

CITY OF SPRINGFIELD, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED FEBRUARY 28, 2017

Prepared by: Office of Budget and Management

William D. McCarty II
Director Office of Budget and Management

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INTRODUCTORY SECTION



OFFICE OF BUDGET AND MANAGEMENT
CITY OF SPRINGFIELD, ILLINOIS

WILLIAM D. MCCARTY II
DIRECTOR

September 25, 2017

Honorable Mayor Langfelder,
Members of the City Council, and
Citizens of the City of Springfield

The Comprehensive Annual Financial Report of the City of Springfield, Illinois, for the year ended February 28, 2017, is hereby submitted. Responsibility for both accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial positions and result of operations of various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter and an addendum to the transmittal letter that includes a list of principal officials, the City's organizational chart and the descriptions of departmental functions. The financial section includes the basic financial statements and notes to financial statement, as well as the auditors' opinion on the financial statements and schedules. The statistical section includes selected financial and demographic information generally presented on a multi-year basis.

As a recipient of various federal financial assistance programs, the City of Springfield is required under the Federal Single Audit Act, to have an annual audit of certain major federal grant programs performed. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditors' reports on internal controls and compliance and other matters, with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued single report.

This report includes all funds of the City. The City provides a full range of services, including police and fire protections; the construction and maintenance of highways, streets and infrastructure; cultural events; parking facilities and structures; electric generation; and water and sewer services. In addition to general government activities, the City is financially accountable for the police and fire pensions; therefore, these activities are included in the reporting entity. However, the Springfield Public School District, the Springfield Park District, the Sangamon County Water Reclamation District (formerly known as Springfield Metro Sanitary District), Springfield Housing Authority, the Sangamon Mass Transit District, Springfield Airport Authority, and the Springfield Metropolitan Exposition and Auditorium Authority have not met the established criteria for inclusion in the reporting entity, and accordingly, are excluded from the report.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the police and fire pension plans are reported as fiduciary funds. Accounting principles generally accepted in the United States of American (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found following the report of the independent auditors.

Local Economy

The City, incorporated in 1840 and consisting of 66 square miles, has a diversified economy, with the principal sectors being state and local government, retail and wholesale trade, healthcare, finance, rail and motor transportation. The City also is the headquarters for many national, regional and state trade associations, as well as several insurance companies. Additionally, Springfield's historical significance, especially that of the Abraham Lincoln legacy, is the driving force behind tourism's robust contribution to the local economy.

While the City's local population numbers approximately 117,000, it serves as the retail and wholesale center for an 11-county area with a population in excess of 536,000. Because of Springfield's dominant status as a retail hub for central Illinois, it remains a desirable location for additional merchandising. Activity continues at the intersection of Interstate 72 and the new MacArthur Boulevard extension where a "Lifestyle Center" entitled "Legacy Pointe Town Center" continues to evolve. This retail hub sits on 277 acres of proposed mixed use development and is anchored by the 200,000 square foot Scheels all Sport Facility. Other developments continue to evolve around the City of Springfield. These developments will provide additional space for supportive retail or commercial amenities.

Springfield is also a regional healthcare center serving over 1.6 million individuals in 40 counties. The Mid-Illinois Medical District anchors three major healthcare providers, Memorial Medical Center, St. John's Hospital, and Southern Illinois University School of Medicine. Collectively, these institutions offer over two million square feet of hospital space. Additionally, Springfield Clinic, HSHS Medical Group, Vibra Hospital, and other medical providers around town are significant contributors to the economy, employing thousands of individuals within our community. *(Source: Greater Springfield Chamber of Commerce Community Profile)*

Springfield's rich Lincoln heritage, anchored by the Lincoln Presidential Library & Museum and the Lincoln Home National Historic Site, along with Route 66, the Illinois State Fair and our many other attractions and special events makes Springfield a viable tourism destination for well over 1 million visitors each year from around the globe. In addition to its strong leisure tourism product, Springfield also boasts a fully developed convention and meeting product. With over 4,000 sleeping rooms and strong convention venues throughout the city, Springfield hosts numerous conventions each year. The Illinois Office of Tourism recently released the economic impact for 2015. The results showed a tourism industry annual economic impact of \$432.78M in Springfield and Sangamon County.

Springfield offers a diverse selection of entertainment, cultural and recreational activities. Lincoln Library, the City's public library, has holdings of nearly 400,000 volumes. The Springfield Park District operates 32 community parks, three public swimming pools, 26 tennis courts, four golf courses, an expanding bicycle trail system, ball parks, as well as the Henson Robinson Zoo.

Additionally, the Illinois Symphony Orchestra, Springfield Municipal Band, Springfield Ballet Company, Springfield Muni Opera, Springfield Theater Center, Sangamon Auditorium, Hoogland Center for the Arts, Bank of Springfield Center (formerly Prairie Capital Convention Center), the Springfield Community Concert Association, university sports' teams, Springfield Sliders baseball team and the Junior Blues Junior Class A hockey team provide plenty of options for the citizens of our community.

Financial Planning

In fiscal year 2017, the City of Springfield began to really feel the effects of e-commerce growth and a long-term State of Illinois budget impasse. While the city continued its commitment to tight cost control and lean government practices, that was not enough to prevent a substantial drop in general revenue. Despite the challenges, the City is resolved to continue building a sound financial base and is actively looking at various options to accomplish that.

Each year, the City conducts a thorough evaluation of its various revenue streams and departmental expense requests, which is then utilized to construct a balanced budget that conforms to the Illinois Municipal Code. Our financial planning process is intended to ensure the adequate and equitable distribution of resources across city services, retain financial stability, identify risk exposure, and maintain flexibility.

Fiscal Year 2017

In fiscal year 2017, Springfield continued to foster systemic improvement in its finances by focusing on personnel expense growth, innovations in service delivery and internal process improvement. Notable initiatives include:

- CWLP launched a new website and online account management portal to help customers easily find information, improve payment processes and enhance access to account data. The new online account management platform, which has registered nearly 12,000 customers since launch, offers new features including the ability to message customer service, choose text alert options, and manage multiple accounts with one log-in.
- CWLP's Electric Fund financial position continued to improve as a result of steps taken in previous fiscal years.
- The Office of Public Works completed construction of the Carpenter Street Underpass. This \$21.7 million dollar project reduces congestion, improves safety and provides improved access to area hospitals from locations east of Eleventh Street. It involved lowering Carpenter Street between Ninth and Eleventh Streets, constructing new dual track railroad bridges, and completing three blocks of drainage, grading and sub-ballast south for Carpenter Street to support future phases of the Springfield Rail Improvement Project.
- The Lincoln Library completed a renovation it had been working on for more than a year. Upgrades include replacing the building's original carpet, modernizing surveillance cameras and optimizing their location on site, installing a professional sound system in the Carnegie Room, working to install a new circulation desk, and reinventing its teen space.
- The Springfield Fire Department continued to improve its EMS care by increasing the number of Intermediate EMS Engine Companies to nine. It also continued a program to train all new fire recruits to the Intermediate EMT Level. The department also improved its current ISO Classification to a Class 2/2x rating.

- The Springfield Convention and Visitors Bureau (SCVB) hosted the 2016 Governor's Conference on Travel and Tourism in Springfield for the first time in several years. At the conference, the SCVB meeting planner video received the "Best Sales Collateral" award.
- The Office of Budget and Management implemented a bid archives feature on the City of Springfield website, which allows the public to easily access the history and documentation associated with our bids and RFP's.
- The Office of Budget & Management represented the City at Illinois Municipal League (IML), Illinois Government Finance Officers Association (IGFOA), IL Municipal Clerks Assn and IL Municipal Treasurer's Assoc. events, teaching public budgeting and fiscal policy.

Relevant Financial Policies

The City's Comprehensive Annual Financial Report has been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB). Significant accounting policies are described in the accompanying notes to the financial statements.

The Office of Budget and Management is responsible for assuring that a system of internal controls exists to safeguard the City's assets and preserve financial integrity and for the fair presentation of the City's financial position and results of operations.

In developing and evaluating the City's accounting control system, consideration is given to the adequacy of internal accounting controls. Accounting control indicates the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records, and consequently, are designed to provide reasonable assurance that:

- Transactions are executed in accordance with management's general or specific authorization;
- Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with accounting principles generally accepted in the United States of America or any other criteria such as finance related legal issues and contractual compliance requirements applicable to such statements, and (2) to maintain accountability for assets: and
- Access to assets is permitted only in accordance with management's authority.

The recorded accountability for assets is compared with the existing assets at reasonable intervals, and appropriate action is taken with respect to any difference.

The definition of accounting control means reasonable, but not absolute, assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits derived. The benefits consist of reductions in the risk of failing to achieve the objectives implicit in the definition of accounting control.

All internal control evaluation occurs within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reports to the City of Springfield, Illinois for its Comprehensive Annual Financial Report for the fiscal year ending February 29, 2016. 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 accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The Office of Budget and Management selected Sikich, LLP to perform the annual audit for fiscal year 2017. The auditors' report on the basic financial statements, individual fund statements and required supplementary information is included in the financial section of this report.

Acknowledgements

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the work of the Office of Budget and Management. Each member of the Office of Budget and Management has our sincere appreciation for the contributions made in preparation of this report. The leadership and support of the City Council made the timely preparation of this report possible.

