equity member of The Energy Authority (TEA), a power marketing joint venture based in Jacksonville, Florida, and incorporated in Georgia. As of September 30, 2011, TEA was comprised of seven municipal utilities with equity interests, including four large partners with ownership interests of 20% each. The large partners are JEA (formerly the Jacksonville Energy Authority) of Florida, the Municipal Energy Authority of Georgia (MEAG Power), the South Carolina Public Service Authority (a.k.a. Santee Cooper), and the Nebraska Public Power District. City Utilities and Gainesville Regional Utilities (Florida), and the Cowlitz County Public Utility District (Washington) are medium equity partners with ownership interests of 6.67% each. As a member of TEA, City Utilities benefits from the risk management strategies maintained by TEA that seek to avoid financial losses by limiting financial exposure as a result of unexpected unit outages and volatile market prices. City Utilities also receives resource management services from TEA. City Utilities uses the equity method of accounting to record its investments in TEA. The investment is recorded within the deferred charges and other assets on the statement of net assets. In accordance with its membership agreement between City Utilities and its joint venture members, City Utilities has provided TEA with guarantees that result in a maximum exposure of \$8.6 million to secure power-marketing transactions. Total guarantees including a letter of credit are \$9.6 million. City Utilities guarantees are effective until its participation in the joint venture ends.

For the year ended September 30, 2011, total assets of TEA were approximately \$45 million, a decrease of \$1 million from the prior year.

Complete separate financial statements for TEA may be obtained at The Energy Authority, 301 W. Bay St., Suite 2600, Jacksonville, Florida 32202.

(h) *Subsequent Events*

Subsequent events have been evaluated through the date of the Independent Accountants' Report, which is the date the financial statements were available to be issued.

(i) *Deficits*

The accumulated deficit in the nonmajor fund in the amounts of \$206,659 in the WIC program fund (special revenue) will be eliminated by future revenues.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2012

(j) Works of Art

The Springfield Art Museum is a general museum of fine art. The museum wishes to form and maintain collections of the highest possible aesthetic quality and significance, covering the entire range of the history of art. The collection consists of glass, metalwork, manuscripts, musical instruments, paintings, prints, silver, ceramics and sculptures. In recognition of the museum's existing collections and limited acquisition funds, acquisitions of new collections generally focus on American art of all periods. It is assumed that all objects that become the property of the Springfield Art Museum, whether donated or purchased, are to remain in the museum's collection on a permanent basis. If an object or group of objects is sold, the moneys derived from the sale shall be added to the museum's acquisition fund and expended in the appropriate fiscal year or deposited in the museum's endowment fund to be utilized at a future date. Since the collection is not held for financial gain, but is protected, preserved, and disposed only in order to acquire other works of art, the collections are excluded from the government-wide financial statements.

(k) Other Liabilities – City Utilities

Other liabilities as of September 30, 2011, consist of the following:

Accruals	
Interest	\$ 6,932,000
Salaries and wages	1,427,000
Pension contributions and other	2,014,000
Electric purchased power	1,938,000
Natural gas, coal and other fuels	9,629,000
Arbitrage payable	9,642,000
	<u>\$ 31,582,000</u>

CITY OF SPRINGFIELD, MISSOURI
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – General Fund
Year ended June 30, 2012

	Budgeted amounts		Actual	Variance with final budget – positive (negative)
	Original	Final		
Revenues:				
Taxes:				
Sales	\$ 39,910,000	40,560,450	43,019,406	2,458,956
Franchise	6,784,000	6,784,000	6,900,026	116,026
Room	83,000	83,000	107,868	24,868
Licenses and permits	3,357,000	3,357,000	3,395,849	38,849
Intergovernmental	—	—	1,148	1,148
Charges for services	1,720,000	1,900,248	2,954,532	1,054,284
Fines and forfeitures	1,835,000	1,835,000	1,563,100	(271,900)
Revenues from use of money and property	300,000	300,000	180,203	(119,797)
Payments in lieu of taxes	13,205,000	13,205,000	12,428,289	(776,711)
Other	385,000	505,000	178,243	(326,757)
Total revenues	<u>67,579,000</u>	<u>68,529,698</u>	<u>70,728,664</u>	<u>2,198,966</u>
Expenditures:				
Current:				
General government:				
Public records	344,024	365,053	355,822	9,231
Council	135,980	145,148	128,071	17,077
Public information office	245,704	314,060	285,238	28,822
City manager	852,528	947,146	922,710	24,436
Finance	2,172,594	2,256,745	2,231,789	24,956
Counsel, legal advise, and prosecution	1,821,925	2,121,507	1,973,063	148,444
Human resources	1,025,181	1,088,669	1,028,338	60,331
Zoning and subdivision services	515,780	545,072	508,607	36,465
Municipal court operations	1,534,962	1,593,889	1,565,827	28,062
Information systems	2,383,622	3,492,237	3,137,755	354,482
Other – unclassified	4,132,738	3,101,530	1,431,623	1,669,907
Total general government	<u>15,165,038</u>	<u>15,971,056</u>	<u>13,568,843</u>	<u>2,402,213</u>
Public works:				
Engineering	1,296,812	1,298,593	1,037,309	261,284
Maintenance	5,429,661	5,355,746	5,344,513	11,233
Total public works	<u>6,726,473</u>	<u>6,654,339</u>	<u>6,381,822</u>	<u>272,517</u>
Public safety:				
Police	23,886,085	24,184,603	24,051,754	132,849
Fire	16,504,254	17,210,872	17,223,429	(12,557)
Emergency communications	—	—	—	—
Inspection	1,871,263	1,976,145	1,928,293	47,852
Total public safety	<u>42,261,602</u>	<u>43,371,620</u>	<u>43,203,476</u>	<u>168,144</u>
Planning and development services:				
Economic development and assistance	876,225	1,144,443	976,050	168,393
Housing and redevelopment services	20,086	20,412	20,962	(550)
Total planning and development services	<u>896,311</u>	<u>1,164,855</u>	<u>997,012</u>	<u>167,843</u>
Debt service:				
Principal	84,482	84,482	84,482	—
Interest and other charges	3,962	3,962	7,007	(3,045)
Total debt service	<u>88,444</u>	<u>88,444</u>	<u>91,489</u>	<u>(3,045)</u>
Capital outlay:				
Maintenance	173,606	346,848	144,230	202,618
Engineering	18,581	34,381	12,350	22,031
Fire	—	258,204	203,886	54,318
Police	15,530	358,007	154,768	203,239
General government	288,794	395,199	250,265	144,934
Total capital outlay	<u>496,511</u>	<u>1,392,639</u>	<u>765,499</u>	<u>627,140</u>
Total expenditures	<u>65,634,379</u>	<u>68,642,953</u>	<u>65,008,141</u>	<u>3,634,812</u>
Excess of revenues over expenditures	<u>1,944,621</u>	<u>(113,255)</u>	<u>5,720,523</u>	<u>5,833,778</u>
Other financing sources (uses):				
Capital lease proceeds	—	—	—	—
Transfers in	2,734,086	2,739,086	2,876,040	136,954
Transfers out	(4,678,707)	(4,681,888)	(5,045,805)	(363,917)
Total other financing uses	<u>(1,944,621)</u>	<u>(1,942,802)</u>	<u>(2,169,765)</u>	<u>(226,963)</u>
Net change in fund balances	<u>—</u>	<u>(2,056,057)</u>	<u>3,550,758</u>	<u>5,606,815</u>
Fund balances – beginning	<u>16,805,975</u>	<u>16,805,975</u>	<u>16,805,975</u>	<u>-</u>
Fund balances – ending	<u>\$ 16,805,975</u>	<u>14,749,918</u>	<u>20,356,733</u>	<u>5,606,815</u>

CITY OF SPRINGFIELD, MISSOURI

Required Supplementary Information (Unaudited)

Budgetary Comparison Schedule – Community Development Fund Special Revenue Fund

Year ended June 30, 2012

	Budgeted amounts		Actual	Variance with final budget – positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 6,137,359	8,890,623	2,463,506	(6,427,117)
Revenues from use of money and property	—	—	9,071	9,071
Other	703,471	703,471	945,009	241,538
Total revenues	6,840,830	9,594,094	3,417,586	(6,176,508)
Expenditures:				
Planning and development	5,554,875	9,343,294	2,761,280	6,582,014
Excess (deficiency) of revenues over expenditures	1,285,955	250,800	656,306	405,506
Other financing sources (uses):				
Transfers in	64,045	64,045	310,966	246,921
Transfers out	(350,000)	(350,000)	(582,455)	(232,455)
Total other financing sources and uses	(285,955)	(285,955)	(271,489)	14,466
Net change in fund balance	1,000,000	(35,155)	384,817	419,972
Fund balances – beginning, as restated	45,262,310	45,262,310	45,599,066	336,756
Fund balances – ending	\$ 46,262,310	45,227,155	45,983,883	756,728

CITY OF SPRINGFIELD, MISSOURI

Required Supplementary Information (Unaudited)

Budgetary Comparison Schedule – Public Safety Pension Sales Tax Fund

Year ended June 30, 2012

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget – positive (negative)
Revenues:				
Sales tax	\$ 27,532,500	27,532,500	27,869,481	336,981
Intergovernmental	—	—	—	—
Revenues from use of money – interest	—	—	—	—
Other	—	—	—	—
Total revenues	<u>27,532,500</u>	<u>27,532,500</u>	<u>27,869,481</u>	<u>336,981</u>
Expenditures:				
Public safety	<u>27,532,500</u>	<u>27,532,500</u>	<u>27,869,481</u>	<u>(336,981)</u>
Excess of revenues over expenditures	—	—	—	—
Other financing sources (uses)				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	—	—	—	—
Fund balances – beginning	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances – end	\$ <u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

CITY OF SPRINGFIELD, MISSOURI
Required Supplementary Information (Unaudited)
Notes to Budgetary Comparison Schedules
Year ended June 30, 2012

(1) Budgets and Budgetary Accounting

The City utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

1. By May 1 of each year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditure plans for all fund types (except fiduciary funds, which are not subject to budgetary considerations) and the proposed means of financing them.
2. One public hearing is conducted by the City Council in late May or early June to obtain taxpayers' comments on the proposed budget and tax levy.
3. Prior to July 1, ordinances are passed by City Council that provide for legally adopted budgets in the City's general and special revenue funds. Plans approved for capital projects, debt service, and proprietary fund types provide operating guidance subject to actual activity during the fiscal year.
4. The City operates on a program performance budget system, with legally adopted budgets prepared by fund, program, and department. The legal level of budgetary control is at the department level. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Council.
5. Formal budgetary integration is employed as a management control device in the general and special revenue funds. Formal budgetary integration is not employed for debt service funds, since budgetary control is achieved through general obligation bond indenture provisions.
6. Budgets for the general and special revenue funds are adopted on a basis consistent with GAAP, except that encumbrances are included with expenditures when the annual budget is established. Budgeted amounts may be amended by the City Council on approved budget adjustment forms.

CITY OF SPRINGFIELD, MISSOURI
 Required Supplementary Information (Unaudited)
 Schedules of Funding Progress
 Year ended June 30, 2012

Police and Firemen's Retirement Fund

City of Springfield, Missouri

Actuarial valuation date	(a) Actuarial value of assets	(b) Actuarial accrued liability	(b-a) Unfunded accrued liability (UAL)	(a/b) Funded ratio	(c) Annual covered payroll	[(b-a)/c] UAL as a percentage of covered payroll
June 30, 2007	\$ 138,890,814	277,861,524	138,970,710	50%	\$ 23,863,923	582%
June 30, 2008	140,780,239	295,579,925	154,799,686	48%	24,695,779	627%
June 30, 2009	147,197,520	316,680,863	169,483,343	47%	23,825,564	711%
June 30, 2010	160,365,244	328,042,790	167,677,546	49%	20,970,392	800%
June 30, 2011	183,459,812	340,162,627	156,702,815	54%	20,498,113	765%
June 30 2012	211,406,045	356,339,821	144,933,776	59%	19,976,162	726%

Missouri Local Government Employees Retirement System (LAGERS)

City of Springfield, Missouri

Actuarial valuation date	(a) Actuarial value of assets	(b) Actuarial accrued liability	(b-a) Unfunded accrued liability (UAL)	(a/b) Funded ratio	(c) Annual covered payroll	[(b-a)/c] UAL as a percentage of covered payroll
February 28, 2007	\$ 84,912,333	112,432,610	27,520,277	76%	\$ 40,099,585	69%
February 28, 2008	89,428,530	114,705,856	25,277,326	78%	43,451,637	58%
February 28, 2009	75,419,350	118,747,306	43,327,956	64%	45,342,284	96%
February 28, 2010	81,650,914	119,897,053	38,246,139	68%	45,573,139	84%
February 28, 2011	84,166,038	122,998,859	38,832,821	68%	47,674,292	81%
February 28, 2012	91,766,700	126,235,604	34,468,904	73%	49,271,969	70%

CITY OF SPRINGFIELD, MISSOURI

Required Supplementary Information (Unaudited)

Schedules of Funding Progress

Year ended June 30, 2012

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the benefit reserve fund.

Missouri Local Government Employees Retirement System (LAGERS)

City Utilities

Actuarial valuation date	(a) Actuarial value of assets	(b) Actuarial accrued liability	(b-a) Unfunded accrued liability (UAL)	(a/b) Funded ratio	(c) Annual covered payroll	[(b-a)/c] UAL as a percentage of covered payroll
February 28, 2006	\$ 117,865,000	189,665,000	71,800,000	62%	\$ 57,008,000	126%
February 28, 2007	127,343,000	203,500,000	76,157,000	63%	62,031,000	123%
February 28, 2008	141,230,000	207,979,000	66,749,000	68%	62,553,000	107%
February 28, 2009	116,903,000	213,273,000	96,370,000	55%	65,570,000	147%
February 28, 2010	126,709,000	218,282,000	91,573,000	58%	65,637,000	140%
February 28, 2011	132,919,000	231,605,000	98,686,000	57%	68,100,000	145%

Postretirement Benefits Other than Pensions

Schedule of Funding Progress

Actuarial valuation date	(a) Actuarial value of assets	(b) Actuarial accrued liability	(b-a) Unfunded accrued liability (UAL)	(a/b) Funded ratio	(c) Annual covered payroll	[(b-a)/c] UAL as a percentage of covered payroll
July 1, 2007	\$ —	16,133,538	16,133,538	0%	\$ 72,789,732	22%
June 30, 2010	—	16,097,621	16,097,621	0%	71,493,354	23%
June 30, 2012	—	21,196,454	21,196,454	0%	74,375,829	28%

CITY OF SPRINGFIELD, MISSOURI

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2012

Assets	Special revenue	Debt service	Capital projects	Permanent	Total nonmajor governmental funds
Cash and investments	\$ 18,238,689	15,589,563	55,320,183	1,267,208	90,415,643
Accrued interest receivable	49,909	93,053	251,035	6,393	400,390
Special assessments receivable	—	2,987,264	—	—	2,987,264
Property taxes receivable:					
Current	10,180,639	7,723,040	—	—	17,903,679
Delinquent	440,027	333,787	—	—	773,814
	<u>10,620,666</u>	<u>8,056,827</u>	<u>—</u>	<u>—</u>	<u>18,677,493</u>
Less allowance for uncollectible amounts	(45,370)	(34,416)	—	—	(79,786)
Net property taxes receivable	10,575,296	8,022,411	—	—	18,597,707
Restricted cash and investments	—	15,537,760	—	—	15,537,760
Accounts receivable	4,472,291	—	3,418,144	—	7,890,435
Inventories	2,140,278	—	—	—	2,140,278
Due from other funds	—	—	102,522	—	102,522
Due from other governments	2,565,854	—	5,947,929	—	8,513,783
Total assets	<u>\$ 38,042,317</u>	<u>42,230,051</u>	<u>65,039,813</u>	<u>1,273,601</u>	<u>146,585,782</u>
Liabilities					
Accounts payable and other accrued liabilities	\$ 3,284,844	23,429	3,207,723	—	6,515,996
Unearned revenue	1,116,801	—	467,246	—	1,584,047
Deferred revenue	11,165,244	10,881,866	2,182,881	—	24,229,991
Due to other funds	1,606,074	—	102,522	—	1,708,596
Total liabilities	<u>17,172,963</u>	<u>10,905,295</u>	<u>5,960,372</u>	<u>—</u>	<u>34,038,630</u>
Fund Balance					
Nonspendable	2,140,278	—	—	1,269,362	3,409,640
Restricted	10,219,338	15,537,760	57,335,988	—	83,093,086
Committed	6,206,864	15,667,391	1,742,890	—	23,617,145
Assigned	2,509,533	119,605	563	4,239	2,633,940
Unassigned	(206,659)	—	—	—	(206,659)
Total fund balance	<u>20,869,354</u>	<u>31,324,756</u>	<u>59,079,441</u>	<u>1,273,601</u>	<u>112,547,152</u>
Total liabilities and fund balance	<u>\$ 38,042,317</u>	<u>42,230,051</u>	<u>65,039,813</u>	<u>1,273,601</u>	<u>146,585,782</u>

CITY OF SPRINGFIELD, MISSOURI

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Nonmajor Governmental Funds

Year ended June 30, 2012

	<u>Special revenue</u>	<u>Debt service</u>	<u>Capital projects</u>	<u>Permanent</u>	<u>Total nonmajor governmental funds</u>
Revenues:					
Property taxes	\$ 12,104,150	7,914,597	—	—	20,018,747
Sales taxes	20,839,593	—	24,839,715	—	45,679,308
Room taxes	3,727,497	—	—	—	3,727,497
Intergovernmental	18,877,395	1,351,787	8,677,460	—	28,906,642
Charges for current services	8,831,228	—	—	4,240	8,835,468
Special assessments	—	1,433,729	—	—	1,433,729
Revenues from use of money and property	114,712	291,308	349,774	—	755,794
Other	1,678,730	1,332,674	1,993,023	—	5,004,427
Total revenues	66,173,305	12,324,095	35,859,972	4,240	114,361,612
Expenditures:					
Current:					
Public works	11,375,481	—	—	—	11,375,481
Public safety	14,301,344	—	—	—	14,301,344
Parks and recreation	23,371,235	—	—	—	23,371,235
Planning and development	—	—	—	—	—
Public health	9,044,293	—	—	—	9,044,293
General government	7,467,265	—	—	4,500	7,471,765
Debt service:					
Principal	—	11,303,698	—	—	11,303,698
Bond issuance costs	—	219,376	—	—	219,376
Interest and other charges	—	6,459,113	—	—	6,459,113
Capital outlay:					
Public works	—	—	30,084,092	—	30,084,092
Public safety	—	—	506,853	—	506,853
Parks and recreation	—	—	7,171,247	—	7,171,247
Planning and development	—	—	912,522	—	912,522
General government	—	—	144,926	—	144,926
Total expenditures	65,559,618	17,982,187	38,819,640	4,500	122,365,945
Excess (deficiency) of revenues over expenditures	613,687	(5,658,092)	(2,959,668)	(260)	(8,004,333)
Other financing sources (uses):					
Issuance of debt	—	70,500	2,409,500	—	2,480,000
Bond premium (discount)	—	438,280	—	—	438,280
Issuance of refunding bonds	—	7,260,000	—	—	7,260,000
Payment to bond escrow agent	—	(7,335,000)	—	—	(7,335,000)
Transfers in	4,138,698	5,490,909	9,063,337	—	18,692,944
Transfers out	(3,282,186)	(3,178,411)	(8,081,486)	—	(14,542,083)
Total other financing sources	856,512	2,746,278	3,391,351	—	6,994,141
Net change in fund balance	1,470,199	(2,911,814)	431,683	(260)	(1,010,192)
Fund balance, beginning of year	19,399,155	34,236,570	58,647,758	1,273,861	113,557,344
Fund balance, end of year	\$ 20,869,354	31,324,756	59,079,441	1,273,601	112,547,152

CITY OF SPRINGFIELD, MISSOURI

Nonmajor Governmental Funds

Special Revenue Funds

Art Museum – The art museum fund was established by City Charter to account for the proceeds of a four-cent ad valorem tax levy and contributions, which represent the primary sources of funding for the activities of the art museum.

