

CITY OF SPRINGFIELD, MISSOURI

Comprehensive Annual Financial Report

June 30, 2013

CITY OF SPRINGFIELD, MISSOURI
Comprehensive Annual Financial Report
Fiscal Year July 01, 2012 through June 30, 2013

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>Craig Fishel</i>	<i>Zone 4</i>
<i>Jan Fisk</i>	<i>General (A)</i>
<i>Craig Hosmer</i>	<i>General (B)</i>
<i>Doug Burlison</i>	<i>General (C)</i>
<i>Mike Carroll</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>Mary Ann Rojas</i>	<i>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>Zim Schwartz</i>	<i>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>Vacant</i>	<i>Internal Auditor</i>

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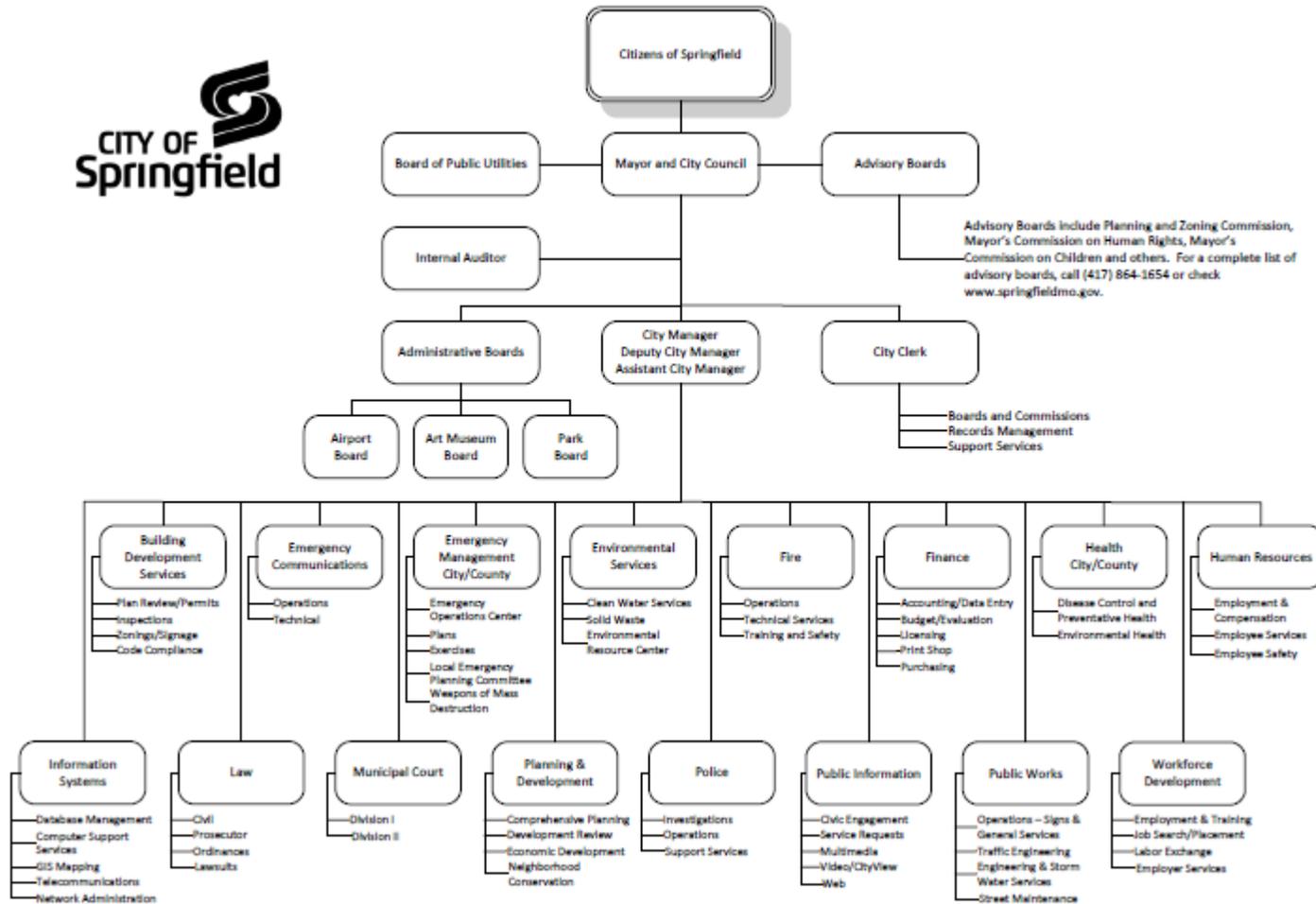
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INTRODUCTORY SECTION

CITY OF SPRINGFIELD, MISSOURI

Organization Chart



Note: All Departments include an administrative section

December 17, 2013

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, 2013. 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, 2013 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 Reports.

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 2012 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, 2012. This was the 36th 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 auditor's report. The auditor's 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 162,191 residents, and it serves as the county seat for Greene County. With an estimated 82.6 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 component units of the City include the Public Building Corporation of the City of Springfield, Missouri, the Springfield Center City Development Corporation and the Land Clearance for the Redevelopment Authority of the City of Springfield, Missouri, which are blended component units, 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 1.5% 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 2013 unemployment rate for the metropolitan area was 6.1% as compared to the state rate of 6.9% and the national rate of 7.6%.

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); 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 20,000 students, is located in Springfield along with 13 other colleges and universities including Drury University, Evangel University, Baptist Bible College, and Ozarks Technical Community College (OTC). OTC provides vocational and technical training services to nearly 15,000 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 2013-2018 Capital Improvements Program report contains approximately 200 projects with a total projected cost of \$523,569,075. 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 including the Police and Fire training facility, the Intelligent Transportation System/Advanced Traffic Management System field deployment center phase I project, Doling Park lake and channel improvements, Fassnight Park channel improvements, the Doling Aquatics Center, and the Kearney Street footbridge overpass. The City also continued making improvements to streets, sidewalks, the storm sewer system, streetscapes, and the Springfield-Branson National Airport.

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, 2013, the following departments utilized ARRA funding as indicated:

Planning and Development – Various Brownfields Assessment and Cleanup agreements

Police – 2013 Internet Cyber Crime Initiative

Public Works and Environmental Services – Spring Branch Sewer and Ozone projects and Energy Efficiency and Conservation Block Grant Program

The Honorable Mayor
The Members of the City Council
December 17, 2013
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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 four 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 our great appreciation to Glenda Hudson for her 35 years of dedicated service to the Finance Department in this her final year of working on the CAFR.

Sincerely,



Mary Mannix Decker
Director of Finance



Government Finance Officers Association

**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, 2012

Executive Director/CEO

FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

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, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

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.

Supplementary Information

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.

Other Information

Our audit was conducted 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2013, 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* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

December 17, 2013
Springfield, Missouri

CITY OF SPRINGFIELD, MISSOURI

Management's Discussion and Analysis (Unaudited)

June 30, 2013

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, 2013. 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 \$892 million (net position). Of this amount, \$261 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors (including \$67.7 million net pension asset recognized for the pension trust fund).
- The City's total net position increased approximately \$33.3 million, \$30.5 million from the City's "governmental activities" and \$2.8 from the "business-type activities."
- The City's net investment in capital assets has increased approximately \$19 million to over \$575 million.

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 position* presents all of the City's assets and liabilities, with the difference between the two reported as *net position*. Net position is an important measure of the City's overall financial health. The increases and decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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, 2013

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 postretirement benefits.

CITY OF SPRINGFIELD, MISSOURI

Management's Discussion and Analysis (Unaudited)

June 30, 2013

Government-Wide Financial Analysis

Net position may serve as a useful indicator of the City's financial position. As of June 30, 2013, assets exceeded liabilities by \$892 million. The largest portion of the City's net position, \$575 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 Position

The following table reflects the condensed schedule of net position as of June 30, 2013 and 2012, (in thousands):

	City of Springfield Net Position					
	Government activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 290,840	\$280,303	\$ 128,929	\$ 134,715	\$ 419,769	\$ 415,018
Capital assets	413,556	402,505	472,801	478,203	886,357	880,708
Total assets	704,396	682,808	601,730	612,918	1,306,126	1,295,726
Long-term debt outstanding	162,217	169,791	229,752	239,106	391,969	408,897
Other liabilities	16,150	17,489	5,806	10,411	21,956	27,900
Total liabilities	178,367	187,280	235,558	249,517	413,925	436,797
Net position						
Net investment in capital assets	285,669	268,253	289,919	288,317	575,588	556,570
Restricted	12,760	11,312	42,742	51,628	55,502	62,940
Unrestricted	227,600	215,963	33,511	23,456	261,111	239,419
Total net position	\$ 526,029	\$495,528	\$ 366,172	\$ 363,401	\$ 892,201	\$ 858,929

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The City's combined net position increased to \$892 million from \$859 million as a result of the increase in net position reflected in the next table.

The largest portion of the City's net position, \$575 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 position, \$56 million (6%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net position, \$261 million (29%), represents unrestricted net position that may be used to meet the City's ongoing obligations to citizens and creditors (including the \$67.7 million net pension asset recognized for the pension trust fund).

CITY OF SPRINGFIELD, MISSOURI

Management's Discussion and Analysis (Unaudited)

June 30, 2013

Change in Net Position

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

	City of Springfield Changes in Net Position					
	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 25,665	20,161	58,121	51,348	83,786	71,509
Operating grants and contributions	22,519	21,389	262	44	22,781	21,433
Capital grants and contributions	1,136	9,136	3,283	12,872	4,419	22,008
General revenues:						
Property taxes	20,728	20,307	—	—	20,728	20,307
Sales and use taxes	111,312	116,281	—	—	111,312	116,281
Other revenues	29,117	28,582	5,824	5,333	34,941	33,915
Total revenues	<u>210,477</u>	<u>215,856</u>	<u>67,490</u>	<u>69,597</u>	<u>277,967</u>	<u>285,453</u>
Expenses:						
Public works	36,275	44,251	—	—	36,275	44,251
Public safety	76,025	62,259	—	—	76,025	62,259
Parks and recreation	29,620	26,637	—	—	29,620	26,637
Planning and development	1,982	3,488	—	—	1,982	3,488
Public health	9,107	8,872	—	—	9,107	8,872
General government	21,439	20,666	—	—	21,439	20,666
Interest on long-term debt	7,049	6,908	—	—	7,049	6,908
Airport	—	—	26,680	27,432	26,680	27,432
Sanitary sewerage system	—	—	28,093	28,201	28,093	28,201
Nonmajor	—	—	8,425	8,189	8,425	8,189
Total expenses	<u>181,497</u>	<u>173,081</u>	<u>63,198</u>	<u>63,822</u>	<u>244,695</u>	<u>236,903</u>
Increase in net position before transfers	28,980	42,775	4,292	5,775	33,272	48,550
Transfers	1,521	1,619	(1,521)	(1,619)	—	—
Increase in net position	30,501	44,394	2,771	4,156	33,272	48,550
Net position, beginning	<u>495,528</u>	<u>451,134</u>	<u>363,401</u>	<u>359,245</u>	<u>858,929</u>	<u>810,379</u>
Net position, ending	<u>\$ 526,029</u>	<u>495,528</u>	<u>366,172</u>	<u>363,401</u>	<u>892,201</u>	<u>858,929</u>

Governmental Activities

Governmental activities increased the City's net position by \$30.5 million. Sales and use tax revenues, the largest governmental category, were \$111.3 million, or 53%, of total revenues. Revenues from governmental activities total \$210.5 million, or 76%, of the total City revenues. Sales tax was approximately \$5 million lower in the current year due to the expiration of a portion of the Parks sales tax designated for stormwater improvements in April 2012.

CITY OF SPRINGFIELD, MISSOURI

Management's Discussion and Analysis (Unaudited)

June 30, 2013

Certain revenues are generated that are specific to governmental program activity. These totaled \$49 million. The following table shows expenses and program revenues of the governmental activities for the years ended June 30, 2013 and 2012 (in thousands):

Net Cost of City of Springfield's Governmental Activities

	Total cost of service		Net cost of service	
	2013	2012	2013	2012
Public works	\$ 36,275	44,251	33,553	35,561
Public safety	76,025	62,259	64,323	50,233
Parks and recreation	29,620	26,637	20,050	18,449
Planning and development	1,982	3,488	(1,714)	903
Public health	9,107	8,872	2,751	3,664
General government	21,439	20,666	6,165	6,678
Interest on long-term debt	7,049	6,908	7,049	6,908
	<u>\$ 181,497</u>	<u>173,081</u>	<u>132,177</u>	<u>122,396</u>

As previously noted, expenses from governmental activities total \$181 million. However, net costs of these services were \$132 million. The difference represents direct revenues received from charges for services of \$25.6 million, operating grants and contributions of \$22.5 million and capital grants and contributions of \$1.1 million. Taxes and other revenues of \$161 million were collected to cover these net costs.

Business-Type Activities

Business-type activities increased the City's net position by approximately \$2.8 million. Individual fluctuations are as follows:

- The airport recorded a decrease of \$6 million in net position for the year, which is attributed to federal grants received for capital improvement projects totaling \$3.1 million and current year operations with a loss over \$8.9 million.
- The sewer system recorded an increase of \$7.4 million in net position for the year, which is attributed to current year operations income over \$8 million.

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 \$175 million. The fund balance of the General Fund increased to \$22.2 million (an increase of \$1.9 million) as a result of a continued emphasis on controlling operating expenses.

The fund balance in the Community Development Fund increased to \$46.2 million. Total revenue exceeded expenditures by approximately \$0.5 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.

CITY OF SPRINGFIELD, MISSOURI

Management's Discussion and Analysis (Unaudited)

June 30, 2013

The Public Parks Fund collected approximately \$4.3 million more in sales tax in the current year as a result of the expiration of the Parks ¼ cent capital improvement sales tax in April 2012. Upon the expiration, half of the capital improvement sales tax (1/8 cent) sunset to operating resulting in the increase in sales tax to the Public Parks Fund (the Parks operating fund).

The National Airport Fund's net position decreased \$6 million (5%) in the current year as a result of federal grants received for capital improvement projects totaling \$3.1 million and current year activity with a loss over \$8.9 million.

The Sanitary Sewerage System Fund's net position increased \$7.4 million in the current year attributed to the result of current year operations income of over \$8 million. Sewer operating revenue increased approximately \$6.2 million (22%) from the previous year mainly from increased user rates being in effect during the entire year.

General Fund Budgetary Highlights

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

- Actual revenue totaling \$70.6 million exceeded the revised budget of \$69.8 million (less than 2% of the budget). The largest variance in revenue from budget was the City's payment in lieu of taxes which exceeded budget by over \$600,000.
- The total original expenditure budget of \$68.9 million increased to \$71.8 million (an increase of \$2.8 million). Actual expenditures were \$4 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, 2013, amounts to \$886 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, collections systems, machinery and equipment and infrastructure. Capital assets increased \$5.6 million during the period.

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

- Kansas Expressway and James River Freeway diverging diamond interchange totaling \$2.1 million
- Highway 65 East-West arterial flow improvement project totaling \$2.1 million
- Street stabilization projects totaling \$2.6 million
- Early Action Plan Sanitary Sewer Overflow Control Programs totaling \$10.7 million

CITY OF SPRINGFIELD, MISSOURI

Management's Discussion and Analysis (Unaudited)

June 30, 2013

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

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 58,006	53,774	27,942	17,347	85,948	71,121
Construction in progress	34,386	45,944	35,449	23,543	69,835	69,487
Buildings	76,063	67,253	107,513	112,264	183,576	179,517
Improvements	58,440	54,066	84,307	99,873	142,747	153,939
Machinery and equipment	10,824	6,394	9,826	10,988	20,650	17,382
Infrastructure/sewer collection system	175,837	175,074	207,763	214,188	383,600	389,262
Total	\$ 413,556	402,505	472,800	478,203	886,356	880,708

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

Debt Administration

The City, at the end of fiscal 2013, had a total of \$359 million of outstanding long-term debt (a reduction of \$18.4 million from the prior year). The City issued just over \$1.1 million of governmental debt (bonds and capital lease obligations).

City of Springfield Outstanding Debt (amounts expressed in thousands)

	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds **	\$ 134,401	143,205	—	—	134,401	143,205
Revenue bonds	—	—	184,955	191,752	184,955	191,752
Notes payable	—	—	31,580	34,554	31,580	34,554
Section 108 Loan Program	6,959	7,231	—	—	6,959	7,231
Capital lease obligations	676	212	63	142	739	354
Total	\$ 142,036	150,648	216,598	226,448	358,634	377,096

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

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 Position

June 30, 2013

Assets	Primary government			Component unit
	Governmental activities	Business-type activities	Total	City Utilities
Cash and investments	\$ 117,076,838	37,268,716	154,345,554	46,875,000
Property taxes receivable, net	18,836,636	—	18,836,636	—
Special assessments receivable, net	2,753,269	—	2,753,269	—
Accounts receivable	19,863,377	3,807,402	23,670,779	24,758,000
Unbilled revenue	—	1,561,573	1,561,573	13,066,000
Accrued interest receivable	364,822	95,015	459,837	—
Inventories	2,655,681	2,079,424	4,735,105	40,570,000
Notes and loans receivable, net	41,357,996	—	41,357,996	—
Net pension asset	67,681,652	—	67,681,652	308,000
Internal balances	(1,351,056)	1,351,056	—	—
Due from other government agencies	3,691,531	10,062	3,701,593	—
Restricted assets:				
Cash and investments	15,511,218	76,598,286	92,109,504	219,580,000
Other	—	3,773,669	3,773,669	—
Deferred charges and other	2,397,740	2,384,194	4,781,934	18,308,000
Capital assets:				
Nondepreciable	92,391,508	63,390,930	155,782,438	74,319,000
Depreciable, net	321,164,737	409,409,446	730,574,183	1,327,471,000
Total assets	704,395,949	601,729,773	1,306,125,722	1,765,255,000
Liabilities				
Accounts payable and other current liabilities	8,610,634	1,782,253	10,392,887	22,848,000
Unearned revenue	930,643	—	930,643	—
Estimated liability for incurred but unreported claims	2,444,000	—	2,444,000	—
Other liabilities	—	—	—	19,166,000
Due to other governments	—	—	—	1,072,000
Due to pension fund	4,164,480	—	4,164,480	—
Utility customer deposits	—	—	—	4,650,000
Current liabilities payable from restricted assets	—	4,023,144	4,023,144	—
Long-term liabilities:				
Due within one year	12,327,258	11,960,551	24,287,809	18,440,000
Due in more than one year	149,889,742	217,791,846	367,681,588	776,620,000
Total liabilities	178,366,757	235,557,794	413,924,551	842,796,000
Net Position				
Net investment in capital assets	285,669,060	289,918,876	575,587,936	692,966,000
Restricted for:				
Debt service	11,490,440	42,741,949	54,232,389	14,534,000
Perpetual care – nonexpendable	1,269,362	—	1,269,362	—
Unrestricted	227,600,330	33,511,154	261,111,484	214,959,000
Total net position	\$ 526,029,192	366,171,979	892,201,171	922,459,000

See accompanying notes to basic financial statements.

CITY OF SPRINGFIELD, MISSOURI

Statement of Activities

Year ended June 30, 2013

Functions/programs	Expenses	Program revenues			Net revenue (expense) and changes in net position			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	\$ 36,275,215	2,688,949	—	33,254	(33,553,012)	—	(33,553,012)	—
Public safety	76,025,254	3,993,876	7,272,447	435,529	(64,323,402)	—	(64,323,402)	—
Parks and recreation	29,620,403	8,518,100	868,558	184,163	(20,049,582)	—	(20,049,582)	—
Planning and development	1,982,132	75,603	3,511,260	109,000	1,713,731	—	1,713,731	—
Public health	9,106,989	2,109,987	4,209,298	36,500	(2,751,204)	—	(2,751,204)	—
General government	21,438,543	8,278,245	6,657,468	338,100	(6,164,730)	—	(6,164,730)	—
Interest on long-term debt	7,048,600	—	—	—	(7,048,600)	—	(7,048,600)	—
Total governmental activities	181,497,136	25,664,760	22,519,031	1,136,546	(132,176,799)	—	(132,176,799)	—
Business-type activities:								
National airport	26,679,940	14,299,805	—	3,128,719	—	(9,251,416)	(9,251,416)	—
Sanitary sewerage system	28,092,930	34,516,955	158,268	123,662	—	6,705,955	6,705,955	—
Refuse disposal	5,557,048	6,615,140	103,241	30,308	—	1,191,641	1,191,641	—
Golf	2,867,487	2,689,535	—	—	—	(177,952)	(177,952)	—
Total business-type activities	63,197,405	58,121,435	261,509	3,282,689	—	(1,531,772)	(1,531,772)	—
Total primary government	\$ 244,694,541	83,786,195	22,780,540	4,419,235	(132,176,799)	(1,531,772)	(133,708,571)	—
Component unit:								
City Utilities	\$ 381,262,000	385,602,000	—	—	—	—	—	4,340,000
General revenues:								
Property taxes					\$ 20,727,916	—	20,727,916	—
Sales and use taxes					111,312,248	—	111,312,248	—
Franchise taxes					6,517,592	—	6,517,592	—
Room taxes					3,871,806	—	3,871,806	—
Payment in lieu of taxes					13,122,468	—	13,122,468	—
Revenues from use of money and property					569,156	2,571,111	3,140,267	5,881,000
Other revenue					5,035,910	3,252,438	8,288,348	5,997,000
Transfers					1,520,627	(1,520,627)	—	—
Total general revenues and transfers					162,677,723	4,302,922	166,980,645	11,878,000
Change in net position					30,500,924	2,771,150	33,272,074	16,218,000
Net position – beginning					495,528,268	363,400,829	858,929,097	906,241,000
Net position – ending					\$ 526,029,192	366,171,979	892,201,171	922,459,000

See accompanying notes to basic financial statements.