Respectfully Submitted,



William D. McCarty II
Director, Office of Budget and Management



Ramona M. Metzger, CPA
Comptroller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Springfield
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

February 29, 2016

Executive Director/CEO

**ADDENDUM
TO
TRANSMITTAL LETTER**

**A
SYNOPSIS
OF THE
CITY OF SPRINGFIELD'S
ORGANIZATION STRUCTURE
INCLUDING
DEPARTMENTAL FUNCTIONAL DESCRIPTIONS**

ELECTED CITY OFFICIALS

MAYOR

James O. Langfelder

ALDERMEN

Ward 1 – Chuck Redpath

Ward 2 – Herman Senior

Ward 3 – Doris Turner

Ward 4 – John Fulgenzi

Ward 5 –Andrew Proctor

Ward 6 – Kristin DiCenso

Ward 7 – Joe McMenamin

Ward 8 – Kristofer Theilen

Ward 9 – Jim Donelan

Ward 10 – Ralph Hanauer

CITY CLERK

Frank J. Lesko

CITY TREASURER

Misty Buscher

City Council

The City Council of Springfield, Illinois currently consists of eleven members; the Mayor, who is elected at-large, and one alderman elected from each of the City's ten geographic wards. Candidates must be qualified electors of the municipality and must be a resident of the City, and in the case of a candidate for alderman, a resident of their respective ward for at least one year immediately preceding the election.

The City Council administers its legislative powers through passage of ordinances and resolutions. All proposed ordinances and resolutions are placed on the City Council agenda for "first reading" by the City Clerk at the Council meeting. The Committee of the Whole meets the week prior to the Council meeting to assign ordinances and resolutions to the City Council agenda.

At the Council meeting, when the City Council votes, all ayes and nays taken upon passage of all ordinances and resolutions are entered upon the official record of the City Council by the City Clerk. The Mayor may veto any ordinance or resolution within ten days of passage by the City Council.

The City Council meets in session every first and third Tuesday of the month at 5:30 p.m. in the City Council chambers located on the third floor of the Municipal Center West. At 5:30 p.m. on the third Tuesday of the month, the City Council hears all zoning cases. The Mayor and/or the City Council may also call special council meetings or public hearings as warranted. Under the State's Open Meeting Act, all meetings of the City Council are open to the public unless certain subjects such as litigation and personnel matters are being discussed.

Ordinance #392-07-09 passed July 2009 established the Committee of the Whole currently used by the City of Springfield. The Committee of the Whole shall consist of all members then holding office on the Council except the Mayor. All ordinances or resolutions scheduled for "first reading" on the agenda shall be assigned to the Committee of the Whole for review at its next regularly scheduled meeting. The Chairman and Vice-Chairman of the Committee of the Whole rotates consecutively on a monthly basis beginning with the alderman of Ward 1 as Chairman and the alderman of Ward 2 as the Vice-Chairman with every alderman eventually having an opportunity to head the Committee.

Office of the City Clerk

The City Clerk serves as the official record keeper of all documents for the City of Springfield.

Agenda, Ordinance and Resolution processing is the responsibility of the Office of the City Clerk. Notices of all meetings as well as preparation of the agendas of the City Council, Aldermanic Committees, and any special meetings that may be called are prepared by and posted by the Office of the City Clerk. The City Clerk attends all of these meetings and maintains a written and audio record of all proceedings as well as a systematic method to file all ordinances and resolutions that have been passed by the City Council. A two (2) year electronic history of agendas, minutes and audio and video recordings prepared by the City Clerk, are published on the website www.springfieldcityclerk.com.

The City Clerk maintains an electronic system for records retention and records disposal. This is done with the authorization of the Office of the Secretary of State, Archives Division pursuant to the Local Records Act (50 ILCS 205). Disposal of all outdated material and/or records for all City departments is handled through the coordinated efforts of this office and the Secretary of State's Archives Division.

As the Local Registrar, the City Clerk processes all birth and death record records for residents of the City of Springfield. An archive of vital records is maintained in the Office of the City Clerk which allows for reporting of vital records statistics to the State of Illinois Department of Vital Records. During fiscal year 2009, the City of Springfield was one of 12 pilot sites for the State of Illinois Electronic Death Registration System (EDRS). After training and implementation of the new system, the City Clerk's Office began processing Death Certificates electronically. During calendar year 2010, the State of Illinois rolled out the Electronic Birth Registration module allowing processing of births occurring during and after calendar year 2010. Births occurring prior to 2010 are maintained by the Office of the City Clerk. Birth and death records can be requested via the website: www.springfieldcityclerk.com

Requests for public records pursuant to the Freedom of Information Act (FOIA), (5 ILCS 140/1 et seq.; P.A. 83-1013), are also submitted through the Office of the City Clerk. The City Clerk's Office supports the policy of providing public access to the public records in the possession of the City while, at the same time, protecting legitimate privacy concerns, and maintaining administrative efficiency and operational priorities. Freedom of Information requests are accepted, properly routed via intranet notification, and processed through this office. This allows interested individuals to obtain specific information relative to the operation of municipal government not specifically prohibited from disclosure. All FOIA requests and responses can be found on the website: www.springfieldcityclerk.com

The City Clerk acts as Administrative Court Clerk for the City of Springfield preparing and maintaining files, statements, reports and preserving an audio record of all proceedings that are required by law. All files and audio recordings are stored, according to City Code, by the City Clerk's office in order to preserve a defendant's right to appeal a ruling by the Administrative Court Hearing Officer.

The City Clerk's Office works hand in hand with the Office of Business Licensing to issue licenses including taxicab and taxi driver permitting, liquor licenses, and video gaming licenses. The City Clerk's Office also accepts applications for and issues many other business related permits and licenses, processes property annexations, files and maintains reports and/or statements required by law, and maintains the corporate seal of the City of Springfield.

Office of the City Treasurer

The City Treasurer serves as an Executive Officer of the City and is custodian of the public funds. The Treasurer is responsible for the receipting, depositing and recording of all revenues. The Treasurer also provides financial reports on the status of City revenues to the City Council on a weekly basis.

Responsibility for the management of the City's investment program is delegated to the City Treasurer. Investment activities are conducted daily through a system of controls and written procedures that are consistent with the State of Illinois Public Funds Investment Act and the City of Springfield's Investment Policy. Investments are purchased with maturity dates that will match anticipated cash flow requirements. The investment portfolio is actively managed following written performance standards. The primary objectives of the Investment Policy in priority order are safety, liquidity and rate of return.

In addition, the City Treasurer administers the collection and processing of traffic, weed, and garbage violation fines. Accounts are maintained, monitored and may be referred to the Credit Bureau and the Illinois Comptroller's Office Debt Recovery Offset Portal for collection and to the Secretary of State for driver's license suspension for nonpayment. A hearing process for violators is also administered by the Treasurer's Office.

The City Treasurer serves by statute as Treasurer of the Fire and Police Pension Boards.

Office of the Mayor

The Mayor is the presiding officer of the City Council and the Chief Executive Officer of the City. The Mayor appoints, with the approval of the City Council, the following department and agency heads:

- ◆ Corporation Counsel (part of the Office of the Mayor)
- ◆ Fire Chief
- ◆ Police Chief
- ◆ Director of Office of Planning and Economic Development
- ◆ Director of Human Resources
- ◆ Director of Public Works
- ◆ Director of the Convention and Visitors Bureau
- ◆ General Manager of Public Utilities
- ◆ Director of Communications (part of the Office of the Mayor)
- ◆ Director of Community Relations (part of the Office of the Mayor)
- ◆ Director of the Lincoln Library

The Mayor appoints the Director of the Office of Budget and Management and the Executive Assistant to the Mayor, neither of which require the consent of the City Council. The Mayor has the sole right and power to appoint and discharge all secretarial and administrative staff in the Office of the Mayor. The Mayor also originates nearly all appointments to various boards and commissions. Most appointments require Council approval.

The Mayor signs all bonds issued by the City and all contracts on behalf of the City and assures the preparation of all published statements and reports as required by law, ordinance or resolution of the Council. The Mayor also grants and signs all commissions, licenses, and permits granted by authority of the Council except as otherwise provided and performs other acts and deeds as prescribed by law or ordinance that may require an official signature. By nature of the office, the Mayor possesses other duties and powers as prescribed by state law or ordinances.

The Mayor has charge and supervision over all property, buildings and equipment owned by the City of Springfield.

As the Local Liquor Commissioner, the Mayor appoints subordinate personnel to assist the Commission in its regulatory functions. These duties include, but are not limited to, reviewing license applications and providing recommendations for approval or denial, conducting public hearings and disposition of complaints, and conducting disciplinary hearings for suspension or revocation of licenses.

The following Boards and Commissions provide special advice or perform specific tasks for, or on behalf of, the Office of the Mayor:

Civil Service Commission

Historic Sites Commission

Lincoln Library Board

Municipal Band Commission

Senior Citizens Commission

Building Code Board of Appeals

Veterans Commission

Community Relations Commission

Police Community Review Commission

Homeless Advisory Commission

International Visitors Commission

Liquor Control Commission

Oak Ridge Cemetery Board

Bicycle Advisory Board

Springfield Disabilities Commission

Electrical Commission

Mechanical Commission

Springfield Planning and Zoning Commission

Springfield Economic Development Commission

The Mayor also makes appointments to various boards and commissions outside City government. Among them are: the Springfield Housing Authority, the Mid-Illinois Medical District, Springfield Fire Pension Board, Springfield Police Pension Board, Springfield Sangamon County Regional Planning Commission, the Springfield Airport Authority, Sangamon County Board of Health, and Springfield High Speed Rail Community Advisory Commission.