Public Parks – The public parks fund was established by City Charter to account for the proceeds of an 18-cent ad valorem tax levy and operating sales tax, which partially funds the activities of the City’s parks system. The parks system also receives substantial revenues from concessions, zoo admissions, swimming, and softball fees.

Public Health Services – The public health services fund was established by City Charter to account for the proceeds of an 11-cent ad valorem tax levy, which partially funds the operation of the Springfield-Greene County Health Department. Substantial revenues are received from the federal, state, and Greene County governments to augment the tax levy to support the varied activities of the Health Department.

Public Works Transportation – The public works transportation fund was established to account for the City’s street maintenance and traffic signalization activities. Operating revenues in this fund come primarily from state gasoline taxes and utility cut charges.

Tourism/Convention Promotion – The tourism/convention fund accounts for the proceeds of the City’s 2% hotel/motel tax. These funds are used exclusively by the tourism/convention board to promote the Springfield area throughout the Midwest as a convention center and family vacation area.

Miscellaneous Special Revenue – This fund was established to account for miscellaneous grants and special activities of the City that are designated for a specific purpose or period of time.

Law Enforcement – This fund accounts for the proceeds from the law enforcement sales tax revenue.

WIC Program – The WIC program fund accounts for federal grants from the United States Department of Agriculture for the Women, Infant’s, and Children’s Supplemental Food Program.

Workforce Development – The workforce development fund accounts for federal grants from the United States Department of Labor in support of adult and youth jobs training under the Workforce Investment Act of 1998, as well as miscellaneous state grants.

Road and Bridge Maintenance – The road and bridge maintenance fund accounts for the City’s portion of the Greene County road and bridge tax. The funds are expended for local street repair and resurfacing.

CITY OF SPRINGFIELD, MISSOURI

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2012

Assets	Art museum	Public parks	Public health services	Public works transportation	Tourism/ convention promotion	Miscellaneous special revenue	Law enforcement	WIC program	Workforce development	Road and bridge maintenance	Total
Cash and investments	\$ 1,500,560	—	1,707,500	5,659,808	638,397	2,784,374	—	—	1,122,606	4,825,444	18,238,689
Accrued interest receivable	6,465	—	—	20,788	6,311	5,394	—	—	2,073	8,878	49,909
Property taxes receivable:											
Current	1,127,258	5,383,171	3,670,210	—	—	—	—	—	—	—	10,180,639
Delinquent	48,661	232,694	158,672	—	—	—	—	—	—	—	440,027
	1,175,919	5,615,865	3,828,882	—	—	—	—	—	—	—	10,620,666
Less allowance for uncollectible amounts	(5,018)	(23,993)	(16,359)	—	—	—	—	—	—	—	(45,370)
Net property taxes receivable	1,170,901	5,591,872	3,812,523	—	—	—	—	—	—	—	10,575,296
Accounts receivable	—	583,080	1,921	1,570,805	518,250	139,114	1,611,384	—	47,737	—	4,472,291
Inventories	—	97,067	—	2,043,211	—	—	—	—	—	—	2,140,278
Due from other governments	—	466,657	462,576	61,058	—	201,783	165,880	301,283	906,617	—	2,565,854
Total assets	\$ 2,677,926	6,738,676	5,984,520	9,355,670	1,162,958	3,130,665	1,777,264	301,283	2,079,033	4,834,322	38,042,317
Liabilities											
Due to other funds	\$ —	80,150	—	—	—	—	1,233,017	292,907	—	—	1,606,074
Accounts payable	23,678	341,297	135,657	817,194	303,608	83,417	55,314	3,563	906,122	614,994	3,284,844
Due to other governments	—	—	—	—	—	—	—	—	—	—	—
Unearned revenue	—	—	63,974	—	—	138,260	—	—	914,567	—	1,116,801
Deferred revenue	1,152,262	5,503,309	3,992,209	—	—	44,265	3,383	211,472	258,344	—	11,165,244
Total liabilities	1,175,940	5,924,756	4,191,840	817,194	303,608	265,942	1,291,714	507,942	2,079,033	614,994	17,172,963
Fund Balance											
Nonspendable	—	97,067	—	2,043,211	—	—	—	—	—	—	2,140,278
Restricted	—	—	—	6,495,265	859,350	2,864,723	—	—	—	—	10,219,338
Committed	1,501,986	—	—	—	—	—	485,550	—	—	4,219,328	6,206,864
Assigned	—	716,853	1,792,680	—	—	—	—	—	—	—	2,509,533
Unassigned	—	—	—	—	—	—	—	(206,659)	—	—	(206,659)
Total fund balance	1,501,986	813,920	1,792,680	8,538,476	859,350	2,864,723	485,550	(206,659)	—	4,219,328	20,869,354
Total liabilities and fund balance	\$ 2,677,926	6,738,676	5,984,520	9,355,670	1,162,958	3,130,665	1,777,264	301,283	2,079,033	4,834,322	38,042,317

CITY OF SPRINGFIELD, MISSOURI

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Special Revenue Funds

Year ended June 30, 2012

Assets	Art museum	Public parks	Public health services	Public works transportation	Tourism/ convention promotion	Miscellaneous special revenue	Law enforcement	WIC program	Workforce development	Road and bridge maintenance	Total
Revenues:											
Sales taxes	\$ —	4,471,707	—	8,971,240	—	602,849	6,793,797	—	—	—	20,839,593
Property taxes	1,154,197	5,517,618	3,761,896	—	—	—	—	—	—	1,670,439	12,104,150
Room taxes	—	—	—	—	3,727,497	—	—	—	—	—	3,727,497
Interest	2,363	—	—	21,290	15,561	—	—	—	7,161	—	46,375
Rent	100	68,237	—	—	—	—	—	—	—	—	68,337
Charges for services	31,196	5,705,947	1,358,371	874,655	—	143,106	557,011	—	—	160,942	8,831,228
Intergovernmental	—	1,247,096	2,930,840	7,098	—	852,348	6,177,087	920,739	6,742,187	—	18,877,395
Other	51,955	363,418	1,604	102,911	1,147,876	10,966	—	—	—	—	1,678,730
Total revenues	<u>1,239,811</u>	<u>17,374,023</u>	<u>8,052,711</u>	<u>9,977,194</u>	<u>4,890,934</u>	<u>1,609,269</u>	<u>13,527,895</u>	<u>920,739</u>	<u>6,749,348</u>	<u>1,831,381</u>	<u>66,173,305</u>
Expenditures:											
Current:											
Public works	—	—	—	9,759,671	—	294,437	—	—	—	1,321,373	11,375,481
Public safety	—	—	—	—	—	930,313	13,371,031	—	—	—	14,301,344
Parks and recreation	1,243,297	18,956,344	—	—	3,171,594	—	—	—	—	—	23,371,235
Planning and development	—	—	—	—	—	—	—	—	—	—	—
Public health	—	—	7,940,742	—	—	—	—	1,103,551	—	—	9,044,293
General government	—	114,821	78,620	—	—	524,476	—	—	6,749,348	—	7,467,265
Total expenditures	<u>1,243,297</u>	<u>19,071,165</u>	<u>8,019,362</u>	<u>9,759,671</u>	<u>3,171,594</u>	<u>1,749,226</u>	<u>13,371,031</u>	<u>1,103,551</u>	<u>6,749,348</u>	<u>1,321,373</u>	<u>65,559,618</u>
Excess (deficiency) of revenues over expenditures	<u>(3,486)</u>	<u>(1,697,142)</u>	<u>33,349</u>	<u>217,523</u>	<u>1,719,340</u>	<u>(139,957)</u>	<u>156,864</u>	<u>(182,812)</u>	<u>—</u>	<u>510,008</u>	<u>613,687</u>
Other financing sources (uses):											
Transfers in	—	1,885,036	1,007,512	28,260	—	334,308	868,582	—	—	15,000	4,138,698
Transfers out	—	(470,000)	(605,000)	(128,852)	(1,408,600)	(130,491)	(493,000)	—	—	(46,243)	(3,282,186)
Total other financing sources (uses)	<u>—</u>	<u>1,415,036</u>	<u>402,512</u>	<u>(100,592)</u>	<u>(1,408,600)</u>	<u>203,817</u>	<u>375,582</u>	<u>—</u>	<u>—</u>	<u>(31,243)</u>	<u>856,512</u>
Net change in fund balance	<u>(3,486)</u>	<u>(282,106)</u>	<u>435,861</u>	<u>116,931</u>	<u>310,740</u>	<u>63,860</u>	<u>532,446</u>	<u>(182,812)</u>	<u>—</u>	<u>478,765</u>	<u>1,470,199</u>
Fund balance, beginning of year	1,505,472	1,096,026	1,356,819	8,421,545	548,610	2,800,863	(46,896)	(23,847)	—	3,740,563	19,399,155
Fund balance, end of year	\$ <u>1,501,986</u>	<u>813,920</u>	<u>1,792,680</u>	<u>8,538,476</u>	<u>859,350</u>	<u>2,864,723</u>	<u>485,550</u>	<u>(206,659)</u>	<u>—</u>	<u>4,219,328</u>	<u>20,869,354</u>

CITY OF SPRINGFIELD, MISSOURI

Budgetary Comparison Schedule – Art Museum Special Revenue Fund

Year ended June 30, 2012

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget – positive (negative)</u>
Revenues:				
Property taxes	\$ 1,085,635	1,085,635	1,154,197	68,562
Interest	1,000	1,000	2,363	1,363
Charges for current services	26,500	26,500	31,196	4,696
Fund balance appropriation	—	—	—	—
Other	<u>24,000</u>	<u>24,000</u>	<u>52,055</u>	<u>28,055</u>
Total revenues	1,137,135	1,137,135	1,239,811	102,676
Expenditures:				
Parks and recreation	<u>1,137,135</u>	<u>1,466,840</u>	<u>1,243,297</u>	<u>223,543</u>
Excess (deficiency) of revenues over expenditures	<u>—</u>	<u>(329,705)</u>	<u>(3,486)</u>	<u>326,219</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	—	(329,705)	(3,486)	326,219
Fund balances – beginning	<u>1,505,472</u>	<u>1,505,472</u>	<u>1,505,472</u>	<u>—</u>
Fund balances – end	<u>\$ 1,505,472</u>	<u>1,175,767</u>	<u>1,501,986</u>	<u>326,219</u>

CITY OF SPRINGFIELD, MISSOURI

Budgetary Comparison Schedule – Public Parks Special Revenue Fund

Year ended June 30, 2012

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget – positive (negative)</u>
Revenues:				
Sales taxes	\$ 4,888,000	4,888,000	4,471,707	(416,293)
Property taxes	5,253,307	5,253,307	5,517,618	264,311
Interest	50,000	50,000	—	(50,000)
Rent	85,000	85,000	68,237	(16,763)
Charges for current services	6,075,350	6,075,350	5,705,947	(369,403)
Fund balance appropriation	—	—	—	—
Intergovernmental	876,762	1,343,908	1,247,096	(96,812)
Other	355,308	355,308	363,418	8,110
Total revenues	<u>17,583,727</u>	<u>18,050,873</u>	<u>17,374,023</u>	<u>(676,850)</u>
Expenditures:				
Parks and recreation	18,830,130	19,250,155	18,956,344	293,811
General government	108,000	503,175	114,821	388,354
Total expenditures	<u>18,938,130</u>	<u>19,753,330</u>	<u>19,071,165</u>	<u>682,165</u>
Deficiency of revenues under expenditures	<u>(1,354,403)</u>	<u>(1,702,457)</u>	<u>(1,697,142)</u>	<u>5,315</u>
Other financing sources (uses):				
Transfers in	2,228,672	2,228,672	1,885,036	(343,636)
Transfers out	(874,269)	(624,269)	(470,000)	154,269
Total other financing sources	<u>1,354,403</u>	<u>1,604,403</u>	<u>1,415,036</u>	<u>(189,367)</u>
Net change in fund balance	—	(98,054)	(282,106)	(184,052)
Fund balances – beginning	1,096,026	1,096,026	1,096,026	-
Fund balances – end	<u>\$ 1,096,026</u>	<u>997,972</u>	<u>813,920</u>	<u>(184,052)</u>

CITY OF SPRINGFIELD, MISSOURI

Budgetary Comparison Schedule – Public Health Services Special Revenue Fund

Year ended June 30, 2012

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget – positive (negative)</u>
Revenues:				
Property taxes	\$ 3,514,729	3,514,729	3,761,896	247,167
Interest	—	—	—	—
Charges for current services	1,342,000	13,420,000	1,358,371	(12,061,629)
Intergovernmental	3,363,136	50,038,965	2,930,840	(47,108,125)
Fund balance appropriation	—	—	—	—
Other	140,300	140,300	1,604	(138,696)
Total revenues	<u>8,360,165</u>	<u>67,113,994</u>	<u>8,052,711</u>	<u>(59,061,283)</u>
Expenditures:				
Public health	8,788,120	10,317,712	7,940,742	2,376,970
General government	—	—	78,620	(78,620)
Total expenditures	<u>8,788,120</u>	<u>10,317,712</u>	<u>8,019,362</u>	<u>2,298,350</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(427,955)</u>	<u>56,796,282</u>	<u>33,349</u>	<u>(56,762,933)</u>
Other financing sources (uses):				
Transfers in	1,095,825	1,050,825	1,007,512	(43,313)
Transfers out	(667,870)	(667,870)	(605,000)	62,870
Total other financing sources	<u>427,955</u>	<u>382,955</u>	<u>402,512</u>	<u>19,557</u>
Net change in fund balance	—	57,179,237	435,861	(56,743,376)
Fund balances – beginning	<u>1,356,819</u>	<u>1,356,819</u>	<u>1,356,819</u>	—
Fund balances – end	\$ <u><u>1,356,819</u></u>	<u><u>58,536,056</u></u>	<u><u>1,792,680</u></u>	<u><u>(56,743,376)</u></u>

CITY OF SPRINGFIELD, MISSOURI

Budgetary Comparison Schedule – Public Works Transportation Special Revenue Fund

Year ended June 30, 2012

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget – positive (negative)
Revenues:				
Sales taxes	\$ 8,650,000	8,650,000	8,971,240	321,240
Charges for current services	600,000	600,000	874,655	274,655
Fund balance appropriation	—	—	—	—
Intergovernmental	—	150,000	7,098	(142,902)
Other	1,600,000	1,600,000	124,201	(1,475,799)
Total revenues	<u>10,850,000</u>	<u>11,000,000</u>	<u>9,977,194</u>	<u>(1,022,806)</u>
Expenditures:				
Public works	<u>10,717,721</u>	<u>11,940,005</u>	<u>9,759,671</u>	<u>2,180,334</u>
Excess (deficiency) of revenues over (under) expenditures	<u>132,279</u>	<u>(940,005)</u>	<u>217,523</u>	<u>1,157,528</u>
Other financing sources (uses):				
Transfers in	—	—	28,260	28,260
Transfers out	<u>(132,279)</u>	<u>(141,878)</u>	<u>(128,852)</u>	<u>13,026</u>
Total other financing sources (uses)	<u>(132,279)</u>	<u>(141,878)</u>	<u>(100,592)</u>	<u>41,286</u>
Net change in fund balance	—	(1,081,883)	116,931	1,198,814
Fund balances – beginning	<u>8,421,545</u>	<u>8,421,545</u>	<u>8,421,545</u>	—
Fund balances – end	<u>\$ 8,421,545</u>	<u>7,339,662</u>	<u>8,538,476</u>	<u>1,198,814</u>

CITY OF SPRINGFIELD, MISSOURI

Budgetary Comparison Schedule – Tourism/Convention Promotion Special Revenue Fund