CITY OF SPRINGFIELD, MISSOURI

Governmental Funds Balance Sheet

June 30, 2013

Assets	General	Community development	Public Safety Pension Sales Tax	Public parks	Nonmajor governmental funds	Total governmental funds
Cash and investments	\$ 13,250,399	3,932,428	—	—	88,500,266	105,683,093
Property taxes receivable (net uncollectible amounts)	—	—	—	5,677,305	13,159,331	18,836,636
Special assessments receivable, net	—	—	—	—	2,753,269	2,753,269
Restricted cash and investments	—	—	—	—	15,511,218	15,511,218
Accrued interest receivable	66,164	6,901	—	—	249,241	322,306
Sales tax and other receivables, net	7,869,597	107,934	4,164,480	1,336,230	6,385,136	19,863,377
Inventories	23,175	334,650	—	92,415	1,875,008	2,325,248
Notes and loans receivable, net	—	41,357,996	—	—	—	41,357,996
Due from other funds	3,338,057	—	—	—	102,522	3,440,579
Due from other governments	—	758,059	—	395,152	2,538,320	3,691,531
Total assets	\$ 24,547,392	46,497,968	4,164,480	7,501,102	131,074,311	213,785,253
Liabilities and Fund Balances						
Liabilities:						
Accounts payable and other current liabilities	\$ 2,224,528	200,452	—	326,355	4,796,312	7,547,647
Unearned revenue	78,373	63,024	—	600	788,646	930,643
Deferred revenue	—	13,192	—	5,612,416	17,085,201	22,710,809
Due to other funds	—	—	4,164,480	989,914	1,812,695	6,967,089
Total liabilities	2,302,901	276,668	4,164,480	6,929,285	24,482,854	38,156,188
Fund balances:						
Nonspendable	23,175	41,692,646	—	92,415	3,144,370	44,952,606
Restricted	—	4,528,654	—	—	78,307,842	82,836,496
Committed	14,800,000	—	—	—	22,065,506	36,865,506
Assigned	7,421,316	—	—	479,402	3,260,283	11,161,001
Unassigned	—	—	—	—	(186,544)	(186,544)
Total fund balances	22,244,491	46,221,300	—	571,817	106,591,457	175,629,065
Total liabilities and fund balances	\$ 24,547,392	46,497,968	4,164,480	7,501,102	131,074,311	213,785,253

See accompanying notes basic to financial statements.

CITY OF SPRINGFIELD, MISSOURI
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 June 30, 2013

Fund balances – total governmental funds	\$ <u>175,629,065</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	692,012,260
Less accumulated depreciation	<u>(279,112,068)</u>
	<u>412,900,192</u>
Net prepaid pension asset	67,681,652
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(976,446)
Adjustment of deferred revenue	22,710,809
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 position	7,591,689
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	(161,903,109)
Unamortized issuance costs on bonds	<u>2,395,340</u>
Net position of governmental activities	<u><u>\$ 526,029,192</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, 2013

	<u>General</u>	<u>Community development</u>	<u>Public Safety Pension Sales Tax</u>	<u>Public parks</u>	<u>Nonmajor governmental funds</u>	<u>Total governmental funds</u>
Revenues:						
Taxes:						
Property	\$ —	—	—	5,660,183	14,828,804	20,488,987
Sales	42,923,404	—	27,957,471	8,742,091	31,689,282	111,312,248
Franchise	6,517,592	—	—	—	—	6,517,592
Room	84,912	—	—	—	3,786,894	3,871,806
Licenses and permits	3,617,633	—	—	—	—	3,617,633
Intergovernmental	—	3,417,548	—	940,063	24,981,183	29,338,794
Charges for services	2,680,249	—	—	6,297,858	2,540,899	11,519,006
Fines and forfeitures	1,539,713	—	—	—	—	1,539,713
Special assessments	—	—	—	—	919,225	919,225
Revenues from use of money and property	80,733	—	—	64,738	423,685	569,156
Payments in lieu of taxes	13,122,468	—	—	—	—	13,122,468
Other	46,974	1,034,835	—	135,200	4,783,100	6,000,109
Total revenues	<u>70,613,678</u>	<u>4,452,383</u>	<u>27,957,471</u>	<u>21,840,133</u>	<u>83,953,072</u>	<u>208,816,737</u>
Expenditures:						
Current:						
Public works	6,356,016	—	—	—	11,292,490	17,648,506
Public safety	44,657,419	—	27,957,471	—	15,355,396	87,970,286
Parks and recreation	—	—	—	22,233,041	3,822,165	26,055,206
Planning and development	1,149,676	3,515,983	—	—	—	4,665,659
Public health	—	—	—	—	8,920,858	8,920,858
General government	14,892,665	—	—	134,473	7,648,921	22,676,059
Debt service:						
Principal	43,551	272,000	—	91,900	9,182,063	9,589,514
Bond issuance costs	—	—	—	—	—	—
Interest and other charges	671	154,708	—	5,876	6,591,270	6,752,525
Capital outlay:						
Public works	378,921	—	—	—	22,426,101	22,805,022
Public safety	103,768	—	—	—	2,856,179	2,959,947
Parks and recreation	—	—	—	—	3,152,965	3,152,965
Planning and development	—	—	—	—	376,246	376,246
General government	174,167	—	—	—	976,107	1,150,274
Total expenditures	<u>67,756,854</u>	<u>3,942,691</u>	<u>27,957,471</u>	<u>22,465,290</u>	<u>92,600,761</u>	<u>214,723,067</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,856,824</u>	<u>509,692</u>	<u>—</u>	<u>(625,157)</u>	<u>(8,647,689)</u>	<u>(5,906,330)</u>
Other financing sources (uses):						
Issuance of debt	—	—	—	—	497,000	497,000
Capital lease proceeds	—	—	—	630,000	—	630,000
Issuance of refunding bonds	—	—	—	—	—	—
Payment to bond escrow agent	—	—	—	—	—	—
Transfers in	2,957,867	172,879	—	419,470	18,621,408	22,171,624
Transfers out	(3,926,933)	(445,154)	—	(666,416)	(15,612,494)	(20,650,997)
Total other financing sources (uses)	<u>(969,066)</u>	<u>(272,275)</u>	<u>—</u>	<u>383,054</u>	<u>3,505,914</u>	<u>2,647,627</u>
Net change in fund balances	1,887,758	237,417	—	(242,103)	(5,141,775)	(3,258,703)
Fund balances – beginning	20,356,733	45,983,883	—	813,920	111,733,232	178,887,768
Fund balances – ending	\$ <u>22,244,491</u>	<u>46,221,300</u>	<u>—</u>	<u>571,817</u>	<u>106,591,457</u>	<u>175,629,065</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, 2013

Net change in fund balances – total governmental funds	\$ <u>(3,258,703)</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	37,174,726
Depreciation	<u>(25,615,841)</u>
	<u>11,558,885</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 position	<u>(487,447)</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	<u>(1,556,141)</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	(1,127,000)
Repayment of principal including payment to bond escrow agent (bonds and capitalized lease obligations)	9,589,514
Premiums (discounts) received, net of amortization	119,494
Issuance cost paid, net of amortization	(234,552)
Loss on refundings amortization	(246,870)
Accrued interest	65,853
	<u>8,166,439</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	13,666,517
Increase in OPEB liability	(245,434)
Increase (decrease) in claims, judgments and compensated absences liability	(560,029)
	<u>12,861,054</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>3,216,837</u>
Change in net position of governmental activities	\$ <u><u>30,500,924</u></u>

See accompanying notes to basic financial statements.

CITY OF SPRINGFIELD, MISSOURI
Proprietary Funds Statement of Net Position
June 30, 2013

Assets	Enterprise funds				Internal service funds
	National airport	Sanitary sewerage system	Nonmajor	Total	
Current assets:					
Cash and cash equivalents	\$ 360,086	1,030,411	664,222	2,054,719	574,722
Investments	2,152,560	6,180,756	3,970,649	12,303,965	4,416,752
Accrued interest receivable	19,008	42,103	33,904	95,015	42,516
Accounts receivable	1,096,552	2,692,110	18,740	3,807,402	—
Due from other governments	—	—	10,062	10,062	—
Unbilled revenue	—	1,561,573	—	1,561,573	—
Inventories	615,319	1,216,184	247,921	2,079,424	330,433
Prepaid expenses	117,441	—	—	117,441	—
Restricted assets:					
Cash and cash equivalents	5,666,634	23,607,683	—	29,274,317	—
Investments	1,806,262	—	—	1,806,262	—
Other	2,996,973	776,696	—	3,773,669	—
Total current assets	14,830,835	37,107,516	4,945,498	56,883,849	5,364,423
Noncurrent assets:					
Restricted assets:					
Investments	10,896,262	34,621,445	—	45,517,707	—
Investments	4,018,637	11,478,546	7,412,849	22,910,032	6,402,271
Unamortized bond issue costs	1,258,497	1,008,256	—	2,266,753	2,400
Capital assets:					
Land and easements	20,615,736	4,645,812	2,680,080	27,941,628	23,614
Buildings	124,566,107	62,298,653	1,900,065	188,764,825	1,058,097
Collection system	—	339,849,118	—	339,849,118	—
Improvements other than buildings	131,455,811	11,758,341	26,012,105	169,226,257	684,399
Machinery and equipment	17,824,353	8,520,395	9,437,112	35,781,860	283,862
	294,462,007	427,072,319	40,029,362	761,563,688	2,049,972
Less accumulated depreciation	(107,089,369)	(193,063,296)	(24,059,949)	(324,212,614)	(1,393,919)
	187,372,638	234,009,023	15,969,413	437,351,074	656,053
Construction in progress	1,208,531	33,589,123	651,648	35,449,302	—
Total capital assets, net	188,581,169	267,598,146	16,621,061	472,800,376	656,053
Total noncurrent assets	204,754,565	314,706,393	24,033,910	543,494,868	7,060,724
Total assets	219,585,400	351,813,909	28,979,408	600,378,717	12,425,147

CITY OF SPRINGFIELD, MISSOURI
Proprietary Funds Statement of Net Position
June 30, 2013

Liabilities	Enterprise funds				Internal service funds
	National airport	Sanitary sewerage system	Nonmajor	Total	
Current liabilities:					
Accounts payable	\$ 436,218	784,709	425,139	1,646,066	86,541
Retainages payable	6,839	66,926	58,281	132,046	—
Accrued compensated absences	87,383	89,926	45,258	222,567	22,069
Due to other funds	—	—	265,000	265,000	372,970
Accrued interest payable	—	—	4,141	4,141	—
Unearned revenue	—	—	—	—	—
Estimated liability for incurred but unreported claims	—	—	—	—	2,444,000
Payables from restricted assets:					
Current maturities of long-term debt	2,425,000	9,263,339	49,645	11,737,984	32,347
Payables from restricted assets	2,145,279	1,877,865	—	4,023,144	—
Total current liabilities	5,100,719	12,082,765	847,464	18,030,948	2,957,927
Long-term liabilities, less current maturities:					
Revenue bonds payable, net	90,822,192	85,390,690	19,737	176,232,619	—
Notes and capitalized lease obligations payable	—	28,479,839	37,919	28,517,758	105,565
Accrued landfill closure/postclosure care costs	—	—	10,668,803	10,668,803	—
Other postemployment benefits	213,895	191,760	127,881	533,536	—
Accrued compensated absences	374,426	934,586	530,118	1,839,130	153,910
Total long-term debt	91,410,513	114,996,875	11,384,458	217,791,846	259,475
Total liabilities	96,511,232	127,079,640	12,231,922	235,822,794	3,217,402
Net Position					
Net position:					
Net investment in capital assets	102,656,755	170,748,361	16,513,760	289,918,876	656,053
Restricted for debt service	11,898,074	30,843,875	—	42,741,949	—
Unrestricted	8,519,339	23,142,033	233,726	31,895,098	8,551,692
Total net position	\$ 123,074,168	224,734,269	16,747,486	364,555,923	9,207,745
Some of the amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities				1,616,056	
Net position of business-type activities				\$ 366,171,979	

See accompanying notes to basic financial statements.

CITY OF SPRINGFIELD, MISSOURI

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

Year ended June 30, 2013

	Enterprise funds				Internal service funds
	National airport	Sanitary sewerage system	Nonmajor	Total	
Operating revenues:					
Sewer service charges	\$ —	34,095,666	—	34,095,666	—
Sewer connection charges	—	197,200	—	197,200	—
Sale of fuel and oil	3,586,507	—	—	3,586,507	—
Flight fees, airport facility rental and other charges	10,428,251	—	—	10,428,251	—
Golf course fees	—	—	2,644,717	2,644,717	—
Landfill charges	—	—	6,226,956	6,226,956	—
Yardwaste recycling sales	—	—	281,127	281,127	—
Billings to departments	—	—	—	—	8,834,510
Contributions – City and employees	—	—	—	—	12,600,875
Other	58,599	—	19,780	78,379	—
Total operating revenues	14,073,357	34,292,866	9,172,580	57,538,803	21,435,385
Operating expenses:					
Personnel services	5,540,663	6,520,189	3,650,345	15,711,197	1,288,051
Other services	2,501,400	4,514,015	1,710,897	8,726,312	13,805,655
Supplies	3,957,033	2,762,771	1,175,587	7,895,391	2,438,653
Other expenses	—	—	—	—	63,083
Depreciation and amortization	10,289,437	10,230,489	1,596,292	22,116,218	66,037
Total operating expenses	22,288,533	24,027,464	8,133,121	54,449,118	17,661,479
Operating income (loss)	(8,215,176)	10,265,402	1,039,459	3,089,685	3,773,906
Nonoperating revenues (expenses):					
Interest revenue	411,218	1,907,473	32,595	2,351,286	—
Interest on long-term debt	(4,380,322)	(3,707,582)	(48,011)	(8,135,915)	—
Administrative fees and other debt charges	(6,330)	(345,938)	(525)	(352,793)	—
Gain (loss) from disposal of capital assets	39,686	180,139	—	219,825	—
Claims and settlements	(4,755)	(10,683)	(242,878)	(258,316)	—
Rental car customer facility charge revenue	1,220,292	—	—	1,220,292	—
Rental car customer facility fuel sales	513,395	—	—	513,395	—
Passenger facility charge revenue	1,486,735	—	—	1,486,735	—
Other nonoperating income	—	(1,263)	32,016	30,753	25,563
Net nonoperating revenues (expenses)	(720,081)	(1,977,854)	(226,803)	(2,924,738)	25,563
Income (loss) before contributions and transfers	(8,935,257)	8,287,548	812,656	164,947	3,799,469
Contributions and grants	3,128,719	281,930	133,549	3,544,198	—
Transfers in	—	—	165,550	165,550	—
Transfers out	(200,000)	(1,151,280)	(334,897)	(1,686,177)	—
Change in net position	(6,006,538)	7,418,198	776,858	2,188,518	3,799,469
Net position, beginning of year	129,080,706	217,316,071	15,970,628	362,367,405	5,408,276
Net position, end of year	\$ 123,074,168	224,734,269	16,747,486	364,555,923	9,207,745
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				582,632	
Change in net position of business-type activities				\$ 2,771,150	

See accompanying notes to basic financial statements.

CITY OF SPRINGFIELD, MISSOURI
Proprietary Funds Statement of Cash Flows
Year ended June 30, 2013

	Enterprise funds				Internal service funds
	National airport	Sanitary sewerage system	Nonmajor	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 14,280,584	36,510,240	9,240,017	60,030,841	21,435,385
Cash paid to suppliers	(6,184,322)	(11,879,061)	(2,815,393)	(20,878,776)	(15,599,195)
Cash paid to employees	(5,554,619)	(6,422,649)	(3,589,248)	(15,566,516)	(1,301,141)
Net cash provided by operating activities	<u>2,541,643</u>	<u>18,208,530</u>	<u>2,835,376</u>	<u>23,585,549</u>	<u>4,535,049</u>
Cash flows from noncapital financing activities:					
Transfers in	—	—	165,550	165,550	—
Transfers out	(200,000)	(1,151,280)	(334,897)	(1,686,177)	—
Net cash used in noncapital financing activities	<u>(200,000)</u>	<u>(1,151,280)</u>	<u>(169,347)</u>	<u>(1,520,627)</u>	<u>—</u>
Cash flows from capital and related financing activities:					
Principal payments on long-term debt	(2,265,000)	(8,501,373)	(137,317)	(10,903,690)	(31,022)
Proceeds from issuance of long-term debt	—	1,407,917	—	1,407,917	—
Debt issuance costs	(33,988)	(517,871)	(525)	(552,384)	—
Interest paid on long-term debt obligations	(4,380,322)	(3,707,582)	(11,576)	(8,099,480)	(6,813)
Additions to capital assets	(1,962,823)	(14,100,597)	(649,801)	(16,713,221)	(45,959)
Decrease (increase) in other restricted assets	160,777	58,597	—	219,374	—
Increase (decrease) in payables from restricted assets	(165,831)	400,887	—	235,056	—
Capital contributions	3,128,719	281,930	133,549	3,544,198	—
Rental car customer facility charge revenue	1,220,292	—	—	1,220,292	—
Rental car customer facility fuel sale revenue	513,395	—	—	513,395	—
Passenger facility charges received	1,486,735	—	—	1,486,735	—
Proceeds from sale of capital assets	39,686	180,139	—	219,825	—
Net cash used in capital and related financing activities	<u>(2,258,360)</u>	<u>(24,497,953)</u>	<u>(665,670)</u>	<u>(27,421,983)</u>	<u>(83,794)</u>
Cash flows from investing activities:					
Sale of investments	16,158,206	42,011,546	8,038,133	66,207,885	—
Purchases of investments	(16,499,975)	(43,151,127)	(9,429,139)	(69,080,241)	(10,819,023)
Interest received	423,310	1,929,428	51,353	2,404,091	14,800
Net cash provided by (used in) investing activities	<u>81,541</u>	<u>789,847</u>	<u>(1,339,653)</u>	<u>(468,265)</u>	<u>(10,804,223)</u>
Net increase (decrease) in cash and cash equivalents	164,824	(6,650,856)	660,706	(5,825,326)	(6,352,968)
Cash and cash equivalents, beginning of year	5,861,896	31,288,950	3,516	37,154,362	6,927,690
Cash and cash equivalents, end of year	<u>\$ 6,026,720</u>	<u>24,638,094</u>	<u>664,222</u>	<u>31,329,036</u>	<u>574,722</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (8,215,176)	10,265,402	1,039,459	3,089,685	3,773,906
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	10,289,437	10,230,489	1,596,292	22,116,218	66,037
Other nonoperating income (expenses)	(11,085)	(11,946)	(210,862)	(233,893)	—
Decrease (increase) in:					
Inventories	268,296	5,622	(4,797)	269,121	16,846
Accounts receivable	471,753	(457,300)	1,226	15,679	—
Due from other governments	7,134	2,996,479	149,195	3,152,808	—
Unbilled revenue	—	(309,792)	—	(309,792)	—
Prepaid expenses	(1,990)	—	—	(1,990)	—
Increase (decrease) in:					
Accounts payable	966	(3,417,821)	114,050	(3,302,805)	(36,385)
Retainage payable	6,839	(1,190,076)	(38,162)	(1,221,399)	—
Unearned revenue	(260,575)	(67)	—	(260,642)	—
Due to other funds	—	—	(115,000)	(115,000)	202,735
Accrued landfill closure/postclosure care costs	—	—	242,878	242,878	—
Estimated liability for incurred but unreported claims	—	—	—	—	525,000
Accrued claims and judgments	—	—	—	—	—
Other postemployment benefits	16,396	16,226	9,564	42,186	—
Accrued compensated absences	(30,352)	81,314	51,533	102,495	(13,090)
Total adjustments	<u>10,756,819</u>	<u>7,943,128</u>	<u>1,795,917</u>	<u>20,495,864</u>	<u>761,143</u>
Net cash provided by operating activities	<u>\$ 2,541,643</u>	<u>18,208,530</u>	<u>2,835,376</u>	<u>23,585,549</u>	<u>4,535,049</u>

See accompanying notes to basic financial statements.

CITY OF SPRINGFIELD, MISSOURI

Fiduciary Funds Statement of Fiduciary Net Position

June 30, 2013

Assets	Pension Trust	Agency funds
	<u> </u>	<u> </u>
Cash and short-term investments	\$ 6,347,539	5,839,762
Investments, at fair value:		
Money market mutual funds	1,798,973	—
U.S. Treasury securities	1,742,776	—
U.S. agency securities	5,339,243	—
Government-sponsored enterprise obligations	16,289,055	—
Corporate bonds	16,246,045	—
Municipal bonds	2,958,324	—
Foreign corporate bonds	1,214,821	—
International fixed income fund	22,303,328	—
Index fund - fixed income	9,353,614	—
Index funds - equities	82,227,368	—
Index fund - commodities	11,335,470	—
International equity funds	58,076,278	—
International hedge fund	4,081,842	—
Real estate fund	10,599,078	—
	<u> </u>	<u> </u>
Total investments	243,566,215	—
Receivables		
Due from other funds	4,164,480	—
Accrued interest receivable	290,365	399
	<u> </u>	<u> </u>
Total assets	254,368,599	5,840,161
	<u> </u>	<u> </u>
Liabilities		
Accounts payable	10,850	5,715,281
Escrows payable	—	82,585
Municipal court bond deposits	—	42,295
	<u> </u>	<u> </u>
Total liabilities	10,850	5,840,161
	<u> </u>	<u> </u>
Net Position		
Held in trust for pension benefits	\$ <u>254,357,749</u>	<u> </u>

See accompanying notes to basic financial statements.

CITY OF SPRINGFIELD, MISSOURI

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year ended June 30, 2013

	Pension Trust
Additions:	
Contributions:	
Employer	\$ 7,658,438
Plan members	3,037,878
Public safety sales tax	27,957,470
Total contributions	<u>38,653,786</u>
Investment income:	
Net appreciation in fair value of investments	22,509,857
Interest and dividends	1,704,316
Total investment earnings	<u>24,214,173</u>
Less investment expense	<u>(725,644)</u>
Net investment earnings	<u>23,488,529</u>
Other revenue	<u>56,165</u>
Total additions	<u>62,198,480</u>
Deductions:	
Benefits	18,245,351
Refunds of contributions	1,176,709
Administrative expenses	328,513
Total deductions	<u>19,750,573</u>
Change in net position	42,447,907
Net position – beginning	<u>211,909,842</u>
Net position – ending	<u>\$ 254,357,749</u>

See accompanying notes to basic financial statements.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

(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 Units – The following legally separate entities are component units that are, in substance, a part of the City’s general operations. These component units provide services entirely, or almost entirely, to the primary government or provide services that exclusively, or almost exclusively, benefit the primary government. Data from these units 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.

The Springfield Center City Development Corporation (SCCDC) – The SCCDC, a not-for-profit corporation, was incorporated under the laws of the State of Missouri on October 26, 1998. The SCCDC was established to consider the feasibility and finance the costs of certain improvements to be located in the center city area which will promote the public welfare by improving and enhancing the ability of the City to provide for the health, safety and welfare of its citizens and quality recreational services to the citizens and visitors of the City.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

The board of directors of the SCCDC consists of nine citizens ultimately approved by the City Council. Financial information for the SCCDC has been included within the governmental activities and governmental funds. Although it is legally separate from the City, the SCCDC is reported as if it were part of the primary government, because its sole purpose is to finance the construction of various improvements located in the center city area. No separately issued financial statements are prepared for the SCCDC.