Divisions under the Office of the Mayor include:

Office of Corporation Counsel: The Office of Corporation Counsel represents the City in all matters in which the City is a party or has an interest. Corporation Counsel furnishes legal advice to the Mayor, Aldermen, City Clerk, City Treasurer, Fire Chief, Police Chief, agency directors, and other City officers, and boards and commissions concerning their legal duties and responsibilities. In addition, Corporation Counsel prepares ordinances and resolutions upon the request of City officials, reviews all contracts and written agreements as required, and conducts all litigation pertaining to the City.

The Office of Corporation Counsel also manages two additional functions: Business Licensing and Risk Management. Business Licensing is responsible for ensuring that all businesses within the corporate limits of Springfield, under its jurisdiction, comply with the rules, regulations and resolutions of the City. Risk Management administers the City's property and casualty risk exposures, including workers' compensation. This division focuses on prevention of loss through risk avoidance, and property and casualty responsibilities are managed through a loss control approach. The division also coordinates the self-funded program through the assessment of agency premiums, actuarial and usage review, and departmental safety/loss prevention training. All loss investigation, which includes property, casualty and workers' compensation, are conducted through this division.

Director of Communications: The Communications Division is responsible for coordinating the communication and marketing functions for the City of Springfield and its various departments including the mayor's office, public works, police and fire. Other efforts include managing the City's two public and government access cable channels in addition to broadcasting City meetings and creating and producing segments for the stations. The division also maintains and updates a variety of City websites including the official City of Springfield site along with the City's Facebook and Twitter accounts and Neighborhood e-communications. Citywide publications and invitations are managed through this division including news releases that are produced on a regular basis for dissemination to the media outlets.

Office of Community Relations: The mission of the Office of Community Relations is to foster effective and considerate interactions among the city's growing and diverse populous. The Office makes deliberate and concerted efforts through education and outreach to inform our citizens about one another and attempt to draw upon the strengths that lie within all of our residents. The Office maintains responsibility to fight against discrimination in employment, housing and public accommodation. To accomplish this mission, a systematic approach to receive, analyze, process, investigate, monitor, and/or redress complaints of unlawful discrimination in the aforementioned areas is utilized. The Office also works cooperatively with other federal, state and/or city public agencies and private entities to address various community needs and concerns such as homeless and economically disadvantaged populations.

Office of Human Resources

The Office of Human Resources administers the City's human resource programs including, but not limited to, recruitment, hiring and compensation plans. The Office also administers the employee benefit program, participates in collective bargaining negotiations and supervises the training of city employees. It assists in the development of a health insurance plan and ensures that the plan is promulgated and disseminated on an annual basis. The Office of Human Resources also serves as staff to the Springfield Civil Service Commission, which oversees Police and Fire entry and promotional testing as well as various tested positions for City, Water, Light and Power.

Office of Budget and Management

The Office of Budget and Management is responsible for all financial transactions of the City and presents the City's annual appropriation ordinance and Comprehensive Annual Financial Report. The following divisions are contained within the agency:

The **Accounting Division** is responsible for maintaining the City's financial records, facilitating the City's accounts payables, preparation of revenue projections, administering the collection of all City-imposed taxes, preparing the City's annual external audit and financial reports, and maintaining the City's fixed asset inventory. This division also oversees all grant activity throughout the City.

The **Budget Division** is responsible for assessing the City's anticipated expenditure needs and preparing and presenting the annual appropriation request. The division reviews all proposed legislation for fiscal impact, monitors all current and future financial trends and prepares position and policy papers on all financial matters. The division provides a variety of research and analysis on an on-going basis.

The **Facility Maintenance Division** is responsible for routine janitorial and maintenance activities of the Municipal Center Complex and provides repair and preventative maintenance advice for the City.

The **Fleet Maintenance Division** was created in FY 2013. It was created with the mission of consolidating all the fleet activities of the City's 13 agencies into a single garage operation. The division is responsible for repair and maintenance of the majority of all city vehicles and equipment.

The **Payroll Division** is responsible for preparing the City's weekly payroll and for maintaining all payroll records for City employees. The division is also the official record keeper of all accrued leave records

The **Purchasing Division** administers the procurement of goods and services for the City under the direction of the Purchasing Agent. The Purchasing Agent serves as chairman of the Specifications Committee and offers technical advice on the preparation of detailed specifications for formal bid documents. The Purchasing Agent also presides over the awarding of bids from formal quotes received from vendors. The division also compiles and monitors the activities of several large citywide purchasing contracts as well as constantly monitors City purchasing trends for possible streamlining and cost reduction policies. Purchases over \$50,000 must be approved by the City Council.

Fire Department

The Fire Department is dedicated to protecting lives and property from fire and other emergencies by providing fire suppression and prevention, emergency medical services, rescue and disaster response, hazardous materials incident mitigation, and public education of citizens. The Fire Department provides these services to all citizens of Springfield, as well as the nine contracted fire protection districts that surround the City including the Illinois State Fairgrounds and University of Illinois at Springfield. The Fire Department also has mutual aid agreements with all of the fire departments in the towns that surround Springfield. The Springfield Fire Department is also a member of the Mutual Aid Box Alarm System (MABAS), which is a statewide mutual aid system divided into Divisions. Springfield is Division 48. The Springfield Fire Department (SFD) has a Hazardous Materials Response Team and a Technical Rescue Team that is part of a statewide deployable system.

The **Fire Department** is led by the Fire Chief and is separated into three divisions: Operations, Fire Safety and Training:

The **Operations Division** consists of a Division Chief, two Deputy Division Chiefs, a civilian Software Specialist, six Battalion Chiefs, twelve engine companies, three ladder companies, and one squad company assigned to twelve fire stations. Additional support vehicles are provided for particular incidents including brush trucks, fuel truck, hazardous material vehicles, technical rescue vehicle, a fire boat and maintenance vehicles. The Operations Division also oversees the implementation and maintenance of all computers, radios, pagers, map plotters, software programs including tornado siren systems and fire records and is responsible for the fire hydrant testing in coordination with the Water Department for the City of Springfield. This Division also works with the Training Division for the instruction of personnel on new and updated software programs, computers, radios, alerting systems.

The **Fire Safety Division's** primary mission is fire prevention through code enforcement, plan review, fire investigation and public education. The Division Chief in charge of this division also serves as the Fire Marshal for the City of Springfield. Other personnel in this division include one senior fire investigator, one public education officer and six fire inspectors/investigators. This division sponsors fire safe programs like Fire Safe Families, a juvenile fire setter program designed to get help to children involved in fire play; Risk Watch, an all hazards education program taught in local elementary schools; and Remembering When, a home safety education program for seniors 65 and older.

The **Training Division** is responsible for keeping all fire personnel trained in the most current techniques available. A Division Chief heads the division with the assistance of three Battalion Chiefs - two serve as Training Officers, the other as the Department Safety Officer. This division trains all new firefighters entering the SFD and coordinates all continuing education programs for fire and EMS training. These programs include classes from the University of Illinois, the National Fire Academy, Lincoln Land Community College and various other venues.

Office of Public Works

The Office of Public Works, through planning, permitting, construction, reconstruction, and repair, is responsible for all public works improvements unless otherwise designated by ordinance. Examples include streets, boulevards, alleys, sidewalks, bridges, viaducts and sewers. The Office administers the subdivision and annexation ordinances and traffic regulations. It also operates the municipal parking facilities and Oak Ridge Cemetery. The Office is comprised of the following departments; Engineering, Traffic Engineering; Motor Vehicle Parking; Streets; Sewer; Oak Ridge Cemetery; Solid Waste; Building and Zoning and Facility Maintenance; Housing and Waste and Recycling.

The **City Engineering Division** oversees the planning, design, construction and maintenance of the City's infrastructure. Whether it is in-house maintenance or new construction, the department ensures that engineering and construction specifications are met. The contracts for street resurfacing, sidewalk repairs and sewer improvements are the responsibility of the Engineering Department. The department reviews proposals for the subdivision and annexation petitions. Land use planning efforts include attention to drainage, sewer and transportation needs.

The **Traffic Engineering Division** promotes the safe and orderly flow of traffic, operates the municipal parking system and enforces parking rules and regulations. The department installs and maintains control devices including signs, pavement markings and signals. The department also is responsible for transportation plans, specifications for construction of traffic signal improvements and street closing petitions.

The **Motor Vehicle Parking Division** reviews parking utilization and monitors revenues. Parking meters are maintained and relocated as necessary to reflect changes in sidewalks, driveways and development activities. The division manages the parking enforcement staff for downtown district meters and enforcement of parking permits. The division provides current needs assessment for downtown parking as well as parking ramp management for all City-owned structures.

The **Streets Division** (Public Works Garage) maintains streets, alleys and sidewalks. The division also maintains and operates a fleet of trucks and heavy equipment for use in construction and repair work. Specialty crews within the division work in diverse areas such as forestry, sidewalk repair, backfill and street patching. The entire division is responsible for safety of City streets during inclement weather as they clear and monitor over 656 lane miles of City streets.

The **Sewer Division** maintains the City sewer system including sanitary, combined and storm sewers and all manholes, catch basin and inlets. Specialized television equipment and flow monitoring equipment allow the division to monitor the conditions of the sewer system in order to prevent costly problems through early detection.

Oak Ridge Cemetery, home of the Lincoln Tomb, is a national historic site. The first and second most visited cemeteries in the nation are Arlington National Cemetery and Oak Ridge Cemetery, respectively. In addition to being the final resting place of our 16th president, the site is home to the Illinois Vietnam Memorial, the Korean War Memorial and the World War II Memorial.