Year ended June 30, 2012

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget – positive (negative)</u>
Revenues:				
Room taxes	\$ 3,515,000	3,565,500	3,727,497	161,997
Interest	7,500	5,500	15,561	10,061
Other	1,167,052	1,183,922	1,147,876	(36,046)
Total revenues	<u>4,689,552</u>	<u>4,754,922</u>	<u>4,890,934</u>	<u>136,012</u>
Expenditures:				
Parks and recreation	<u>3,488,952</u>	<u>3,554,322</u>	<u>3,171,594</u>	<u>382,728</u>
Excess of revenues over expenditures	1,200,600	1,200,600	1,719,340	518,740
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	<u>(1,200,600)</u>	<u>(1,200,600)</u>	<u>(1,408,600)</u>	<u>(208,000)</u>
Total other financing sources (uses)	<u>(1,200,600)</u>	<u>(1,200,600)</u>	<u>(1,408,600)</u>	<u>(208,000)</u>
Net change in fund balance	—	—	310,740	310,740
Fund balances – beginning	<u>548,610</u>	<u>548,610</u>	<u>548,610</u>	<u>—</u>
Fund balances – end	<u>\$ 548,610</u>	<u>548,610</u>	<u>859,350</u>	<u>310,740</u>

CITY OF SPRINGFIELD, MISSOURI

Budgetary Comparison Schedule – Miscellaneous Special Revenue Fund

Year ended June 30, 2012

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget – positive (negative)</u>
Revenues:				
Sales taxes	\$ 586,366	586,366	602,849	16,483
Interest	100	100	—	(100)
Charges for current services	241,795	301,795	143,106	(158,689)
Intergovernmental	608,780	3,351,804	852,348	(2,499,456)
Fund balance appropriation	—	—	—	—
Other	14,000	14,000	10,966	(3,034)
Total revenues	<u>1,451,041</u>	<u>4,254,065</u>	<u>1,609,269</u>	<u>(2,644,796)</u>
Expenditures:				
Public works	270,010	525,633	294,437	231,196
Public safety	702,780	3,797,081	930,313	2,866,768
Parks and recreation	—	—	—	—
Planning and development	—	—	—	—
Public health	—	—	—	—
General government	681,795	713,725	524,476	189,249
Total expenditures	<u>1,654,585</u>	<u>5,036,439</u>	<u>1,749,226</u>	<u>3,287,213</u>
Deficiency of revenues under expenditures	<u>(203,544)</u>	<u>(782,374)</u>	<u>(139,957)</u>	<u>642,417</u>
Other financing sources (uses):				
Transfers in	270,010	618,328	334,308	(284,020)
Transfers out	(66,466)	(73,666)	(130,491)	(56,825)
Total other financing sources (uses)	<u>203,544</u>	<u>544,662</u>	<u>203,817</u>	<u>(340,845)</u>
Net change in fund balance	—	(237,712)	63,860	301,572
Fund balances – beginning	<u>2,800,863</u>	<u>2,800,863</u>	<u>2,800,863</u>	<u>—</u>
Fund balances – end	<u>\$ 2,800,863</u>	<u>2,563,151</u>	<u>2,864,723</u>	<u>301,572</u>

CITY OF SPRINGFIELD, MISSOURI

Budgetary Comparison Schedule – Law Enforcement Special Revenue Fund

Year ended June 30, 2012

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget – positive (negative)
Revenues:				
Sales taxes	\$ 10,604,306	10,604,306	6,793,797	(3,810,509)
Intergovernmental	2,419,969	4,879,423	6,177,087	1,297,664
Revenues for use of money – interest	—	—	—	—
Charges for current services	<u>930,000</u>	<u>846,713</u>	<u>557,011</u>	<u>(289,702)</u>
Total revenues	<u>13,954,275</u>	<u>16,330,442</u>	<u>13,527,895</u>	<u>(2,802,547)</u>
Expenditures:				
Public safety	<u>14,336,675</u>	<u>16,739,857</u>	<u>13,371,031</u>	<u>3,368,826</u>
Total expenditures	<u>14,336,675</u>	<u>16,739,857</u>	<u>13,371,031</u>	<u>3,368,826</u>
Deficiency of revenues under expenditures	<u>(382,400)</u>	<u>(409,415)</u>	<u>156,864</u>	<u>566,279</u>
Other financing sources (uses):				
Transfers in	860,400	863,581	868,582	5,001
Transfers out	<u>(35,383)</u>	<u>(35,383)</u>	<u>(493,000)</u>	<u>(457,617)</u>
Total other financing sources	<u>825,017</u>	<u>828,198</u>	<u>375,582</u>	<u>(452,616)</u>
Net change in fund balance	442,617	418,783	532,446	113,663
Fund balances – beginning	<u>(46,896)</u>	<u>(46,896)</u>	<u>(46,896)</u>	<u>—</u>
Fund balances – end	<u>\$ 395,721</u>	<u>371,887</u>	<u>485,550</u>	<u>113,663</u>

CITY OF SPRINGFIELD, MISSOURI

Budgetary Comparison Schedule – WIC Program Special Revenue Fund

Year ended June 30, 2012

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget – positive (negative)</u>
Revenues:				
Intergovernmental	\$ 1,200,000	1,722,310	920,739	(801,571)
Revenues from use of money – interest	—	—	—	—
Total revenues	<u>1,200,000</u>	<u>1,722,310</u>	<u>920,739</u>	<u>(801,571)</u>
Expenditures:				
Public health	<u>1,200,000</u>	<u>1,693,650</u>	<u>1,103,551</u>	<u>590,099</u>
Excess (deficiency) of revenues over (under) expenditures	—	28,660	(182,812)	(211,472)
Other financing uses:				
Transfers out	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	—	28,660	(182,812)	(211,472)
Fund balances – beginning	<u>(23,847)</u>	<u>(23,847)</u>	<u>(23,847)</u>	<u>—</u>
Fund balances – end	<u><u>\$ (23,847)</u></u>	<u><u>4,813</u></u>	<u><u>(206,659)</u></u>	<u><u>(211,472)</u></u>

CITY OF SPRINGFIELD, MISSOURI

Budgetary Comparison Schedule – Workforce Development Special Revenue Fund

Year ended June 30, 2012

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget – positive (negative)</u>
Revenues:				
Intergovernmental	\$ 6,146,263	11,826,118	6,742,187	(5,083,931)
Revenues from use of money – interest	—	—	7,161	7,161
Total revenues	<u>6,146,263</u>	<u>11,826,118</u>	<u>6,749,348</u>	<u>(5,076,770)</u>
Expenditures:				
General government	<u>6,146,263</u>	<u>11,595,625</u>	<u>6,749,348</u>	<u>4,846,277</u>
Deficiency of revenues under expenditures	—	230,493	—	(230,493)
Fund balances – beginning	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances – end	<u><u>—</u></u>	<u><u>230,493</u></u>	<u><u>—</u></u>	<u><u>(230,493)</u></u>

CITY OF SPRINGFIELD, MISSOURI

Budgetary Comparison Schedule – Road and Bridge Maintenance Special Revenue Fund

Year ended June 30, 2012

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget – positive (negative)</u>
Revenues:				
Property taxes	\$ 1,655,000	1,655,000	1,670,439	15,439
Charges for current services	20,000	20,000	160,942	140,942
Interest	25,000	25,000	—	(25,000)
Fund balance appropriation	—	—	—	—
Other	—	—	—	—
Total revenues	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,831,381</u>	<u>131,381</u>
Expenditures:				
Public works	<u>1,810,000</u>	<u>4,004,519</u>	<u>1,321,373</u>	<u>2,683,146</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(110,000)</u>	<u>(2,304,519)</u>	<u>510,008</u>	<u>2,814,527</u>
Other financing sources (uses):				
Transfers in	110,000	110,000	15,000	(95,000)
Transfers out	<u>—</u>	<u>—</u>	<u>(46,243)</u>	<u>(46,243)</u>
Total other financing sources (uses)	<u>110,000</u>	<u>110,000</u>	<u>(31,243)</u>	<u>(141,243)</u>
Net change in fund balance	—	(2,194,519)	478,765	2,673,284
Fund balances – beginning	<u>3,740,563</u>	<u>3,740,563</u>	<u>3,740,563</u>	<u>—</u>
Fund balances – end	\$ <u><u>3,740,563</u></u>	<u><u>1,546,044</u></u>	<u><u>4,219,328</u></u>	<u><u>2,673,284</u></u>

CITY OF SPRINGFIELD, MISSOURI

Nonmajor Governmental Funds

Debt Service Funds

Jordan Valley Park Issues – This debt service fund accounts for the resources accumulated and payments made for principal and interest on the Public Building Corporation bonds issued on behalf of the Jordan Valley Park and the Springfield Recreational Ice Project. The Park will be owned by the City and operated by its Park Board.

Heers/College Station – This debt service fund accounts for the resources accumulated and payments made for principal and interest on the bonds used for the Heers/College Station Projects.

LEST Issues – This debt service fund accounts for the resources accumulated and payments made for principal and interest on the certificates of participation issued for the 800 Megahertz Trunked Radio System Project.

Level Property Tax Issues – This fund accounts for the debt service and refunding transactions on the City's level property tax bond issues. Debt service on these issues is funded by general property taxes.

Special Assessment Issues – This fund accounts for the combined activity in the various special assessment districts established from the City's special assessment bond issues, as well as for the City's neighborhood improvement districts. Proceeds from debt issuances are used to construct sanitary sewer districts and neighborhood improvement projects, with the cost of these improvements billed to the benefited property owners upon completion. Proceeds from these special tax bills are then used for debt service purposes.

Busch Building – This debt service fund accounts for the resources accumulated and payments made for principal and interest on the bond issues related to the Busch Building Issue. Debt service for the Busch Building Issue is funded by rental charges transferred from various City departments.

Parks Issues – This debt service fund accounts for the resources accumulated and payments made for principal and interest on the Public Building Corporation bonds used for the Cooper Park Indoor Tennis Facility and park improvements at Cooper Park, Killian Park, and Dickerson Park Zoo. Debt service for this issue is funded by transfers from the Public Parks Fund.

2001 PIC West – This debt service fund accounts for the resources accumulated and payments made for principal and interest on the certificates of participation issued for the Partnership Industrial Center West Project.

SBD Loan Program – This debt service fund accounts for the resources accumulated and payments made for principal and interest on loans that provide funding for small business developments in the community.

Crime Lab – This debt service fund accounts for the resources accumulated and payments made for the principal and interest on the Crime Lab project.

CITY OF SPRINGFIELD, MISSOURI

Combining Balance Sheet

Nonmajor Debt Service Funds

June 30, 2012

Assets	Jordan Valley Park issues	Heers/ College station	LEST issues	Level property tax issues	Special assessments	Busch Building	Parks issues	2001 PIC West	SBD loan program	Crime lab	Total
Cash and investments	\$ 766,832	46,617	3,061	7,873,163	6,810,751	—	2,311	580	86,248	—	15,589,563
Accrued interest receivable	—	—	—	52,399	39,962	—	—	—	692	—	93,053
Accounts receivable	—	—	—	—	—	—	—	—	—	—	—
Special assessments receivable	—	—	—	—	2,987,264	—	—	—	—	—	2,987,264
Property taxes receivable:											
Current	—	—	—	7,723,040	—	—	—	—	—	—	7,723,040
Delinquent	—	—	—	333,787	—	—	—	—	—	—	333,787
	—	—	—	8,056,827	—	—	—	—	—	—	8,056,827
Less allowance for uncollectible amounts	—	—	—	(34,416)	—	—	—	—	—	—	(34,416)
Net property taxes receivable	—	—	—	8,022,411	—	—	—	—	—	—	8,022,411
Restricted cash and investments	5,418,981	1,693,622	284,508	7,360,879	—	—	213,613	—	566,157	—	15,537,760
Total assets	\$ 6,185,813	1,740,239	287,569	23,308,852	9,837,977	—	215,924	580	653,097	—	42,230,051
Liabilities											
Due to other funds	\$ —	—	—	—	—	—	—	—	—	—	—
Accounts payable	—	12,214	—	—	99	—	—	—	—	—	12,313
Accrued interest payable	7,358	2,318	790	—	—	—	650	—	—	—	11,116
Deferred revenue	—	—	—	7,894,602	2,987,264	—	—	—	—	—	10,881,866
Total liabilities	7,358	14,532	790	7,894,602	2,987,363	—	650	—	—	—	10,905,295
Fund Balance											
Restricted	5,418,981	1,693,622	284,508	7,360,879	—	—	213,613	—	566,157	—	15,537,760
Committed	759,474	—	2,271	8,053,371	6,850,614	—	1,661	—	—	—	15,667,391
Assigned	—	32,085	—	—	—	—	—	580	86,940	—	119,605
Total fund balance	6,178,455	1,725,707	286,779	15,414,250	6,850,614	—	215,274	580	653,097	—	31,324,756
Total liabilities and fund balance	\$ 6,185,813	1,740,239	287,569	23,308,852	9,837,977	—	215,924	580	653,097	—	42,230,051

CITY OF SPRINGFIELD, MISSOURI

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

Year ended June 30, 2012

	<u>Jordan Valley Park issues</u>	<u>Heers/ College station</u>	<u>LEST issues</u>	<u>Level property tax issues</u>	<u>Special assessments</u>	<u>Busch Building</u>	<u>Parks issues</u>	<u>2001 PIC West</u>	<u>SBD loan program</u>	<u>Crime lab</u>	<u>Total</u>
Revenues:											
Property taxes	\$ —	—	—	7,914,597	—	—	—	—	—	—	7,914,597
Intergovernmental	—	—	—	—	—	—	—	—	—	1,351,787	1,351,787
Interest	—	74,625	—	62,703	148,365	—	—	—	5,615	—	291,308
Special assessments	—	139,612	—	—	1,294,117	—	—	—	—	—	1,433,729
Other	1,332,674	—	—	—	—	—	—	—	—	—	1,332,674
Total revenues	<u>1,332,674</u>	<u>214,237</u>	<u>—</u>	<u>7,977,300</u>	<u>1,442,482</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,615</u>	<u>1,351,787</u>	<u>12,324,095</u>
Expenditures:											
Debt service:											
Principal	2,525,000	330,000	301,667	4,128,333	1,080,000	—	158,698	845,000	235,000	1,700,000	11,303,698
Bond issuance costs	163,518	—	—	55,858	—	—	—	—	—	—	219,376
Interest and other charges	2,206,621	720,393	171,417	2,623,395	494,803	196	103,861	20,095	110,913	7,419	6,459,113
Total expenditures	<u>4,895,139</u>	<u>1,050,393</u>	<u>473,084</u>	<u>6,807,586</u>	<u>1,574,803</u>	<u>196</u>	<u>262,559</u>	<u>865,095</u>	<u>345,913</u>	<u>1,707,419</u>	<u>17,982,187</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,562,465)</u>	<u>(836,156)</u>	<u>(473,084)</u>	<u>1,169,714</u>	<u>(132,321)</u>	<u>(196)</u>	<u>(262,559)</u>	<u>(865,095)</u>	<u>(340,298)</u>	<u>(355,632)</u>	<u>(5,658,092)</u>
Other financing sources (uses):											
Issuance of debt	1,791	—	—	68,709	—	—	—	—	—	—	70,500
Bond premium (discount)	451,131	—	—	(12,851)	—	—	—	—	—	—	438,280
Issuance of refunding bonds	7,260,000	—	—	—	—	—	—	—	—	—	7,260,000
Payment to bond escrow agent	(7,335,000)	—	—	—	—	—	—	—	—	—	(7,335,000)
Transfers in	3,282,406	693,969	473,000	—	—	—	260,000	446,000	335,534	—	5,490,909
Transfers out	—	—	—	(3,104,669)	—	(16,660)	—	—	—	(57,082)	(3,178,411)
Total other financing sources (uses)	<u>3,660,328</u>	<u>693,969</u>	<u>473,000</u>	<u>(3,048,811)</u>	<u>—</u>	<u>(16,660)</u>	<u>260,000</u>	<u>446,000</u>	<u>335,534</u>	<u>(57,082)</u>	<u>2,746,278</u>
Net change in fund balance	97,863	(142,187)	(84)	(1,879,097)	(132,321)	(16,856)	(2,559)	(419,095)	(4,764)	(412,714)	(2,911,814)
Fund balance, beginning of year	6,080,592	1,867,894	286,863	17,293,347	6,982,935	16,856	217,833	419,675	657,861	412,714	34,236,570
Fund balance, end of year	\$ <u>6,178,455</u>	<u>1,725,707</u>	<u>286,779</u>	<u>15,414,250</u>	<u>6,850,614</u>	<u>—</u>	<u>215,274</u>	<u>580</u>	<u>653,097</u>	<u>—</u>	<u>31,324,756</u>

CITY OF SPRINGFIELD, MISSOURI

Nonmajor Governmental Funds

Capital Project Funds

Transportation Sales Tax – This fund accounts for the proceeds of the City’s one-eighth cent transportation sales tax, which was initially approved by voters in November 1996 and took effect April 1, 1997 with a four-year sunset. With voter approval, this tax has been renewed for additional four-year programs in 2001, 2005, and 2009. Proceeds are used to construct transportation improvements.

Public Parks Improvement – This fund accounts for the proceeds of the Parks capital improvement sales tax. Proceeds are used to construct various capital improvement projects throughout the Parks system.

Public Works Improvement – This fund accounts for various public works improvement projects constructed from various federal and state grants and other revenues. This fund also accounts for the City’s joint venture expenditures related to the development of an industrial park.

Capital Improvements Sales Tax – This fund accounts for the proceeds of the City’s one-quarter cent capital improvements sales tax, which was initially approved by voters in August 1989, and first went into effect October 1, 1989. Proceeds are used to construct various capital improvement projects throughout the City.

Property Tax Projects – This fund accounts for the City’s capital improvement projects funded by property tax revenues.

Sanitary and Storm Sewer Projects – This fund accounts for the City’s sanitary and storm sewer construction projects.

Crime Lab Project – This fund accounts for the resources accumulated for the Crime Lab facility.

Heers/College Station – This fund accounts for the resources accumulated for the Heers/College Station Projects.