The Land Clearance for the Redevelopment Authority of the City of Springfield, Missouri (The Authority) – The Authority was created under the laws of the State of Missouri (known as the Land Clearance for Redevelopment Authority Law) on August 21, 1961. The Authority was established to provide improvements within designated blighted/redevelopment areas of the City as defined by state law.

The board of commissioners of the Authority consists of five citizens appointed by the City Council. Financial information for the Authority has been included within the governmental activities and governmental funds. Although it is legally separate from the City, the Authority is reported as if it were part of the primary government, because its sole purpose is to provide improvements within the designated blighted/redevelopment areas of the City as defined by state law. No separately issued financial statements are prepared for the Authority.

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 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, 2012. 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 Electric, Natural Gas, Water, Transportation and Telecommunications / Broadband.

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.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

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 position 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.

In the government-wide statement of net position, 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.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

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.

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.

CITY OF SPRINGFIELD, MISSOURI

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

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.

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.

(c) ***Assets, Liabilities and Net Position 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.

CITY OF SPRINGFIELD, MISSOURI

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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.

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.

CITY OF SPRINGFIELD, MISSOURI

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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	\$	0.1829
Health department		0.1247
Art museum		0.0383
Debt service		<u>0.2624</u>
Total tax levy	\$	<u><u>0.6083</u></u>

Special assessments of \$28,477,183 have been issued since 1980 (\$525,471 issued during the year ended June 30, 2013), and collections have totaled 86%, or \$24,351,950. Special assessments receivable of \$2,753,269 includes delinquent accounts of \$609,492.

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, 2013, the notes and loans receivable of \$41,357,996 is net of a \$28,125 reserve for doubtful accounts.

c. Inventories and Prepaid Items

Inventories are stated at cost, which approximates market, using the first-in, first-out (FIFO) method, the last-in, first-out (LIFO) method, or the average cost 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.

CITY OF SPRINGFIELD, MISSOURI

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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 position 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

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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 position 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.

CITY OF SPRINGFIELD, MISSOURI

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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 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. The City Council may, with the passage of an ordinance, commit 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.

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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 \$1,392,000 for electric fuel and an over-recovery of \$336,000 for purchased natural gas adjustment clauses were recorded at September 30, 2012, as a component of other liabilities.

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 \$14,097,467, of which \$1,674,716 was capitalized. Total interest costs incurred by the City Utilities component unit were \$34,573,000, of which \$270,000 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, 2012, is as follows:

Funds for bonded indebtedness	\$	70,886,000
Designated for improvement accounts		148,694,000
Total	\$	<u>219,580,000</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, 2012, reflect payments in lieu of taxes to the City of \$12,503,000.

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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 \$8,838,000 for the year ended September 30, 2012.

n. Net Position

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

Net Investment in Capital Assets – 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 position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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. New Accounting Pronouncements Not Yet Adopted

Deferrals and Net Position

The City will implement GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, in fiscal year 2014. As it relates to the City, 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.

CITY OF SPRINGFIELD, MISSOURI

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(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, 2013, the bank balance of the City's deposits was \$9,597,895, 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 \$1,035,114 due to deposits in transit and other reconciling items.

(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

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As of June 30, 2013, the City holds the following investments:

Investment type	Fair Value	Investment maturities			
		1 year	Less than 5 years	10 years	More than 10 years
U.S. Treasury securities	\$ 71,868,751	14,214,458	57,654,293	—	—
Government-sponsored enterprises:					
FHLB	43,005,102	23,031,502	19,973,600	—	—
FHLMC	26,085,215	9,016,110	17,069,105	—	—
FFCB	13,013,421	7,014,693	5,998,728	—	—
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	198,800	—	198,800	—	—
AIGFMC	390,000	—	390,000	—	—
CDC Funding Corp	28,993,613	—	—	—	28,993,613
FSA Cap Management Repo	5,068,906	—	—	—	5,068,906
Societe Generale Repo	7,524,133	—	—	—	7,524,133
Trinity Plus Funding	84,299	—	—	—	84,299
Westdutsche Landesbank	425,498	—	—	—	425,498
Total	\$ 198,348,331	53,276,763	101,321,193	—	43,750,375

The following is a listing of cash and investments held by the City as of June 30, 2013, excluding pension trusts and City Utilities:

Money market funds	\$ 43,665,512
Deposits	8,498,580
Investments	198,348,331
Trustee accounts	1,273,675
Imprest funds	508,722
Total	\$ 252,294,820

The deposits and investments of the City at June 30, 2013, excluding pension trust funds and City Utilities are reflected in the financial statements as follows:

	Government- wide statement of net position	Fiduciary Funds statement of net position (excluding pension trusts)	Total
Cash and investments	\$ 154,345,555	5,839,762	160,185,317
Restricted cash and investments	92,109,503	—	92,109,503
	\$ 246,455,058	5,839,762	252,294,820

CITY OF SPRINGFIELD, MISSOURI

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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, 2013, approximately \$44.4 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, 2013, 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

CITY OF SPRINGFIELD, MISSOURI

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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.

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, 2013, were as follows:

<u>Asset type and class</u>	<u>Range</u>	<u>Target</u>
Equities:	25%-75%	
U.S. Equity		16.00%
Developed Equity		15.00%
Emerging Market Equity		10.00%
Fixed Income:	25%-50%	
Core Fixed Income		10.00%
Inflation Linked Bonds		5.00%
Developed Fixed Income		9.00%
Emerging Market Debt		5.00%
Long-Term Fixed Income		10.00%
Alternatives:	0%-35%	
Real estate		5.00%
Hedge Fund of Funds		10.00%
Commodities		5.00%

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.

CITY OF SPRINGFIELD, MISSOURI

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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.

The following table provides information regarding Standard & Poor's credit ratings associated with the Plan's investments as of June 30, 2013:

<u>Investment Type</u>	<u>Rating</u>	<u>Percentage</u>
Domestic		
Money market mutual funds	N/A	0.7%
U.S. Treasury securities	AA+	0.7%
U.S. agency securities	AA+	2.1%
Government-sponsored enterprise obligations	AA+	6.7%
Corporate bonds	AAA to Bb	6.8%
Municipal bonds	AAA to A+	1.2%
Foreign		
Corporate bonds	AAA to Bb+	0.5%
International fixed income fund		
Brandywine International Fixed Income Fund	N/A	9.2%
Index fund - fixed income		
SSgA U.S. TIPS Index Non-Lending Fund	N/A	3.8%
Index fund - equities		
Russell 2000 Index Non-Lending Fund	N/A	10.2%
S&P 500 Flagship Non-Lending Fund	N/A	23.6%
Index fund - commodities		
SSgA Dow Jones-UBS Commodity Index Non-Lending Fund	N/A	4.7%
International equity funds		
Pictet International Equity Fund, LLC	N/A	19.2%
Wells Fargo Emerging Markets Equity Fund	N/A	4.7%
Pictet International Equity Fund		
International hedge fund		
EnTrust Capital Diversified Fund QP Ltd.	N/A	1.6%
Real estate fund		
Prudential - PRISA SA	N/A	4.3%

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.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

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, 2013, 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, 2013, the bank balances of the Plan's deposits totaled \$6,347,539. The Plan's policy is to pledge collateral of at least 102% of deposits not covered by FDIC insurance. Obligations pledged to secure deposits may consist of the same type of obligations in which the Plan may invest.

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, 2013, 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>	
Money market mutual funds	\$ 1,798,973	1,798,973	—	—	—
U.S. Treasury securities	1,742,776	474,986	—	1,267,790	—
U.S. agency securities	5,339,243	—	—	934,527	4,404,716
Government-sponsored enterprise obligations	16,289,055	—	1,053,787	2,891,781	12,343,487
Corporate bonds	16,246,045	692,231	6,510,970	5,463,850	3,578,994
Municipal bonds	2,958,324	205,867	1,000,361	1,037,756	714,340
Foreign corporate bonds	1,214,821	81,793	286,206	552,302	294,520
International fixed income fund	22,303,328	22,303,328	—	—	—
Index fund - fixed income	9,353,614	9,353,614	—	—	—
		<u>34,910,792</u>	<u>8,851,324</u>	<u>12,148,006</u>	<u>21,336,057</u>
Index funds - equities	82,227,368				
Index funds - commodities	11,335,470				
International equity funds	58,076,278				
International hedge fund	4,081,842				
Real estate fund	10,599,078				
Total	\$ <u>243,566,215</u>				

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

At June 30, 2013, as reported at fair value, the Plan's U.S. agency securities consist of \$2,351,396 Small Business Administration (SBA), \$92,724 Overseas Private Investment Corporation (OPIC) and \$2,895,123 Government National Mortgage Association (GNMA) debt securities and the Plan's government-sponsored enterprises obligations consisted of \$7,118,083 Federal Home Loan Mortgage Corporation (FHLMC) and \$9,170,972 Federal National Mortgage Association (FNMA) 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 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.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

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, 2012, 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	\$ 25,944	—	12,544	13,400	—
U.S. government agencies	50,854	21,454	8,614	20,786	—
Mortgage-backed securities	90,179	28,887	24,465	12,629	24,198
Federal agency securities and cash subject to a forward delivery agreement	52,813	—	—	—	52,813
Accrued interest	1,388	1,388	—	—	—
Total investments	221,178	51,729	45,623	46,815	77,011
Cash	45,277	45,277	—	—	—
Total cash and investments	\$ 266,455	97,006	45,623	46,815	77,011

Interest-earnings investment contracts earn a fixed rate of interest of approximately 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, 2012, 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.

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, 2012.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

As of September 30, 2012, City Utilities was invested in a forward delivery agreement with The Bank of New York Trust Company, N.A., comprising approximately 24% 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 paid to the federal government. A rebate of \$1.5 million is included in other liabilities in the Statement of Net Position.

(c) Capital Assets

Capital asset activity for the year ended June 30, 2013, was as follows:

Governmental Activities

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deductions/ Transfers</u>	<u>Balance</u> <u>June 30, 2013</u>
Nondepreciable capital assets:				
Land	\$ 53,774,232	4,697,001	(465,450)	58,005,783
Construction in progress	45,943,742	29,177,858	(40,735,875)	34,385,725
Total nondepreciable capital assets	<u>99,717,974</u>	<u>33,874,859</u>	<u>(41,201,325)</u>	<u>92,391,508</u>
Depreciable capital assets:				
Buildings	90,635,055	9,819,393	1,333,653	101,788,101
Improvement other than buildings	87,872,666	10,366,741	(1,343,653)	96,895,754
Machinery and equipment	41,608,512	7,496,096	(2,055,134)	47,049,474
Infrastructure	339,537,924	16,399,471	—	355,937,395
Total depreciable capital assets	<u>559,654,157</u>	<u>44,081,701</u>	<u>(2,065,134)</u>	<u>601,670,724</u>
Less accumulated depreciation:				
Buildings	(23,381,985)	(2,248,344)	(94,467)	(25,724,796)
Improvement other than buildings	(33,806,911)	(4,750,966)	101,467	(38,456,410)
Machinery and equipment	(35,214,239)	(3,047,069)	2,036,137	(36,225,171)
Infrastructure	(164,464,111)	(15,635,499)	—	(180,099,610)
Total accumulated depreciation	<u>(256,867,246)</u>	<u>(25,681,878)</u>	<u>2,043,137</u>	<u>(280,505,987)</u>
Total depreciable capital assets, net	<u>302,786,911</u>	<u>18,399,823</u>	<u>(21,997)</u>	<u>321,164,737</u>
Total governmental activities, capital assets	\$ <u>402,504,885</u>	<u>52,274,682</u>	<u>(41,223,322)</u>	<u>413,556,245</u>

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

Depreciation expense was charged to functions as follows:

General government	\$	1,509,852
Public safety		2,181,257
Public works		16,964,112
Parks and recreation		4,574,923
Planning and development		179,292
Public health		206,405
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets		<u>66,037</u>
Total depreciation expense – governmental activities	\$	<u><u>25,681,878</u></u>

Business-Type Activities

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deductions/ Transfers</u>	<u>Balance</u> <u>June 30, 2013</u>
Nondepreciable capital assets:				
Land	\$ 17,346,574	229,418	10,365,636	27,941,628
Construction in progress	<u>23,543,536</u>	<u>15,516,871</u>	<u>(3,611,105)</u>	<u>35,449,302</u>
Total nondepreciable capital assets	<u>40,890,110</u>	<u>15,746,289</u>	<u>6,754,531</u>	<u>63,390,930</u>
Depreciable capital assets:				
Buildings	188,594,172	—	170,653	188,764,825
Sewer collection system	338,467,171	1,381,947	—	339,849,118
Improvement other than buildings	180,296,658	1,959,561	(13,029,962)	169,226,257
Machinery and equipment	<u>34,954,643</u>	<u>1,218,260</u>	<u>(391,043)</u>	<u>35,781,860</u>
Total depreciable capital assets	<u>742,312,644</u>	<u>4,559,768</u>	<u>(13,250,352)</u>	<u>733,622,060</u>
Less accumulated depreciation:				
Buildings	(76,329,699)	(4,833,869)	(88,881)	(81,252,449)
Sewer collection system	(124,279,530)	(7,806,105)	—	(132,085,635)
Improvements other than buildings	(80,423,171)	(7,160,120)	2,664,326	(84,918,965)
Machinery and equipment	<u>(23,966,981)</u>	<u>(2,316,124)</u>	<u>327,540</u>	<u>(25,955,565)</u>
Total accumulated depreciation	<u>(304,999,381)</u>	<u>(22,116,218)</u>	<u>2,902,985</u>	<u>(324,212,614)</u>
Total depreciable capital assets, net	<u>437,313,263</u>	<u>(17,556,450)</u>	<u>(10,347,367)</u>	<u>409,409,446</u>
Total business-type capital assets	\$ <u><u>478,203,373</u></u>	<u><u>(1,810,161)</u></u>	<u><u>(3,592,836)</u></u>	<u><u>472,800,376</u></u>

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

Depreciation expense was charged to functions as follows:

National airport	\$ 10,289,437
Sanitary sewerage system	10,230,489
Nonmajor enterprise funds	<u>1,596,292</u>
Total depreciation expense – business-type activities	<u>\$ 22,116,218</u>

Component Unit – City Utilities

	September 30, 2011	Increases	Decreases	September 30, 2012
Public Utility:				
Nondepreciable assets:				
Land	\$ 39,451,000	—	—	39,451,000
Construction work in progress	26,532,000	44,874,000	(36,538,000)	34,868,000
Depreciable assets				
Electric	1,409,871,000	18,673,000	(2,489,000)	1,426,055,000
Natural gas	193,311,000	6,702,000	(598,000)	199,415,000
Transportation	3,979,000	759,000	—	4,738,000
Water	253,012,000	7,484,000	(584,000)	259,912,000
Customer service	13,617,000	287,000	—	13,904,000
Telecommunication	55,945,000	3,671,000	(27,000)	59,589,000
Common	<u>57,099,000</u>	<u>2,547,000</u>	<u>(47,000)</u>	<u>59,599,000</u>
Total capital assets	2,052,817,000	84,997,000	(40,283,000)	2,097,531,000
Less accumulated depreciation	<u>(640,260,000)</u>	<u>(58,759,000)</u>	<u>3,278,000</u>	<u>(695,741,000)</u>
Net capital assets	<u>\$ 1,412,557,000</u>	<u>26,238,000</u>	<u>(37,005,000)</u>	<u>1,401,790,000</u>

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

(d) Long-Term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended June 30, 2013:

<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:	\$ 142,051,017	497,000	(9,182,063)	133,365,954	9,595,428
Plus bond premium					
(discount)	1,154,263	-	(119,494)	1,034,769	—
Less deferred amount					
on refunding	(1,965,642)	-	246,870	(1,718,772)	—
Total bonds payable	141,239,638	497,000	(9,054,687)	132,681,951	9,595,428
Capital lease obligations	212,485	630,000	(166,473)	676,012	156,287
Section 108 Loan Guarantee					
Assistance Programs	7,231,000	—	(272,000)	6,959,000	289,000
Accrued claims and judgments	310,000	464,000	(310,000)	464,000	464,000
Other postemployment benefits	2,976,463	1,784,548	(1,539,114)	3,221,897	—
Accrued compensated absences	17,821,201	2,162,694	(1,769,755)	18,214,140	1,822,543
Total governmental activities long-term liabilities	\$ <u>169,790,787</u>	<u>5,538,242</u>	<u>(13,112,029)</u>	<u>162,217,000</u>	<u>12,327,258</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, 2013

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, \$175,979 for compensated absences and \$137,912 for capital lease obligations of internal service funds is included in the above governmental activities amounts.

Business-type activities	Beginning balance	Additions	Reductions	Ending balance	Amounts due within one year
National airport fund:					
Revenue bonds	\$ 93,385,000	—	(2,265,000)	91,120,000	2,425,000
Plus bond premium	2,216,885	—	(89,693)	2,127,192	—
Total revenue bonds	95,601,885	—	(2,354,693)	93,247,192	2,425,000
Other postemployment benefits	197,499	119,218	(102,822)	213,895	—
Compensated absences	492,161	54,062	(84,414)	461,809	87,383
Total national airport fund	96,291,545	173,280	(2,541,929)	93,922,896	2,512,383
Sanitary sewerage system fund:					
Revenue bonds	92,001,936	1,407,917	(5,526,925)	87,882,928	6,179,903
Plus bond premium	3,968,565	—	(264,551)	3,704,014	—
Less deferred amount on refunding	(49,040)	—	16,345	(32,695)	(16,346)
Total revenue bonds	95,921,461	1,407,917	(5,775,131)	91,554,247	6,163,557
Notes payable	34,554,069	—	(2,974,448)	31,579,621	3,099,782
Other postemployment benefits	175,534	117,976	(101,750)	191,760	—
Compensated absences	943,198	151,767	(70,453)	1,024,512	89,926
Total sanitary sewerage system fund	131,594,262	1,677,660	(8,921,782)	124,350,140	9,353,265
Nonmajor enterprise fund:					
Revenue bonds	179,292	—	(58,213)	121,079	62,870
Less deferred amount on refunding	(115,416)	—	38,472	(76,944)	(38,472)
Total revenue bonds	63,876	—	(19,741)	44,135	24,398
Accrued landfill closure/ postclosure care costs	10,425,925	242,878	—	10,668,803	—
Capital lease obligation	142,269	—	(79,103)	63,166	25,247
Other postemployment benefits	118,317	69,544	(59,980)	127,881	—
Compensated absences	523,843	86,234	(34,701)	575,376	45,258
Total nonmajor enterprise fund	11,274,230	398,656	(193,525)	11,479,361	94,903
Total business-type activities long-term liabilities	\$ 239,160,037	2,249,596	(11,657,236)	229,752,397	11,960,551

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

Debt service requirements on long-term debt at June 30, 2013, are as follows:

Governmental activities		
bonds		
	<u>Principal</u>	<u>Interest</u>
2014	\$ 9,595,428	5,984,538
2015	10,219,059	5,640,510
2016	11,446,000	5,209,436
2017	10,943,000	4,726,253
2018	10,766,000	4,256,947
2019-2023	45,777,289	17,428,526
2024-2028	32,824,875	13,903,848
2029-2033	1,794,303	5,401,451
	<u>\$ 133,365,954</u>	<u>62,551,509</u>

Enterprise funds		
National airport		
Revenue bonds		
	<u>Principal</u>	<u>Interest</u>
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	3,125,000	3,811,195
2019-2023	18,895,000	16,398,180
2024-2028	18,665,000	11,450,465
2029-2033	16,225,000	7,463,590
2034-2038	23,515,000	2,812,605
	<u>\$ 91,120,000</u>	<u>58,595,565</u>

Sanitary sewerage system				
	<u>Revenue bonds</u>		<u>Notes payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	6,032,000	2,587,535	2,924,457	—
2019-2023	32,643,600	8,462,767	14,995,843	—
2024-2028	15,941,400	3,146,545	1,660,885	—
2029-2033	9,045,600	866,732	—	—
	<u>\$ 87,882,928</u>	<u>28,235,058</u>	<u>31,579,621</u>	<u>—</u>

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

		<u>Nonmajor enterprise funds</u>	
		<u>Revenue bonds</u>	
		<u>Principal</u>	<u>Interest</u>
2014	\$	62,870	6,211
2015		58,209	2,911
	\$	<u>121,079</u>	<u>9,122</u>

Bonds payable at June 30, 2013, 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	1,565,000
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	17,590,000
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	4,930,000
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	4,330,000
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	2,690,000

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

Variable Rate, as determined as the Weekly Rate (2.0% at June 30, 2013) 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	\$ 4,590,000
Variable Rate, as determined as the Weekly Rate (0.29% at June 30, 2013), 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	8,060,000
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	16,197,487
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	1,415,000
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	2,115,000
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	425,000
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	1,480,000
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	3,105,000
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	1,955,000

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

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	\$ 2,215,000
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	5,600,000
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	9,620,000
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	5,715,000
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	6,930,000
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	4,245,000
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	2,750,000
2.0% to 4.0% Special Obligation Refunding Bonds of the City of Springfield, Missouri, Series 2010, due through June 1, 2021	13,130,000
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)	8,135,000
3.75% Special Obligation Bonds of the City of Springfield, Missouri, Ozark Mountain Fairgrounds Project, due through September 1, 2023 callable at the option of the City at par	<u>497,000</u>
Total governmental activities bonds	<u>\$ 133,365,954</u>

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

Revenue bonds payable at June 30, 2013, 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 \$ 85,035,000

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 6,085,000

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 51,428

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 1,510,000

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 284,000

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 545,000

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 34,960,000

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 6,510,000

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

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	\$ 6,445,000
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	11,882,500
3.0% to 5.0% 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	25,695,000
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	<u>121,079</u>
Total revenue bonds payable	<u>\$ 179,124,007</u>

Notes Payable

Notes payable at June 30, 2013, consisted of the following obligations:

Sanitary sewerage system fund:

Noninterest-bearing State of Missouri Wastewater Revolving Fund Program intergovernmental notes	\$ <u>31,579,621</u>
Total notes payable	<u>\$ 31,579,621</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%. The net book value of capital assets under lease obligations was \$299,238 at June 30, 2013. In addition, the City entered into a capital lease through September 27, 2017, to purchase park equipment and vehicles with an interest rate of 1.31%. The net book value of capital assets under lease obligations was \$548,364 at June 30, 2013. The future minimum lease obligations and net present value of the minimum lease payments as of June 30, 2013, were as follows:

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

	Governmental activities
	<u> </u>
Year ending June 30:	
2014	\$ 168,203
2015	168,204
2016	168,204
2017	168,202
2018	<u>32,592</u>
Total minimum lease payments	<u>705,405</u>
Less amounts representing interest	<u>(29,393)</u>
Present value of minimum lease payments	<u><u>\$ 676,012</u></u>

The City entered into a capital lease through November 21, 2015, to purchase mowers for the City's golf courses with an interest rate of 2.29%. The net book value of capital assets under lease obligations was \$90,439 at June 30, 2013. The future minimum lease obligations and net present value of the minimum lease payments as of June 30, 2013, were as follows:

	Nonmajor enterprise fund
	<u> </u>
Year ending June 30:	
2014	\$ 26,479
2015	26,480
2016	<u>12,190</u>
Total minimum lease payments	<u>65,149</u>
Less amounts representing interest	<u>(1,984)</u>
Present value of minimum lease payments	<u><u>\$ 63,165</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 \$7.8 million. Since that time, the following loans have been issued for the following projects:

- \$2.1 million to 319 N. Main, LLC
- \$3 million to College Station
- \$1.6 million for small business loan pool
- \$1.1 million for Brick City, LP, Nanotechnology Partners, LLC and 28 Properties, LLC

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

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

	Principal	Interest
2014	\$ 289,000	150,388
2015	393,000	142,889
2016	411,000	134,233
2017	435,000	124,886
2018	461,000	114,775
2019-2023	2,689,000	397,647
2024-2028	2,281,000	80,264
	<u>\$ 6,959,000</u>	<u>1,145,082</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	10/01/2014*
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, 2013

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, 2013, the City's net general obligation bonded debt of \$4,236,909 represents .5% of the legal debt limit of \$821,205,188.