The **Solid Waste Division** facilitates the collection and disposal of solid waste in a manner consistent with state, county and federal regulations as well as encouraging and monitoring recycling efforts in the community.

The **Building and Zoning Division** administers and enforces building, mechanical, plumbing, electrical, elevator and zoning regulations and provides inspection services for each of the codes. The division conducts investigations of all zoning complaints. The division schedules public hearings for the Planning and Zoning Commission, docket all cases and serves as technical advisor to the commission. The division maintains the City's official zoning map and provides such information to the public. The division also issues all building permits and conducts plan reviews of permit applications.

The **Housing Division** is responsible for enforcing the city environmental housing codes and addressing unsafe and dangerous structures. This division is responsible for ensuring that safe and clean neighborhoods are maintained throughout the city. The division is also responsible for overseeing the city demolition of court ordered removal of unsafe and dangerous structures.

The **Waste and Recycling division** is responsible for planning, monitoring, and implementing a number of programs and services for city residents. Programs that are supported by the waste and recycling fee fund are the branch and yard waste disposal service, hazardous waste collection, electronic waste collection, and the large item pick up program. This division is responsible for promoting recycling and monitoring waste collection for the City of Springfield.

Lastly, the Office of Public Works provides valuable support for various community activities such as First Night Springfield, Old Capitol Art Fair, Route 66 Festival and numerous parades and events.

Office of Planning and Economic Development

The Office of Planning and Economic Development (OPED) is committed to improving the quality of life for all Springfield residents by: addressing the strategic planning and long-term development needs of the City; encouraging the retention and expansion of existing businesses as well as the attraction of new ones by providing pertinent data base information as requested; maintaining and improving Springfield's neighborhoods as well as protecting and preserving its historic places and structures; encouraging and supporting home ownership and housing redevelopment; assisting community service providers in their work to help those in need.

OPED administers programs to improve the living and working environment of the City. Funding is primarily provided by the U.S. Department of Housing and Urban Development's Community Development Block Grant, HOME funds, and Tax Increment Financing. Programs focus on the rehabilitation of commercial and residential structures and areas, the development of new job opportunities, assistance to third party community service providers, and the development of plans and strategies to address these focus areas.

The Office works closely with financial institutions, contractors, developers, businesses, not-for-profit agencies, volunteers, and other governmental units and agencies. As part of its mission, OPED administers the City's Enterprise Zone and Tax Increment Financing Districts. The agency provides direct staffing to the Springfield Historic Sites Commission, and the Q5 Partnership.

Police Department

The Police Department is organized to protect the Constitutional Rights of all citizens and to serve the public by preserving civil order, protecting public and private property, reducing crime and aiding individuals who are in danger of harm or in need of assistance.

The Police are under the direction of the **Chief of Police**, who is responsible for the duties of establishing goals and objectives for the department. The Police Chief or his designee has been assigned the task of coordinating the City's efforts with those of other local, state and national agencies to better secure our community in keeping with ongoing Homeland Security efforts. Currently, the **Internal Affairs Section** also reports directly to the Chief of Police and is responsible for investigating citizen and internal complaints involving employees of the Springfield Police Department. Internal Affairs, which is staffed by 2 lieutenants, also acts as the central repository for all complaints and policy violations, even those handled internally by other supervisors.

The Police Department's table of organization and command structure is organized to effectively and efficiently carry out the daily responsibilities of the department. Three Deputy Chiefs manage three divisions in the department: Field Operations, Criminal Investigations and Administrative Services.

The **Field Operations Division** is the largest division within the Police Department. It is comprised of the Patrol Section, Neighborhood Police Officers (NPO's), Field Training Program, Boat Patrol, Traffic Services, School Safety Officers (SSO) and the Canine Unit. In addition, the Hostage Negotiations Team (HNT), the Emergency Response Team (ERT), the Mobile Field Force Team (MFFT), the Crisis Intervention Team (CIT), the Recruiting Team, and the Honor Guard are all within this Division.

- The **Patrol Section** is comprised of seven (7) Watch Lieutenants and eighteen (18) Sergeants who directly supervise the patrol officers assigned to one of the four watches within the Division. The watches facilitate our round-the-clock coverage. The patrol officer's responsibilities include preliminary criminal investigations, community policing, traffic crash investigations, lake patrol and the enforcement of State statutes and City ordinances.
- The **Neighborhood Police Officers** work as a liaison with the citizens of our communities to address and resolve neighborhood crime. Their pro-active role in the community builds respect and partnerships between the community and police. They also conduct neighborhood watch meetings and residential surveys.
- The **Field Training Program** is designed to assist new officers to make the transition from the classroom training academy environment to the direct application of knowledge and skills while executing job responsibilities. Field Training Officers (FTO's) are assigned to a specific probationary officer throughout the training. These officers have received special training and evaluation assignments.
- The **Boat Patrol** is responsible for any and all of the duties as described above under the patrol section. 6 officers are assigned from Memorial Day to the end of October to provide a police presence during special events on the lake.
- The **School Safety Officers** provide a full time presence throughout the school year at all three public high schools. These officers are responsible for maintaining a security presence as well as mentoring the high school students.
- The **Traffic Services Section** administers and coordinates all traffic related activities within the department. The section is involved with the planning of, as well as being active in, numerous special events throughout the year. They plan and coordinate the details for a variety of events ranging from child safety checkpoints to The State Fair Parade and the Route 66 Mother Road Festival just to mention a few. The officers within this section have an increased focus on traffic and DUI enforcement.
- The **Canine Unit** provides services to the Emergency Response Team, the Sangamon County Sheriff's Office, the Illinois State Police, the Federal Bureau of Investigations and various other law enforcement agencies. The handlers are members of the United States Police Canine Association and are certified annually. The dogs and handlers are called on throughout the school year to conduct reasonable searches of school grounds and lockers for illegal drugs.
- The **Emergency Response Team** is a specialty unit highly trained in apprehension, containment and rescue tactics. The team also serves as the WMD/SRT base team for ILEAS Region #6. The team has an integrated emergency medical component made up of sworn officers. Team members are still permanently assigned to various divisions. Being part of this team is in addition to their full time duties. All members must pass a rigorous selection process to be considered for the team.
- The **Mobile Field Force Team** is a combination of officers from SPD as well as other local departments that offer an immediate response within ILEAS Region #6 for any type of unruly crowd or mass gathering situations. These officers are highly trained in crowd control techniques.
- The **Hostage Negotiation Team** responds to suicidal, barricaded or hostage situations to negotiate and bring about a safe and peaceful conclusion. Members complete a (40) hour in house training as well as attend various outside training opportunities. They train monthly to keep current with recent events and bi-annually train jointly with the Emergency Response Team.

- The **Crisis Intervention Team** was initiated in May 2003 to train officers to deal with the mentally ill, particularly in a crisis situation. The officers complete a forty (40) hour Crisis Intervention Team training and have attained state certification. They are trained to recognize signs and symptoms of problems and begin communication to facilitate a resolution. The Team is a cooperative partnership with the Sangamon County Sheriff's Office and the Springfield Mental Health Center.
- The **Recruiting Team** is supervised by a Sergeant and is a group of officers dedicated to recruiting qualified candidates from culturally diverse backgrounds.
- The **Honor Guard** is a team of officers dedicated to services that honor our Nation, State, City, fellow officers and citizens.

The **Criminal Investigations Division** is comprised of two sections, the General Investigations Section and the Special Investigations Section. The sections are overseen by a commander and a lieutenant, with 2 crime analysts assigned to the division.

- **The General Investigations Section** consists of the following units:
 - ✓ The Property Crimes Unit is responsible for hit and run accident investigations, burglary, thefts, motor vehicle thefts, arson and financial related crimes.
 - ✓ The Crime Scene Services Unit is responsible for the collection of all physical evidence related to all crime scenes. In addition, they analyze and preserve the evidence for future criminal court testimony related to their findings. They also conduct crash reconstruction investigations.
 - ✓ The Crime Stoppers position coordinates with the community to deter crime and identify suspects.
- **The Special Investigations Section** consists of the following units:
 - ✓ The Person Crimes Unit is responsible for homicides, criminal sexual assaults, armed robberies, home invasions and assaults.
 - ✓ The Sex Offender Registration Unit is responsible for the registration of all sex offenders legally mandated to do so.
 - ✓ The Narcotics Unit is responsible for short and/or long-term narcotics investigations and conducts street level narcotics investigations which assist in the eradication of neighborhood drug houses.
 - ✓ The Task Force Unit consists of patrol officers and detectives assigned to the various state and federal investigative agencies. Currently there are officers assigned to the ISP Central Illinois Enforcement Group (CIEG), FBI Joint Terrorism Task Force (JTTF), the Drug Enforcement Administration (DEA) and the US Marshal's Violent Fugitive Task Force (USMS).
 - ✓ The Street Crimes Unit is a proactive unit focused on violent crime

The **Administrative Services Division** supports the officers and the mission of the Springfield Police Department and is comprised of the following sections:

- **Records Section** - Maintains all police reports, traffic crashes and related reports. These reports are gathered, separated, distributed, input and available for further investigation.
- **Evidence & Property Section** - Is responsible for the custody of all evidence collected at crime scenes. It must be maintained from recovery through any court proceedings.
- **Supply Section** - Handles all ordering and stocking of office supplies for the Department, along with all forms, reports and uniforms.