Miscellaneous Capital Projects – These funds account for the City’s LEST Radios Bond Issue 2000 and 2004 and the proceeds of the capital leases. Construction of an 800 Megahertz Trunked Radio System to provide improved law enforcement and public safety communications that will allow for encryption of messages and facilitate in-building coverage. This project is a combined effort between the City of Springfield, City Utilities, and Greene County. The capital lease proceeds are used to finance various equipment purchases and capital improvement projects.

Tourism Tax Community Improvement – This fund accounts for the proceeds of the tourism (hotel/motel) tax approved by the citizens of Springfield on February 3, 1998, which are to be used to finance community improvements for a Civic Park, the American National Fish and Wildlife Living Museum and Aquarium, a Recreational Ice Complex, Dickerson Park Zoo, and not-for-profit local attractions such as Discovery Center and Gillioz and Landers Theaters.

CITY OF SPRINGFIELD, MISSOURI

Combining Balance Sheet

Nonmajor Capital Project Funds

June 30, 2012

Assets	Transportation sales tax	Public parks improvement	Public works improvement	Capital improvement sales tax	Property tax projects	Sanitary and storm sewer projects	Crime Lab project	Heers/ College station	Miscellaneous capital projects	Tourism Tax community improvement	Total
Cash and investments	\$ 15,121,176	8,830,760	1,211,089	22,561,873	1,742,587	2,748,362	917	329,440	2,773,313	666	55,320,183
Accrued interest receivable	81,649	47,229	6,289	108,275	303	322	—	1,413	—	5,555	251,035
Accounts receivable	683,935	1,362,162	—	1,372,047	—	—	—	—	—	—	3,418,144
Due from other funds	—	—	—	102,522	—	—	—	—	—	—	102,522
Due from other governments	—	162,749	5,785,180	—	—	—	—	—	—	—	5,947,929
Total assets	\$ 15,886,760	10,402,900	7,002,558	24,144,717	1,742,890	2,748,684	917	330,853	2,773,313	6,221	65,039,813
Liabilities											
Due to other funds	\$ —	—	102,522	—	—	—	—	—	—	—	102,522
Accounts payable	123,044	638,983	365,845	821,734	—	98,226	354	—	571,764	—	2,619,950
Retainages payable	5,948	34,439	152,699	74,726	—	55,842	—	—	264,119	—	587,773
Unearned revenue	—	—	467,246	—	—	—	—	—	—	—	467,246
Deferred revenue	—	162,749	2,020,132	—	—	—	—	—	—	—	2,182,881
Total liabilities	128,992	836,171	3,108,444	896,460	—	154,068	354	—	835,883	—	5,960,372
Fund Balance											
Restricted	15,757,768	9,566,729	3,894,114	23,248,257	—	2,594,616	—	330,853	1,937,430	6,221	57,335,988
Committed	—	—	—	—	1,742,890	—	—	—	—	—	1,742,890
Assigned	—	—	—	—	—	—	563	—	—	—	563
Total fund balance	15,757,768	9,566,729	3,894,114	23,248,257	1,742,890	2,594,616	563	330,853	1,937,430	6,221	59,079,441
Total liabilities and fund balance	\$ 15,886,760	10,402,900	7,002,558	24,144,717	1,742,890	2,748,684	917	330,853	2,773,313	6,221	65,039,813

CITY OF SPRINGFIELD, MISSOURI

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Project Funds

Year ended June 30, 2012

	<u>Transportation sales tax</u>	<u>Public parks improvement</u>	<u>Public works improvement</u>	<u>Capital improvement sales tax</u>	<u>Property tax projects</u>	<u>Sanitary and storm sewer projects</u>	<u>Crime lab project</u>	<u>Heers/ College station</u>	<u>Miscellaneous capital projects</u>	<u>Tourism tax community improvement</u>	<u>Total</u>
Revenues:											
Sales taxes	\$ 4,709,402	9,541,590	—	9,418,911	—	—	—	—	—	1,169,812	24,839,715
Interest	216,507	34,882	15,222	73,451	—	—	—	2,576	—	7,136	349,774
Intergovernmental	—	378,800	7,714,646	—	—	—	—	—	584,014	—	8,677,460
Other	—	674,959	676,323	21,100	157,320	—	—	—	295,841	167,480	1,993,023
Total revenues	<u>4,925,909</u>	<u>10,630,231</u>	<u>8,406,191</u>	<u>9,513,462</u>	<u>157,320</u>	<u>—</u>	<u>—</u>	<u>2,576</u>	<u>879,855</u>	<u>1,344,428</u>	<u>35,859,972</u>
Expenditures:											
Capital outlay:											
Public works	5,879,517	2,539,564	6,193,070	6,923,774	—	3,321,267	—	—	5,226,900	—	30,084,092
Public safety	—	—	—	20,559	—	—	16,156	—	470,138	—	506,853
Parks and recreation	—	6,277,996	—	893,251	—	—	—	—	—	—	7,171,247
Planning and development	—	—	—	760,222	—	—	—	—	—	152,300	912,522
General government	—	—	—	—	1,447	19,190	36	—	124,253	—	144,926
Total expenditures	<u>5,879,517</u>	<u>8,817,560</u>	<u>6,193,070</u>	<u>8,597,806</u>	<u>1,447</u>	<u>3,340,457</u>	<u>16,192</u>	<u>—</u>	<u>5,821,291</u>	<u>152,300</u>	<u>38,819,640</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(953,608)</u>	<u>1,812,671</u>	<u>2,213,121</u>	<u>915,656</u>	<u>155,873</u>	<u>(3,340,457)</u>	<u>(16,192)</u>	<u>2,576</u>	<u>(4,941,436)</u>	<u>1,192,128</u>	<u>(2,959,668)</u>
Other financing sources (uses):											
Bond Proceeds	—	—	—	—	—	2,409,500	—	—	—	—	2,409,500
Transfers in	—	3,267,876	549,243	—	—	—	103,082	—	4,900,279	242,857	9,063,337
Transfers out	(174,794)	(4,229,054)	—	(349,588)	(1,994,334)	—	—	—	(249,310)	(1,084,406)	(8,081,486)
Total other financing sources (uses)	<u>(174,794)</u>	<u>(961,178)</u>	<u>549,243</u>	<u>(349,588)</u>	<u>(1,994,334)</u>	<u>2,409,500</u>	<u>103,082</u>	<u>—</u>	<u>4,650,969</u>	<u>(841,549)</u>	<u>3,391,351</u>
Net change in fund balance	<u>(1,128,402)</u>	<u>851,493</u>	<u>2,762,364</u>	<u>566,068</u>	<u>(1,838,461)</u>	<u>(930,957)</u>	<u>86,890</u>	<u>2,576</u>	<u>(290,467)</u>	<u>350,579</u>	<u>431,683</u>
Fund balance, beginning of year	<u>16,886,170</u>	<u>8,715,236</u>	<u>1,131,750</u>	<u>22,682,189</u>	<u>3,581,351</u>	<u>3,525,573</u>	<u>(86,327)</u>	<u>328,277</u>	<u>2,227,897</u>	<u>(344,358)</u>	<u>58,647,758</u>
Fund balance, end of year	<u>\$ 15,757,768</u>	<u>9,566,729</u>	<u>3,894,114</u>	<u>23,248,257</u>	<u>1,742,890</u>	<u>2,594,616</u>	<u>563</u>	<u>330,853</u>	<u>1,937,430</u>	<u>6,221</u>	<u>59,079,441</u>

CITY OF SPRINGFIELD, MISSOURI

Nonmajor Governmental Funds

Permanent Funds

Perpetual Care – The Perpetual Care Fund was established to account for the activities of maintaining the City-owned cemetery.

CITY OF SPRINGFIELD, MISSOURI

Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2012

	Assets	Perpetual care
Cash and investments		\$ 1,267,208
Accrued interest receivable		<u>6,393</u>
Total assets		<u>\$ 1,273,601</u>
	Liabilities	
Accounts payable		\$ <u>—</u>
Total liabilities		<u>—</u>
	Fund Balance	
Nonspendable		1,269,362
Assigned		<u>4,239</u>
Total liabilities and fund balance		<u>\$ 1,273,601</u>

CITY OF SPRINGFIELD, MISSOURI

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Permanent Funds

Year ended June 30, 2012

	Perpetual care
	<hr/>
Revenues:	
Interest	\$ —
Perpetual care	4,240
Contributions	—
Total revenues	4,240
Expenditures:	
Current:	
General government	4,500
Excess of revenues over expenditures	<hr/> (260)
Other financing uses – transfers out	<hr/> —
Net change in fund balance	(260)
Fund balance, beginning of year	<hr/> 1,273,861
Fund balance, end of year	\$ <hr/> <hr/> 1,273,601

CITY OF SPRINGFIELD, MISSOURI

Nonmajor Enterprise Funds

Refuse Disposal – This fund reports the activities and capital improvements for the Landfill, the Recycling Centers, and the Yardwaste Recycling Center.

Golf – This fund accounts for all operating revenues and expenses associated with the operation of the City's municipal golf courses, including all golf course capital improvements and related debt service.

CITY OF SPRINGFIELD, MISSOURI

Statement of Net Assets

Nonmajor Enterprise Funds

June 30, 2012

Assets	<u>Refuse disposal</u>	<u>Golf</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	\$ 1,549	1,967	3,516
Investments	5,483,718	36,134	5,519,852
Inventories	110,957	132,167	243,124
Accounts receivable	19,966	—	19,966
Due from other governments	159,257	—	159,257
Accrued interest receivable	52,287	374	52,661
Total current assets	<u>5,827,734</u>	<u>170,642</u>	<u>5,998,376</u>
Investments	<u>4,443,361</u>	<u>29,279</u>	<u>4,472,640</u>
Capital assets:			
Land	2,299,419	380,661	2,680,080
Buildings	1,241,581	658,484	1,900,065
Improvements other than buildings	16,645,074	8,262,495	24,907,569
Machinery and equipment	8,172,238	1,204,245	9,376,483
	<u>28,358,312</u>	<u>10,505,885</u>	<u>38,864,197</u>
Less accumulated depreciation	<u>(15,002,178)</u>	<u>(7,466,079)</u>	<u>(22,468,257)</u>
	13,356,134	3,039,806	16,395,940
Construction in progress	<u>1,171,612</u>	<u>—</u>	<u>1,171,612</u>
Total capital assets (net of accumulated depreciation)	<u>14,527,746</u>	<u>3,039,806</u>	<u>17,567,552</u>
Total assets	<u>24,798,841</u>	<u>3,239,727</u>	<u>28,038,568</u>
Liabilities			
Current liabilities:			
Accounts payable	256,889	54,200	311,089
Retainages payable	96,443	—	96,443
Accrued interest payable	—	6,178	6,178
Accrued compensated absences and other accrued costs	27,626	7,075	34,701
Due to other funds	—	380,000	380,000
Current maturities of long-term debt	38,397	98,920	137,317
Total current liabilities	<u>419,355</u>	<u>546,373</u>	<u>965,728</u>
Long-term debt, less current maturities:			
Capitalized lease obligations payable	—	63,165	63,165
Accrued landfill closure/postclosure care costs	10,425,925	—	10,425,925
Revenue bonds payable, net	—	5,663	5,663
Other postemployment benefits	68,545	49,772	118,317
Accrued compensated absences	372,828	116,314	489,142
Total long-term liabilities	<u>10,867,298</u>	<u>234,914</u>	<u>11,102,212</u>
Total liabilities	<u>11,286,653</u>	<u>781,287</u>	<u>12,067,940</u>
Net Assets			
Net assets:			
Invested in capital assets, net of related debt	14,489,349	2,872,058	17,361,407
Unrestricted	(977,161)	(413,618)	(1,390,779)
Total net assets	<u>\$ 13,512,188</u>	<u>2,458,440</u>	<u>15,970,628</u>

CITY OF SPRINGFIELD, MISSOURI
Combining Statement of Revenues, Expenses and
Changes in Net Assets
Nonmajor Enterprise Funds
Year ended June 30, 2012

	<u>Refuse disposal</u>	<u>Golf</u>	<u>Total</u>
Operating revenues:			
Landfill charges	\$ 5,802,144	—	5,802,144
Yardwaste recycling sales	353,675	—	353,675
Golf course fees	—	2,893,383	2,893,383
Other	49,599	—	49,599
	<u>6,205,418</u>	<u>2,893,383</u>	<u>9,098,801</u>
Total operating revenues			
Operating expenses:			
Personnel services	2,085,748	1,442,509	3,528,257
Other services	1,204,569	424,611	1,629,180
Supplies	507,360	543,925	1,051,285
Depreciation and amortization	1,260,026	431,477	1,691,503
	<u>5,057,703</u>	<u>2,842,522</u>	<u>7,900,225</u>
Total operating expenses			
Operating income (loss)	<u>1,147,715</u>	<u>50,861</u>	<u>1,198,576</u>
Nonoperating revenues (expenses):			
Interest revenue	35,410	4,113	39,523
Interest on long-term debt	(3,493)	(52,119)	(55,612)
Administrative fees and other debt charges	—	—	—
Gain (loss) from disposal of capital assets	75,070	—	75,070
Claims and settlements	(358,448)	157	(358,291)
Other nonoperating income (expense)	9,607	—	9,607
	<u>(241,854)</u>	<u>(47,849)</u>	<u>(289,703)</u>
Net nonoperating revenues (expenses)			
Income (loss) before contributions and transfers	905,861	3,012	908,873
Contributions and grants	200,380	—	200,380
Transfers in	64,998	—	64,998
Transfers out	(342,792)	(15,312)	(358,104)
	828,447	(12,300)	816,147
Change in net assets			
Total net assets – beginning	<u>12,683,741</u>	<u>2,470,740</u>	<u>15,154,481</u>
Total net assets – ending	<u>\$ 13,512,188</u>	<u>2,458,440</u>	<u>15,970,628</u>

CITY OF SPRINGFIELD, MISSOURI

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year ended June 30, 2012

	<u>Refuse disposal</u>	<u>Golf</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from users	\$ 6,105,947	2,560,846	8,666,793
Cash paid to suppliers	(1,688,493)	(941,917)	(2,630,410)
Cash paid to employees	(2,136,416)	(1,419,134)	(3,555,550)
Net cash provided by operating activities	<u>2,281,038</u>	<u>199,795</u>	<u>2,480,833</u>
Cash flows from noncapital financing activities:			
Transfers in	64,998	—	64,998
Transfers out	(342,792)	(15,312)	(358,104)
Net cash used in noncapital financing activities	<u>(277,794)</u>	<u>(15,312)</u>	<u>(293,106)</u>
Cash flows from capital and related financing activities:			
Interest paid on long-term debt obligations	(3,493)	(15,998)	(19,491)
Principal payments made on long-term capital lease	(74,484)	(93,018)	(167,502)
Proceeds from issuance of long-term debt	—	—	—
Debt issuance costs	—	—	—
Additions to capital assets	(2,164,093)	(11,826)	(2,175,919)
Capital contributions	200,380	—	200,380
Proceeds from sale of capital assets	75,070	—	75,070
Net cash used in capital and related financing activities	<u>(1,966,620)</u>	<u>(120,842)</u>	<u>(2,087,462)</u>
Cash flows provided by investing activity:			
Purchase of investments	(9,469,741)	(31,329)	(9,501,070)
Sale of investments	9,388,119	(34,084)	9,354,035
Interest received	45,122	3,739	48,861
Net cash provided by investing activities	<u>(36,500)</u>	<u>(61,674)</u>	<u>(98,174)</u>
Net increase in cash and cash equivalents	124	1,967	2,091
Cash and cash equivalents, beginning of year	<u>1,425</u>	<u>—</u>	<u>1,425</u>
Cash and cash equivalents, end of year	\$ <u>1,549</u>	<u>1,967</u>	<u>3,516</u>
Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating income (loss)	\$ <u>1,147,715</u>	<u>50,861</u>	<u>1,198,576</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	1,260,026	431,477	1,691,503
Other nonoperating expenses	(348,841)	157	(348,684)
Decrease (increase) in:			
Accounts receivable	819	—	819
Due from other governments	(109,897)	—	(109,897)
Inventories	(18,497)	(14,279)	(32,776)
Increase (decrease) in:			
Accounts payable	(38,654)	40,898	2,244
Retainage payable	81,508	—	81,508
Due to other fund	—	(332,694)	(332,694)
Accrued landfill closure/postclosure care costs	357,527	—	357,527
Other postemployment benefits	7,193	4,231	11,424
Accrued compensated absences	(57,861)	19,144	(38,717)
Total adjustments	<u>1,133,323</u>	<u>148,934</u>	<u>1,282,257</u>
Net cash provided by operating activities	\$ <u>2,281,038</u>	<u>199,795</u>	<u>2,480,833</u>

CITY OF SPRINGFIELD, MISSOURI

Internal Service Funds

Service Center – This fund accounts for the operations of the City’s central garage. Revenues are generated almost exclusively from billings to other City departments.

Print Shop – This fund accounts for the operations of the City’s print shop. Revenues are generated almost exclusively from billings to other City departments.

Self-Insurance – The Self-Insurance Fund was established to account for the City’s employee medical and workers’ compensation insurance programs. All contributions, both City and employee, are held by this fund to pay medical expenses of the participants, as well as medical and indemnity claims related to workers’ compensation.