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, 2013, a total of \$6,248,091 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, 2013, \$6,136,591 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 position. The total principal balance for the Industrial Development Revenue Bonds as of June 30, 2013, is \$17,492,523.

LCRA industrial development revenue bonds of \$2,964,268 were outstanding at June 30, 2013. 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 position.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

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 \$11,080,000 as of June 30, 2013. 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.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

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, 2013</u>	<u>Recognized for the year ended June 30, 2013</u>
SCCDC Taxable Revenue Bonds Series 2002B Jordan Valley Park-Baseball Stadium Project	Rental payment from developer	\$ 8,388,824	Acquisition of real estate for baseball stadium	Through 2028	100%	\$ 558,896	560,756
SCCDC Taxable Revenue Bonds Series 2002C Jordan Valley Park Project	Hotel/motel tax	7,366,952	Jordan Valley Park Projects	Through 2028	27	492,272	1,834,780
LCRA Taxable Variable Rate Demand Revenue Bonds, Series 2003, University Plaza Hotel Redevelopment Project	Rental payment from developer	5,591,251	University Plaza Hotel redevelopment	Through 2021	97	617,239	635,872
Lone Pine Greenspace Neighborhood Improvement District Series 2003	NID payments	514,444	Acquisition of greenspace	Through 2024	96	45,243	46,971
LCRA Taxable Revenue Bonds Series 2004 SBD Loan Pool Funding Program	Loan program revenue	1,894,665	Provide proceeds for SBD loan program	Through 2023	72	323,517	450,045

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

<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, 2013</u>	<u>Recognized for the year ended June 30, 2013</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	\$ 13,565,025	College Station Parking Garage	Through 2028	100%	\$ 781,775	57,286
Special Obligation Bonds Series 2007B Heers Garage Project	Heers Tower Redevelopment Project Revenues	8,191,175	Heers Parking Garage	Through 2028	100	269,175	—
PBC Leasehold/Municipal Facilities Revenue Bonds – Level Property Tax Program Series 2002, 2004, 2005A, 2006, 2007 and 2009	Level property tax	49,104,573	Level property tax program – capital improvement and stormwater projects	Through 2029	58	4,667,263	8,111,839
PBC Leasehold Revenue Bonds Series 2004	Law enforcement sales tax	1,987,435	Police department expansion and renovation	Through 2024	3	180,517	6,505,132
PBC Municipal Facility Revenue Bond Series 2005B Park Facilities Project	Park property tax	2,551,238	Cooper Park Indoor Tennis Facility expansion	Through 2025	4	213,900	5,660,183

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

<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	\$ 149,715,567	Construction of Midfield Terminal	Through 2037	48%	\$ 6,738,195	14,073,357
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	64,907,184	Finance and construction of sanitary sewerage system	Through 2028	20	6,966,407	34,292,866
Special Obligation Bonds (State of Missouri-Direct Loan Program) Series 2010	Sanitary sewerage system revenues	13,563,845	Extend and improve sanitary sewerage system	Through 2031	2	747,564	34,292,866

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

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, 2012
Public Utility Revenue Bonds, Series 2006; 4.00% to 5.00%; due August 1, 2012, to 2036	\$ 609,720
Public Utility obligation under the February 2006 lease financing agreement; 3.25% to 5.00%; due December 1, 2012, to 2021	46,315
Total Public Utility	<u>656,035</u>
Waterworks Refunding and Improvement Revenue Bonds, Series 2003; 2.00% to 5.00%; due May 1, 2018	16,470
Total Water Utility	<u>16,470</u>
Board of Public Utilities obligations under the June 2012 lease financing agreement; 2.00% to 5.00%; due December 1, 2012, to December 1, 2021	61,680
Total Water Utility	<u>61,680</u>
Total City Utilities	734,185
Less current maturities of long-term obligations	<u>(18,440)</u>
Total City Utilities component unit	<u><u>\$ 715,745</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, 2013

Long-term debt activity for the year ended September 30, 2012, was as follows (in thousands):

	Bonds and obligations payable September 30, 2011	Additions	Reductions	Bonds and obligations payable September 30, 2012	Principal due in one year
Revenue bonds - Public Utility	\$ 634,140	—	(7,950)	626,190	8,910
Unamortized debt premium					
net of debt discount	13,454	9,230	(1,012)	21,672	—
Other obligations	127,020	61,680	(80,705)	107,995	9,530
Compensated absences	21,480	11,161	(10,376)	22,265	—
Other	13,244	4,688	(994)	16,938	—
	<u>809,338</u>	<u>86,759</u>	<u>(101,037)</u>	<u>795,060</u>	<u>18,440</u>
Total City Utilities	\$ <u>809,338</u>	<u>86,759</u>	<u>(101,037)</u>	<u>795,060</u>	<u>18,440</u>

The debt service to maturity on outstanding bonds and obligations as of September 30, 2012, is summarized in the following table (in thousands):

	Bonds and other obligations	
	Principal	Interest
2013	\$ 18,440	\$ 33,812
2014	19,730	33,144
2015	21,250	32,278
2016	22,875	31,294
2017	24,640	30,162
2018-2022	127,690	132,758
2023-2027	108,640	106,291
2028-2032	160,120	76,530
2033-2037	230,800	30,658
	\$ <u>734,185</u>	\$ <u>506,927</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, 2012, is \$939,651,000.

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, 2013

<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 2012</u>
City Utilities Debt Obligations	Operating Revenue	\$ 1,241,112	Through 2036	13%	\$ 52,983

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, 2012.

(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>Public parks</u>	<u>Nonmajor governmental funds</u>	<u>Total governmental funds</u>
Fund balances:						
Nonspendable:						
Inventory	\$ 23,175	334,650	—	92,415	1,875,008	2,325,248
Long-term loans	—	41,357,996	—	—	—	41,357,996
Permanent fund principal	—	—	—	—	1,269,362	1,269,362
Restricted:						
Public works	—	—	—	—	52,636,925	52,636,925
Public safety	—	—	—	—	48,141	48,141
Parks and recreation	—	—	—	—	6,182,369	6,182,369
Planning and development	—	4,528,654	—	—	—	4,528,654
Public health	—	—	—	—	478	478
General government	—	—	—	—	3,928,711	3,928,711
Debt service reserve	—	—	—	—	15,511,218	15,511,218
Committed:						
Public works	—	—	—	—	5,833,611	5,833,611
Public safety	—	—	—	—	412,894	412,894
Parks and recreation	—	—	—	—	1,922,952	1,922,952
Public health	—	—	—	—	245,343	245,343
General government	—	—	—	—	—	—
Economic stabilization	14,800,000	—	—	—	—	14,800,000
Debt service	—	—	—	—	13,650,706	13,650,706
Assigned:						
Public safety	—	—	—	—	—	—
Parks and recreation	—	—	—	479,402	—	479,402
Public health	—	—	—	—	3,158,236	3,158,236
Prior service credit	900,000	—	—	—	—	900,000
Future projects	5,411,686	—	—	—	—	5,411,686
Debt service	—	—	—	—	102,047	102,047
Encumbrances	1,109,630	—	—	—	—	1,109,630
Unassigned						
Total fund balances	\$ 22,244,491	46,221,300	—	571,817	(186,544)	175,629,065

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

(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	\$ 1,100,961	8,670	—
Community Development	277,460	—	—
Public parks	353,524	—	—
National Airport	871,472	257,233	33,238
Sanitary sewerage system	634,807	14,409,387	188,557
Nonmajor governmental	3,755,684	7,238,548	663,773
Nonmajor enterprise	641,589	1,035,573	—
Internal service	140,538	—	—
Total	<u>\$ 7,776,035</u>	<u>22,949,411</u>	<u>885,568</u>

City Utilities Component Unit

As of September 30, 2012, anticipated capital expenditures for improvements during the 2013 fiscal year are estimated to be approximately \$69.6 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, 2012, the cost of peaking capacity was \$2.8 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, 2013

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 2012 of \$735,000 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 \$17,620,000, \$5,840,000 and \$6,200,000 for calendar years 2012, 2013 and 2014, respectively. As of September 30, 2012, City Utilities had purchased \$12,956,000 of coal for the contract period ended December 31, 2012. Management believes the minimum tonnage requirement will be met for calendar year 2012.

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 \$3,600,000, \$3,780,000 and \$4,005,000 for calendar years 2012, 2013 and 2014, respectively. As of September 30, 2012, City Utilities had purchased \$2,963,000 of coal for the contract period ending December 31, 2012. Management believes the minimum tonnage requirement will be met for calendar year 2012.

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 2012 was 1,199,000 tons. As of September 30, 2012, City Utilities had tendered coal tonnage of 1,010,000 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, 2013

(g) Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2013, is as follows:

<u>Receivable fund</u>	<u>Payable fund</u>		
General fund	Nonmajor governmental	\$	1,710,173
General fund	Public parks		989,914
General fund	Internal Service		372,970
General fund	Nonmajor enterprise		265,000
Nonmajor governmental	Nonmajor governmental		102,522
Fiduciary fund	Public Safety Pension Sales Tax		4,164,480
	Total	\$	7,605,059

Interfund payables and receivables are made for specific purposes for each fund and for overdrafts 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, 2013, are as follows:

	<u>Transfers to:</u>						
	<u>General fund</u>	<u>Community development</u>	<u>Public parks</u>	<u>Nonmajor governmental</u>	<u>Nonmajor enterprise</u>	<u>Internal service</u>	<u>Total</u>
Transfers from:							
General fund	\$ —	64,045	250,000	3,447,338	165,550	—	3,926,933
Community development	—	108,834	—	336,320	—	—	445,154
Public parks	271,665	—	—	394,751	—	—	666,416
Nonmajor governmental	1,000,025	—	169,470	14,442,999	—	—	15,612,494
Sanitary sewerage system	1,151,280	—	—	—	—	—	1,151,280
National Airport	200,000	—	—	—	—	—	200,000
Internal service	—	—	—	—	—	—	—
Nonmajor enterprise	334,897	—	—	—	—	—	334,897
Total transfers in	\$ <u>2,957,867</u>	<u>172,879</u>	<u>419,470</u>	<u>18,621,408</u>	<u>165,550</u>	<u>—</u>	<u>22,337,174</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, 2013

(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, 2013:

Year Ended June 30,	Operating Leases	
	Governmental Activities	Business- Type Activities
2014	\$ 320,946	\$ 138,725
2015	254,803	93,875
2016	143,833	16,747
2017	95,014	7,627
2018	39,285	1,537
	<u>\$ 853,881</u>	<u>\$ 258,511</u>

(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, 2013

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, 2013. 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

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Annual Pension Cost and Net Pension Asset

For 2013, the Plan's annual pension cost was \$21,949,391. The City contributed \$35,615,908, which did meet the required contribution.

The annual pension cost and net pension asset as of June 30, 2013, is as follows:

Annual required contribution	\$	(20,823,687)
Interest on net pension asset		4,051,135
ARC adjustment		<u>(5,176,839)</u>
Annual pension cost		(21,949,391)
Contributions made		<u>35,615,908</u>
Change in pension asset		13,666,517
Net pension asset, beginning of year		<u>54,015,135</u>
Net pension asset, end of year	\$	<u><u>67,681,652</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, 2011	\$ 13,281,689	257%	\$ (39,904,669)
June 30, 2012	21,616,120	165%	(54,015,135)
June 30, 2013	21,949,391	162%	(67,681,652)

Retirees and beneficiaries receiving benefits and terminated vested members	511
Active plan members:	
Fully vested	354
Nonvested	<u>—</u>
Total	<u><u>865</u></u>

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

Plan Assumptions

The following summarizes the actuarial assumptions of the plan:

Actuarial cost method	Entry age normal cost
Amortizing method	Level dollar amount over 20-year closed period
Remaining amortization period	17 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, then 3% after ten years for fire and twelve years for police.
Projected salary increases, attributable to inflation	3.5%
Increase in benefits per year after retirement	3%
Mortality	RP - 2000 Employees, Healthy Annuitant and Disabled Mortality tables, male and female rates

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, 2013	\$ 251,103,602	375,635,753	124,532,151	67%	20,060,038	621%

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.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

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 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 21.0% for the year ended September 30, 2012. The rate for the City was 18.3% for general division employees, 15.5% for police division employees and 20.0% for fire division employees for the year ended June 30, 2013. 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's annual pension cost of \$9,750,157 was \$19,500 more than the actual contributions resulting in a net pension obligation of \$19,500. City Utilities' annual pension cost of \$14,734,000 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.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

Historical trend information:

		Annual pension cost (APC)	Percentage of APC contributed		Net pension obligation
Fiscal year ended:					
June 30, 2011	\$	8,746,710	100%	\$	—
June 30, 2012		8,917,919	100%		—
June 30, 2013		9,750,157	99.8%		19,500

Funding status of the City 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, 2013	\$ 96,512,033	133,697,203	37,185,170	72%	54,786,630	68%

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 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 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.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

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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, 2010	\$	12,917,000	100%	\$	—		
	June 30, 2011		13,660,000	100%		—		
	June 30, 2012		14,734,000	100%		—		

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 29, 2012	\$ 140,402,000	237,273,000	96,871,000	59%	68,981,000	140%

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 29, 2012, annual actuarial valuation. 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 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 29, 2012, 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).

CITY OF SPRINGFIELD, MISSOURI

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June 30, 2013

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.

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, 2013, retirees receiving benefits contributed approximately \$1.1 million for current premiums (approximately 53% of total premiums), through the City for the plan offered. Total premiums paid for the year were approximately \$2.1 million. The City also contributed approximately \$218,000 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.

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Normal cost	\$	2,153,117
Interest on net OPEB obligation		138,713
Adjustment to annual required contribution		<u>(200,544)</u>
Annual OPEB cost		2,091,286
Contributions made (employer)		<u>(1,803,666)</u>
Change in net OPEB obligation		287,620
Net OPEB obligation, beginning of year		<u>3,467,813</u>
Net OPEB obligation, end of year	\$	<u><u>3,755,433</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2013 were as follows:

		Annual OPEB cost (AOC)	Percentage of AOC contributed		Net OPEB obligation
		<u> </u>	<u> </u>		<u> </u>
Fiscal year ended:					
June 30, 2011	\$	1,700,148	59%	\$	3,124,891
June 30, 2012		2,097,400	84%		3,467,813
June 30, 2013		2,091,286	86%		3,755,433

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

CITY OF SPRINGFIELD, MISSOURI

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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.

The actuarial methods and assumptions utilized in the valuation were as follows:

Actuarial cost method	Entry age normal; level dollar
Amortizing method	30 years, open, level dollar
Remaining amortization period	30 years remaining as of June 30, 2012
Discount rate	4%
Healthcare cost trend rate	8%, decreasing to 5% in 2019
Retiree contribution increase rate	Assumed increases such that retirees continue to pay 80% of the full cost of coverage before the \$300 per month City subsidy
Mortality	RP - 2000 Combined Healthy White Collar project to 2012 with Scale AA

(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, 2012. City Utilities accounts for its allowances under the inventory method.

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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 restricted emissions in the original 28 CAIR states and added three more states to the control region. In August 2012 the federal appeals court vacated and remanded the CSAPR rule, this time for being too restrictive. The court yet again ordered EPA to leave the flawed CAIR program in place until replaced with a suitable program. City Utilities believes it is in full compliance with current CAIR requirements.

In 2005 EPA also promulgated the Clean Air Mercury Rule (CAMR), which established a phased 70% reduction requirement for power plant emissions of this heavy metal. This same federal court struck down CAMR in 2008. In its place, EPA published the Mercury and Air Toxics Standard (MATS) in February 2012. City Utilities has examined the impacts of this rule along with recently promulgated rules pertaining to industrial boiler emissions and National Ambient Air Quality Standards. City Utility's analysis indicates the need to install new capital control equipment estimated to total \$50 million over fiscal years 2013-15 to comply with these measures.

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, 2013, a total of \$10,668,803 is reported as landfill closure and postclosure liability on the statement of net position, included as a component of long-term liabilities in the business-type activities column. This is an increase of \$242,878 to 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

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“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 position 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 (55.6%) of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$515,747 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 2013. 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 2.1 years to 3.3 years based on average daily refuse received of 500 to 800 tons.

At June 30, 2013, the City was 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. On September 10, 2013, the City executed a new contract of obligation with the MoDNR for approximately \$11.2 million related to closure and postclosure costs 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 \$677,000,000. 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.

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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.

Changes in the City's estimated liability for incurred but unreported claims in its self-insurance fund for fiscal years 2013 and 2012 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, 2013	\$	1,919,000	13,955,283	(13,430,283)	2,444,000
June 30, 2012		2,165,000	12,281,734	(12,527,734)	1,919,000

Changes in the City's estimated liability for general government claims and judgments for fiscal years 2013 and 2012 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, 2013	\$	310,000	764,000	(310,000)	764,000
June 30, 2012		793,000	100,000	(583,000)	310,000

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 position 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

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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 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, 2013, the City did not expend any funds toward development of the industrial park. The City had outstanding encumbrances of \$29,716 at June 30, 2013. These expenditures and encumbrances are included in the financial statements within the public works improvement fund.

CITY OF SPRINGFIELD, MISSOURI

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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, 2012, City Utilities had incurred \$2,064,000 for land and improvements and recognized losses of \$211,000, for a net equity balance of \$1,853,000.

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.

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, 2012, 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 position. 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.

CITY OF SPRINGFIELD, MISSOURI

Notes to Basic Financial Statements

June 30, 2013

For the year ended September 30, 2012, total assets of TEA were approximately \$46 million, an increase 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 Auditor's 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 \$105,309 in the WIC program fund (special revenue) will be eliminated by future revenues.