- **Planning & Research Section** - Is responsible for special projects assigned by the Chief. In addition, it maintains all departmental written directives for the City, coordinates department technology with other area agencies as appropriate and is responsible for the purchase, installation, maintenance of all department computers and the department network.
- **Payroll & Fiscal Section** - Maintains all payroll records and is responsible for paying all invoices that come into the Department. Grants coordination also falls within this section which maintains files on all state and federal grants and oversees the billing and accounting for all grant reimbursements due the Department.
- **Messenger Section** handles routine inter-office mail for the Department at its various locations.
- The **Academy** provides continuous training and education programs for Springfield Police Officers and other law enforcement agencies throughout Illinois and surrounding states. The Springfield Police Academy personnel utilize a need-oriented approach to training in order to assure quality instruction and education. Academy personnel also support District 186 and the community through preparedness drills and the Citizens Police Academy.
- **Personnel Section** maintains all personnel records, FMLA and tracks all department vacancies. The Personnel Section handles all light duty assignments and workers compensation.

The **Bureau of Emergency Communications** is tasked with Homeland Security and provides all communication equipment for the Fire and Police Departments. Emergency Communications serves as liaison with the Sangamon County Combined Dispatched System (SCCDS-911) and with local and state law enforcement agencies to ensure compatibility of communication equipment and systems. Emergency Communications also assists all other City departments in the selection, maintenance and training of radio and cellular telephone communication systems.

Convention and Visitors Bureau

The **Springfield Convention and Visitors Bureau (SCVB)** works to enhance the economy and quality of life in the Springfield area by attracting and servicing conventions and visitors to our city. The Bureau's programs are driven by a yearly marketing strategy based on statistical research and program analysis.

The SCVB serves as the marketing arm for the industry in our city. They develop and implement the strategic marketing and sales programs that convince travelers and convention and event planners to choose Springfield over other destinations.

The **Administration Department** provides the policy direction, fiscal management and administrative support necessary for the successful implementation of a Bureau-wide marketing plan. This includes the promotion of local tourism issues and events and the procurement of grant funding for future programs and projects. The Bureau is funded solely through local hotel/motel taxes and state grant funding (also generated through visitor taxes). The Bureau receives 3 percent of the local hotel/motel tax each year as its operating budget. Additionally, the Executive Director works closely with key local, state and national leaders in the tourism industry and is the voice of Springfield's tourism product.

The **Sales, Service and Marketing Departments** have a staff of 11 professional employees. The Sales Department solicits group business to attract convention, meeting, and sports events through active participation in trade shows, proactive outreach to planners thru direct sales efforts, and works with the hotels and facilities to develop competitive proposals.

The Service Department provides services to visitors and convention attendees, assists meeting planners with convention planning ensuring retention, administers central reservation program providing tour schedules for all groups, and works with the hospitality industry to enhance the tourism product and visitor experience.

The Marketing Department publishes promotional materials, places media, and solicits national and regional press coverage of the City by various components of the travel press. In addition, special itineraries and programming are planned for adult and school groups touring the historical sites.

Lincoln Library

Lincoln Library, the Public Library of Springfield, serves the public by providing information and materials for use in the library, in the community, and at home. The library has a collection of approximately 400,000 physical items, including books, magazines, compact discs, DVDs, and audio books for customers of all ages. In addition to these materials, the library provides free Wi-Fi and public access to computers and to a number of electronic resources: *Brainfuse* for homework help, Ancestry.com for genealogy, Rosetta Stone for foreign language instruction, Hoopla for video streaming, OverDrive for eBooks, Value Line for investments, and Learning Express for test preparation for the ACT and the GED. Electronic resources are available in the library with many available from home with a library card. Providing information and readers advisory, in response to in person questions or questions via the phone or email, is part of the service offered by the Reference Services Division.

Lincoln Library provides meeting space for the public and public performance space for library and community programs. The library offers programs for children and adults throughout the year. These include: story times, craft programs, book discussion groups, musical performance and lectures. The Library also offers computer classes on basic computer skills, Microsoft Suite products, and other topics relevant to the community. The library maintains a public presence through its newsletter, outreach, and Facebook. The library also has its own website which gives customers access to the library catalog and to information about library programs and services.

Office of Public Utilities (City Water, Light and Power)

The Office of Public Utilities, most commonly referred to as “City, Water, Light and Power (CWLP),” is the municipally-owned electric and water utility serving Springfield and surrounding areas. The mission of CWLP is to provide its customers with the highest quality, most reliable water and electric service at the lowest possible rates, while preserving the continued financial and operating integrity of both utility systems.

CWLP, the largest municipally-owned electric system in Illinois, provided power to 71,373 electric customers during Fiscal Year 2017. The water system provided water to 53,258 retail customers both inside and outside the City of Springfield, along with nine wholesale water customers. Lake Springfield, a 4,200-acre man-made reservoir, serves as the present source of water supply and provides cooling water for CWLP’s coal-fired generating stations.

The overall management of CWLP is currently the responsibility of the Chief Utility Engineer, who is assisted by a number of senior managers who are responsible for supervising one of the Utility Divisions discussed within. In addition to the senior division managers, the Public Information Office also reports directly to the Chief Utility Engineer. The Public Information Office coordinates utility interaction with the news media and the public. It provides customers with information on emergency situations and addresses general inquiries on utility operations.

The Engineering/Operations Division is the largest utility division. More than half of all utility employees are associated with this division, which is comprised of the Electric Department and the Water Department.

CWLP's Electric Generation Facilities consist of four coal-fired power plants; two oil-fired gas peaking turbines; a dual fuel natural gas and oil-fired combustion turbine. System operations are controlled through the Miller Street Dispatch Center that is staffed 24 hours a day. With the aid of the computerized system called SCADA (System Control and Data Acquisition), the Dispatch Center works to minimize electric service interruptions by constantly monitoring load conditions in the transmission and distribution network. In addition to power generation, the Electric Department also completes engineering, design, construction and maintenance projects.

The Energy Services Office offers a variety of services designed to help customers increase comfort and convenience while reducing energy and water costs. These include energy audits, rebate and efficiency programs as well as customer education to encourage efficiency and increase comfort.

The Water Department is responsible for planning, constructing and maintaining the City's integrated water supply, purification, and transmission and distribution system—which includes Lake Springfield, the lakeside Water Purification Plant, three water storage tanks, and approximately 765 miles of water mains. The Water Filtration Plant on the shore of Lake Springfield is staffed 24 hours a day to provide continuous monitoring of the quantity and quality of water delivered to consumers. From the Water Distribution Center, located on Mason Street, engineering staff and maintenance crews complete the construction of new water distribution facilities, as well as maintenance of existing mains, valves, meters and fire hydrants.

The Administrative Services Division performs the property services, security, vehicle maintenance, information technology, energy services, and risk management functions of the utility.

The Property Services Department operates and maintains 342.5 acres of dedicated and undedicated parks and 2,450 acres of marginal land around Lake Springfield, along with 68 miles of lake roads and lanes. This department manages 728 residential leases, 29 leases for various clubs and organizations along with 6 leases for commercial properties located around Lake Springfield. The Property Services Department includes in-house craft personnel who provide repair, maintenance and construction services throughout the utility. This department also provides for the functions of security, vehicle maintenance, and risk management across the utility.

The Information Systems Division provides information technology services for offices for CWLP and all other City agencies.

The Finance Division is responsible for all the overall financial management of the Electric Fund and the Water Fund of the City.

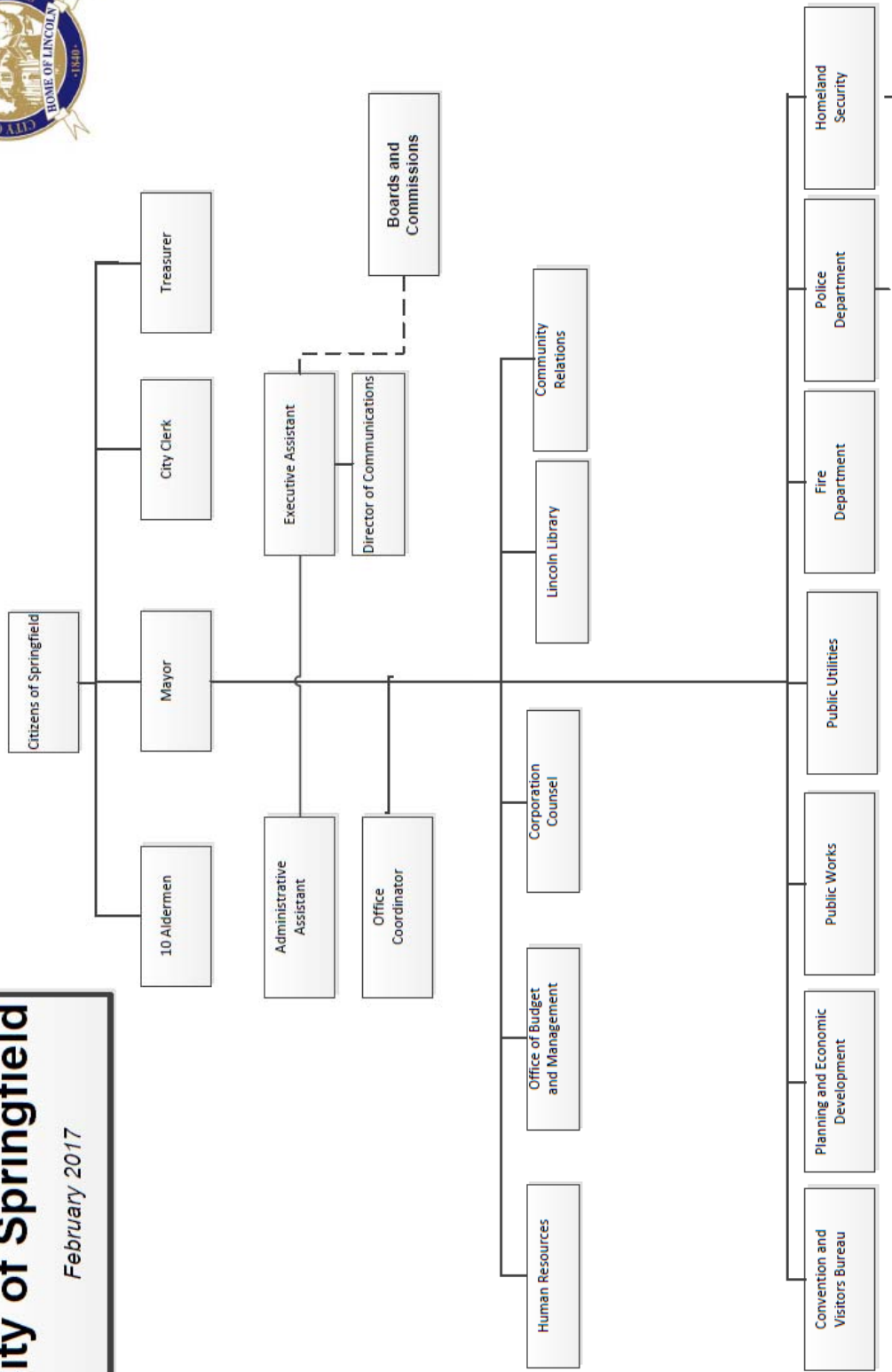
The Commercial Office processes all customer billings and utility bill payments and responds to requests for service connections, disconnections and complaints. This office also administers community assistance programs, such as Project RELIEF and Hand Up, which help to defray the cost of utilities for low income customers and those in need. The General Accounting Office controls payments made with utility funds, controls inventory, and prepares monthly and annual financial reports on CWLP operations. The Fiscal Services Office directs the preparation and monitoring of the Water Fund and Electric Fund budgets, administers rates, plans and implements the bonded debt issuances and performs general financial planning and reporting. The CWLP Purchasing Office coordinates the acquisition of materials and services for division offices.