CITY OF SPRINGFIELD, MISSOURI

Combining Statement of Net Assets

Internal Service Funds

June 30, 2012

Assets	<u>Service center</u>	<u>Print shop</u>	<u>Self- insurance</u>	<u>Total</u>
Current assets:				
Cash and cash equivalents	\$ —	—	6,927,690	6,927,690
Inventories	277,087	70,192	—	347,279
Unamortized issue costs	3,000	—	—	3,000
Accounts receivable	—	—	—	—
Accrued interest receivable	—	—	24,340	24,340
Total current assets	<u>280,087</u>	<u>70,192</u>	<u>6,952,030</u>	<u>7,302,309</u>
Capital assets:				
Land	23,614	—	—	23,614
Buildings	1,058,097	—	—	1,058,097
Improvements other than buildings	684,399	—	—	684,399
Machinery and equipment	211,862	47,889	—	259,751
	<u>1,977,972</u>	<u>47,889</u>	<u>—</u>	<u>2,025,861</u>
Less accumulated depreciation	<u>(1,304,010)</u>	<u>(45,720)</u>	<u>—</u>	<u>(1,349,730)</u>
	673,962	2,169	—	676,131
Construction in progress	—	—	—	—
Total capital assets (net of accumulated depreciation)	<u>673,962</u>	<u>2,169</u>	<u>—</u>	<u>676,131</u>
Total assets	<u>954,049</u>	<u>72,361</u>	<u>6,952,030</u>	<u>7,978,440</u>
Liabilities				
Current liabilities:				
Accounts payable	91,200	7,067	24,659	122,926
Accrued compensated absences and other accrued costs	14,369	1,587	4,653	20,609
Due to other funds	141,526	28,709	—	170,235
Current maturities of long-term debt	31,022	—	—	31,022
Estimated liability for incurred but unreported claims	—	—	1,919,000	1,919,000
Total current liabilities	<u>278,117</u>	<u>37,363</u>	<u>1,948,312</u>	<u>2,263,792</u>
Long-term debt, less current maturities:				
Capitalized lease obligations payable	137,912	—	—	137,912
Accrued compensated absences	129,330	32,289	6,841	168,460
Total long-term liabilities	<u>267,242</u>	<u>32,289</u>	<u>6,841</u>	<u>306,372</u>
Total liabilities	<u>545,359</u>	<u>69,652</u>	<u>1,955,153</u>	<u>2,570,164</u>
Net Assets				
Net assets:				
Invested in capital assets, net of related debt	673,962	2,169	—	676,131
Unrestricted	<u>(265,272)</u>	<u>540</u>	<u>4,996,877</u>	<u>4,732,145</u>
Total net assets	<u>\$ 408,690</u>	<u>2,709</u>	<u>4,996,877</u>	<u>5,408,276</u>

CITY OF SPRINGFIELD, MISSOURI
Combining Statement of Revenues, Expenses and
Changes in Net Assets
Internal Service Funds
Year ended June 30, 2012

	<u>Service center</u>	<u>Print shop</u>	<u>Self- insurance</u>	<u>Total</u>
Operating revenues:				
Billings to departments	\$ 3,802,766	209,709	4,224,350	8,236,825
Contributions – City	—	—	8,797,153	8,797,153
Contributions – employees	—	—	3,269,555	3,269,555
Total operating revenues	<u>3,802,766</u>	<u>209,709</u>	<u>16,291,058</u>	<u>20,303,533</u>
Operating expenses:				
Cost of materials used:				
Beginning inventory	297,990	66,842	—	364,832
Net purchases	2,444,527	70,281	—	2,514,808
	<u>2,742,517</u>	<u>137,123</u>	<u>—</u>	<u>2,879,640</u>
Ending inventory	(277,087)	(70,192)	—	(347,279)
Total cost of materials used	<u>2,465,430</u>	<u>66,931</u>	<u>—</u>	<u>2,532,361</u>
Other operating expenses:				
Personnel services	1,032,831	114,047	185,788	1,332,666
Charges for services	336,387	1,465	12,527,735	12,865,587
Rent	11,858	78,474	—	90,332
Depreciation	62,064	1,445	—	63,509
Total other operating expenses	<u>1,443,140</u>	<u>195,431</u>	<u>12,713,523</u>	<u>14,352,094</u>
Total operating expenses	<u>3,908,570</u>	<u>262,362</u>	<u>12,713,523</u>	<u>16,884,455</u>
Operating income (loss)	(105,804)	(52,653)	3,577,535	3,419,078
Nonoperating revenues (expenses)	(4,211)	—	53,737	49,526
Income (loss) before transfers	(110,015)	(52,653)	3,631,272	3,468,604
Transfers in		47,500	—	47,500
Transfers out	—	—	(137,658)	(137,658)
Change in net assets	(110,015)	(5,153)	3,493,614	3,378,446
Total net assets – beginning	518,705	7,862	1,503,263	2,029,830
Total net assets – ending	<u>\$ 408,690</u>	<u>2,709</u>	<u>4,996,877</u>	<u>5,408,276</u>

CITY OF SPRINGFIELD, MISSOURI

Combining Statement of Cash Flows

Internal Service Funds

Year ended June 30, 2012

	<u>Service center</u>	<u>Print shop</u>	<u>Self- insurance</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from users	\$ 3,802,766	209,709	16,291,058	20,303,533
Cash paid to suppliers	(2,737,469)	(144,797)	(12,751,618)	(15,633,884)
Cash paid to employees	<u>(1,032,031)</u>	<u>(112,412)</u>	<u>(186,019)</u>	<u>(1,330,462)</u>
Net cash provided by (used in) operating activities	<u>33,266</u>	<u>(47,500)</u>	<u>3,353,421</u>	<u>3,339,187</u>
Cash flows from noncapital financing activities:				
Transfers in	—	47,500	—	47,500
Transfers out	<u>—</u>	<u>—</u>	<u>(137,658)</u>	<u>(137,658)</u>
Net cash provided by noncapital financing activities	<u>—</u>	<u>47,500</u>	<u>(137,658)</u>	<u>(90,158)</u>
Cash flows from capital and related financing activities:				
Interest paid on long-term debt obligations	(8,084)	—	—	(8,084)
Principal payments made on long-term capital lease	<u>(29,752)</u>	<u>—</u>	<u>—</u>	<u>(29,752)</u>
Additions to capital assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net cash used in capital and related financing activities	<u>(37,836)</u>	<u>—</u>	<u>—</u>	<u>(37,836)</u>
Cash flows provided by investing activity:				
Interest received	<u>4,570</u>	<u>—</u>	<u>54,694</u>	<u>59,264</u>
Net increase in cash and cash equivalents	—	—	3,270,457	3,270,457
Cash and cash equivalents, beginning of year	<u>—</u>	<u>—</u>	<u>3,657,233</u>	<u>3,657,233</u>
Cash and cash equivalents, end of year	<u>\$ —</u>	<u>—</u>	<u>6,927,690</u>	<u>6,927,690</u>
Reconciliation of operating income (loss) to net cash used in operating activities:				
Operating income (loss)	\$ <u>(105,804)</u>	<u>(52,653)</u>	<u>3,577,535</u>	<u>3,419,078</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	62,064	1,445	—	63,509
Decrease (increase) in:				
Accounts receivable	—	—	—	—
Inventories	20,903	(3,350)	—	17,553
Increase (decrease) in:				
Accounts payable	(18,788)	(16,256)	22,117	(12,927)
Due to other fund	74,091	21,679	—	95,770
Estimated liability for incurred but unreported claims	—	—	(246,000)	(246,000)
Accrued compensated absences	<u>800</u>	<u>1,635</u>	<u>(231)</u>	<u>2,204</u>
Total adjustments	<u>139,070</u>	<u>5,153</u>	<u>(224,114)</u>	<u>(79,891)</u>
Net cash provided by (used in) operating activities	\$ <u><u>33,266</u></u>	<u><u>(47,500)</u></u>	<u><u>3,353,421</u></u>	<u><u>3,339,187</u></u>

CITY OF SPRINGFIELD, MISSOURI

Agency Funds

Cooper Tennis Trust – This agency fund accounts for the assets and liabilities of the Cooper Tennis Trust Fund, which provides for the maintenance of Cooper Park.

Municipal Court Bond – This agency fund was created to account for cash bonds received at the Municipal Court.

Revolving Payroll Fund – This agency fund accounts for the liability transactions of the City's payroll system.

CITY OF SPRINGFIELD, MISSOURI

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds

Year ended June 30, 2012

Cooper Tennis Trust	June 30, 2011	Additions	Deductions	June 30, 2012
Assets:				
Cash and short-term investments	\$ 199,364	2,841	120,852	81,353
Accrued interest receivable	2,685	3,202	4,931	956
	\$ 202,049	6,043	125,783	82,309
Liabilities:				
Escrows payable	\$ 202,049	2,629	122,369	83,309
	202,049	2,629	122,369	83,309
Municipal Court Bond				
Assets:				
Cash and short-term investments	\$ 30,125	278,943	274,540	34,528
	30,125	278,943	274,540	34,528
Liabilities:				
Municipal court bond deposits	\$ 30,125	278,943	274,540	34,528
	30,125	278,943	274,540	34,528
Revolving Payroll				
Assets:				
Cash and short-term investments	\$ 4,654,999	70,306,624	69,659,258	5,302,365
	4,654,999	70,306,624	69,659,258	5,302,365
Liabilities:				
Accounts payable	\$ 4,654,999	64,854,168	64,206,802	5,302,365
	4,654,999	64,854,168	64,206,802	5,302,365
Total				
Assets				
Cash and short-term investments	\$ 4,884,488	70,588,408	70,054,650	5,418,246
Accrued interest receivable	2,685	3,202	4,931	956
Total assets	\$ 4,887,173	70,591,610	70,059,581	5,419,202
Liabilities				
Accounts payable	\$ 4,654,999	64,854,168	64,206,802	5,302,365
Escrows payable	202,049	2,629	122,369	82,309
Municipal court bond deposits	30,125	278,943	274,540	34,528
Total liabilities	\$ 4,887,173	65,135,740	64,603,711	5,419,202

STATISTICAL SECTION

CITY OF SPRINGFIELD, MISSOURI

Statistical Section (Unaudited)

June 30, 2012

This part of the City'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.

Contents	Page
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.	131
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	136
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.	146
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand how the information in the City's financial activities takes place.	151
Operating Information	
These schedules contain service and infrastructure data to help the readers understand how the information in the City's financial report relates to the services the city provides and the activities it performs.	153

Sources: Unless otherwise noted, the information in these pages are derived from the comprehensive financial reports for the relevant year.

CITY OF SPRINGFIELD, MISSOURI

Net Assets by Component

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:										
Invested in capital assets, net of related debt	\$ 268,253,358	242,388,274	225,399,885	213,844,995	195,800,846	174,876,106	164,639,133	86,131,536	76,998,893	76,272,303
Restricted	11,311,526	11,201,533	29,676,471	11,186,124	13,089,397	24,108,442	17,070,634	1,951,935	2,036,041	6,919,598
Unrestricted	215,963,384	204,731,421	156,671,464	142,996,539	136,417,853	109,257,747	106,730,542	104,090,927	94,365,451	86,147,008
Total governmental activities net assets	\$ 495,528,268	458,321,228	411,747,820	368,027,658	345,308,096	308,242,295	288,440,309	192,174,398	173,400,385	169,338,909
Business-type activities:										
Invested in capital assets, net of related debt	\$ 288,316,613	287,230,156	277,015,252	269,076,772	252,226,189	232,573,119	227,393,436	210,991,194	201,177,024	170,110,301
Restricted	51,628,033	51,157,918	60,829,311	67,216,747	78,587,252	72,750,045	60,565,783	68,224,833	69,439,483	72,399,024
Unrestricted	23,456,183	20,856,957	19,433,461	20,121,775	25,544,359	26,345,242	28,509,364	30,597,545	23,267,800	32,043,192
Total business-type activities net assets	\$ 363,400,829	359,245,031	357,278,024	356,415,294	356,357,800	331,668,406	316,468,583	309,813,572	293,884,307	274,552,517
Primary government:										
Invested in capital assets, net of related debt	\$ 556,569,971	529,618,430	502,415,137	482,921,767	448,027,035	407,449,225	392,032,569	297,122,730	278,175,917	246,382,604
Restricted	62,939,559	62,359,451	90,505,782	78,402,871	91,676,649	96,858,487	77,636,417	70,176,768	71,475,524	79,318,622
Unrestricted	239,419,567	225,588,378	176,104,925	163,118,314	161,962,212	135,602,989	135,239,906	134,688,472	117,633,251	118,190,200
Total primary government net assets	\$ 858,929,097	817,566,259	769,025,844	724,442,952	701,665,896	639,910,701	604,908,892	501,987,970	467,284,692	443,891,426

CITY OF SPRINGFIELD, MISSOURI

Changes in Net Assets

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:										
Governmental activities:										
Public works	\$ 44,250,868	45,400,527	34,859,486	27,969,820	31,916,652	49,326,110	37,050,496	24,009,499	24,128,752	14,816,445
Public safety	62,258,803	62,112,431	46,497,285	57,549,207	58,530,161	57,624,424	52,175,803	55,760,655	51,277,147	47,943,872
Parks and recreation	26,636,615	22,464,529	26,248,432	33,143,708	25,376,473	28,603,613	27,533,355	23,094,617	17,903,553	21,667,728
Planning and development	3,488,471	4,622,684	4,906,319	4,075,654	11,105,763	9,021,386	8,415,927	7,416,310	7,719,508	6,202,362
Public health	8,871,778	9,777,957	9,830,580	9,171,894	8,738,418	8,519,006	8,166,374	7,989,157	9,656,142	8,175,010
General government	20,666,186	19,855,484	33,827,629	32,918,321	26,066,803	20,065,380	11,551,473	19,810,593	29,690,978	16,262,936
Interest on long-term debt	6,907,856	7,078,207	7,793,051	9,660,983	9,548,847	9,205,652	9,937,801	9,398,355	8,361,439	7,418,153
Total governmental activities expenses	173,080,577	171,311,819	163,962,782	174,489,587	171,283,117	182,365,571	154,831,229	147,479,186	148,737,519	122,486,506
Business-type activities:										
Airport	27,431,629	26,299,309	24,484,185	21,894,134	20,141,544	16,936,734	14,451,683	13,729,355	12,080,189	11,130,492
Sanitary sewerage system	28,201,357	28,584,451	27,946,870	28,115,438	26,179,452	25,926,532	23,172,598	22,730,934	21,289,054	19,541,852
Refuse disposal	5,343,805	4,956,859	4,884,107	4,788,815	4,274,538	4,089,109	3,921,758	4,098,788	3,449,633	3,427,636
Golf	2,845,568	2,954,961	3,040,537	3,148,843	3,133,182	3,200,689	3,149,073	3,134,021	3,218,461	2,728,424
Total business-type activities expenses	63,822,359	62,795,580	60,355,699	57,947,230	53,728,716	50,153,064	44,695,112	43,693,098	40,037,337	36,828,404
Total primary government expenses	\$ 236,902,936	234,107,399	224,318,481	232,436,817	225,011,833	232,518,635	199,526,341	191,172,284	188,774,856	159,314,910
Program revenues:										
Governmental activities:										
Charges for services:										
Public works	\$ 2,053,209	2,063,706	1,924,708	2,852,717	2,762,320	2,769,883	3,233,278	530,291	697,477	841,358
Public safety	3,618,514	2,967,779	3,250,564	3,123,677	3,144,073	3,244,951	2,127,471	3,177,231	3,058,297	1,536,421
Parks and recreation	6,142,569	5,992,855	5,257,938	5,195,191	6,246,333	4,929,347	3,976,469	3,871,740	3,822,913	3,237,912
Planning and development	52,246	34,479	1,210,144	2,375,998	6,213,016	9,668,116	3,157,028	—	—	—
Public health	1,563,174	1,446,226	1,258,571	1,451,688	828,248	692,394	933,014	1,070,553	454,628	549,004
General government	6,730,789	5,754,324	3,835,684	3,483,610	3,578,849	3,509,216	3,421,680	—	533,779	961,727
Operating grants and contributions	21,388,523	23,649,885	25,335,833	18,683,731	22,525,678	35,735,348	18,430,104	19,726,506	15,771,071	17,975,306
Capital grants and contributions	9,136,015	15,437,871	12,119,232	10,569,721	5,807,856	2,517,362	352,258	3,434,202	1,574,624	1,574,690
Total governmental activities program revenues	50,685,039	57,347,125	54,192,674	47,736,333	51,106,373	63,066,617	35,631,302	31,810,523	25,912,789	26,676,418
Business-type activities:										
Charges for services:										
Airport	14,145,418	13,905,661	12,611,539	13,240,073	15,356,997	13,910,213	12,654,174	11,047,454	9,053,125	8,820,906
Sanitary sewerage system	28,103,578	23,774,979	22,964,286	21,683,467	22,274,324	21,641,771	20,555,838	20,741,080	20,472,702	20,519,722
Refuse disposal	6,205,418	5,974,016	5,435,569	4,446,305	3,626,185	3,574,639	3,077,639	2,868,621	3,397,145	3,540,307
Golf	2,893,383	2,785,881	2,806,819	2,986,258	2,934,824	2,993,216	3,033,107	3,077,923	3,100,195	3,122,299
Operating grants and contributions	44,132	55,077	438,822	14,548	49,957	216,824	5,107	76,253	—	—
Capital grants and contributions	12,872,206	12,896,784	11,400,117	6,378,642	23,912,399	12,959,428	7,706,384	16,359,032	17,484,269	10,872,558
Total business-type activities program revenues	64,264,135	59,392,398	55,657,152	48,749,293	68,154,686	55,296,091	47,032,249	54,170,363	53,507,436	46,875,792
Total primary government program revenues	\$ 114,949,174	116,739,523	109,849,826	96,485,626	119,261,059	118,362,708	82,663,551	85,980,886	79,420,225	73,552,210