(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, 2012, consist of the following:

Accruals	
Interest	\$ 6,566,000
Salaries and wages	965,000
Pension contributions and other	1,707,000
Electric purchased power	2,755,000
Natural gas, coal and other fuels	7,173,000
Arbitrage payable	—
	\$ <u>19,166,000</u>

CITY OF SPRINGFIELD, MISSOURI
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule – General Fund
Year ended June 30, 2013

	Budgeted amounts		Actual	Variance with final budget – positive (negative)
	Original	Final		
Revenues:				
Taxes:				
Sales	\$ 42,830,000	42,830,000	42,923,404	93,404
Franchise	6,787,000	6,787,000	6,517,592	(269,408)
Room	96,000	96,000	84,912	(11,088)
Licenses and permits	3,522,500	3,522,500	3,617,633	95,133
Intergovernmental	—	—	—	—
Charges for services	2,111,175	2,240,485	2,680,249	439,764
Fines and forfeitures	1,575,000	1,575,000	1,539,713	(35,287)
Revenues from use of money and property	300,000	300,000	80,733	(219,267)
Payments in lieu of taxes	12,505,000	12,505,000	13,122,468	617,468
Other	—	—	46,974	46,974
Total revenues	<u>69,726,675</u>	<u>69,855,985</u>	<u>70,613,678</u>	<u>757,693</u>
Expenditures:				
Current:				
General government:				
Public records	369,410	598,927	537,775	61,152
Council	44,307	44,307	40,520	3,787
Public information office	387,561	389,424	375,278	14,146
City manager	1,286,048	1,979,344	1,291,239	688,105
Finance	2,336,334	3,472,240	2,761,913	710,327
Counsel, legal advice and prosecution	1,917,782	2,180,700	1,997,137	183,563
Human resources	1,385,325	1,863,696	1,841,923	21,773
Zoning and subdivision services	504,570	506,728	506,351	377
Municipal court operations	1,627,769	1,699,659	1,655,802	43,857
Information systems	2,492,510	3,942,688	3,660,024	282,664
Other – unclassified	3,341,987	242,426	224,703	17,723
Total general government	<u>15,693,603</u>	<u>16,920,139</u>	<u>14,892,665</u>	<u>2,027,474</u>
Public works:				
Engineering	1,185,992	1,204,953	950,802	254,151
Maintenance	5,832,707	6,270,261	5,405,214	865,047
Total public works	<u>7,018,699</u>	<u>7,475,214</u>	<u>6,356,016</u>	<u>1,119,198</u>
Public safety:				
Police	24,620,933	24,095,754	23,968,174	127,580
Fire	17,950,791	18,471,882	18,403,059	68,823
Emergency communications	—	—	—	—
Inspection	2,253,093	2,387,258	2,286,186	101,072
Total public safety	<u>44,824,817</u>	<u>44,954,894</u>	<u>44,657,419</u>	<u>297,475</u>
Planning and development services:				
Economic development and assistance	682,068	1,176,287	882,562	293,725
Housing and redevelopment services	292,492	322,787	267,114	55,673
Total planning and development services	<u>974,560</u>	<u>1,499,074</u>	<u>1,149,676</u>	<u>349,398</u>
Debt service:				
Principal	7,988	43,551	43,551	—
Interest and other charges	123	671	671	—
Total debt service	<u>8,111</u>	<u>44,222</u>	<u>44,222</u>	<u>—</u>
Capital outlay:				
Maintenance	18,581	386,337	325,134	61,203
Engineering	203,866	35,894	53,787	(17,893)
Fire	—	2,538	—	2,538
Police	56,552	108,659	103,768	4,891
General government	163,794	372,143	174,167	197,976
Total capital outlay	<u>442,793</u>	<u>905,571</u>	<u>656,856</u>	<u>248,715</u>
Total expenditures	<u>68,962,583</u>	<u>71,799,114</u>	<u>67,756,854</u>	<u>4,042,260</u>
Excess of revenues over expenditures	<u>764,092</u>	<u>(1,943,129)</u>	<u>2,856,824</u>	<u>4,799,953</u>
Other financing sources (uses):				
Capital lease proceeds	—	—	—	—
Transfers in	2,964,902	2,964,902	2,957,867	(7,035)
Transfers out	(3,728,994)	(3,770,674)	(3,926,933)	(156,259)
Total other financing uses	<u>(764,092)</u>	<u>(805,772)</u>	<u>(969,066)</u>	<u>(163,294)</u>
Net change in fund balances	—	(2,748,901)	1,887,758	4,636,659
Fund balances – beginning	<u>20,356,733</u>	<u>20,356,733</u>	<u>20,356,733</u>	<u>—</u>
Fund balances – ending	<u>\$ 20,356,733</u>	<u>17,607,832</u>	<u>22,244,491</u>	<u>4,636,659</u>

CITY OF SPRINGFIELD, MISSOURI

Required Supplementary Information (Unaudited)

Budgetary Comparison Schedule – Community Development Fund Special Revenue Fund

Year ended June 30, 2013

	Budgeted amounts		Actual	Variance with final budget – positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,108,523	8,806,151	3,417,548	(5,388,603)
Revenues from use of money and property	—	—	—	—
Fund balance appropriation	753,801	753,801	—	(753,801)
Other	4,475,000	4,475,000	1,034,835	(3,440,165)
Total revenues	<u>7,337,324</u>	<u>14,034,952</u>	<u>4,452,383</u>	<u>(9,582,569)</u>
Expenditures:				
Planning and development	<u>7,051,369</u>	<u>13,868,706</u>	<u>3,942,691</u>	<u>9,926,015</u>
Excess (deficiency) of revenues over expenditures	<u>285,955</u>	<u>166,246</u>	<u>509,692</u>	<u>343,446</u>
Other financing sources (uses):				
Transfers in	64,045	64,045	172,879	108,834
Transfers out	<u>(350,000)</u>	<u>(350,000)</u>	<u>(445,154)</u>	<u>(95,154)</u>
Total other financing sources and uses	<u>(285,955)</u>	<u>(285,955)</u>	<u>(272,275)</u>	<u>13,680</u>
Net change in fund balance	—	(119,709)	237,417	357,126
Fund balances – beginning	<u>45,983,883</u>	<u>45,983,883</u>	<u>45,983,883</u>	<u>—</u>
Fund balances – ending	<u><u>\$ 45,983,883</u></u>	<u><u>45,864,174</u></u>	<u><u>46,221,300</u></u>	<u><u>357,126</u></u>

CITY OF SPRINGFIELD, MISSOURI

Required Supplementary Information (Unaudited)

Budgetary Comparison Schedule – Public Safety Pension Sales Tax Fund

Year ended June 30, 2013

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget – positive (negative)
Revenues:				
Sales tax	\$ 29,325,000	29,325,000	27,957,471	(1,367,529)
Intergovernmental	—	—	—	—
Revenues from use of money – interest	—	—	—	—
Other	—	—	—	—
Total revenues	<u>29,325,000</u>	<u>29,325,000</u>	<u>27,957,471</u>	<u>(1,367,529)</u>
Expenditures:				
Public safety	<u>29,325,000</u>	<u>29,325,000</u>	<u>27,957,471</u>	<u>1,367,529</u>
Excess of revenues over expenditures	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
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

Budgetary Comparison Schedule – Public Parks Special Revenue Fund

Year ended June 30, 2013

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget – positive (negative)</u>
Revenues:				
Sales taxes	\$ 9,800,000	9,800,000	8,742,091	(1,057,909)
Property taxes	5,450,500	5,450,500	5,660,183	209,683
Interest	49,500	49,500	—	(49,500)
Rent	99,600	99,600	64,738	(34,862)
Charges for current services	6,831,225	6,831,225	6,297,858	(533,367)
Fund balance appropriation	—	—	—	—
Intergovernmental	1,010,632	1,019,700	940,063	(79,637)
Other	389,014	1,019,014	135,200	(883,814)
Total revenues	<u>23,630,471</u>	<u>24,269,539</u>	<u>21,840,133</u>	<u>(2,429,406)</u>
Expenditures:				
Parks and recreation	22,281,113	23,636,028	22,233,041	1,402,987
General government	—	—	232,249	(232,249)
Total expenditures	<u>22,281,113</u>	<u>23,636,028</u>	<u>22,465,290</u>	<u>1,170,738</u>
Deficiency of revenues under expenditures	<u>1,349,358</u>	<u>633,511</u>	<u>(625,157)</u>	<u>(1,258,668)</u>
Other financing sources (uses):				
Capital lease proceeds	—	—	630,000	630,000
Transfers in	335,000	335,000	419,470	84,470
Transfers out	(1,684,358)	(1,204,358)	(666,416)	537,942
Total other financing sources	<u>(1,349,358)</u>	<u>(869,358)</u>	<u>383,054</u>	<u>1,252,412</u>
Net change in fund balance	<u>—</u>	<u>(235,847)</u>	<u>(242,103)</u>	<u>(6,256)</u>
Fund balances – beginning	<u>813,920</u>	<u>813,920</u>	<u>813,920</u>	<u>—</u>
Fund balances – end	<u>\$ 813,920</u>	<u>578,073</u>	<u>571,817</u>	<u>(6,256)</u>

CITY OF SPRINGFIELD, MISSOURI
Required Supplementary Information (Unaudited)
Notes to Budgetary Comparison Schedules
Year ended June 30, 2013

(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, 2013

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, 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%
June 30, 2013	251,104,000	375,636,000	124,532,000	67%	20,060,000	621%

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
June 30, 2008	\$ 89,428,530	114,705,856	25,277,326	78%	\$ 43,451,637	58%
June 30, 2009	75,419,350	118,747,306	43,327,956	64%	45,342,284	96%
June 30, 2010	81,650,914	119,897,053	38,246,139	68%	45,573,139	84%
June 30, 2011	84,166,038	122,998,859	38,832,821	68%	47,674,292	81%
June 30, 2012	91,766,700	126,235,604	34,468,904	73%	49,271,969	70%
June 30, 2013	96,512,033	133,697,203	37,185,170	72%	54,786,630	68%

CITY OF SPRINGFIELD, MISSOURI
 Required Supplementary Information (Unaudited)
 Schedules of Funding Progress
 Year ended June 30, 2013

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, 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%
February 28, 2012	140,402,000	237,273,000	96,871,000	59%	68,981,000	140%

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

Year ended June 30, 2013

	<u>Special revenue</u>	<u>Debt service</u>	<u>Capital projects</u>	<u>Permanent</u>	<u>Total nonmajor governmental funds</u>
Revenues:					
Property taxes	\$ 6,716,965	8,111,839	—	—	14,828,804
Sales taxes	16,307,871	—	15,381,411	—	31,689,282
Room taxes	3,786,894	—	—	—	3,786,894
Intergovernmental	19,637,734	—	5,343,449	—	24,981,183
Charges for current services	2,540,899	—	—	—	2,540,899
Special assessments	—	919,225	—	—	919,225
Revenues from use of money and property	55,628	243,940	121,171	2,946	423,685
Other	1,434,313	1,351,287	1,997,500	—	4,783,100
Total revenues	50,480,304	10,626,291	22,843,531	2,946	83,953,072
Expenditures:					
Current:					
Public works	11,292,490	—	—	—	11,292,490
Public safety	15,355,396	—	—	—	15,355,396
Parks and recreation	3,822,165	—	—	—	3,822,165
Planning and development	—	—	—	—	—
Public health	8,920,858	—	—	—	8,920,858
General government	7,648,921	—	—	—	7,648,921
Debt service:					
Principal	—	9,182,063	—	—	9,182,063
Bond issuance costs	—	—	—	—	—
Interest and other charges	—	6,591,270	—	—	6,591,270
Capital outlay:					
Public works	—	—	22,426,101	—	22,426,101
Public safety	—	—	2,856,179	—	2,856,179
Parks and recreation	—	—	3,152,965	—	3,152,965
Planning and development	—	—	376,246	—	376,246
General government	—	—	976,107	—	976,107
Total expenditures	47,039,830	15,773,333	29,787,598	—	92,600,761
Excess (deficiency) of revenues over expenditures	3,440,474	(5,147,042)	(6,944,067)	2,946	(8,647,689)
Other financing sources (uses):					
Issuance of debt	—	497,000	—	—	497,000
Capital lease proceeds	—	—	—	—	—
Bond premium (discount)	—	—	—	—	—
Issuance of refunding bonds	—	—	—	—	—
Payment to bond escrow agent	—	—	—	—	—
Transfers in	2,036,718	12,432,442	4,152,248	—	18,621,408
Transfers out	(2,296,373)	(9,843,185)	(3,472,936)	—	(15,612,494)
Total other financing sources	(259,655)	3,086,257	679,312	—	3,505,914
Net change in fund balance	3,180,819	(2,060,785)	(6,264,755)	2,946	(5,141,775)
Fund balance, beginning of year	20,055,434	31,324,756	59,079,441	1,273,601	111,733,232
Fund balance, end of year	\$ 23,236,253	29,263,971	52,814,686	1,276,547	106,591,457

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 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, 2013

Assets	Art museum	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	\$ 1,907,873	3,395,987	5,533,505	1,155,939	3,645,286	—	—	298,746	4,538,642	20,475,978
Accrued interest receivable	4,688	—	14,760	4,799	3,558	—	—	1,227	7,685	36,717
Property taxes receivable:										
Current	1,154,704	3,755,762	—	—	—	—	—	—	—	4,910,466
Delinquent	39,859	129,864	—	—	—	—	—	—	—	169,723
	<u>1,194,563</u>	<u>3,885,626</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,080,189</u>
Less allowance for uncollectible amounts	(5,188)	(16,894)	—	—	—	—	—	—	—	(22,082)
Net property taxes receivable	<u>1,189,375</u>	<u>3,868,732</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,058,107</u>
Accounts receivable	—	1,921	1,475,485	557,676	108,723	1,697,569	—	3,900	—	3,845,274
Inventories	—	—	1,875,008	—	—	—	—	—	—	1,875,008
Due from other governments	—	361,707	—	—	124,227	196,001	321,996	374,392	—	1,378,323
Total assets	<u>\$ 3,101,936</u>	<u>7,628,347</u>	<u>8,898,758</u>	<u>1,718,414</u>	<u>3,881,794</u>	<u>1,893,570</u>	<u>321,996</u>	<u>678,265</u>	<u>4,546,327</u>	<u>32,669,407</u>
Liabilities										
Due to other funds	\$ —	—	—	—	—	1,396,813	229,727	—	—	1,626,540
Accounts payable	3,197	308,229	161,891	350,996	61,652	43,290	18,925	584,327	829,576	2,362,083
Due to other governments	—	—	—	—	—	—	—	—	—	—
Unearned revenue	—	67,989	—	—	—	—	—	82,437	—	150,426
Deferred revenue	<u>1,175,787</u>	<u>3,855,735</u>	<u>—</u>	<u>—</u>	<u>31,856</u>	<u>40,573</u>	<u>178,653</u>	<u>11,501</u>	<u>—</u>	<u>5,294,105</u>
Total liabilities	<u>1,178,984</u>	<u>4,231,953</u>	<u>161,891</u>	<u>350,996</u>	<u>93,508</u>	<u>1,480,676</u>	<u>427,305</u>	<u>678,265</u>	<u>829,576</u>	<u>9,433,154</u>
Fund Balance										
Nonspendable	—	—	1,875,008	—	—	—	—	—	—	1,875,008
Restricted	—	—	6,861,859	1,367,418	3,788,286	—	—	—	—	12,017,563
Committed	1,922,952	245,343	—	—	—	412,894	—	—	3,716,751	6,297,940
Assigned	—	3,151,051	—	—	—	—	—	—	—	3,151,051
Unassigned	—	—	—	—	—	—	(105,309)	—	—	(105,309)
Total fund balance	<u>1,922,952</u>	<u>3,396,394</u>	<u>8,736,867</u>	<u>1,367,418</u>	<u>3,788,286</u>	<u>412,894</u>	<u>(105,309)</u>	<u>—</u>	<u>3,716,751</u>	<u>23,236,253</u>
Total liabilities and fund balance	<u>\$ 3,101,936</u>	<u>7,628,347</u>	<u>8,898,758</u>	<u>1,718,414</u>	<u>3,881,794</u>	<u>1,893,570</u>	<u>321,996</u>	<u>678,265</u>	<u>4,546,327</u>	<u>32,669,407</u>

CITY OF SPRINGFIELD, MISSOURI

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Special Revenue Funds

Year ended June 30, 2013

	<u>Art museum</u>	<u>Public health services</u>	<u>Public works transportation</u>	<u>Tourism/ convention promotion</u>	<u>Miscellaneous special revenue</u>	<u>Law enforcement</u>	<u>WIC program</u>	<u>Workforce development</u>	<u>Road and bridge maintenance</u>	<u>Total</u>
Revenues:										
Sales taxes	\$ —	—	9,206,487	—	596,252	6,505,132	—	—	—	16,307,871
Property taxes	1,184,466	3,859,073	—	—	—	—	—	—	1,673,426	6,716,965
Room taxes	—	—	—	3,786,894	—	—	—	—	—	3,786,894
Interest	7,802	2,173	11,637	4,679	—	—	—	1,917	7,082	35,290
Rent	1,000	—	—	—	19,338	—	—	—	—	20,338
Charges for services	37,520	1,337,093	744,186	—	166,535	30,298	137,111	—	88,156	2,540,899
Intergovernmental	—	3,009,215	—	600,110	1,600,904	6,449,714	1,316,739	6,661,052	—	19,637,734
Other	143,256	563,864	94,919	421,587	210,687	—	—	—	—	1,434,313
Total revenues	<u>1,374,044</u>	<u>8,771,418</u>	<u>10,057,229</u>	<u>4,813,270</u>	<u>2,593,716</u>	<u>12,985,144</u>	<u>1,453,850</u>	<u>6,662,969</u>	<u>1,768,664</u>	<u>50,480,304</u>
Expenditures:										
Current:										
Public works	—	—	9,743,838	—	8,238	—	—	—	1,540,414	11,292,490
Public safety	—	—	—	—	1,932,992	13,422,404	—	—	—	15,355,396
Parks and recreation	938,918	—	—	2,883,247	—	—	—	—	—	3,822,165
Planning and development	—	—	—	—	—	—	—	—	—	—
Public health	—	7,500,773	—	—	—	—	1,420,085	—	—	8,920,858
General government	—	91,682	—	—	877,007	—	—	6,680,232	—	7,648,921
Debt service:										
Principal	—	—	—	—	—	—	—	—	—	—
Interest and other charges	—	—	—	—	—	—	—	—	—	—
Total expenditures	<u>938,918</u>	<u>7,592,455</u>	<u>9,743,838</u>	<u>2,883,247</u>	<u>2,818,237</u>	<u>13,422,404</u>	<u>1,420,085</u>	<u>6,680,232</u>	<u>1,540,414</u>	<u>47,039,830</u>
Excess (deficiency) of revenues over expenditures	<u>435,126</u>	<u>1,178,963</u>	<u>313,391</u>	<u>1,930,023</u>	<u>(224,521)</u>	<u>(437,260)</u>	<u>33,765</u>	<u>(17,263)</u>	<u>228,250</u>	<u>3,440,474</u>
Other financing sources (uses):										
Capital lease proceeds	—	—	—	—	—	—	—	—	—	—
Transfers in	—	562,555	—	—	169,614	935,368	29	34,805	334,347	2,036,718
Transfers out	(14,160)	(70,248)	(115,000)	(1,421,955)	(86,704)	(570,764)	—	(17,542)	—	(2,296,373)
Total other financing sources (uses)	<u>(14,160)</u>	<u>492,307</u>	<u>(115,000)</u>	<u>(1,421,955)</u>	<u>82,910</u>	<u>364,604</u>	<u>29</u>	<u>17,263</u>	<u>334,347</u>	<u>(259,655)</u>
Net change in fund balance	<u>420,966</u>	<u>1,671,270</u>	<u>198,391</u>	<u>508,068</u>	<u>(141,611)</u>	<u>(72,656)</u>	<u>33,794</u>	<u>—</u>	<u>562,597</u>	<u>3,180,819</u>
Fund balance, beginning of year	<u>1,501,986</u>	<u>1,725,124</u>	<u>8,538,476</u>	<u>859,350</u>	<u>3,929,897</u>	<u>485,550</u>	<u>(139,103)</u>	<u>—</u>	<u>3,154,154</u>	<u>20,055,434</u>
Fund balance, end of year	<u>\$ 1,922,952</u>	<u>3,396,394</u>	<u>8,736,867</u>	<u>1,367,418</u>	<u>3,788,286</u>	<u>412,894</u>	<u>(105,309)</u>	<u>—</u>	<u>3,716,751</u>	<u>23,236,253</u>

CITY OF SPRINGFIELD, MISSOURI

Budgetary Comparison Schedule – Art Museum Special Revenue Fund

Year ended June 30, 2013

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget – positive (negative)</u>
Revenues:				
Property taxes	\$ 1,117,248	1,117,248	1,184,466	67,218
Interest	10,000	10,000	7,802	(2,198)
Charges for current services	26,500	26,500	38,520	12,020
Fund balance appropriation	247,600	247,600	—	(247,600)
Other	<u>24,000</u>	<u>24,000</u>	<u>143,256</u>	<u>119,256</u>
Total revenues	1,425,348	1,425,348	1,374,044	(51,304)
Expenditures:				
Parks and recreation	<u>1,411,188</u>	<u>1,436,859</u>	<u>938,918</u>	<u>497,941</u>
Excess (deficiency) of revenues over expenditures	<u>14,160</u>	<u>(11,511)</u>	<u>435,126</u>	<u>446,637</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	<u>(14,160)</u>	<u>(14,160)</u>	<u>(14,160)</u>	<u>—</u>
Net change in fund balance	—	(25,671)	420,966	446,637
Fund balances – beginning	<u>1,501,986</u>	<u>1,501,986</u>	<u>1,501,986</u>	<u>—</u>
Fund balances – end	<u>\$ 1,501,986</u>	<u>1,476,315</u>	<u>1,922,952</u>	<u>446,637</u>

CITY OF SPRINGFIELD, MISSOURI

Budgetary Comparison Schedule – Public Health Services Special Revenue Fund

Year ended June 30, 2013

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget – positive (negative)</u>
Revenues:				
Property taxes	\$ 3,645,324	3,645,324	3,859,073	213,749
Interest	—	—	2,173	2,173
Charges for current services	1,093,000	1,093,000	1,337,093	244,093
Intergovernmental	2,236,800	3,917,881	3,009,215	(908,666)
Fund balance appropriation	40,000	40,000	—	(40,000)
Other	766,109	766,109	563,864	(202,245)
	<u>7,781,233</u>	<u>9,462,314</u>	<u>8,771,418</u>	<u>(690,896)</u>
Total revenues				
Expenditures:				
Public health	8,273,946	9,748,926	7,500,773	2,248,153
General government	—	—	91,682	(91,682)
	<u>8,273,946</u>	<u>9,748,926</u>	<u>7,592,455</u>	<u>2,156,471</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(492,713)</u>	<u>(286,612)</u>	<u>1,178,963</u>	<u>1,465,575</u>
Other financing sources (uses):				
Transfers in	615,883	615,953	562,555	(53,398)
Transfers out	(123,170)	(123,170)	(70,248)	52,922
	<u>492,713</u>	<u>492,783</u>	<u>492,307</u>	<u>(476)</u>
Total other financing sources				
Net change in fund balance	—	206,171	1,671,270	1,465,099
Fund balances – beginning	<u>1,725,124</u>	<u>1,725,124</u>	<u>1,725,124</u>	<u>—</u>
Fund balances – end	\$ <u><u>1,725,124</u></u>	<u><u>1,931,295</u></u>	<u><u>3,396,394</u></u>	<u><u>1,465,099</u></u>

CITY OF SPRINGFIELD, MISSOURI

Budgetary Comparison Schedule – Public Works Transportation Special Revenue Fund

Year ended June 30, 2013

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget – positive (negative)</u>
Revenues:				
Sales taxes	\$ 8,790,000	8,790,000	9,206,487	416,487
Charges for current services	740,000	740,000	744,186	4,186
Interest	50,000	50,000	11,637	(38,363)
Fund balance appropriation	1,275,000	1,015,000	—	(1,015,000)
Intergovernmental	—	—	—	—
Other	20,000	20,000	94,919	74,919
Total revenues	<u>10,875,000</u>	<u>10,615,000</u>	<u>10,057,229</u>	<u>(557,771)</u>
Expenditures:				
Public works	<u>10,775,000</u>	<u>11,394,336</u>	<u>9,743,838</u>	<u>1,650,498</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100,000</u>	<u>(779,336)</u>	<u>313,391</u>	<u>1,092,727</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(115,000)</u>	<u>(15,000)</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(115,000)</u>	<u>(15,000)</u>
Net change in fund balance	—	(879,336)	198,391	1,077,727
Fund balances – beginning	<u>8,538,476</u>	<u>8,538,476</u>	<u>8,538,476</u>	<u>—</u>
Fund balances – end	<u>\$ 8,538,476</u>	<u>7,659,140</u>	<u>8,736,867</u>	<u>1,077,727</u>

CITY OF SPRINGFIELD, MISSOURI

Budgetary Comparison Schedule – Tourism/Convention Promotion Special Revenue Fund