The Regulatory Affairs Division is responsible for CWLP's relations with other city, county, state and federal government agencies and employee groups. This division also establishes and maintains internal policies, procedures and controls and administers the City ordinance process for all offices within CWLP

The Environmental Health and Safety Office establishes and monitors standards to ensure safe working conditions for all Utility employees. This office also conducts several tests at each stage of the electric and water processes to ensure the City's compliance with state and federal regulations. In addition, it assists in developing projects and procedures that will further reduce any potential negative environmental impacts from the energy and water production activities of CWLP.

City of Springfield

February 2017



Revised:02/24/17
ISD

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Springfield, Illinois, (the City) as of and for the year ended February 28, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as 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 did not audit the financial statements of the Springfield Firefighters' Pension Fund (A Pension Trust Fund of the City of Springfield, Illinois), which represent 31 percent, 36 percent, and 20 percent, respectively, of the assets, net position, and revenues of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the pension trust fund, is based solely on the report of the other auditors. 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. The financial statements of the pension trust funds were not audited in accordance with *Government Auditing Standards*.

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.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Springfield, Illinois, as of February 28, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures described above, and the report of other auditors, the combining and individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2017, on our consideration of the City of Springfield, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 City of Springfield, Illinois' internal control over financial reporting and compliance.

Sikich LLP

Springfield, Illinois
September 25, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Management's Discussion and Analysis
Year Ended February 28, 2017**

The City of Springfield's ("the City") discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (approved budget), and (e) identify the individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal letter (beginning on page I-1) and the City's financial statements (beginning with Statement 1).

Financial Highlights

- The assets of the City of Springfield exceeded its liabilities at the close of the fiscal year by \$228,574,946 (net position).
- The City's net position decreased by \$35,624,920 from the previous fiscal year due in large part to an increase in the deferred inflows of resources related to pension trust funds.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$91,596,085 for a decrease of \$19,765,700 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund decreased to \$18,657,678 or 15.7 percent of the total General Fund expenditures (including transfers out).
- The City's total debt obligation (excluding claims, judgments, compensated absences and other postemployment benefits) decreased \$24,349,798 during the current fiscal year.

Using this Annual Report

The following graphic depicts the flow of components in the Comprehensive Annual Financial Report.

Management's Discussion and Analysis
Year Ended February 28, 2017

					RSI	Audited basic financial statements	Mandatory reporting
Management's discussion and analysis							
+							
Government-wide financial statements	Fund financial statements						
	Governmental funds	Proprietary funds	Fiduciary funds				
Notes to the financial statements							
+					RSI		
Other required supplementary information							

The financial statement's focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability.

Overview of Financial Statements: This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned-but-not-used vacation leave.)

Management's Discussion and Analysis
Year Ended February 28, 2017

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). The government activities of the City include general government, public health and safety, culture and recreation, highways and streets, and economic development. The business-type activities of the City include the Electric and Water Operations (Office of Public Utilities) and the Motor Vehicle Parking, Sewer and Oak Ridge Cemetery operations (Office of Public Works).

The government-wide financial statements include not only the City itself (known as the primary government), but also legally separate Police and Fire Pension Plans. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on Statements 1 and 2 of this report.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statement. 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 a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statement, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statement. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheets 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.

The City maintains 28 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Capital Improvement Fund, which are considered to be major funds. Data from the 26 non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in Exhibit 10 and Exhibit 11 of this report.

Management's Discussion and Analysis
Year Ended February 28, 2017

The City adopts an annual appropriation budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget and can be found in Exhibit 1 of this report.

The basic governmental fund financial statements can be found on Statements 3 and 5 of this report.

Proprietary Funds: The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Electric Light and Power, Water, Sewer, Cemetery and Parking System functions. In addition, the City also accounts for a portion of its self-insurance activities within the business-type enterprise funds. 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 the facility maintenance function, fleet management function, unemployment escrow, and the balance of self-insurance activities. Because these services predominantly benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statement. A portion is then allocated to Business-type through internal balances.

Proprietary funds provide the same type of information as the government-wide financial statement, only in more detail. The proprietary fund financial statements provide separate information for the Electric Light and Power and Water Funds, which are considered major funds of the City. The remaining proprietary funds are reported in the aggregate. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on Statements 7, 8 and 9 of this report.

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 statement 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 for proprietary funds.

The basic fiduciary fund statements can be found on Statements 10 and 11 of this report.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide fund financial statements. The notes to the financial statements can be found following Statement 11 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information. This information can be found beginning with Exhibit 1 of this report.

City of Springfield, Illinois

Management's Discussion and Analysis Year Ended February 28, 2017

The combining statements referred to earlier in connection with the Non-major Governmental Funds, the Non-major Enterprise Funds and the Internal Service Funds are presented immediately following the Required Supplementary Information. Combining and individual fund statements and schedules can be found beginning with Exhibit 10 of this report.

Government-Wide Financial Analysis

Net Position: As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$228,574,946 at the close of the most recent fiscal year.

The following table reflects the condensed Statement of Net Position:

City of Springfield, Illinois Net Position (in 000's) February 28, 2017 and February 29, 2016						
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and other assets	\$ 155,405	\$ 170,602	\$ 181,702	\$ 174,215	\$ 337,107	\$ 344,817
Capital assets	213,674	206,635	1,133,535	1,139,953	1,347,209	1,346,588
Total Assets	369,079	377,237	1,315,237	1,314,168	1,684,316	1,691,405
Total Deferred Outflow of Resources:	80,583	97,278	32,321	36,204	112,904	133,482
Total assets and deferred outflow of resources	\$ 449,662	\$ 474,515	\$ 1,347,558	\$ 1,350,372	\$ 1,797,220	\$ 1,824,887
Liabilities:						
Long-term liabilities	\$ 601,831	\$ 631,698	\$ 790,480	\$ 789,335	\$ 1,392,311	\$ 1,421,033
Other liabilities	31,267	30,833	62,102	71,902	93,369	102,735
Total liabilities	633,098	662,531	852,582	861,237	1,485,680	1,523,768
Total Deferred Inflows of Resources:	78,480	35,385	4,485	1,534	82,965	36,919
Total liabilities and deferred inflows of resources	\$ 711,578	\$ 697,916	\$ 857,067	\$ 862,771	\$ 1,568,645	\$ 1,560,687
Net Position:						
Net investment in capital assets	104,888	120,812	507,889	499,798	612,777	620,610
Restricted	26,517	23,944	42,283	50,291	68,800	74,235
Unrestricted (deficit)	(393,321)	(368,157)	(59,681)	(62,488)	(453,002)	(430,645)
Total net position	\$ (261,916)	\$ (223,401)	\$ 490,491	\$ 487,601	\$ 228,575	\$ 264,200

Management's Discussion and Analysis
Year Ended February 28, 2017

A significant portion of the City's net position, \$612.8M as of February 28, 2017, reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$68.8M as of February 28, 2017, represents resources that are subject to external restrictions on how they may be used. Total net position as of February 28, 2017, decreased from the prior year. The net position of governmental activities decreased by \$38.5M while, the net position of business-type activities increased by \$2.9M.

Changes in Net Position: The City's net position decreased by \$35.6M during the current fiscal year due largely to revenue stagnation in governmental activities.

The next table will spotlight the changes in net position of the governmental and business-type activities.