CITY OF SPRINGFIELD, MISSOURI

Changes in Net Assets

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net (expense) revenue:										
Governmental activities	\$ (122,395,538)	(113,964,694)	(109,770,108)	(126,753,254)	(120,176,744)	(119,298,954)	(119,199,927)	(115,668,663)	(122,824,730)	(95,810,088)
Business-type activities	441,776	(3,403,182)	(4,698,547)	(9,197,937)	14,425,970	5,143,027	2,337,137	10,477,265	13,470,099	10,047,388
Total primary government expenses	\$ (121,953,762)	(117,367,876)	(114,468,655)	(135,951,191)	(105,750,774)	(114,155,927)	(116,862,790)	(105,191,398)	(109,354,631)	(85,762,700)
General revenues and other changes in net assets:										
Governmental activities:										
Taxes:										
Property taxes	\$ 20,306,635	19,805,808	19,295,218	18,623,987	18,182,658	19,960,727	18,464,584	18,897,464	22,614,692	14,192,502
Sales and use taxes	116,281,248	110,891,582	86,626,144	92,047,390	90,375,991	87,156,142	86,381,607	81,612,470	76,427,670	71,201,498
Franchise taxes	6,869,352	6,484,584	20,655,067	14,933,165	5,950,662	3,773,589	3,190,339	3,095,096	3,183,021	3,152,357
Room taxes	3,835,365	3,541,560	3,349,131	3,594,155	3,630,542	3,690,534	3,215,623	3,058,211	1,421,001	1,089,211
Payments in lieu of taxes	12,421,954	12,482,703	10,813,817	11,281,344	12,333,596	11,760,900	12,071,385	—	—	—
Revenues from use of money and property	995,738	1,756,765	4,452,530	5,249,935	6,224,393	6,010,603	3,589,052	3,108,056	1,586,940	2,941,918
Other revenue	4,459,691	4,302,874	6,990,946	4,538,216	10,249,051	5,623,944	13,569,544	23,615,618	20,463,677	20,231,780
Transfers	1,619,449	1,272,226	1,307,417	(795,377)	1,415,347	1,124,501	1,044,270	1,055,761	1,189,205	1,056,488
Total governmental activities revenues	166,789,432	160,538,102	153,490,270	149,472,815	148,362,240	139,100,940	141,526,404	134,442,676	126,886,206	113,865,754
Business-type activities:										
Revenues from use of money and property	2,014,623	3,467,004	4,131,898	6,025,949	9,597,139	7,136,715	4,175,718	3,939,945	2,785,122	4,429,595
Other revenue	3,318,848	3,175,411	2,736,796	2,434,105	2,081,632	4,044,582	1,186,426	2,567,816	4,265,774	2,864,996
Transfers	(1,619,449)	(1,272,226)	(1,307,417)	795,377	(1,415,347)	(1,124,501)	(1,044,270)	(1,055,761)	(1,189,205)	(1,056,488)
Total business-type activities revenues	3,714,022	5,370,189	5,561,277	9,255,431	10,263,424	10,056,796	4,317,874	5,452,000	5,861,691	6,238,103
Total primary government revenues	170,503,454	165,908,291	159,051,547	158,728,246	158,625,664	149,157,736	145,844,278	139,894,676	132,747,897	120,103,857
Changes in net assets:										
Governmental activities	44,393,894	46,573,408	43,720,162	22,719,561	28,185,496	19,801,986	22,326,477	18,774,013	4,061,476	18,055,666
Business-type activities	\$ 4,155,798	1,967,007	862,730	57,494	24,689,394	15,199,823	6,655,011	15,929,265	19,331,790	16,285,491
Total primary government	48,549,692	48,540,415	44,582,892	22,777,055	52,874,890	35,001,809	28,981,488	34,703,278	23,393,266	34,341,157

CITY OF SPRINGFIELD, MISSOURI

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>Fiscal year</u> <u>2011</u>	<u>Fiscal year</u> <u>2012</u>
General fund:		
Nonspendable	\$ 17,309	24,128
Restricted	—	—
Committed	14,000,000	14,600,000
Assigned	2,788,666	5,732,605
Unassigned	—	—
Total general fund	<u>\$ 16,805,975</u>	<u>20,356,733</u>
All other governmental funds:		
Nonspendable	\$ 44,429,578	46,175,698
Restricted	85,736,829	86,310,911
Committed	26,103,063	23,617,145
Assigned	3,051,612	2,633,940
Unassigned	(501,428)	(206,659)
Total all other governmental funds	<u>\$ 158,819,654</u>	<u>158,531,035</u>

Note: The City implemented GASB 54 Fund Balance Reporting and Governmental Fund Type Definition in fiscal year 2011.

	<u>Fiscal year</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>
General fund:								
Reserved	\$ 1,267,248	1,248,392	1,290,886	1,252,700	2,032,245	271,656	949,192	235,761
Unreserved	8,996,347	7,818,165	7,939,189	11,347,936	11,106,497	20,017,372	11,444,477	12,504,609
Total general fund	<u>\$ 10,263,595</u>	<u>9,066,557</u>	<u>9,230,075</u>	<u>12,600,636</u>	<u>13,138,742</u>	<u>20,289,028</u>	<u>12,393,669</u>	<u>12,740,370</u>
All other governmental funds:								
Reserved	\$ 34,882,464	24,666,895	23,801,620	32,244,961	60,312,382	75,046,316	73,604,239	81,330,348
Unreserved, reported in:								
Special revenue funds	15,087,520	13,312,377	14,314,779	16,531,043	10,140,390	13,589,177	14,805,266	18,126,584
Debt service funds	30,164,887	36,353,617	37,410,504	17,424,713	16,327,800	20,627,966	21,251,808	19,603,637
Capital projects funds	29,525,151	38,463,732	25,768,809	31,756,019	20,686,732	34,778,584	41,299,865	42,825,262
Permanent funds	1,522,614	1,554,000	1,629,747	71,962	118,248	55,190	56,737	45,746
Total all other governmental funds	<u>\$ 111,182,636</u>	<u>114,350,621</u>	<u>102,925,459</u>	<u>98,028,698</u>	<u>107,585,552</u>	<u>144,097,233</u>	<u>151,017,915</u>	<u>161,931,577</u>

CITY OF SPRINGFIELD, MISSOURI
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	Fiscal year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Taxes (see schedule 5)	\$ 89,863,046	95,844,688	100,258,445	107,065,863	111,848,117	116,652,030	121,616,029	129,341,041	140,013,422	147,717,508
Licenses and permits	2,824,732	2,902,802	3,144,633	3,421,680	3,467,686	3,518,631	3,429,113	3,326,835	3,366,361	3,395,849
Intergovernmental	19,549,996	17,345,695	23,160,702	18,782,362	38,252,710	28,333,534	35,722,964	37,455,065	34,859,729	31,371,296
Charges for services	7,126,422	8,567,094	8,649,815	9,170,031	8,894,450	11,102,281	11,306,221	10,471,421	10,402,016	11,790,000
Fines and forfeitures	1,364,153	1,642,981	1,987,547	1,925,595	1,836,831	2,179,581	2,204,090	1,983,650	1,603,992	1,563,100
Special assessments	594,082	1,040,524	1,507,152	2,331,634	2,098,697	1,309,265	1,543,457	1,216,033	830,239	1,433,729
Revenues from use of money and property	2,941,918	1,573,281	3,108,056	3,589,052	6,010,603	6,224,393	5,249,935	4,452,530	1,756,765	945,068
Payments in lieu of taxes	8,727,089	9,059,192	9,847,279	12,071,385	11,760,900	12,333,596	11,281,344	10,813,817	12,388,406	12,428,289
Other	5,486,984	5,831,837	7,129,008	10,138,029	9,521,360	13,020,661	15,044,757	7,107,171	4,521,485	6,127,679
Total revenues	138,478,422	143,808,094	158,792,637	168,495,631	193,691,354	194,673,972	207,397,910	206,167,563	209,742,415	216,772,518
Expenditures:										
Public works	16,396,222	15,120,597	14,926,330	21,550,644	32,003,539	17,918,943	18,711,949	16,194,816	16,199,038	17,757,303
Public safety	47,300,713	50,453,379	50,164,194	48,056,652	50,722,025	53,920,346	60,283,541	62,914,318	81,833,993	85,374,301
Parks and recreation	11,996,668	13,183,989	14,351,498	15,123,942	19,560,236	22,122,692	21,850,274	21,525,095	22,180,338	23,371,235
Planning and development	7,388,989	5,942,209	7,375,018	7,772,186	7,550,961	8,983,094	3,647,771	4,347,363	4,605,601	3,364,281
Public health	6,876,349	7,402,309	7,971,289	7,985,907	8,378,475	8,829,840	9,515,085	9,699,677	9,710,923	9,044,293
General government	15,505,188	17,086,545	18,788,712	18,803,721	20,745,433	23,913,882	30,145,811	33,394,353	19,018,548	21,435,783
Debt service:										
Principal	9,795,360	10,544,861	10,207,174	16,631,779	12,855,994	9,181,993	18,238,145	6,732,441	12,203,120	11,620,180
Advance bond refunding	—	—	—	—	—	—	—	4,291,747	—	—
Interest and other charges	9,822,192	10,334,185	8,968,007	10,100,744	9,323,149	9,421,255	9,632,411	8,492,826	6,906,682	6,847,507
Capital outlay	57,123,843	54,874,061	43,039,434	37,464,372	49,371,023	48,799,593	42,378,279	32,240,726	37,175,462	39,585,139
Total expenditures	182,205,524	184,942,135	175,791,656	183,489,947	210,510,835	203,091,638	214,403,266	199,833,362	209,833,705	218,400,022
Excess of revenues over (under) expenditures	(43,727,102)	(41,134,041)	(16,999,019)	(14,994,316)	(16,819,481)	(8,417,666)	(7,005,356)	6,334,201	(91,290)	(1,627,504)
Other financing sources (uses):										
Bond proceeds	43,299,240	39,867,936	3,966,614	12,505,000	25,895,000	10,953,000	5,005,000	3,335,000	—	2,478,209
Bond premium (discount)	—	—	—	(81,154)	(30,060)	129,326	(18,745)	410,361	—	438,280
Issuance of refunding bonds	5,470,000	12,230,470	—	—	—	—	—	18,335,000	—	7,261,791
Loan proceeds	—	—	—	—	—	—	—	—	—	—
Capital lease proceeds	—	820,000	715,000	—	—	—	—	—	—	—
Payment to escrow agent	(4,190,000)	(11,002,623)	—	—	—	—	—	(18,393,616)	—	(7,335,000)
Transfers in	20,993,362	19,136,975	19,102,873	21,700,332	31,204,740	36,082,858	29,507,083	27,185,293	25,172,496	21,879,950
Transfers out	(19,936,871)	(17,947,770)	(18,047,112)	(20,656,062)	(30,155,239)	(34,877,511)	(28,462,659)	(25,945,876)	(24,127,524)	(20,170,343)
Total other financing sources	45,635,731	43,104,988	5,737,375	13,468,116	26,914,441	12,287,673	6,030,679	4,926,162	1,044,972	4,552,887
Net change in fund balances	\$ 1,908,629	1,970,947	(11,261,644)	(1,526,200)	10,094,960	3,870,007	(974,677)	11,260,363	953,682	2,925,383
Debt service as a percentage of noncapital expenditures	15.7%	16.1%	14.4%	18.3%	13.8%	12.1%	16.2%	9.1%	11.1%	10.3%

Schedule 5

CITY OF SPRINGFIELD, MISSOURI
 Tax Revenues by Source, Governmental Funds
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

<u>Fiscal year</u>	<u>Sales</u>	<u>Use</u>	<u>Property</u>	<u>Franchise</u>	<u>Cigarette</u>	<u>Room</u>	<u>Total</u>
2003	\$ 52,813,994	1,513,175	12,836,723	3,152,357	940,611	1,089,211	72,346,071
2004	50,230,401	1,774,926	14,500,384	3,183,021	973,699	1,491,914	72,154,345
2005	52,150,223	2,048,961	15,457,530	3,095,096	970,337	3,133,413	76,855,560
2006	55,681,447	2,244,616	16,568,231	3,190,339	999,955	3,215,623	81,900,211
2007	57,847,933	2,643,994	16,256,783	3,773,589	1,021,008	3,690,534	85,233,841
2008	85,484,019	2,471,617	18,120,933	5,950,662	994,257	3,630,542	116,652,030
2009	87,474,100	2,534,494	18,251,608	14,933,165	953,882	3,594,155	127,741,404
2010	83,583,607	2,164,286	18,710,699	20,655,067	878,252	3,349,130	129,341,041
2011	106,459,699	2,862,923	19,338,095	6,951,168	859,977	3,541,560	140,013,422
2012	112,526,787	3,220,884	20,018,747	6,900,026	820,524	3,835,365	147,322,333

Change:							
2003 – 2012	113.06%	112.86%	55.95%	118.88%	-12.77%	252.12%	103.64%

Notes:
 (a) Includes General, Special Revenue, and Debt Service Funds.

CITY OF SPRINGFIELD, MISSOURI

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(In thousands of dollars)

Fiscal year	Real property	Personal property	Total taxable assessed property	Total direct tax rate	Estimated actual taxable value	Taxable assessed value as a percentage of actual taxable value
2003	1,506,988	412,182	1,919,170	0.6000	9,145,332	0.210%
2004	1,580,052	426,330	2,006,382	0.5993	8,023,128	0.250
2005	1,765,691	456,127	2,221,818	0.6258	8,882,190	0.250
2006	1,764,920	463,584	2,228,504	0.6086	9,036,367	0.247
2007	1,804,415	494,013	2,298,428	0.6116	9,693,363	0.237
2008	1,923,933	513,677	2,437,610	0.6072	9,765,426	0.250
2009	1,969,016	526,354	2,495,370	0.6072	9,993,140	0.250
2010	2,066,429	510,448	2,580,538	0.6016	10,317,063	0.250
2011	2,117,976	501,174	2,619,150	0.6016	10,465,680	0.250
2012	2,225,110	497,276	2,722,386	0.6009	10,846,541	0.251

CITY OF SPRINGFIELD, MISSOURI

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Rate per \$100 of assessed value)

Fiscal year	City direct rates					Total direct rate
	Art Museum	Parks	Health	Combined debt service		
2003	\$ 0.0400	0.1800	0.1100	0.2700	0.6000	
2004	0.0400	0.1800	0.1100	0.2700	0.6000	
2005	0.0394	0.1880	0.1284	0.2700	0.6258	
2006	0.0383	0.1830	0.1248	0.2625	0.6086	
2007	0.0378	0.1809	0.1234	0.2595	0.6016	
2008	0.0382	0.1826	0.1245	0.2619	0.6072	
2009	0.0382	0.1826	0.1245	0.2619	0.6072	
2010	0.0378	0.1809	0.1234	0.2595	0.6016	
2011	0.0378	0.1809	0.1234	0.2595	0.6016	
2012	0.0378	0.1807	0.1232	0.2592	0.6009	

CITY OF SPRINGFIELD, MISSOURI

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Rate per \$100 of assessed value)

Fiscal year	Overlapping rates							
	Springfield R-12 School District	Greene County	Greene County Road and Bridge	Senior Citizens' Services	Sheltered Workshop	Springfield-Greene Count Library	Vocational College District	State of Missouri
2003	\$ 3.2192	0.1050	0.1050	—	0.0488	0.2547	0.1458	0.0300
2004	3.2235	0.1120	0.1120	—	0.0488	0.2547	0.1458	0.0300
2005	3.3735	0.1010	0.1010	—	0.0488	0.2547	0.1458	0.0300
2006	3.3330	0.1099	0.1099	0.0500	0.0470	0.2455	0.1406	0.0300
2007	3.5556	0.0961	0.0961	0.0500	0.0470	0.2455	0.1406	0.0300
2008	3.6187	0.1074	0.1074	0.0492	0.0462	0.2414	0.1412	0.0300
2009	3.6192	0.1074	0.1074	0.0492	0.0462	0.2414	0.1398	0.0300
2010	3.6223	0.1262	0.1262	0.0492	0.0462	0.2142	0.1396	0.0300
2011	3.6226	0.1321	0.1321	0.0492	0.0462	0.2412	0.1396	0.0300
2012	3.6369	0.1307	0.1307	0.0493	0.0463	0.2418	0.1405	0.0300