Year ended June 30, 2013

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget – positive (negative)
Revenues:				
Room taxes	\$ 3,721,000	3,696,810	3,786,894	90,084
Interest	5,700	5,700	4,679	(1,021)
Intergovernmental	—	—	600,110	600,110
Other	<u>1,222,650</u>	<u>1,069,700</u>	<u>421,587</u>	<u>(648,113)</u>
Total revenues	4,949,350	4,772,210	4,813,270	41,060
Expenditures:				
Parks and recreation	<u>3,668,950</u>	<u>3,444,635</u>	<u>2,883,247</u>	<u>561,388</u>
Excess of revenues over expenditures	<u>1,280,400</u>	<u>1,327,575</u>	<u>1,930,023</u>	<u>602,448</u>
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	<u>(1,280,400)</u>	<u>(1,280,400)</u>	<u>(1,421,955)</u>	<u>(141,555)</u>
Total other financing sources (uses)	<u>(1,280,400)</u>	<u>(1,280,400)</u>	<u>(1,421,955)</u>	<u>(141,555)</u>
Net change in fund balance	—	47,175	508,068	460,893
Fund balances – beginning	<u>859,350</u>	<u>859,350</u>	<u>859,350</u>	—
Fund balances – end	<u>\$ 859,350</u>	<u>906,525</u>	<u>1,367,418</u>	<u>460,893</u>

CITY OF SPRINGFIELD, MISSOURI

Budgetary Comparison Schedule – Miscellaneous Special Revenue Fund

Year ended June 30, 2013

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget – positive (negative)</u>
Revenues:				
Sales taxes	\$ 704,096	704,096	596,252	(107,844)
Interest	275	275	—	(275)
Charges for current services	179,000	179,000	185,873	6,873
Intergovernmental	—	2,764,483	1,600,904	(1,163,579)
Fund balance appropriation	300,000	300,000	59,726	(240,274)
Other	—	835	150,961	150,126
	<u>1,183,371</u>	<u>3,948,689</u>	<u>2,593,716</u>	<u>(1,354,973)</u>
Total revenues				
Expenditures:				
Public works	—	—	8,238	(8,238)
Public safety	999,000	4,029,427	1,932,992	2,096,435
Parks and recreation	—	—	—	—
Planning and development	—	—	—	—
Public health	—	—	—	—
General government	—	—	877,007	(877,007)
	<u>999,000</u>	<u>4,029,427</u>	<u>2,818,237</u>	<u>1,211,190</u>
Total expenditures				
Deficiency of revenues under expenditures	<u>184,371</u>	<u>(80,738)</u>	<u>(224,521)</u>	<u>(143,783)</u>
Other financing sources (uses):				
Transfers in	—	334,278	169,614	(164,664)
Transfers out	<u>(184,371)</u>	<u>(184,371)</u>	<u>(86,704)</u>	<u>97,667</u>
Total other financing sources (uses)	<u>(184,371)</u>	<u>149,907</u>	<u>82,910</u>	<u>(66,997)</u>
Net change in fund balance	—	69,169	(141,611)	(210,780)
Fund balances – beginning	<u>3,929,897</u>	<u>3,929,897</u>	<u>3,929,897</u>	—
Fund balances – end	<u>\$ 3,929,897</u>	<u>3,999,066</u>	<u>3,788,286</u>	<u>(210,780)</u>

CITY OF SPRINGFIELD, MISSOURI

Budgetary Comparison Schedule – Law Enforcement Special Revenue Fund

Year ended June 30, 2013

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget – positive (negative)
Revenues:				
Sales taxes	\$ 11,090,527	11,090,527	6,505,132	(4,585,395)
Intergovernmental	3,671,514	4,664,211	6,449,714	1,785,503
Revenues for use of money – interest	—	—	—	—
Charges for current services	<u>30,000</u>	<u>4,918</u>	<u>30,298</u>	<u>25,380</u>
Total revenues	<u>14,792,041</u>	<u>15,759,656</u>	<u>12,985,144</u>	<u>(2,774,512)</u>
Expenditures:				
Public safety	<u>15,122,466</u>	<u>16,214,015</u>	<u>13,422,404</u>	<u>2,791,611</u>
Total expenditures	<u>15,122,466</u>	<u>16,214,015</u>	<u>13,422,404</u>	<u>2,791,611</u>
Deficiency of revenues under expenditures	<u>(330,425)</u>	<u>(454,359)</u>	<u>(437,260)</u>	<u>17,099</u>
Other financing sources (uses):				
Transfers in	860,400	869,122	935,368	66,246
Transfers out	<u>(529,975)</u>	<u>(531,075)</u>	<u>(570,764)</u>	<u>(39,689)</u>
Total other financing sources	<u>330,425</u>	<u>338,047</u>	<u>364,604</u>	<u>26,557</u>
Net change in fund balance	—	(116,312)	(72,656)	43,656
Fund balances – beginning	<u>485,550</u>	<u>485,550</u>	<u>485,550</u>	<u>—</u>
Fund balances – end	\$ <u><u>485,550</u></u>	<u><u>369,238</u></u>	<u><u>412,894</u></u>	<u><u>43,656</u></u>

CITY OF SPRINGFIELD, MISSOURI

Budgetary Comparison Schedule – WIC Program Special Revenue Fund

Year ended June 30, 2013

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget – positive (negative)</u>
Revenues:				
Intergovernmental	\$ 1,500,000	2,207,989	1,316,739	(891,250)
Charges for Services	145,000	145,000	137,111	(7,889)
Revenues from use of money – interest	—	—	—	—
Fund balance appropriation	<u>63,000</u>	<u>63,000</u>	<u>—</u>	<u>(63,000)</u>
Total revenues	1,708,000	2,415,989	1,453,850	(962,139)
Expenditures:				
Public health	<u>1,708,000</u>	<u>2,246,799</u>	<u>1,420,085</u>	<u>826,714</u>
Excess (deficiency) of revenues over (under) expenditures	—	169,190	33,765	(135,425)
Other financing uses:				
Transfers in	—	—	29	29
Transfers out	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	—	169,190	33,794	(135,396)
Fund balances – beginning	<u>(139,103)</u>	<u>(139,103)</u>	<u>(139,103)</u>	<u>—</u>
Fund balances – end	\$ <u><u>(139,103)</u></u>	<u><u>30,087</u></u>	<u><u>(105,309)</u></u>	<u><u>(135,396)</u></u>

CITY OF SPRINGFIELD, MISSOURI

Budgetary Comparison Schedule – Workforce Development Special Revenue Fund

Year ended June 30, 2013

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget – positive (negative)
Revenues:				
Intergovernmental	\$ 7,218,563	10,346,587	6,661,052	(3,685,535)
Revenues from use of money – interest	<u>—</u>	<u>—</u>	<u>1,917</u>	<u>1,917</u>
Total revenues	7,218,563	10,346,587	6,662,969	(3,683,618)
Expenditures:				
General government	<u>7,218,563</u>	<u>9,892,479</u>	<u>6,680,232</u>	<u>3,212,247</u>
Deficiency of revenues under expenditures	<u>—</u>	<u>454,108</u>	<u>(17,263)</u>	<u>(471,371)</u>
Other financing uses:				
Transfers in	<u>—</u>	<u>—</u>	<u>34,805</u>	<u>34,805</u>
Transfers out	<u>—</u>	<u>(454,108)</u>	<u>(17,542)</u>	<u>436,566</u>
Total other financing sources	<u>—</u>	<u>(454,108)</u>	<u>17,263</u>	<u>471,371</u>
Net change in fund balance	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
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

Budgetary Comparison Schedule – Road and Bridge Maintenance Special Revenue Fund

Year ended June 30, 2013

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget – positive (negative)</u>
Revenues:				
Property taxes	\$ 1,700,000	1,700,000	1,673,426	(26,574)
Charges for current services	—	—	88,156	88,156
Interest	25,000	25,000	7,082	(17,918)
Fund balance appropriation	—	—	—	—
Other	—	—	—	—
Total revenues	<u>1,725,000</u>	<u>1,725,000</u>	<u>1,768,664</u>	<u>43,664</u>
Expenditures:				
Public works	<u>2,079,910</u>	<u>4,929,051</u>	<u>1,540,414</u>	<u>3,388,637</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(354,910)</u>	<u>(3,204,051)</u>	<u>228,250</u>	<u>3,432,301</u>
Other financing sources (uses):				
Transfers in	354,910	354,910	334,347	(20,563)
Transfers out	—	—	—	—
Total other financing sources (uses)	<u>354,910</u>	<u>354,910</u>	<u>334,347</u>	<u>(20,563)</u>
Net change in fund balance	—	(2,849,141)	562,597	3,411,738
Fund balances – beginning	<u>3,154,154</u>	<u>3,154,154</u>	<u>3,154,154</u>	—
Fund balances – end	\$ <u><u>3,154,154</u></u>	<u><u>305,013</u></u>	<u><u>3,716,751</u></u>	<u><u>3,411,738</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.

Fairgrounds – This debt service fund accounts for the resources accumulated and payments made for principal and interest on the bond issue related to the Ozarks Empire Fairground. Debt service for the Fairground is funded by lease payments made by the Ozarks Empire Fairground.

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.

CITY OF SPRINGFIELD, MISSOURI

Combining Balance Sheet

Nonmajor Debt Service Funds

June 30, 2013

Assets	Jordan Valley Park issues	Heers/ College station	LEST issues	Level property tax issues	Special assessments	Fairgrounds	Parks issues	2001 PIC West	SBD loan program	Crime lab	Total
Cash and investments	\$ 1,187,781	10,652	73,607	6,124,469	6,114,104	9,442	4,389	—	94,920	—	13,619,364
Accrued interest receivable	—	—	—	31,529	22,487	1	—	—	454	—	54,471
Accounts receivable	—	—	—	—	—	—	—	—	—	—	—
Special assessments receivable	—	—	—	—	2,753,269	—	—	—	—	—	2,753,269
Property taxes receivable:											
Current	—	—	—	7,862,698	—	—	—	—	—	—	7,862,698
Delinquent	—	—	—	273,225	—	—	—	—	—	—	273,225
	—	—	—	8,135,923	—	—	—	—	—	—	8,135,923
Less allowance for uncollectible amounts	—	—	—	(34,699)	—	—	—	—	—	—	(34,699)
Net property taxes receivable	—	—	—	8,101,224	—	—	—	—	—	—	8,101,224
Restricted cash and investments	5,429,309	1,693,622	284,510	7,350,468	—	—	213,920	—	539,389	—	15,511,218
Total assets	\$ 6,617,090	1,704,274	358,117	21,607,690	8,889,860	9,443	218,309	—	634,763	—	40,039,546
Liabilities											
Due to other funds	\$ —	—	—	—	—	—	—	—	—	—	—
Accounts payable	750	2,500	—	1,000	—	4,865	—	—	—	—	9,115
Accrued interest payable	2,877	1,479	396	—	—	—	308	—	—	—	5,060
Deferred revenue	—	—	—	8,008,131	2,753,269	—	—	—	—	—	10,761,400
Total liabilities	3,627	3,979	396	8,009,131	2,753,269	4,865	308	—	—	—	10,775,575
Fund Balance											
Restricted	5,429,309	1,693,622	284,510	7,350,468	—	—	213,920	—	539,389	—	15,511,218
Committed	1,184,154	—	73,211	6,248,091	6,136,591	4,578	4,081	—	—	—	13,650,706
Assigned	—	6,673	—	—	—	—	—	—	95,374	—	102,047
Total fund balance	6,613,463	1,700,295	357,721	13,598,559	6,136,591	4,578	218,001	—	634,763	—	29,263,971
Total liabilities and fund balance	\$ 6,617,090	1,704,274	358,117	21,607,690	8,889,860	9,443	218,309	—	634,763	—	40,039,546

CITY OF SPRINGFIELD, MISSOURI

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

Year ended June 30, 2013

	<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>Fairgrounds</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	\$ —	—	—	8,111,839	—	—	—	—	—	—	8,111,839
Intergovernmental	—	—	—	—	—	—	—	—	—	—	—
Interest	—	78,252	—	73,042	90,360	29	—	265	1,992	—	243,940
Special assessments	—	140,831	—	—	777,258	—	1,136	—	—	—	919,225
Other	1,346,628	—	—	—	—	4,659	—	—	—	—	1,351,287
Total revenues	<u>1,346,628</u>	<u>219,083</u>	<u>—</u>	<u>8,184,881</u>	<u>867,618</u>	<u>4,688</u>	<u>1,136</u>	<u>265</u>	<u>1,992</u>	<u>—</u>	<u>10,626,291</u>
Expenditures:											
Debt service:											
Principal	2,440,000	350,000	315,000	4,565,000	1,120,000	—	167,063	—	225,000	—	9,182,063
Bond issuance costs	—	—	—	—	—	—	—	—	—	—	—
Interest and other charges	2,025,929	706,794	159,058	2,524,607	477,151	497,110	96,346	—	104,275	—	6,591,270
Total expenditures	<u>4,465,929</u>	<u>1,056,794</u>	<u>474,058</u>	<u>7,089,607</u>	<u>1,597,151</u>	<u>497,110</u>	<u>263,409</u>	<u>—</u>	<u>329,275</u>	<u>—</u>	<u>15,773,333</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,119,301)</u>	<u>(837,711)</u>	<u>(474,058)</u>	<u>1,095,274</u>	<u>(729,533)</u>	<u>(492,422)</u>	<u>(262,273)</u>	<u>265</u>	<u>(327,283)</u>	<u>—</u>	<u>(5,147,042)</u>
Other financing sources (uses):											
Issuance of debt	—	—	—	—	—	497,000	—	—	—	—	497,000
Bond premium (discount)	—	—	—	—	—	—	—	—	—	—	—
Issuance of refunding bonds	—	—	—	—	—	—	—	—	—	—	—
Payment to bond escrow agent	—	—	—	—	—	—	—	—	—	—	—
Transfers in	3,554,479	812,299	545,074	6,931,131	15,510	—	265,000	—	308,949	—	12,432,442
Transfers out	(170)	—	(74)	(9,842,096)	—	—	—	(845)	—	—	(9,843,185)
Total other financing sources (uses)	<u>3,554,309</u>	<u>812,299</u>	<u>545,000</u>	<u>(2,910,965)</u>	<u>15,510</u>	<u>497,000</u>	<u>265,000</u>	<u>(845)</u>	<u>308,949</u>	<u>—</u>	<u>3,086,257</u>
Net change in fund balance	<u>435,008</u>	<u>(25,412)</u>	<u>70,942</u>	<u>(1,815,691)</u>	<u>(714,023)</u>	<u>4,578</u>	<u>2,727</u>	<u>(580)</u>	<u>(18,334)</u>	<u>—</u>	<u>(2,060,785)</u>
Fund balance, beginning of year	6,178,455	1,725,707	286,779	15,414,250	6,850,614	—	215,274	580	653,097	—	31,324,756
Fund balance, end of year	<u>\$ 6,613,463</u>	<u>1,700,295</u>	<u>357,721</u>	<u>13,598,559</u>	<u>6,136,591</u>	<u>4,578</u>	<u>218,001</u>	<u>—</u>	<u>634,763</u>	<u>—</u>	<u>29,263,971</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, 2013

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	\$ 14,203,539	6,374,668	6,246,156	20,126,666	2,116,348	3,386,354	—	328,729	349,835	—	53,132,295
Accrued interest receivable	46,387	25,678	11,191	57,359	512	9,622	—	873	—	2,513	154,135
Accounts receivable	694,688	203,295	—	1,641,879	—	—	—	—	—	—	2,539,862
Due from other funds	—	—	—	102,522	—	—	—	—	—	—	102,522
Due from other governments	—	174,520	985,477	—	—	—	—	—	—	—	1,159,997
Total assets	\$ 14,944,614	6,778,161	7,242,824	21,928,426	2,116,860	3,395,976	—	329,602	349,835	2,513	57,088,811
Liabilities											
Due to other funds	\$ —	—	102,522	—	—	—	18,963	—	—	64,670	186,155
Accounts payable	184,306	303,530	382,004	877,694	—	196,937	115	—	33,702	—	1,978,288
Retainages payable	11,632	8,574	50,731	160,326	—	106,438	—	—	104,065	—	441,766
Unearned revenue	—	—	638,220	—	—	—	—	—	—	—	638,220
Deferred revenue	—	231,686	798,010	—	—	—	—	—	—	—	1,029,696
Total liabilities	195,938	543,790	1,971,487	1,038,020	—	303,375	19,078	—	137,767	64,670	4,274,125
Fund Balance											
Restricted	14,748,675	6,234,371	5,271,337	20,890,406	—	3,092,601	—	329,602	212,069	—	50,779,061
Committed	—	—	—	—	2,116,860	—	—	—	—	—	2,116,860
Unassigned	—	—	—	—	—	—	(19,078)	—	—	(62,157)	(81,235)
Total fund balance	14,748,675	6,234,371	5,271,337	20,890,406	2,116,860	3,092,601	(19,078)	329,602	212,069	(62,157)	52,814,686
Total liabilities and fund balance	\$ 14,944,613	6,778,161	7,242,824	21,928,426	2,116,860	3,395,976	—	329,602	349,836	2,513	57,088,811

CITY OF SPRINGFIELD, MISSOURI

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Project Funds

Year ended June 30, 2013

	<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	\$ 4,659,627	328,827	—	9,319,359	—	—	—	—	—	1,073,598	15,381,411
Interest	24,979	12,704	32,483	47,647	1,368	—	—	665	—	1,325	121,171
Intergovernmental	—	172,392	4,832,957	—	—	—	—	—	338,100	—	5,343,449
Other	290,595	194,925	889,786	—	587,320	2,430	—	—	—	32,444	1,997,500
Total revenues	<u>4,975,201</u>	<u>708,848</u>	<u>5,755,226</u>	<u>9,367,006</u>	<u>588,688</u>	<u>2,430</u>	<u>—</u>	<u>665</u>	<u>338,100</u>	<u>1,107,367</u>	<u>22,843,531</u>
Expenditures:											
Capital outlay:											
Public works	5,809,500	919,790	4,378,003	7,594,192	214,658	3,044,999	—	—	464,959	—	22,426,101
Public safety	—	—	—	—	—	—	19,560	—	2,836,619	—	2,856,179
Parks and recreation	—	3,120,108	—	32,857	—	—	—	—	—	—	3,152,965
Planning and development	—	—	—	202,944	—	—	—	—	9,651	163,651	376,246
General government	—	—	—	4,527	9	191	81	—	971,299	—	976,107
Total expenditures	<u>5,809,500</u>	<u>4,039,898</u>	<u>4,378,003</u>	<u>7,834,520</u>	<u>214,667</u>	<u>3,045,190</u>	<u>19,641</u>	<u>—</u>	<u>4,282,528</u>	<u>163,651</u>	<u>29,787,598</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(834,299)</u>	<u>(3,331,050)</u>	<u>1,377,223</u>	<u>1,532,486</u>	<u>374,021</u>	<u>(3,042,760)</u>	<u>(19,641)</u>	<u>665</u>	<u>(3,944,428)</u>	<u>943,716</u>	<u>(6,944,067)</u>
Other financing sources (uses):											
Bond proceeds	—	—	—	—	—	—	—	—	—	—	—
Transfers in	—	159,563	—	—	—	—	—	—	3,830,428	162,257	4,152,248
Transfers out	(174,794)	(160,871)	—	(349,588)	(51)	(4)	—	(1,916)	(1,611,361)	(1,174,351)	(3,472,936)
Total other financing sources (uses)	<u>(174,794)</u>	<u>(1,308)</u>	<u>—</u>	<u>(349,588)</u>	<u>(51)</u>	<u>(4)</u>	<u>—</u>	<u>(1,916)</u>	<u>2,219,067</u>	<u>(1,012,094)</u>	<u>679,312</u>
Net change in fund balance	<u>(1,009,093)</u>	<u>(3,332,358)</u>	<u>1,377,223</u>	<u>1,182,898</u>	<u>373,970</u>	<u>(3,042,764)</u>	<u>(19,641)</u>	<u>(1,251)</u>	<u>(1,725,361)</u>	<u>(68,378)</u>	<u>(6,264,755)</u>
Fund balance, beginning of year	15,757,768	9,566,729	3,894,114	19,707,508	1,742,890	6,135,365	563	330,853	1,937,430	6,221	59,079,441
Fund balance, end of year	<u>\$ 14,748,675</u>	<u>6,234,371</u>	<u>5,271,337</u>	<u>20,890,406</u>	<u>2,116,860</u>	<u>3,092,601</u>	<u>(19,078)</u>	<u>329,602</u>	<u>212,069</u>	<u>(62,157)</u>	<u>52,814,686</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, 2013

	Assets	Perpetual care
Cash and investments		\$ 1,272,629
Accrued interest receivable		<u>3,918</u>
Total assets		<u>\$ 1,276,547</u>
	Liabilities	
Accounts payable		\$ <u>—</u>
Total liabilities		<u>—</u>
	Fund Balance	
Nonspendable		1,269,362
Assigned		<u>7,185</u>
Total liabilities and fund balance		<u>\$ 1,276,547</u>

CITY OF SPRINGFIELD, MISSOURI

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Permanent Funds

Year ended June 30, 2013

	Perpetual care
Revenues:	
Interest	\$ —
Perpetual care	2,946
Contributions	—
Total revenues	<u>2,946</u>
Expenditures:	
Current:	
General government	—
Excess of revenues over expenditures	<u>2,946</u>
Other financing uses – transfers out	—
Net change in fund balance	<u>2,946</u>
Fund balance, beginning of year	<u>1,273,601</u>
Fund balance, end of year	<u><u>\$ 1,276,547</u></u>

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 Position
Nonmajor Enterprise Funds

June 30, 2013

Assets	Refuse disposal	Golf	Total
Current assets:			
Cash and cash equivalents	\$ 662,126	2,096	664,222
Investments	3,958,122	12,527	3,970,649
Inventories	104,616	143,305	247,921
Accounts receivable	18,740	—	18,740
Due from other governments	10,062	—	10,062
Accrued interest receivable	33,424	480	33,904
Total current assets	<u>4,787,090</u>	<u>158,408</u>	<u>4,945,498</u>
Investments	<u>7,389,462</u>	<u>23,387</u>	<u>7,412,849</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	17,749,610	8,262,495	26,012,105
Machinery and equipment	8,232,867	1,204,245	9,437,112
	<u>29,523,477</u>	<u>10,505,885</u>	<u>40,029,362</u>
Less accumulated depreciation	<u>(16,200,218)</u>	<u>(7,859,731)</u>	<u>(24,059,949)</u>
	<u>13,323,259</u>	<u>2,646,154</u>	<u>15,969,413</u>
Construction in progress	<u>651,648</u>	<u>—</u>	<u>651,648</u>
Total capital assets (net of accumulated depreciation)	<u>13,974,907</u>	<u>2,646,154</u>	<u>16,621,061</u>
Total assets	<u>26,151,459</u>	<u>2,827,949</u>	<u>28,979,408</u>
	Liabilities		
Current liabilities:			
Accounts payable	397,502	27,637	425,139
Retainages payable	58,281	—	58,281
Accrued interest payable	—	4,141	4,141
Accrued compensated absences and other accrued costs	38,085	7,173	45,258
Due to other funds	—	265,000	265,000
Current maturities of long-term debt	—	49,645	49,645
Total current liabilities	<u>493,868</u>	<u>353,596</u>	<u>847,464</u>
Long-term debt, less current maturities:			
Capitalized lease obligations payable	—	37,919	37,919
Accrued landfill closure/postclosure care costs	10,668,803	—	10,668,803
Revenue bonds payable, net	—	19,737	19,737
Other postemployment benefits	74,864	53,017	127,881
Accrued compensated absences	402,735	127,383	530,118
Total long-term liabilities	<u>11,146,402</u>	<u>238,056</u>	<u>11,384,458</u>
Total liabilities	<u>11,640,270</u>	<u>591,652</u>	<u>12,231,922</u>
	Net Position		
Net position:			
Net investment in capital assets	13,974,907	2,538,853	16,513,760
Unrestricted	536,282	(302,556)	233,726
Total net position	<u>\$ 14,511,189</u>	<u>2,236,297</u>	<u>16,747,486</u>