CITY OF SPRINGFIELD, MISSOURI

Principal Property Tax Payors
Current Year and Nine Years Ago

Taxpayer	2012		2011		2010		2009		2008	
	Taxable assessed value	Percentage of total city taxable assessed value	Taxable assessed value	Percentage of total city taxable assessed value	Taxable assessed value	Percentage of total city taxable assessed value	Taxable assessed value	Percentage of total city taxable assessed value	Taxable assessed value	Percentage of total city taxable assessed value
St Johns Health Systems	\$ 22,939,730	0.89%	22,939,730	0.89%	22,699,550	0.91%	\$ 10,633,750	0.47%	\$ 9,432,310	0.42%
Lester E Cox Medical Center	16,184,150	0.63	13,610,110	0.53	12,212,390	0.49	11,370,080	0.50	9,492,700	0.42
Hermel, Inc	14,930,920	0.58	14,930,920	0.58	13,322,480	0.53	13,322,480	0.59	10,496,100	0.46
Jones, Jerral W Et al	10,892,180	0.42	10,892,180	0.42	9,881,190	0.40	9,881,190	0.44	9,794,050	0.43
Ferrell-Duncan Building Co. LLC	9,393,340	0.36	9,393,340	0.36	9,031,260	0.36	9,031,260	0.40	8,389,020	0.37
Bass Pro Inc.	7,474,750	0.29	7,637,880	0.30	7,212,260	0.29	6,279,570	0.28	5,813,390	0.26
Kimco Springfield	6,036,040	0.23	11,459,310	0.44	10,606,760	0.43	7,574,120	0.34	7,037,920	0.31
Primrose Market Pl	5,902,790	0.23	—	—	—	—	—	—	—	—
Fort XIV LLC Etal	5,729,440	0.22	5,729,440	0.22	5,124,260	0.21	5,124,260	0.23	5,124,260	0.23
Grizzly Ind. Inc	5,704,860	0.22	5,704,860	0.22	5,569,210	0.22	5,569,210	0.25	5,481,320	0.24
New Prime	5,543,220	0.21	5,996,370	0.23	4,719,360	0.19	3,803,140	0.17	2,924,990	0.13
Republic Road LLC	5,373,730	0.21	—	—	—	—	—	—	—	—
Lowes Home Centers	5,026,790	0.19	5,066,500	0.20	4,950,870	0.20	4,950,870	0.22	4,950,870	0.22
Sams Club	5,024,000	0.19	5,024,000	0.19	4,078,110	0.16	—	—	—	—
Lorne Cook Company	4,882,740	0.19	4,878,300	0.19	3,702,460	0.15	3,702,460	0.16	3,885,500	0.17
Simon Property Group LP	4,726,050	0.18	4,726,050	0.18	4,728,220	0.19	—	—	—	—
John Morris, Et Al	4,650,910	0.18	4,634,340	0.18	3,878,760	0.16	—	—	—	—
American Natl Property and Casualty	4,248,410	0.16	4,248,410	0.16	4,233,050	0.17	4,233,050	0.19	4,040,480	0.18
Associated Wholesale Grocers, Inc.	4,071,420	0.16	4,071,420	0.16	4,134,540	0.17	2,959,020	0.13	2,959,020	0.13
Kelly Greens LLC	3,808,230	0.15	3,808,230	0.15	3,761,860	0.15	3,761,860	0.17	3,197,880	0.14
Wal-Mart – 1923 E Kearney	3,784,800	0.15	3,784,800	0.15	3,710,050	0.15	3,058,630	0.14	1,503,910	0.07
The Greens at Springfield LP	3,382,610	0.13	3,382,610	0.13	3,578,710	0.14	3,578,710	0.16	3,542,170	0.16
Wal-Mart – 2021 E Independence	3,360,000	0.13	3,360,000	0.13	3,713,030	0.15	3,713,030	0.16	3,713,030	0.16
Battlefield Plaza LLC	3,320,870	0.13	3,320,870	0.13	2,673,760	0.11	2,673,760	0.12	2,673,760	0.12
Woodland Park Apts LLC	2,990,540	0.12	—	—	—	—	—	—	—	—
Carlisle Power Transmission	2,856,550	0.11	2,856,550	0.11	2,612,100	0.10	2,612,100	0.12	2,612,100	0.12
Academy Ltd	2,709,760	0.11	—	—	—	—	—	—	—	—
Dayton Hudson Corp	2,659,520	0.10	2,659,520	0.10	2,572,740	0.10	2,572,740	0.11	2,572,740	0.11
Montclair Limited Partnership	2,643,770	0.10	2,439,560	0.09	2,387,190	0.10	2,320,060	0.10	2,283,610	0.10
Wal-Mart – 2825 N Kansas Expressway	2,472,100	0.10	2,472,100	0.10	2,584,480	0.10	2,584,480	0.11	2,737,880	0.12
Kraft Inc.	2,216,850	0.09	2,216,850	0.09	2,163,150	0.09	2,163,150	0.10	2,163,150	0.10
Cinema 16 LLC	2,207,100	0.09	2,207,100	0.09	2,220,670	0.09	2,220,670	0.10	1,844,100	0.08
Wal-Mart – 3520 W Sunshine	2,192,540	0.08	2,192,540	0.08	2,192,540	0.09	2,192,540	0.10	2,274,850	0.10
Wal-Mart – 3315 S Campbell	2,176,000	0.08	3,808,700	0.15	3,461,600	0.14	3,461,600	0.15	2,405,730	0.11
Father and Daughters LP	2,161,060	0.08	—	—	—	—	—	—	—	—
Thompson Sales Co	2,061,030	0.08	—	—	—	—	—	—	—	—
Sportsman Park Center	—	—	—	—	—	—	—	—	—	—
Industrial Consultant Group	—	—	—	—	—	—	1,580,280	0.07	1,456,030	0.06
First Card Service Inc.	—	—	—	—	—	—	—	—	—	—
CMF Inc.	—	—	—	—	—	—	—	—	—	—
	<u>\$ 195,738,800</u>	<u>7.57%</u>	<u>\$ 179,452,590</u>	<u>6.95%</u>	<u>167,716,610</u>	<u>6.74%</u>	<u>\$ 136,928,070</u>	<u>6.08%</u>	<u>\$ 124,802,470</u>	<u>5.52%</u>

Source: Greene County Assessor.

CITY OF SPRINGFIELD, MISSOURI

Principal Property Tax Payors
Current Year and Nine Years Ago

Taxpayer	2007		2006		2005		2004		2003	
	Taxable assessed value	Percentage of total city taxable assessed value	Taxable assessed value	Percentage of total city taxable assessed value	Taxable assessed value	Percentage of total city taxable assessed value	Taxable assessed value	Percentage of total city taxable assessed value	Taxable assessed value	Percentage of total city taxable assessed value
St Johns Health Systems	\$ 9,561,430	0.42	9,147,840	0.41	12,933,510	0.58	12,162,730	0.61	6,534,440	0.63%
Lester E Cox Medical Center	9,492,700	0.42	9,489,350	0.42	6,694,980	0.30	6,534,440	0.33	12,162,730	0.34
Hermel, Inc	10,496,100	0.46%	\$ 10,279,100	0.46%	\$ 10,279,100	0.46%	\$ 10,116,380	0.50%	10,014,050	0.52
Jones, Jerral W Et al	9,794,050	0.43	9,661,860	0.43	6,186,640	0.28	5,758,890	0.29	6,189,830	0.32
Ferrell-Duncan Building Co. LLC	5,299,870	0.23	5,241,020	0.23	5,532,580	0.25	5,532,580	0.28	5,532,580	0.29
Bass Pro Inc.	5,587,070	0.25	5,356,080	0.24	4,875,040	0.22	4,016,350	0.20	2,871,940	0.15
Kimco Springfield	6,983,680	0.31	6,983,680	0.31	3,614,430	0.16	3,547,200	0.18	3,547,200	0.18
Primrose Market Pl	—	—	—	—	—	—	—	—	—	—
Fort XIV LLC Etal	—	—	—	—	—	—	—	—	—	—
Grizzly Ind. Inc	5,465,570	0.24	5,465,570	0.24	5,499,500	0.25	3,141,060	0.16	4,016,350	0.21
New Prime	2,924,990	0.13	2,726,970	0.12	—	—	—	—	—	—
Republic Road LLC	—	—	—	—	—	—	—	—	—	—
Lowes Home Centers	4,950,870	0.22	5,195,930	0.23	5,303,800	0.24	5,347,400	0.27	2,913,190	0.15
Sams Club	—	—	—	—	—	—	—	—	—	—
Lorne Cook Company	3,693,470	0.16	2,742,750	0.12	—	—	—	—	2,627,340	0.14
Simon Property Group LP	—	—	—	—	4,861,350	0.22	4,861,350	0.24	4,861,350	0.25
John Morris, Et Al	—	—	—	—	—	—	—	—	—	—
American Natl Property and Casualty	4,040,480	0.18	3,779,360	0.17	3,746,690	0.17	3,746,690	0.19	—	—
Associated Wholesale Grocers, Inc.	2,940,180	0.13	2,702,670	0.12	—	—	—	—	2,509,640	0.13
Kelly Greens LLC	3,197,880	0.14	3,050,270	0.14	3,050,270	0.14	2,759,120	0.14	3,739,300	0.19
Wal-Mart – 1923 E Kearney	1,824,000	0.08	1,824,000	0.08	3,713,030	0.17	2,500,610	0.12	—	—
The Greens at Springfield LP	3,542,170	0.16	3,367,980	0.15	3,367,980	0.15	3,425,090	0.17	3,268,700	0.17
Wal-Mart – 2021 E Independence	3,713,030	0.16	3,713,030	0.16	—	—	—	—	—	—
Battlefield Plaza LLC	4,816,130	0.21	2,673,760	0.12	—	—	—	—	—	—
Woodland Park Apts LLC	—	—	—	—	—	—	—	—	—	—
Carlisle Power Transmission	—	—	—	—	—	—	—	—	—	—
Academy Ltd	—	—	—	—	—	—	—	—	—	—
Dayton Hudson Corp	2,572,740	0.11	2,396,420	0.11	—	—	—	—	—	—
Montclair Limited Partnership	2,469,690	0.11	1,985,770	0.09	—	—	—	—	—	—
Wal-Mart – 2825 N Kansas Expressway	2,737,480	0.12	2,737,480	0.12	2,405,730	0.11	2,509,640	0.13	—	—
Kraft Inc.	3,463,510	0.15	3,802,460	0.17	3,828,200	0.17	3,739,300	0.19	3,746,690	0.20
Cinema 16 LLC	1,844,100	0.08	1,844,000	0.08	—	—	—	—	2,718,150	0.14
Wal-Mart – 3520 W Sunshine	2,192,540	0.10	2,246,590	0.10	—	—	—	—	—	—
Wal-Mart – 3315 S Campbell	3,607,040	0.16	3,607,040	0.16	—	—	—	—	—	—
Father and Daughters LP	—	—	—	—	—	—	—	—	—	—
Thompson Sales Co	—	—	—	—	—	—	—	—	—	—
Sportsman Park Center	—	—	—	—	—	—	—	—	—	—
Industrial Consultant Group	1,401,240	0.06	5,124,260	0.23	—	—	—	—	—	—
First Card Service Inc.	—	—	—	—	5,124,260	0.23	5,124,260	0.26	5,496,700	0.29
CMF Inc.	—	—	—	—	3,028,100	0.14	2,745,370	0.14	2,745,370	0.14
	\$ 118,612,010	5.22%	\$ 117,145,240	5.21%	\$ 94,045,190	4.24%	\$ 87,568,460	4.40%	\$ 85,495,550	4.44%

Source: Greene County Assessor.

CITY OF SPRINGFIELD, MISSOURI

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 in subsequent years	Total collections to date	
		Amount	Percentage of levy		Amount	Percentage of levy
2002	\$ 12,427,440	12,292,076	99%	\$ 387,539	12,679,615	102%
2003	12,733,841	12,688,612	100%	394,036	13,082,648	103%
2004	13,659,710	13,422,584	98%	396,152	13,818,736	101%
2005	14,614,545	14,300,872	98%	500,500	14,801,372	101%
2006	15,514,431	15,060,667	97%	413,834	15,474,501	100%
2007	16,225,988	15,697,796	97%	516,389	16,214,185	100%
2008	16,311,790	16,138,392	99%	532,288	16,670,680	102%
2009	17,010,319	16,491,028	97%	609,240	17,100,268	101%
2010	17,311,805	16,907,056	98%	412,756	17,319,812	100%
2011	17,949,818	17,505,606	98%	—	17,505,606	98%

CITY OF SPRINGFIELD, MISSOURI

Taxable Sales by Category

Last Seven Fiscal Years

(Dollars are in thousands)

	Calendar year						
	2012	2011	2010	2009	2008	2007	2006
Apparel stores	\$ 172,720	166,508	163,050	155,170	146,246	63,670	252,152
General merchandise	845,434	829,383	832,515	821,033	849,356	853,678	860,249
Food stores	355,545	321,988	312,089	323,268	319,481	238,419	260,620
Eating and drinking establishments	458,395	433,926	420,717	424,668	419,757	395,061	361,963
Home furnishings and appliances	220,000	183,188	185,505	259,922	314,205	245,444	239,828
Building materials and farm tools	305,726	275,621	291,156	333,298	456,034	465,446	576,128
Auto dealers and supplies	115,648	112,263	109,716	128,079	160,187	101,307	49,557
Service stations	74,163	69,324	68,690	65,758	60,684	92,260	53,717
Other retail stores	453,490	410,691	418,556	394,890	521,096	521,238	465,810
All other outlets	928,573	904,543	878,546	602,101	617,503	1,078,485	832,345
Total	\$ 3,929,694	3,707,435	3,680,540	3,508,187	3,864,549	4,055,008	3,952,369
City direct sales tax rate	2.125%	2.125%	1.375%	1.375%	1.375%	1.375%	1.375%

Source: Missouri Department of Revenue.

Note: Data not available prior to 2006.

CITY OF SPRINGFIELD, MISSOURI

Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Years

Fiscal year	City direct rate	Greene County
2003	1.375%	6.600%
2004	1.375	6.600
2005	1.375	6.600
2006	1.375	6.600
2007	1.375	6.600
2008	1.375	6.850
2009	1.375	6.850
2010	1.375	6.850
2011	2.125	7.600
2012	2.125	7.600

CITY OF SPRINGFIELD, MISSOURI

Sales Tax Revenue Payors by Industry

Last Eight Fiscal Years

(Dollars are in thousands)

	Fiscal year 2012				Fiscal year 2011			
	Number of filers	Percentage of total	Tax liability	Percentage of total	Number of filers	Percentage of total	Tax liability	Percentage of total
General merchandise stores	64	0.99%	\$ 1,211	2.67%	68	1.31%	\$ 1,178	2.51%
Department stores	26	0.40	10,413	22.97	24	0.46	10,226	21.75
Miscellaneous retail	1,011	15.57	6,030	13.30	943	18.21	5,481	11.66
Eating and drinking places	460	7.08	6,303	13.90	443	8.56	5,966	12.69
Furniture, home furnishings, and equipment	393	6.05	2,342	5.17	389	7.51	2,202	4.68
Wholesale trade – durable goods	357	5.50	2,632	5.80	345	6.66	2,491	5.30
Food stores	95	1.46	418	0.92	77	1.49	399	0.85
Grocery stores	46	0.71	4,414	9.74	49	0.95	3,979	8.46
Furniture and home furnishings stores	19	0.29	40	0.09	17	0.33	34	0.07
Retail stores, not elsewhere classified	2,707	41.69	13,204	29.12	4,194	81.00	18,948	40.31
	<u>5,178</u>	<u>79.74%</u>	<u>\$ 47,007</u>	<u>103.68%</u>	<u>6,549</u>	<u>126.48%</u>	<u>\$ 50,904</u>	<u>108.28%</u>
	Fiscal year 2010				Fiscal year 2009			
	Number of filers	Percentage of total	Tax liability	Percentage of total	Number of filers	Percentage of total	Tax liability	Percentage of total
General merchandise stores	59	0.90%	\$ 1,248	2.45%	47	0.72%	\$ 1,259	2.78%
Department stores	20	0.31	10,199	20.04	12	0.18	3,092	6.82
Miscellaneous retail	932	14.23	5,580	10.96	1,065	16.40	12,041	26.56
Eating and drinking places	432	6.60	5,785	11.36	398	6.13	5,839	12.88
Furniture, home furnishings, and equipment	369	5.63	2,228	4.38	209	3.22	3,516	7.75
Wholesale trade – durable goods	350	5.34	2,456	4.82	212	3.27	2,911	6.42
Food stores	78	1.19	347	0.68	79	1.22	347	0.77
Grocery stores	46	0.70	3,881	7.62	42	0.65	3,944	8.70
Furniture and home furnishings stores	18	0.27	64	0.13	10	0.15	58	0.13
Retail stores, not elsewhere classified	4,189	63.96	13,553	26.62	4,525	69.69	15,226	33.58
	<u>6,493</u>	<u>99.13%</u>	<u>\$ 45,341</u>	<u>89.07%</u>	<u>6,599</u>	<u>101.63%</u>	<u>\$ 48,233</u>	<u>106.39%</u>

CITY OF SPRINGFIELD, MISSOURI

Sales Tax Revenue Payors by Industry

Last Eight Fiscal Years

(Dollars are in thousands)

	Fiscal year 2008				Fiscal year 2007			
	Number of filers	Percentage of total	Tax liability	Percentage of total	Number of filers	Percentage of total	Tax liability	Percentage of total
General merchandise stores	270	4.09%	\$ 1,359	2.82%	247	3.59%	\$ 2,745	5.17%
Department stores	17	0.26	10,077	20.89	15	0.22	8,780	16.52
Miscellaneous retail	2,080	31.52	8,939	18.53	2,925	42.56	17,623	33.17
Eating and drinking places	408	6.18	5,772	11.97	395	5.75	4,315	8.12
Furniture, home furnishings, and equipment	477	7.23	4,196	8.70	222	3.23	1,267	2.38
Wholesale trade – durable goods	358	5.43	3,412	7.07	349	5.08	3,963	7.46
Food stores	112	1.70	354	0.73	102	1.48	429	0.81
Grocery stores	74	1.12	4,039	8.37	66	0.96	3,852	7.25
Furniture and home furnishings stores	23	0.35	73	0.15	126	1.83	3,234	6.09
Retail stores, not elsewhere classified	3,054	46.28	14,916	30.92	1,671	27.30	12,664	21.53
	<u>6,873</u>	<u>104.16%</u>	<u>\$ 53,137</u>	<u>110.15%</u>	<u>6,118</u>	<u>92.00%</u>	<u>\$ 58,872</u>	<u>108.50%</u>
	Fiscal year 2006				Fiscal year 2005			
	Number of filers	Percentage of total	Tax liability	Percentage of total	Number of filers	Percentage of total	Tax liability	Percentage of total
General merchandise stores	82	1.34%	\$ 815,503	1,385.21%	89	2.18%	\$ 761,734	18.35%
Department stores	15	0.25	717,103	1,218.07	14	0.34%	664,537	16.01%
Miscellaneous retail	1,589	25.97	562,997	956.31	1,702	41.73%	558,897	13.47%
Eating and drinking places	377	6.16	380,294	645.97	408	10.00%	358,223	8.63%
Furniture, home furnishings, and equipment	314	5.13	337,840	573.86	308	7.55%	314,341	7.57%
Wholesale trade – durable goods	345	5.64	307,776	522.79	341	8.36%	268,400	6.47%
Food stores	120	1.96	277,120	470.72	114	2.79%	261,181	6.29%
Grocery stores	54	0.88	258,157	438.51	48	1.18%	241,974	5.83%
Furniture and home furnishings stores	106	1.73	243,645	413.86	99	2.43%	232,732	5.61%
Retail stores, not elsewhere classified	1,077	17.60	249,980	424.62	1,201	27.77	243,212	6.22%
	<u>4,079</u>	<u>66.66%</u>	<u>\$ 4,150,415</u>	<u>7,049.92%</u>	<u>4,324</u>	<u>104.33%</u>	<u>\$ 3,905,231</u>	<u>94.45%</u>

Source: Missouri Department of Revenue. Sales tax data by industry for prior years is no longer available.

Note: Data not available prior to 2005.