CITY OF SPRINGFIELD, MISSOURI
Combining Statement of Revenues, Expenses and
Changes in Net Position
Nonmajor Enterprise Funds
Year ended June 30, 2013

	<u>Refuse disposal</u>	<u>Golf</u>	<u>Total</u>
Operating revenues:			
Landfill charges	\$ 6,226,956	—	6,226,956
Yardwaste recycling sales	281,127	—	281,127
Golf course fees	—	2,644,717	2,644,717
Other	19,780	—	19,780
	<u>6,527,863</u>	<u>2,644,717</u>	<u>9,172,580</u>
Total operating revenues			
Operating expenses:			
Personnel services	2,191,996	1,458,349	3,650,345
Other services	1,275,548	435,349	1,710,897
Supplies	643,395	532,192	1,175,587
Depreciation and amortization	1,202,640	393,652	1,596,292
	<u>5,313,579</u>	<u>2,819,542</u>	<u>8,133,121</u>
Total operating expenses			
Operating income (loss)	<u>1,214,284</u>	<u>(174,825)</u>	<u>1,039,459</u>
Nonoperating revenues (expenses):			
Interest revenue	31,968	627	32,595
Interest on long-term debt	(591)	(47,420)	(48,011)
Administrative fees and other debt charges	—	(525)	(525)
Gain (loss) from disposal of capital assets	—	—	—
Claims and settlements	(242,878)	—	(242,878)
Other nonoperating income (expense)	32,016	—	32,016
	<u>(179,485)</u>	<u>(47,318)</u>	<u>(226,803)</u>
Net nonoperating revenues (expenses)			
Income (loss) before contributions and transfers	1,034,799	(222,143)	812,656
Contributions and grants	133,549	—	133,549
Transfers in	165,550	—	165,550
Transfers out	(334,897)	—	(334,897)
	<u>999,001</u>	<u>(222,143)</u>	<u>776,858</u>
Change in net position			
Total net position – beginning	<u>13,512,188</u>	<u>2,458,440</u>	<u>15,970,628</u>
Total net position – ending	<u>\$ 14,511,189</u>	<u>2,236,297</u>	<u>16,747,486</u>

CITY OF SPRINGFIELD, MISSOURI

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year ended June 30, 2013

	<u>Refuse disposal</u>	<u>Golf</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from users	\$ 6,710,300	2,529,717	9,240,017
Cash paid to suppliers	(1,810,151)	(1,005,242)	(2,815,393)
Cash paid to employees	<u>(2,145,311)</u>	<u>(1,443,937)</u>	<u>(3,589,248)</u>
Net cash provided by operating activities	<u>2,754,838</u>	<u>80,538</u>	<u>2,835,376</u>
Cash flows from noncapital financing activities:			
Transfers in	165,550	—	165,550
Transfers out	<u>(334,897)</u>	<u>—</u>	<u>(334,897)</u>
Net cash used in noncapital financing activities	<u>(169,347)</u>	<u>—</u>	<u>(169,347)</u>
Cash flows from capital and related financing activities:			
Interest paid on long-term debt obligations	(591)	(10,985)	(11,576)
Principal payments made on long-term capital lease	(38,397)	(98,920)	(137,317)
Proceeds from issuance of long-term debt	—	—	—
Debt issuance costs	—	(525)	(525)
Additions to capital assets	(649,801)	—	(649,801)
Capital contributions	133,549	—	133,549
Proceeds from sale of capital assets	<u>—</u>	<u>—</u>	<u>—</u>
Net cash used in capital and related financing activities	<u>(555,240)</u>	<u>(110,430)</u>	<u>(665,670)</u>
Cash flows provided by investing activity:			
Purchase of investments	(9,384,443)	(44,696)	(9,429,139)
Sale of investments	7,963,938	74,195	8,038,133
Interest received	<u>50,831</u>	<u>522</u>	<u>51,353</u>
Net cash provided by (used in) investing activities	<u>(1,369,674)</u>	<u>30,021</u>	<u>(1,339,653)</u>
Net increase in cash and cash equivalents	660,577	129	660,706
Cash and cash equivalents, beginning of year	1,549	1,967	3,516
Cash and cash equivalents, end of year	<u>\$ 662,126</u>	<u>2,096</u>	<u>664,222</u>
Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating income (loss)	\$ 1,214,284	(174,825)	1,039,459
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,202,640	393,652	1,596,292
Other nonoperating expenses	(210,862)	—	(210,862)
Decrease (increase) in:			
Accounts receivable	1,226	—	1,226
Due from other governments	149,195	—	149,195
Inventories	6,341	(11,138)	(4,797)
Increase (decrease) in:			
Accounts payable	140,613	(26,563)	114,050
Retainage payable	(38,162)	—	(38,162)
Due to other fund	—	(115,000)	(115,000)
Accrued landfill closure/postclosure care costs	242,878	—	242,878
Other postemployment benefits	6,319	3,245	9,564
Accrued compensated absences	<u>40,366</u>	<u>11,167</u>	<u>51,533</u>
Total adjustments	<u>1,540,554</u>	<u>255,363</u>	<u>1,795,917</u>
Net cash provided by operating activities	\$ <u>2,754,838</u>	<u>80,538</u>	<u>2,835,376</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 Revenues, Expenses and
Changes in Net Position
Internal Service Funds
Year ended June 30, 2013

	<u>Service center</u>	<u>Print shop</u>	<u>Self- insurance</u>	<u>Total</u>
Operating revenues:				
Billings to departments	\$ 3,665,777	201,388	4,967,345	8,834,510
Contributions – City	—	—	9,361,940	9,361,940
Contributions – employees	—	—	3,238,935	3,238,935
Total operating revenues	<u>3,665,777</u>	<u>201,388</u>	<u>17,568,220</u>	<u>21,435,385</u>
Operating expenses:				
Cost of materials used:				
Beginning inventory	277,087	70,192	—	347,279
Net purchases	2,377,692	44,115	—	2,421,807
	<u>2,654,779</u>	<u>114,307</u>	<u>—</u>	<u>2,769,086</u>
Ending inventory	(281,453)	(48,980)	—	(330,433)
Total cost of materials used	<u>2,373,326</u>	<u>65,327</u>	<u>—</u>	<u>2,438,653</u>
Other operating expenses:				
Personnel services	1,031,044	57,458	199,549	1,288,051
Charges for services	374,765	607	13,430,283	13,805,655
Rent	—	63,083	—	63,083
Depreciation	64,591	1,446	—	66,037
Total other operating expenses	<u>1,470,400</u>	<u>122,594</u>	<u>13,629,832</u>	<u>15,222,826</u>
Total operating expenses	<u>3,843,726</u>	<u>187,921</u>	<u>13,629,832</u>	<u>17,661,479</u>
Operating income (loss)	<u>(177,949)</u>	<u>13,467</u>	<u>3,938,388</u>	<u>3,773,906</u>
Nonoperating revenues (expenses)	<u>(8,328)</u>	<u>—</u>	<u>33,891</u>	<u>25,563</u>
Income (loss) before transfers	<u>(186,277)</u>	<u>13,467</u>	<u>3,972,279</u>	<u>3,799,469</u>
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Change in net position	<u>(186,277)</u>	<u>13,467</u>	<u>3,972,279</u>	<u>3,799,469</u>
Total net position – beginning	<u>408,690</u>	<u>2,709</u>	<u>4,996,877</u>	<u>5,408,276</u>
Total net position – ending	<u>\$ 222,413</u>	<u>16,176</u>	<u>8,969,156</u>	<u>9,207,745</u>

CITY OF SPRINGFIELD, MISSOURI

Combining Statement of Cash Flows

Internal Service Funds

Year ended June 30, 2013

	<u>Service center</u>	<u>Print shop</u>	<u>Self- insurance</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from users	\$ 3,665,777	201,388	17,568,220	21,435,385
Cash paid to suppliers	(2,565,753)	(114,230)	(12,919,212)	(15,599,195)
Cash paid to employees	(1,015,315)	(87,158)	(198,668)	(1,301,141)
Net cash provided by operating activities	<u>84,709</u>	<u>—</u>	<u>4,450,340</u>	<u>4,535,049</u>
Cash flows from noncapital financing activities:				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Net cash provided by noncapital financing activities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Cash flows from capital and related financing activities:				
Interest paid on long-term debt obligations	(6,813)	—	—	(6,813)
Principal payments made on long-term capital lease	(31,022)	—	—	(31,022)
Additions to capital assets	(45,959)	—	—	(45,959)
Net cash used in capital and related financing activities	<u>(83,794)</u>	<u>—</u>	<u>—</u>	<u>(83,794)</u>
Cash flows provided by investing activity:				
Purchase of investments	—	—	(10,819,023)	(10,819,023)
Interest received	(915)	—	15,715	14,800
Net cash used in capital and related financing activities	<u>(915)</u>	<u>—</u>	<u>(10,803,308)</u>	<u>(10,804,223)</u>
Net increase in cash and cash equivalents	—	—	(6,352,968)	(6,352,968)
Cash and cash equivalents, beginning of year	—	—	6,927,690	6,927,690
Cash and cash equivalents, end of year	\$ <u>—</u>	\$ <u>—</u>	\$ <u>574,722</u>	\$ <u>574,722</u>
Reconciliation of operating income (loss) to net cash used in operating activities:				
Operating income (loss)	\$ (177,949)	13,467	3,938,388	3,773,906
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	64,591	1,446	—	66,037
Decrease (increase) in:				
Accounts receivable	—	—	—	—
Inventories	(4,366)	21,212	—	16,846
Increase (decrease) in:				
Accounts payable	(20,038)	(2,418)	(13,929)	(36,385)
Due to other fund	206,742	(4,007)	—	202,735
Estimated liability for incurred but unreported claims	—	—	525,000	525,000
Accrued compensated absences	15,729	(29,700)	881	(13,090)
Total adjustments	<u>262,658</u>	<u>(13,467)</u>	<u>511,952</u>	<u>761,143</u>
Net cash provided by operating activities	\$ <u>84,709</u>	\$ <u>—</u>	\$ <u>4,450,340</u>	\$ <u>4,535,049</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, 2013

Cooper Tennis Trust	June 30, 2012	Additions	Deductions	June 30, 2013
Assets:				
Cash and short-term investments	\$ 81,353	1,463	630	82,186
Accrued interest receivable	956	1,086	1,643	399
	\$ 82,309	2,549	2,273	82,585
Liabilities:				
Escrows payable	\$ 82,309	456	180	82,585
Municipal Court Bond				
Assets:				
Cash and short-term investments	\$ 34,528	456,728	448,961	42,295
Liabilities:				
Municipal court bond deposits	\$ 34,528	456,728	448,961	42,295
Revolving Payroll				
Assets:				
Cash and short-term investments	\$ 5,302,365	190,232,944	189,820,028	5,715,281
Liabilities:				
Accounts payable	\$ 5,302,365	190,232,944	189,820,028	5,715,281
Total				
Assets				
Cash and short-term investments	\$ 5,418,246	190,691,135	190,269,619	5,839,762
Accrued interest receivable	956	1,086	1,643	399
Total assets	\$ 5,419,202	190,692,221	190,271,262	5,840,161
Liabilities				
Accounts payable	\$ 5,302,365	190,232,944	189,820,028	5,715,281
Escrows payable	82,309	456	180	82,585
Municipal court bond deposits	34,528	456,728	448,961	42,295
Total liabilities	\$ 5,419,202	190,690,128	190,269,169	5,840,161

STATISTICAL SECTION

CITY OF SPRINGFIELD, MISSOURI

Statistical Section (Unaudited)

June 30, 2013

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.	130
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	135
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.	145
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.	150
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.	152

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 Position by Component

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities:										
Net investment in capital assets	\$ 285,669,060	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
Restricted	12,759,802	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
Unrestricted	227,600,330	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
Total governmental activities net position	\$ 526,029,192	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
Business-type activities:										
Net investment in capital assets	\$ 289,918,876	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
Restricted	42,741,949	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
Unrestricted	33,511,154	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
Total business-type activities net position	\$ 366,171,979	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
Primary government:										
Net investment in capital assets	\$ 575,587,936	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
Restricted	55,501,751	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
Unrestricted	261,111,484	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
Total primary government net position	\$ 892,201,171	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

CITY OF SPRINGFIELD, MISSOURI

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:										
Governmental activities:										
Public works	\$ 36,275,215	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
Public safety	76,025,254	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
Parks and recreation	29,620,403	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
Planning and development	1,982,132	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
Public health	9,106,989	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
General government	21,438,543	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
Interest on long-term debt	7,048,600	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
Total governmental activities expenses	181,497,136	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
Business-type activities:										
Airport	26,679,940	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
Sanitary sewerage system	28,092,930	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
Refuse disposal	5,557,048	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
Golf	2,867,487	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
Total business-type activities expenses	63,197,405	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
Total primary government expenses	\$ 244,694,541	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
Program revenues:										
Governmental activities:										
Charges for services:										
Public works	\$ 2,688,949	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
Public safety	3,993,876	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
Parks and recreation	8,518,100	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
Planning and development	75,603	52,246	34,479	1,210,144	2,375,998	6,213,016	9,668,116	3,157,028	—	—
Public health	2,109,987	1,563,174	1,446,226	1,258,571	1,451,688	828,248	692,394	933,014	1,070,553	454,628
General government	8,278,245	6,730,789	5,754,324	3,835,684	3,483,610	3,578,849	3,509,216	3,421,680	—	533,779
Operating grants and contributions	22,519,031	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
Capital grants and contributions	1,136,541	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
Total governmental activities program revenues	49,320,332	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
Business-type activities:										
Charges for services:										
Airport	14,299,805	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
Sanitary sewerage system	34,516,955	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
Refuse disposal	6,615,140	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
Golf	2,689,535	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
Operating grants and contributions	261,509	44,132	55,077	438,822	14,548	49,957	216,824	5,107	76,253	—
Capital grants and contributions	3,282,689	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
Total business-type activities program revenues	61,665,633	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
Total primary government program revenues	\$ 110,985,965	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

CITY OF SPRINGFIELD, MISSOURI

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net (expense) revenue:										
Governmental activities	\$ (132,176,799)	(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)
Business-type activities	(1,531,772)	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
Total primary government expenses	\$ (133,708,571)	(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)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	\$ 20,727,916	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
Sales and use taxes	111,312,248	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
Franchise taxes	6,517,592	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
Room taxes	3,871,806	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
Payments in lieu of taxes	13,122,468	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	569,156	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
Other revenue	5,035,910	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
Transfers	1,520,627	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
Total governmental activities revenues	162,677,723	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
Business-type activities:										
Revenues from use of money and property	2,571,111	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
Other revenue	3,252,438	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
Transfers	(1,520,627)	(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)
Total business-type activities revenues	4,302,922	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
Total primary government revenues	166,980,645	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
Changes in net position:										
Governmental activities	30,500,924	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
Business-type activities	2,771,150	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
Total primary government	\$ 33,272,074	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

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>	<u>Fiscal year</u> <u>2013</u>
General fund:			
Nonspendable	\$ 17,309	24,128	23,175
Restricted	—	—	—
Committed	14,000,000	14,600,000	14,800,000
Assigned	2,788,666	5,732,605	7,421,316
Unassigned	—	—	—
Total general fund	<u>\$ 16,805,975</u>	<u>20,356,733</u>	<u>22,244,491</u>
All other governmental funds:			
Nonspendable	\$ 44,429,578	46,175,698	44,929,431
Restricted	85,736,829	86,310,911	82,836,496
Committed	26,103,063	23,617,145	22,065,506
Assigned	3,051,612	2,633,940	3,739,685
Unassigned	(501,428)	(206,659)	(186,544)
Total all other governmental funds	<u>\$ 158,819,654</u>	<u>158,531,035</u>	<u>153,384,574</u>

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Fiscal year</u> <u>2008</u>	<u>2009</u>	<u>2010</u>
General fund:							
Reserved	\$ 1,248,392	1,290,886	1,252,700	2,032,245	271,656	949,192	235,761
Unreserved	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>\$ 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	\$ 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	13,312,377	14,314,779	16,531,043	10,140,390	13,589,177	14,805,266	18,126,584
Debt service funds	36,353,617	37,410,504	17,424,713	16,327,800	20,627,966	21,251,808	19,603,637
Capital projects funds	38,463,732	25,768,809	31,756,019	20,686,732	34,778,584	41,299,865	42,825,262
Permanent funds	1,554,000	1,629,747	71,962	118,248	55,190	56,737	45,746
Total all other governmental funds	<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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Taxes (see schedule 5)	\$ 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	142,190,633
Licenses and permits	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	3,617,633
Intergovernmental	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	29,338,794
Charges for services	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	11,519,006
Fines and forfeitures	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	1,539,713
Special assessments	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	919,225
Revenues from use of money and property	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	569,156
Payments in lieu of taxes	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	13,122,468
Other	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	6,000,109
Total revenues	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	208,816,737
Expenditures:										
Public works	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	17,648,506
Public safety	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	87,970,286
Parks and recreation	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	26,055,206
Planning and development	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	4,665,659
Public health	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	8,920,858
General government	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	22,676,059
Debt service:										
Principal	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	9,589,514
Advance bond refunding	—	—	—	—	—	—	4,291,747	—	—	—
Interest and other charges	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	6,752,525
Capital outlay	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	30,444,454
Total expenditures	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	214,723,067
Excess of revenues over (under) expenditures	(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)	(5,906,330)
Other financing sources (uses):										
Bond proceeds	39,867,936	3,966,614	12,505,000	25,895,000	10,953,000	5,005,000	3,335,000	—	2,478,209	497,000
Bond premium (discount)	—	—	(81,154)	(30,060)	129,326	(18,745)	410,361	—	438,280	—
Issuance of refunding bonds	12,230,470	—	—	—	—	—	18,335,000	—	7,261,791	—
Loan proceeds	—	—	—	—	—	—	—	—	—	—
Capital lease proceeds	820,000	715,000	—	—	—	—	—	—	—	630,000
Payment to escrow agent	(11,002,623)	—	—	—	—	—	(18,393,616)	—	(7,335,000)	—
Transfers in	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	22,171,624
Transfers out	(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)	(20,650,997)
Total other financing sources	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	2,647,627
Net change in fund balances	\$ 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	(3,258,703)
Debt service as a percentage of noncapital expenditures	16.1%	14.4%	18.3%	13.8%	12.1%	16.2%	9.1%	11.1%	10.3%	8.9%

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>
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
2013	107,000,763	3,504,354	20,488,987	6,517,592	807,131	3,871,806	142,190,633
Change:							
2004 – 2013	113.02%	97.44%	41.30%	104.76%	-17.11%	159.52%	97.06%

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
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
2013	2,245,061	492,290	2,737,351	0.6083	10,900,210	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		
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	
2013	0.0383	0.1829	0.1247	0.2624	0.6083	

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
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
2013	3.6990	0.1206	0.1206	0.0496	0.0466	0.2433	0.1408	0.0300

CITY OF SPRINGFIELD, MISSOURI

Principal Property Tax Payors

Last Ten Fiscal Years

Taxpayer	2013		2012		2011		2010		2009	
	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	\$ 22,993,320	0.84%	\$ 22,939,730	0.89%	22,939,730	0.89%	22,699,550	0.91%	\$ 10,633,750	0.47%
Hammons, John Q	15,279,780	0.56	15,279,780	0.59	15,279,780	0.59	13,092,920	0.53	11,010,310	0.49
Hermel, Inc	14,930,920	0.55	14,930,920	0.58	14,930,920	0.58	13,322,480	0.53	13,322,480	0.59
Bass Pro Inc.	13,316,570	0.49	7,474,750	0.29	7,637,880	0.30	7,212,260	0.29	6,279,570	0.28
Lester E Cox Medical Center	12,076,600	0.44	16,184,150	0.63	13,610,110	0.53	12,212,390	0.49	11,370,080	0.50
Jones, Jerral W Et al	10,438,541	0.38	10,892,180	0.42	10,892,180	0.42	9,881,190	0.40	9,881,190	0.44
Ferrell-Duncan Building Co. LLC	9,105,920	0.33	9,393,340	0.36	9,393,340	0.36	9,031,260	0.36	9,031,260	0.40
Battlefield Plaza LLC	7,028,290	0.26	3,320,870	0.13	3,320,870	0.13	2,673,760	0.11	2,673,760	0.12
Republic Road LLC	5,689,380	0.21	5,373,730	0.21	—	—	—	—	—	—
James River Office Ctr LLC	5,637,920	0.21	5,729,440	0.22	5,729,440	0.22	5,124,260	0.21	5,124,260	0.21
Grizzly Ind. Inc	5,311,290	0.20	5,704,860	0.22	5,704,860	0.22	5,569,210	0.22	5,569,210	0.25
New Prime	5,106,800	0.19	5,543,220	0.21	5,996,370	0.23	4,719,360	0.19	3,803,140	0.17
Sams Club	4,988,090	0.18	5,024,000	0.19	5,024,000	0.19	4,078,110	0.16	—	—
Lowe's Home Centers	4,973,120	0.18	5,026,790	0.19	5,066,500	0.20	4,950,870	0.20	4,950,870	0.22
Primrose Market Pl	4,856,070	0.18	5,902,790	0.23	—	—	—	—	—	—
O'Reilly Automotive	4,101,020	0.15	4,169,470	0.16	4,169,470	0.16	4,169,470	0.17	4,169,470	0.17
Coryell Courts Apartments	4,076,850	0.15	3,682,500	0.14	3,682,500	0.14	4,007,270	0.16	2,242,000	0.10
American Natl Property and Casualty	4,014,020	0.15	4,248,410	0.16	4,248,410	0.16	4,233,050	0.17	4,233,050	0.19
Jack Henry & Assoc	3,853,600	0.14	3,899,200	0.15	3,899,200	0.15	414,760	0.02	414,770	0.02
Federated Retail Holdings	3,732,260	0.14	3,787,040	0.15	3,307,520	0.13	3,028,100	0.12	3,028,100	0.12
Simon Property Group LP	3,675,010	0.13	4,726,050	0.18	4,726,050	0.18	4,728,220	0.19	—	—
Senic Park LLC	3,596,640	0.13	3,153,620	0.12	3,004,790	0.12	2,534,320	0.10	1,804,300	0.08
Kelly Greens LLC	3,590,950	0.13	3,808,230	0.15	3,808,230	0.15	3,761,860	0.15	3,761,860	0.17
Wal-Mart – 1923 E Kearney	3,539,100	0.13	3,784,800	0.15	3,784,800	0.15	3,710,050	0.15	3,058,630	0.14
John Morris, Et Al	3,467,840	0.13	4,650,910	0.18	4,634,340	0.18	3,878,760	0.16	—	—
Wal-Mart – 2021 E Independence	3,297,120	0.12	3,360,000	0.13	3,360,000	0.13	3,713,030	0.15	3,713,030	0.16
Warren Davis Group	3,223,770	0.12	1,937,950	0.08	1,937,950	0.08	1,937,950	0.08	1,937,950	0.09
The Greens at Springfield LP	3,100,800	0.11	3,382,610	0.13	3,382,610	0.13	3,578,710	0.14	3,578,710	0.16
Associated Wholesale Grocers, Inc.	2,994,620	0.11	4,071,420	0.16	4,071,420	0.16	4,134,540	0.17	2,959,020	0.13
Woodland Park Apts LLC	2,987,410	0.11	2,990,540	0.12	—	—	—	—	—	—
Kensington Park Apts	2,890,530	0.11	3,018,170	0.12	3,018,170	0.12	3,018,170	0.12	3,018,170	0.13
Hy-Vee Inc	2,739,710	0.10	2,754,430	0.07	—	—	—	—	—	—
Campus Inc	2,714,850	0.10	2,069,090	0.08	2,074,590	0.08	2,074,590	0.08	2,113,600	—
Academy Ltd	2,680,390	0.10	2,709,760	0.11	—	—	—	—	—	—
Carlisle Power Transmission	2,543,460	0.09	2,856,550	0.11	2,856,550	0.11	2,612,100	0.10	2,612,100	0.12
Dayton Hudson Corp	2,535,750	0.09	2,659,520	0.10	2,659,520	0.10	2,572,740	0.10	2,572,740	0.11
Lorne Cook Company	2,477,720	0.09	4,882,740	0.19	4,878,300	0.19	3,702,460	0.15	3,702,460	0.16
Kimco Springfield	2,418,630	0.09	6,036,040	0.23	11,459,310	0.44	10,606,760	0.43	7,574,120	0.34
Montclair Limited Partnership	2,039,550	0.07	2,643,770	0.10	2,439,560	0.09	2,387,190	0.10	2,320,060	0.10
	\$ 218,024,211	7.99%	224,003,370	8.63%	\$ 206,929,270	8.16%	189,371,720	7.61%	\$ 152,464,020	6.63%

Source: Greene County Assessor.

CITY OF SPRINGFIELD, MISSOURI

Principal Property Tax Payors

Current Year and Nine Years Ago

Taxpayer	2008		2007		2006		2005		2004	
	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	\$ 9,432,310	0.42%	\$ 9,561,430	0.42%	\$ 9,147,840	0.41%	\$ 12,933,510	0.58%	\$ 12,162,730	0.61%
Hammons, John Q	8,324,920	0.37	5,614,750	0.25	2,334,750	0.10	2,334,750	0.10	2,134,750	0.10
Hermel, Inc	10,496,100	0.46	10,496,100	0.46	10,279,100	0.46	10,279,100	0.46	10,116,380	0.50
Bass Pro Inc.	5,813,390	0.26	5,587,070	0.25	5,356,080	0.24	4,875,040	0.22	4,016,350	0.20
Lester E Cox Medical Center	9,492,700	0.42	9,492,700	0.42	9,489,350	0.42	6,694,980	0.30	6,534,440	0.33
Jones, Jerral W Et al	9,794,050	0.43	9,794,050	0.43	9,661,860	0.43	6,186,640	0.28	5,758,890	0.29
Ferrell-Duncan Building Co. LLC	8,389,020	0.37	5,299,870	0.23	5,241,020	0.23	5,532,580	0.25	5,532,580	0.28
Battlefield Plaza LLC	2,673,760	0.12	4,816,130	0.21	2,673,760	0.12	—	—	—	—
Republic Road LLC	—	—	—	—	—	—	—	—	—	—
James River Office Ctr LLC	5,124,260	0.21	5,124,260	0.23	5,124,260	0.23	5,124,260	0.23	5,124,260	0.26
Grizzly Ind. Inc	5,481,320	0.24	5,465,570	0.24	5,465,570	0.24	5,499,500	0.25	3,141,060	0.16
New Prime	2,924,990	0.13	2,924,990	0.13	2,726,970	0.12	—	—	—	—
Sams Club	—	—	—	—	—	—	—	—	—	—
Lowe's Home Centers	4,950,870	0.22	4,950,870	0.22	5,195,930	0.23	5,303,800	0.24	5,347,400	0.27
Primrose Market Pl	—	—	—	—	—	—	—	—	—	—
O'Reilly Automotive	4,101,020	0.18	938,360	0.04	938,360	0.04	937,050	0.04	1,127,460	0.06
Coryell Courts Apartments	1,265,440	0.06	123,880	0.01	107,740	0.01	—	—	—	—
American Natl Property and Casualty	4,040,480	0.18	4,040,480	0.18	3,779,360	0.17	3,746,690	0.17	3,746,690	0.19
Jack Henry & Assoc	1,180	—	—	—	—	—	—	—	—	—
Federated Retail Holdings	3,028,100	0.12	3,028,100	0.13	—	—	—	—	—	—
Simon Property Group LP	—	—	—	—	—	—	4,861,350	0.22	4,861,350	0.24
Senic Park LLC	216,600	0.01	—	—	—	—	—	—	—	—
Kelly Greens LLC	3,197,880	0.14	3,197,880	0.14	3,050,270	0.14	3,050,270	0.14	2,759,120	0.14
Wal-Mart – 1923 E Kearney	1,503,910	0.07	1,824,000	0.08	1,824,000	0.08	3,713,030	0.17	2,500,610	0.12
John Morris, Et Al	—	—	—	—	—	—	—	—	—	—
Wal-Mart – 2021 E Independence	3,713,030	0.16	3,713,030	0.16	3,713,030	0.16	—	—	—	—
Warren Davis Group	1,937,950	0.09	1,937,950	0.09	1,937,950	0.09	1,937,950	0.09	1,937,950	0.10
The Greens at Springfield LP	3,542,170	0.16	3,542,170	0.16	3,367,980	0.15	3,367,980	0.15	3,425,090	0.17
Associated Wholesale Grocers, Inc.	2,959,020	0.13	2,940,180	0.13	2,702,670	0.12	—	—	—	—
Woodland Park Apts LLC	—	—	—	—	—	—	—	—	—	—
Kensington Park Apts	2,223,490	—	736,750	—	—	—	—	—	—	—
Hy-Vee Inc	—	—	—	—	—	—	—	—	—	—
Campus Inc	2,113,600	—	1,706,440	—	1,706,440	—	1,706,440	—	1,392,250	—
Academy Ltd	—	—	—	—	—	—	—	—	—	—
Carlisle Power Transmission	2,612,100	0.12	—	—	—	—	—	—	—	—
Dayton Hudson Corp	2,572,740	0.11	2,572,740	0.11	2,396,420	0.11	—	—	—	—
Lorne Cook Company	3,885,500	0.17	3,693,470	0.16	2,742,750	0.12	—	—	—	—
Kimco Springfield	7,037,920	0.31	6,983,680	0.31	6,983,680	0.31	3,614,430	0.16	3,547,200	0.18
Montclair Limited Partnership	2,283,610	0.10	2,469,690	0.11	1,985,770	0.09	—	—	—	—
	\$ 135,133,430	5.76%	\$ 122,576,590	5.30%	\$ 109,932,910	4.82%	\$ 91,699,350	4.05%	\$ 85,166,560	4.20%

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
2003	\$ 13,123,144	12,688,612	97%	394,036	13,082,648	100%
2004	13,969,589	13,422,584	96%	396,152	13,818,736	99%
2005	15,017,406	14,300,872	95%	500,500	14,801,372	99%
2006	15,507,915	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	16,770,060	16,138,392	96%	532,288	16,670,680	99%
2009	17,208,783	16,491,028	96%	626,594	17,117,622	99%
2010	17,407,518	16,907,056	97%	540,316	17,447,372	100%
2011	18,218,591	17,505,606	96%	477,955	17,983,561	99%
2012	18,475,727	18,060,443	98%	—	18,060,443	98%

CITY OF SPRINGFIELD, MISSOURI

Taxable Sales by Category

Last Eight Fiscal Years

(Dollars are in thousands)

	Calendar year							
	2013	2012	2011	2010	2009	2008	2007	2006
Apparel stores	\$ 174,861	172,720	166,508	163,050	155,170	146,246	63,670	252,152
General merchandise	866,731	845,434	829,383	832,515	821,033	849,356	853,678	860,249
Food stores	344,548	355,545	321,988	312,089	323,268	319,481	238,419	260,620
Eating and drinking establishments	474,811	458,395	433,926	420,717	424,668	419,757	395,061	361,963
Home furnishings and appliances	236,709	220,000	183,188	185,505	259,922	314,205	245,444	239,828
Building materials and farm tools	299,922	305,726	275,621	291,156	333,298	456,034	465,446	576,128
Auto dealers and supplies	106,436	115,648	112,263	109,716	128,079	160,187	101,307	49,557
Service stations	72,372	74,163	69,324	68,690	65,758	60,684	92,260	53,717
Other retail stores	470,024	453,490	410,691	418,556	394,890	521,096	521,238	465,810
All other outlets	936,038	928,573	904,543	878,546	602,101	617,503	1,078,485	832,345
Total	\$ 3,982,452	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%	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
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
2013	2.125	7.600

CITY OF SPRINGFIELD, MISSOURI

Principal Sales Taxpayers

June 30, 2013

Schedule 12

The City of Springfield, Missouri's largest own-source revenue is sales taxes. According to Missouri State Statutes, the City is required to keep the identity of individual taxpayers confidential. Therefore, the City of Springfield, Missouri is not able to identify the top 10 taxpayers.

For the fiscal year ended June 30, 2013, the City of Springfield's one cent general sales tax generated approximately \$38.5 million in revenue.

Springfield Top Ten Taxpayers by Industry	Tax Collected	% of Total
Department Stores	\$ 7,578,534	19.68%
Eating Establishments	4,183,609	10.86%
Lumber and other Building Materials	2,469,764	6.41%
Grocery Stores	2,189,339	5.68%
Personal Credit Institutions	1,665,179	4.32%
Clothing Stores	1,610,782	4.18%
Motor Vehicle Sales	1,495,516	3.88%
Sporting Goods, Hobby and Specialty Shops	1,092,993	2.84%
Home Furnishing Stores	993,814	2.58%
Convenience Stores	946,293	2.46%
	<u>\$ 24,225,823</u>	<u>62.89%</u>

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			
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	7,231	185,566	34,554	369,614	6.82	2,256
2013	—	10,060	—	85,100	37,097	425	676	6,959	184,845	31,643	356,805	6.26	2,126

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				
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
2013	—	10,060	10,060	0.37	62.03	2,737,351	162,191

CITY OF SPRINGFIELD, MISSOURI

Direct and Overlapping Governmental Activities Debt

June 30, 2013

(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	\$ 210,015	82.50%	\$ 173,262
Ozarks Technical Community College	37,190	47.70	17,740
Greene County	52,625	62.60	32,943
Greene County Library District	3,000	62.60	<u>1,878</u>
Subtotal, overlapping debt			225,823
City direct debt			<u>140,317</u>
Total direct and overlapping debt			<u><u>\$ 366,140</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 2013

Assessed value	\$ 2,737,351
Debt limit (30% of assessed value)	\$ 821,205
Debt applicable to limit:	
Total bonded debt:	
General obligation and special assessment	133,366
Less amount in debt service funds available for retirement of general obligation debt	(6,248)
Public building corporation bonds outstanding	(52,864)
Center city development corporation bonds outstanding	(26,850)
Land clearance for redevelopment authority bonds outstanding	(6,070)
Special obligation bonds outstanding	(37,097)
Total net debt applicable to limit	4,237
Legal debt margin	\$ 816,968

	Fiscal year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 589,661	601,915	666,545	689,528	731,283	748,611	774,161	784,670	816,716	821,205
Total net debt applicable to limit	14,449	17,602	16,363	4,593	2,382	494	3,307	2,920	3,552	4,237
Legal debt margin	\$ 575,212	584,313	650,182	684,935	728,901	748,117	770,854	781,750	813,164	816,968
Total net debt applicable to the limit as a percentage of debt limit	2.45%	2.92%	2.45%	0.67%	0.33%	0.07%	0.43%	0.37%	0.43%	0.52%

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	
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
2013	34,293	13,797	20,496	5,527	1,757	2.81	3,125	4,613	7,738	2,265	4,139	1.21	868	1,120	477	0.54

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
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
2013	162,191	5,505,249	33,943	36.70	13	24,878	6.1

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:	2013		2010	
	Employees	Percentage of total city employment	Employees	Percentage of total city employment
St Johns Health System	8,797	4.01%	6,841	3.18%
Cox Health Systems	8,070	3.68%	6,355	2.95
Wal-Mart Stores	3,336	1.52%	3,927	1.82
Springfield Public Schools	3,137	1.43%	3,154	1.46
Missouri State University	2,689	1.23%	3,065	1.42
United States Government	2,500	1.14%	2,800	1.30
State of Missouri	2,315	1.06%	2,346	1.09
Bass Pro Shops/Tracker Marine	2,342	1.07%	2,326	1.08
Chase Card Services	1,427	0.65%	1,350	0.63
City of Springfield	1,579	0.72%	1,540	0.71
Citizens Memorial Healthcare	1,900	0.87%	1,600	0.74
O'Reilly Auto Parts	1,458	0.66%	1,308	0.61
	<u>39,550</u>	<u>18.04%</u>	<u>36,612</u>	<u>16.99%</u>

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General operating fund departments:										
Building development services	32.50	27.50	28.50	28.50	28.50	27.50	27.50	27.50	27.50	25.50
City attorney	21.00	19.00	19.00	19.00	19.00	20.00	20.00	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	9.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	7.50
Finance	35.75	35.00	35.00	35.00	35.00	35.00	34.00	32.00	32.00	32.00
Fire	218.00	205.00	204.00	217.00	217.00	217.00	217.00	217.00	216.00	213.00
Human resources	16.50	15.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50
Information systems	28.00	28.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00	22.00
Mayor and Council	1.00	1.00	1.00	1.00	1.00	—	—	—	—	—
Mayor's commission	—	—	—	—	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	25.00
Planning and development	19.29	18.29	18.11	18.69	18.74	18.11	18.11	19.11	17.67	17.67
Police	306.50	307.50	305.50	305.50	305.50	305.00	304.00	398.00	399.00	401.00
Public health services	—	—	79.00	82.00	82.00	82.00	81.00	81.00	84.00	84.00
Public information office	7.50	6.50	6.50	6.50	6.50	6.50	14.50	14.00	13.50	13.00
Public parks	—	—	96.70	96.70	96.70	95.70	107.70	126.50	116.50	116.00
Public works	95.90	100.40	100.40	99.90	99.90	99.90	99.90	99.90	99.50	101.10
Public works – transportation	—	—	99.35	99.35	99.35	99.60	99.60	99.60	99.40	99.40
Grants and special revenue funds:										
Art museum	13.50	13.50	13.50	13.50	13.50	13.38	13.38	13.38	13.38	13.38
Emergency communications	73.00	73.00	73.00	73.00	73.00	61.00	61.00	61.00	60.00	60.00
Law enforcement	73.00	73.00	91.00	91.00	91.00	90.00	98.00	—	—	—
Public health services	77.00	79.00	—	—	—	—	—	—	—	—
Hotel/motel tax	—	—	—	0.50	0.50	0.50	0.50	0.50	0.50	1.00
Drury/SMSU	10.00	10.00	10.00	10.00	8.00	8.00	—	—	—	—
Public parks	83.97	96.70	—	—	—	—	—	—	—	—
Parks sales tax	119.53	81.80	76.80	73.80	73.80	66.80	34.80	—	—	—
Public works - transportation	102.10	97.35	—	—	—	—	—	—	—	—
Telecable	8.00	8.00	—	—	—	—	—	—	—	—
Grants:										
Community development	11.65	11.65	11.94	11.60	11.60	11.23	11.23	10.23	10.48	11.05
Fire department	9.00	13.00	13.00	—	—	—	—	—	—	—
Home investment	3.01	3.01	2.90	2.50	2.50	2.50	2.50	3.50	2.75	1.50
Parks	—	—	1.00	—	—	—	—	—	—	—
Planning	0.05	0.05	0.05	5.21	5.16	6.16	7.16	4.16	4.10	3.78
Police	22.00	17.00	2.00	2.00	2.00	2.00	2.00	6.00	6.00	—
Public health	6.00	12.00	12.00	10.00	10.80	12.00	12.00	11.50	11.50	7.00
Telecable	—	—	8.00	8.00	8.00	8.00	8.00	—	—	—
WIC program	16.00	14.00	11.00	10.00	10.00	10.00	10.00	8.00	8.00	8.00
Workforce development	57.25	56.00	54.00	54.00	54.00	52.00	49.00	45.00	43.00	36.00
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	93.00	89.00	83.00	82.00	82.00	75.00	75.00	75.00
Clean water services	108.55	84.55	84.55	84.55	84.55	84.30	84.30	84.30	84.00	84.00
Solid waste	38.45	28.70	28.70	28.70	28.70	28.70	28.70	28.70	27.60	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	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Service center	23.00	22.40	22.40	22.40	22.40	22.40	22.40	22.40	22.40	22.40
Total	1,793.00	1,714.40	1,702.40	1,699.40	1,694.20	1,669.78	1,652.78	1,608.78	1,594.28	1,569.88

Source: City of Springfield Annual Budget.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Function/program:								
Public works:								
Street signs manufactured	3,018	3,189	4,735	3,609	5,061	5,812	4,291	3,636
Streets resurfaced (miles)	126	68	20	26	23	77	46	46
Trees maintained (Tree City USA)	2,301	20,579	4,200	2,801	2,800	3,500	3,556	4,617
Street cleaning – curb miles	895	895	1,100	1,100	3,502	3,502	4,732	1,238
Street cleaning – times per year	10	10	5	5	5	12	5	5
Right-of-way mowing (acres)	1,080	1,080	1,200	1,200	1,200	1,043	3,405	1,050
Right-of-way mowing – times per year	7	7	5	5	5	5	5	5
Refuse collection:								
Refuse collected (tons per day)	335	404	361	513	569	659	657	697
Sanitary services:								
Average daily sewage treatment (thousands of gallons)	33,000	38,500	49,850	48,500	44,150	45,000	31,840	36,360
Police:								
Moving violations	27,739	25,709	30,714	27,534	23,605	11,159	28,231	14,374 *
Parking violations	6,818	4,575	5,931	5,126	4,905	2,748	3,375	5,779 *
Accident summary	6,996	6,915	8,252	8,178	7,887	8,359	8,077	8,031
Fire:								
Calls for service	14,724	15,020	15,801	12,608	13,155	12,828	13,492	14,388
Smoke detectors installed	928	751	575	489	490	1,056	719	626
Fire safety information contacts	45,851	36,623	34,770	32,968	17,551	519	25,126	25,749
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	96,611
Visitors to the City's Dickerson Park Zoo	173,516	173,093	176,557	209,166	213,548	221,959	227,618	221,320
Admissions to baseball/softball complexes	137,280	107,505	121,590	143,602	167,577	169,236	169,166	144,627
Admissions to City pool facilities	58,177	51,662	54,387	46,740	48,630	67,357	95,961	80,127
Public health:								
Vaccinations provided	20,780	20,823	23,510	23,924	23,895	26,052	19,417	13,968
Public water supply tests	16,453	16,735	1,443	1,288	1,040	1,101	1,252	1,157
Impounded animals	3,883	4,076	4,894	5,059	4,566	2,854	3,344	3,221
Certified copies of birth certificates issued	17,304	22,268	17,971	17,510	15,551	15,397	11,918	12,021
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	1,156
New temporary businesses	2,865	2,979	3,151	3,116	3,263	3,413	3,279	3,695
Business license renewals	11,680	13,105	12,172	11,729	11,780	11,678	11,681	11,727
Building development services:								
Building permits issued	915	1,468	1,364	1,034	829	923	923	1,038
Building inspections conducted	5,778	5,463	4,396	22,163	16,717	12,027	12,459	15,764

CITY OF SPRINGFIELD, MISSOURI

Capital Asset Statistics by Function/Program

Last Eight Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013
Function/program:								
Public works:								
Dump trucks	63	59	68	61	62	80	63	59
Street sweepers	12	16	16	16	8	7	7	7
Backhoes	10	9	9	13	15	17	14	13
Tractors/mowers	45	53	49	44	20	23	68	82
Police:								
Stations	2	2	2	2	2	2	2	2
Patrol cars	265	295	236	268	200	151	147	140
Fire:								
Stations	11	11	12	12	12	12	12	12
Emergency response vehicles	28	29	43	48	23	29	22	26
Parks:								
Acreage	2,707	2,707	2,930	2,961	3,200	3,200	3,200	3,200
Park facilities	89	89	93	93	102	102	102	102
Baseball diamonds	11	11	11	11	11	11	11	11
Softball diamonds	27	27	27	27	27	28	28	28
Community centers	4	4	4	4	4	4	4	6
Wastewater:								
Sanitary sewers (miles)	1,125	1,194	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	28,185
Storm sewers (miles)	500	510	520	532	532	637	637	650
Treatment capacity (thousands of gallons)	56,000	56,000	59,500	65,000	121,000	121,000	168,000	117,000
Refuse collection:								
Bulldozers	5	6	5	5	5	5	5	5
Compactors	3	3	2	2	2	2	2	2
Loaders	3	3	2	2	2	2	2	2