CITY OF SPRINGFIELD, MISSOURI
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 (Dollars in thousands, except per capita)

Fiscal year	Governmental activities							Business-type activities			Total primary government	Percentage of personal income	Per capita
	General obligation bonds	Special assessment bonds	Certificates of participation	Revenue bonds	Special obligation bonds	Neighborhood improvement district bonds	Capital lease obligations	Loans	Revenue bonds	Notes payable/loans			
2003	\$ 5,650	2,810	29,015	107,944	—	—	344	4,000	80,746	38,040	268,549	6.75%	\$ 1,730
2004	4,570	5,760	24,090	140,436	—	675	811	3,912	77,305	40,497	298,056	7.39	1,909
2005	6,085	6,840	19,040	136,659	—	650	1,156	3,912	81,204	39,527	295,073	6.88	1,858
2006	2,800	12,910	13,360	139,364	—	625	857	—	73,374	47,689	290,979	6.90	1,936
2007	2,105	12,185	7,480	140,353	19,375	600	854	—	173,991	51,795	408,738	9.69	2,720
2008	1,545	11,440	5,225	143,842	21,200	575	871	—	166,120	51,992	402,810	9.13	2,603
2009	965	10,675	3,375	134,059	21,200	545	619	—	166,610	48,654	386,702	9.67	2,498
2010	495	13,215	1,315	108,491	39,040	515	436	—	157,630	46,686	367,823	9.25	2,368
2011	—	12,200	845	102,955	34,465	485	327	—	157,517	35,927	344,721	6.81	2,161
2012	—	11,150	—	90,866	39,580	455	212	—	185,566	34,554	362,383	6.82	2,256

CITY OF SPRINGFIELD, MISSOURI

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

(Dollars in thousands, except per capita)

Fiscal year	General bonded debt outstanding			Percentage of actual taxable value of property	Per capita	Total taxable assessed property	Population
	General obligation bonds	Special assessment bonds	Total				
2003	\$ 5,650	2,810	8,460	0.44%	54.51	1,919,170	155,208
2004	4,570	5,760	10,330	0.51	66.17	2,006,382	156,124
2005	6,085	6,840	12,925	0.58	81.38	2,221,818	158,828
2006	2,800	12,910	15,710	0.70	104.53	2,257,436	150,298
2007	2,105	12,185	14,290	0.62	94.27	2,298,428	151,580
2008	1,545	11,440	12,985	0.53	83.89	2,437,610	154,777
2009	965	10,675	11,640	0.47	75.20	2,495,370	154,777
2010	495	13,215	13,710	0.53	87.13	2,580,538	157,360
2011	—	12,200	12,200	0.47	76.49	2,615,567	159,498
2012	—	11,150	11,150	0.41	69.40	2,722,386	160,660

CITY OF SPRINGFIELD, MISSOURI

Direct and Overlapping Governmental Activities Debt

June 30, 2012

(Dollars in thousands)

<u>Governmental unit</u>	<u>Debt outstanding</u>	<u>Estimated percentage applicable</u>	<u>Estimated share of direct and overlapping debt</u>
Debt repaid with property taxes:			
Springfield R-12 School District	\$ 255,575	84.10%	\$ 214,939
Ozarks Technical Community College	39,885	49.90	19,903
Greene County	53,318	62.50	33,324
Greene County Library District	3,305	62.50	<u>2,066</u>
Subtotal, overlapping debt			270,232
City direct debt			<u>142,264</u>
Total direct and overlapping debt			<u><u>\$ 412,496</u></u>

Note: Greene County total debt includes \$16.1 million in short-term notes.

CITY OF SPRINGFIELD, MISSOURI

Legal Debt Margin Information

Last Ten Fiscal Years

(Dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	\$ 2,722,386
Debt limit (30% of assessed value)	816,716
Debt applicable to limit:	
Total bonded debt:	
General obligation and special assessment	142,051
Less amount in debt service funds available for retirement of general obligation debt	(8,053)
Public building corporation bonds outstanding	(58,051)
Center city development corporation bonds outstanding	(27,695)
Land clearance for redevelopment authority bonds outstanding	(5,120)
Special obligation bonds outstanding	(39,580)
Total net debt applicable to limit	<u>3,552</u>
Legal debt margin	<u>\$ 813,164</u>

	Fiscal year									
	<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>	<u>2012</u>
Debt limit	\$ 575,751	589,661	601,915	666,545	689,528	731,283	748,611	774,161	784,670	816,716
Total net debt applicable to limit	<u>11,113</u>	<u>14,449</u>	<u>17,602</u>	<u>16,363</u>	<u>4,593</u>	<u>2,382</u>	<u>494</u>	<u>3,307</u>	<u>2,920</u>	<u>3,552</u>
Legal debt margin	<u>\$ 564,638</u>	<u>575,212</u>	<u>584,313</u>	<u>650,182</u>	<u>684,935</u>	<u>728,901</u>	<u>748,117</u>	<u>770,854</u>	<u>781,750</u>	<u>813,164</u>
Total net debt applicable to the limit as a percentage of debt limit	1.93%	2.45%	2.92%	2.45%	0.67%	0.33%	0.07%	0.43%	0.37%	0.43%

CITY OF SPRINGFIELD, MISSOURI

Pledged-Revenue Coverage

Last Ten Fiscal Years

(Dollars in thousands)

Fiscal year	Sanitary sewerage revenue bond coverage						National airport revenue bond coverage						Special assessment bonds			
	Gross revenues	Less operating expense	Net available revenue	Debt service		Coverage	Operating contributions	Non-operating contributions	Net available revenue	Debt service		Coverage	Special assessment revenue	Debt service		Coverage
				Principal	Interest					Principal	Interest			Principal	Interest	
2003	\$ 20,520	9,148	11,372	2,201	1,967	2.73	\$ 2,648	—	2,648	500	255	3.51	\$ 660	95	186	2.35
2004	20,473	10,870	9,603	2,499	4,462	1.38	2,868	—	2,868	520	235	3.80	1,062	95	186	3.78
2005	20,741	10,918	9,823	2,559	3,933	1.51	3,491	—	3,491	545	213	4.61	1,566	100	308	3.84
2006	20,556	10,609	9,947	3,370	3,889	1.37	4,351	—	4,351	4,015	189	1.03	2,542	290	353	3.95
2007	21,642	13,892	7,750	3,692	3,812	1.03	5,121	—	5,121	—	—	—	2,435	560	434	2.45
2008	22,248	13,055	9,193	4,126	785	1.87	9,466	2,898	12,364	3,300	4,713	1.54	1,804	750	551	1.39
2009	21,599	14,693	6,906	4,674	1,141	1.19	2,500	5,052	7,552	1,400	4,416	1.30	1,997	770	529	1.54
2010	22,856	14,128	8,728	4,938	1,221	1.42	3,769	5,206	8,975	1,720	4,673	1.40	1,590	795	508	1.22
2011	23,775	15,025	8,750	5,036	1,067	1.43	3,065	5,028	8,093	1,970	4,675	1.22	1,030	1,045	551	0.65
2012	28,104	14,786	13,318	2,775	1,245	3.31	3,524	4,751	8,275	2,095	4,579	1.24	1,442	1,080	495	0.92

CITY OF SPRINGFIELD, MISSOURI

Demographic and Economic Statistics

Last Ten Calendar Years

Fiscal year	Population	Personal income	Per capita personal income	Median age	Education level in years of schooling	Public school enrollment	Unemployment rate
2003	156,124	\$ 4,034,244	25,840	33.90	13	24,285	3.6%
2004	158,828	4,290,262	27,012	33.50	13	25,044	4.2
2005	150,298	4,219,616	28,075	34.90	13	24,285	4.0
2006	150,797	4,448,512	29,500	34.90	13	24,257	4.2
2007	151,580	4,204,526	27,738	33.50	13	24,285	4.2
2008	154,777	4,413,930	28,518	34.90	13	23,802	4.9
2009	156,206	4,620,105	29,577	34.90	13	23,942	8.5
2010	157,360	4,702,425	30,104	34.90	13	23,959	8.2
2011	159,498	5,064,699	31,754	34.90	13	24,352	8.2
2012	160,600	5,312,969	33,082	34.90	13	24,876	6.2

Source: Information provided by the Springfield Area Chamber of Commerce, Springfield, Missouri.

CITY OF SPRINGFIELD, MISSOURI

Principal Employers

Current Year and Three Years Ago

Employer:	2012		2009	
	Employees	Percentage of total city employment	Employees	Percentage of total city employment
St Johns Health System	9,036	4.01%	6,834	3.11%
Cox Health Systems	6,267	2.78%	7,717	3.51
Wal-Mart Stores	4,000	1.78%	3,927	1.78
Springfield Public Schools	2,911	1.29%	2,822	1.28
Missouri State University	1,673	0.74%	2,772	1.26
United States Government	2,500	2.44%	2,538	1.15
State of Missouri	2,149	0.95%	2,283	1.04
Bass Pro Shops/Tracker Marine	2,306	1.02%	2,525	1.15
Chase Card Services	1,071	0.48%	1,500	0.68
City of Springfield	1,250	0.56%	1,842	0.84
Citizens Memorial Healthcare	1,526	0.68%	1,600	0.73
O'Reilly Auto Parts	1,600	0.71%	1,300	0.59
	<u>36,289</u>	<u>17.44%</u>	<u>37,660</u>	<u>17.12%</u>

CITY OF SPRINGFIELD, MISSOURI
 Full-Time Equivalent City Government Employees by Function/Program
 Last Ten Fiscal Years

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General operating fund departments:										
Building development services	27.50	28.50	28.50	28.50	27.50	27.50	27.50	27.50	25.50	25.50
City attorney	19.00	19.00	19.00	19.00	20.00	20.00	18.00	18.00	18.00	18.00
City clerk	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
City manager	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	7.50	8.00
Finance	35.00	35.00	35.00	35.00	35.00	34.00	32.00	32.00	32.00	32.00
Fire	205.00	204.00	217.00	217.00	217.00	217.00	217.00	216.00	213.00	210.00
Human resources	15.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.00
Information systems	28.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00	22.00	21.00
Mayor and Council	1.00	1.00	1.00	1.00	—	—	—	—	—	—
Mayor's commission	—	—	—	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Municipal court	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	24.00
Planning and development	18.29	18.11	18.69	18.74	18.11	18.11	19.11	17.67	17.67	15.67
Police	307.50	305.50	305.50	305.50	305.00	304.00	398.00	399.00	401.00	401.00
Public health services	—	79.00	82.00	82.00	82.00	81.00	81.00	84.00	84.00	85.00
Public information office	6.50	6.50	6.50	6.50	6.50	14.50	14.00	13.50	13.00	13.00
Public parks	—	96.70	96.70	96.70	95.70	107.70	126.50	116.50	116.00	109.00
Public works	100.40	100.40	99.90	99.90	99.90	99.90	99.90	99.50	101.10	102.60
Public works – transportation	—	99.35	99.35	99.35	99.60	99.60	99.60	99.40	99.40	97.90
Grants and special revenue funds:										
Art museum	13.50	13.50	13.50	13.50	13.38	13.38	13.38	13.38	13.38	13.38
Emergency communications	73.00	73.00	73.00	73.00	61.00	61.00	61.00	60.00	60.00	60.00
Law enforcement	73.00	91.00	91.00	91.00	90.00	98.00	—	—	—	—
Public health services	79.00	—	—	—	—	—	—	—	—	—
Hotel/motel tax	—	—	0.50	0.50	0.50	0.50	0.50	0.50	1.00	1.00
Drury/SMSU	10.00	10.00	10.00	8.00	8.00	—	—	—	—	—
Public parks	96.70	—	—	—	—	—	—	—	—	—
Parks sales tax	81.80	76.80	73.80	73.80	66.80	34.80	—	—	—	—
Public works - transportation	97.35	—	—	—	—	—	—	—	—	—
Telecable	8.00	—	—	—	—	—	—	—	—	—
Grants:										
Community development	11.65	11.94	11.60	11.60	11.23	11.23	10.23	10.48	11.05	11.05
Fire department	13.00	13.00	—	—	—	—	—	—	—	—
Home investment	3.01	2.90	2.50	2.50	2.50	2.50	3.50	2.75	1.50	1.50
Parks	—	1.00	—	—	—	—	—	—	—	—
Planning	0.05	0.05	5.21	5.16	6.16	7.16	4.16	4.10	3.78	4.78
Police	17.00	2.00	2.00	2.00	2.00	2.00	6.00	6.00	—	—
Public health	12.00	12.00	10.00	10.80	12.00	12.00	11.50	11.50	7.00	7.00
Telecable	—	8.00	8.00	8.00	8.00	8.00	—	—	—	—
WIC program	14.00	11.00	10.00	10.00	10.00	10.00	8.00	8.00	8.00	8.00
Workforce development	56.00	54.00	54.00	54.00	52.00	49.00	45.00	43.00	36.00	39.00
Enterprise and internal service funds:										
Golf	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
National airport	93.00	93.00	89.00	83.00	82.00	82.00	75.00	75.00	75.00	73.00
Clean water services	84.55	84.55	84.55	84.55	84.30	84.30	84.30	84.00	84.00	84.00
Solid waste	28.70	28.70	28.70	28.70	28.70	28.70	28.70	27.60	25.60	25.60
Print shop	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Self-insurance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Service center	22.40	22.40	22.40	22.40	22.40	22.40	22.40	22.40	22.40	21.90
Total	<u>1,714.40</u>	<u>1,702.40</u>	<u>1,699.40</u>	<u>1,694.20</u>	<u>1,669.78</u>	<u>1,652.78</u>	<u>1,608.78</u>	<u>1,594.28</u>	<u>1,569.88</u>	<u>1,558.38</u>

Source: City of Springfield Annual Budget.

CITY OF SPRINGFIELD, MISSOURI
 Operating Indicators by Function/Program
 Last Seven Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Function/program:							
Public works:							
Street signs manufactured	3,018	3,189	4,735	3,609	5,061	5,812	4,291
Streets resurfaced (miles)	126	68	20	26	23	77	46
Trees maintained (Tree City USA)	2,301	20,579	4,200	2,801	2,800	3,500	3,556
Street cleaning – curb miles	895	895	1,100	1,100	3,502	3,502	4,732
Street cleaning – times per year	10	10	5	5	5	12	5
Right-of-way mowing (acres)	1,080	1,080	1,200	1,200	1,200	1,043	3,405
Right-of-way mowing – times per year	7	7	5	5	5	5	5
Refuse collection:							
Refuse collected (tons per day)	335	404	361	513	569	659	657
Sanitary services:							
Average daily sewage treatment (thousands of gallons)	33,000	38,500	49,850	48,500	44,150	45,000	31,840
Police:							
Moving violations	27,739	25,709	30,714	27,534	23,605	11,159 *	28,231
Parking violations	6,818	4,575	5,931	5,126	4,905	2,748 *	3,375
Accident summary	6,996	6,915	8,252	8,178	7,887	8,359	8,077
Fire:							
Calls for service	14,724	15,020	15,801	12,608	13,155	12,828	13,492
Smoke detectors installed	928	751	575	489	490	1,056	719
Fire safety information contacts	45,851	36,623	34,770	32,968	17,551	519	25,126
Parks and recreation:							
Rounds of golf played at City golf courses	112,560	108,474	101,649	102,584	99,297	100,109	102,458
Visitors to the City's Dickerson Park Zoo	173,516	173,093	176,557	209,166	213,548	221,959	227,618
Admissions to baseball/softball complexes	137,280	107,505	121,590	143,602	167,577	169,236	169,166
Admissions to City pool facilities	58,177	51,662	54,387	46,740	48,630	67,357	95,961
Public health:							
Vaccinations provided	20,780	20,823	23,510	23,924	23,895	26,052	19,417
Public water supply tests	16,453	16,735	1,443	1,288	1,040	1,101	1,252
Impounded animals	3,883	4,076	4,894	5,059	4,566	2,854	3,344
Certified copies of birth certificates issued	17,304	22,268	17,971	17,510	15,551	15,397	11,918
Air monitoring samples collected	25,256	49,266	93,344	89,374	86,673	58,363	— **
Licensing division:							
New permanent businesses	1,797	1,762	1,603	1,491	1,353	1,304	1,218
New temporary businesses	2,865	2,979	3,151	3,116	3,263	3,413	3,279
Business license renewals	11,680	13,105	12,172	11,729	11,780	11,678	11,681
Building development services:							
Building permits issued	915	1,468	1,364	1,034	829	923	923
Building inspections conducted	5,778	5,463	4,396	22,163	16,717	12,027	12,459

* The police department was unable to obtain statistics for the last five months of the fiscal year due to a computer conversion.

**No longer provided by the Health Department.

CITY OF SPRINGFIELD, MISSOURI
 Capital Asset Statistics by Function/Program
 Last Seven Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Function/program:							
Public works:							
Dump trucks	63	59	68	61	62	80	63
Street sweepers	12	16	16	16	8	7	7
Backhoes	10	9	9	13	15	17	14
Tractors/mowers	45	53	49	44	20	23	68
Police:							
Stations	2	2	2	2	2	2	2
Patrol cars	265	295	236	268	200	151	147
Fire:							
Stations	11	11	12	12	12	12	12
Emergency response vehicles	28	29	43	48	23	29	22
Parks:							
Acreage	2,707	2,707	2,930	2,961	3,200	3,200	3,200
Park facilities	89	89	93	93	102	102	102
Baseball diamonds	11	11	11	11	11	11	11
Softball diamonds	27	27	27	27	27	28	28
Community centers	4	4	4	4	4	4	4
Wastewater:							
Sanitary sewers (miles)	1,125	1,194	1,194	1,194	1,194	1,194	1,194
Sanitary sewer manholes	2,646	26,413	27,619	27,750	27,865	28,054	28,423
Storm sewers (miles)	500	510	520	532	532	637	637
Treatment capacity (thousands of gallons)	56,000	56,000	59,500	65,000	121,000	121,000	168,000
Refuse collection:							
Bulldozers	5	6	5	5	5	5	5
Compactors	3	3	2	2	2	2	2
Loaders	3	3	2	2	2	2	2