City of Springfield, Illinois

Management's Discussion and Analysis Year Ended February 28, 2017

City of Springfield, Illinois Changes in Net Position (in 000's)

For the Years Ended February 28, 2017 and February 29, 2016

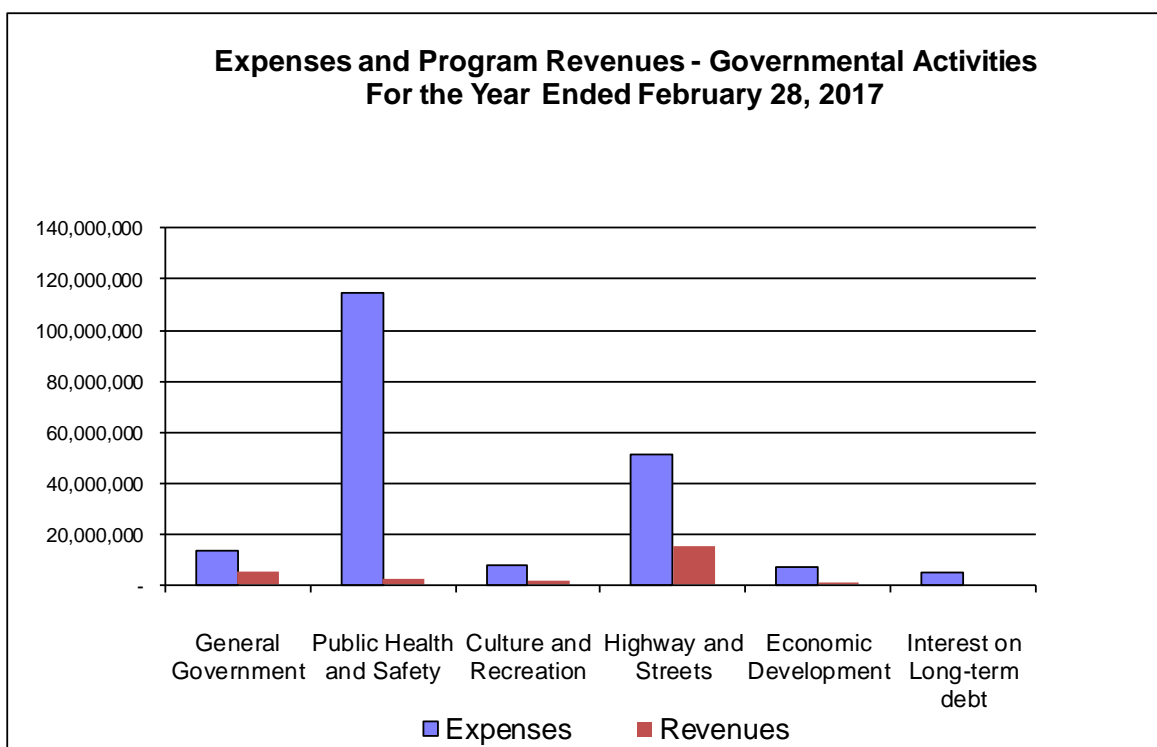
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 8,880	\$ 8,824	\$ 276,179	\$ 274,008	\$ 285,059	\$ 282,832
Operating grants and contributions	14,151	20,986	-	-	14,151	20,986
Capital grants and contributions	2,666	1,056	2,849	3,347	5,515	4,403
General revenues:						
Property taxes	28,114	27,858	-	-	28,114	27,858
Other taxes	95,563	98,381	-	-	95,563	98,381
Other revenues	1,840	1,116	901	223	2,741	1,339
Total revenues	151,214	158,221	279,929	277,578	431,143	435,799
Expenses:						
General government	13,411	15,834	-	-	13,411	15,834
Public health and safety	114,380	112,350	-	-	114,380	112,350
Highways and streets	50,946	50,676	-	-	50,946	50,676
Economic development	7,430	9,861	-	-	7,430	9,861
Culture and recreation	8,143	7,735	-	-	8,143	7,735
Interest on long-term debt	4,692	3,957	-	-	4,692	3,957
Electric	-	-	230,298	234,231	230,298	234,231
Water	-	-	30,366	26,653	30,366	26,653
Sewer	-	-	7,669	8,091	7,669	8,091
Motor vehicle parking	-	-	1,001	934	1,001	934
Oak ridge cemetery	-	-	1,522	1,471	1,522	1,471
Total expenses	199,002	200,413	270,856	271,380	469,858	471,793
Change in net position before transfers and extraordinary items	(47,788)	(42,192)	9,073	6,198	(38,715)	(35,994)
Transfers	7,757	8,815	(7,757)	(8,815)	-	-
Extraordinary item: net impairment gain	-	-	2,000	-	2,000	-
Change in net position	(40,031)	(33,377)	3,316	(2,617)	(36,715)	(35,994)
Net position, beginning of year	(223,401)	114,161	487,601	540,744	264,200	654,905
Prior period adjustment	1,516	(304,185)	(426)	(50,526)	1,090	(354,711)
Net position, beginning of year, restated	(221,885)	(190,024)	487,175	490,218	265,290	300,194
Net position, end of year	\$ (261,916)	\$ (223,401)	\$ 490,491	\$ 487,601	\$ 228,575	\$ 264,200

Management's Discussion and Analysis
Year Ended February 28, 2017

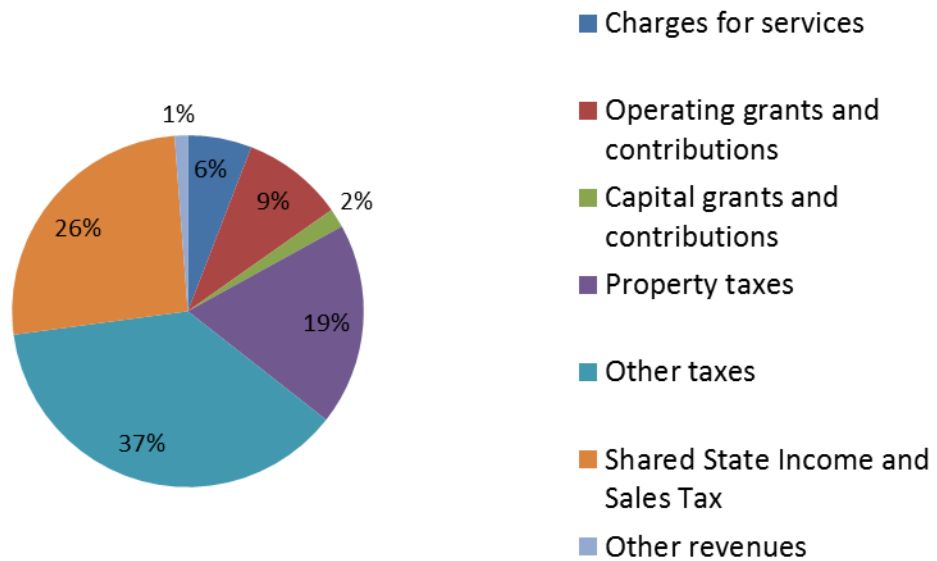
Governmental Activities: The changes in net position of Governmental activities decreased the City's net position by \$38.5M for the year ended February 28, 2017. Governmental revenues decreased by \$7.0M and expenses decreased by \$1.4M. Significant economic and programmatic events impacted the City of Springfield's FY 2017 governmental activities. Highlights included:

- Operating revenues decreased in the aggregate by \$7.0M with a decrease of \$6.8M found in operating grants and contributions. Operating grants and contributions saw a decrease in the Motor Fuel Tax activity of \$7.7M during FY 2017. These revenues are related to railway capital projects.
- General governmental expenses decreased by \$1.4M. There were no significant variances in operating expenses. There was, however, an adjustment for internal service fund allocation of \$2.7M which lowered the total of General Government for FY 2017.

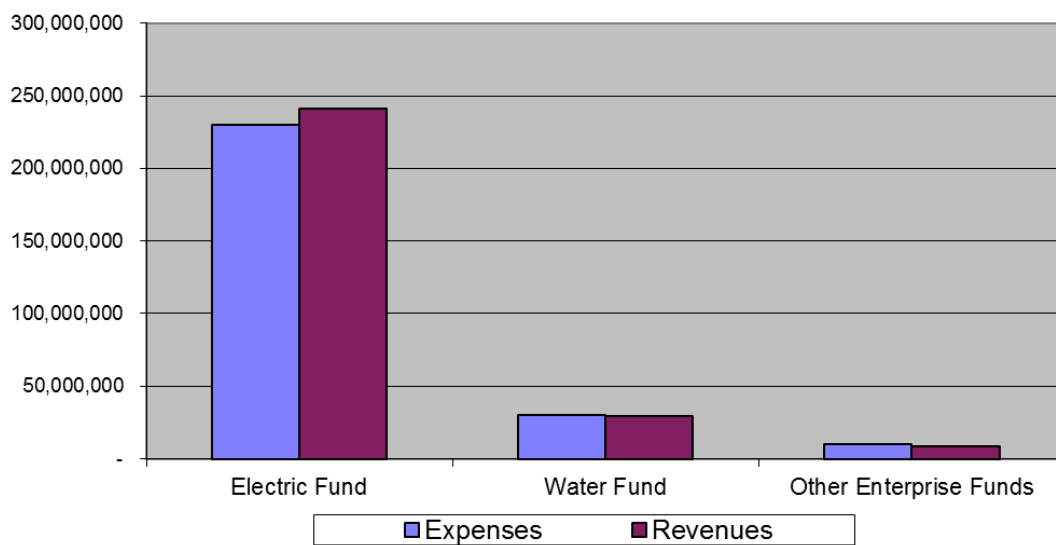
Governmental revenues continue to be primarily generated from sales taxes, property taxes, charges for services and other taxes and revenues. The percentage for each revenue category is illustrated in the following two graphs:



Revenues by Source - Governmental Activities For the Year Ended February 28, 2017



Expenses and Program Revenues - Business-Type Activities For the Year Ended February 28, 2017



Management's Discussion and Analysis
Year Ended February 28, 2017

Business-Type Activities: Business-type activities increased the City's change in net position by \$2.9M with major changes being an increase in the Electric Fund of \$3.5M, a decrease in the Water Fund of \$1.5M, and a decrease of \$1.1M in the non-major business-type funds. Business-type revenues increased \$2.4M and expenses decreased by \$0.52M. The Electric Fund's operating revenues increased by \$2.0M and the Water Fund's operating revenues decreased by \$0.1M. The Electric Fund's operating expenses increased by \$1.4 and the Water Fund's operating expenses increased by \$2.7M. Several conditions impacted the City of Springfield's FY 2017 business-type activities. Highlights include:

The Electric Fund had a CPI rate increase while the Water Fund had no changes

The Electric Fund had a 1.1% increase in retail energy sold

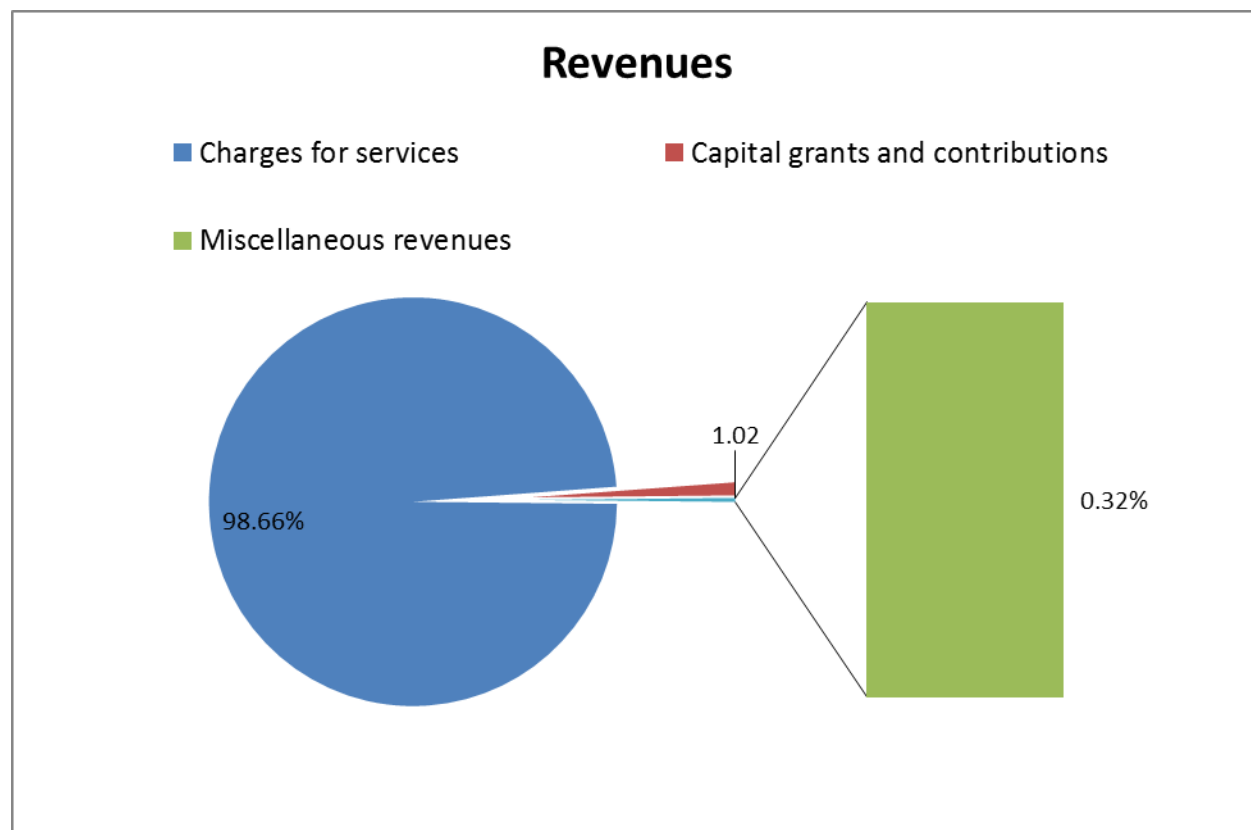
The Water Fund had a 0.5% increase in water sold

Electric Revenues were \$11.3(4.3%) below budget

Electric Expenses were \$31.8M (12.0%) below budget

Water Sales Revenues were \$1.6M (5.0%) below budget

Water Expenses were \$3.3M (8.7%) below budget



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$91,596,085 for a decrease of \$19,765,700. Of the ending fund balance, \$15,877,732 constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is restricted with separate controls, thereby making fund balance unavailable for general government.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$18,657,678 and is included in the fund balance in the preceding paragraph. Three agencies account for the majority of the General Fund salary and benefit costs: Police Department, Fire Department and Public Works. Seventy-eight (78%) percent or roughly \$82M of all General Fund salaries and benefits are found in these three categories. These services are funded by six key revenue areas: City Sales Tax, State Sales Tax, Property Tax, State Income Tax, Telecommunications Tax and the Office of Public Utilities PILOT.

The FY 2017 ending General Fund balance represents a decrease of \$2.5M. This is due to stagnating and declining tax revenues. The City continues to monitor the changing face of consumer behavior away from brick and mortar institutions towards more online purchasing.

The FY 2017 ending Capital Improvement Fund balance represents a decrease of \$16.5M. This is a planned decrease. As bond proceeds are expended as a result of project progress it is natural that the fund balance will decline. The Capital Improvement Fund originated with City Council action authorizing a 2% transfer of the previous fiscal year adjusted gross corporate revenues. The original revenue stream was enhanced with sales and hotel tax increases. The City Council approved a three year infrastructure improvement program that was financed by an \$80 million bond issue. The FY 2017 budgeted portion of the three year program provided \$5.3M in expenditure authority remaining for infrastructure improvements and an additional \$12.9M in spending authority unrelated to bond issuance.

Proprietary Funds: The City's Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

**Management's Discussion and Analysis
Year Ended February 28, 2017**

The unrestricted net assets of all business-type funds was (\$58,561,645) at the end of fiscal year 2017. Unrestricted net assets of the major business-type funds were (\$37,292,094) and (\$16,945,601) for the Electric Light and Power Fund and the Water Fund, respectively.

The Electric Fund's net position increased by \$3,500,154 while the net position of the Water Fund decreased by \$1,543,351 for FY 2017.

Water Fund operating income dropped \$2,766,629 or 47.3% from FY 2016 to FY 2017 while Electric Fund operating income increased \$671,302 or 2.2%.

General Fund Budgetary Highlights

The increase between the original expenditure and transfers out budget and the final amended expenditure and transfers out budget totaled \$1.07M. This increase represents a .88 percent increase over the original budget for FY 2017. The budgetary increases are highlighted as follows:

- \$400K was made available to increase the City's program cost tree trimming and removal to enhance public safety and transportation
- \$325K accommodated the increase to the City's unsafe structure demolition program
- \$230K increased the assistance to the Oak Ridge Cemetery Fund

The City saw significant variances in the General Fund between the amended budget and actual expenditures as of February 28, 2017. The General Fund year-end actual expenditures and transfers out were \$6.5M under the amended budget for the same period. As discussed in the transmittal letter, City administrators enacted stringent spending controls in reaction to economic downturns. Major factors in the under budget position were:

- \$2.7M aggregate lapse in personal services due to continued contract negotiations in the Police (PBPA) and Fire (IAFF) contracts resulting in delayed salary increases. The City also delayed the filling of certain positions to decrease spending while keeping service levels constant.
- \$698K lapse in electronic data processing due to the timing of completion of the City's ERP system upgrade
- \$584K from the equipment acquisition cost center due in part to a delay in purchasing a grapple truck (timing from manufacturer)
- \$350K budgetary lapse from the Office of Public Works is demolition program costs

Management's Discussion and Analysis
Year Ended February 28, 2017

Capital Assets and Debt Administration

Capital Assets: The City's investment in capital assets for its governmental and business-type activities as of February 28, 2017, amounts to \$1,347,208,114 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements machinery and equipment, park facilities, roads, highways, bridges and construction in progress. The total decrease in the City's investment in capital assets (net of accumulated depreciation) for the current fiscal year was \$470,511.

The City's new electric generating plant has a value of \$500M. The depreciation associated with the plant will tend to negate any increases in assets in other areas. The plant will depreciate over a period of about 40 years.

The following table illustrates the changes in capital assets:

City of Springfield, Illinois Capital Assets
(net of depreciation)
February 28, 2017 and February 29, 2016

	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 28,202,366	\$ 22,506,915	\$ 45,846,405	\$ 45,195,815	\$ 74,048,771	\$ 67,702,730
Buildings and system	19,950,245	20,672,455	562,323,163	560,792,870	582,273,408	581,465,325
Machinery and equipment	8,526,304	9,721,443	232,569,833	237,651,579	241,096,137	247,373,022
Infrastructure	135,204,750	137,294,663	277,145,617	276,826,696	412,350,367	414,121,359
Construction in progress	21789,909	17,956,425	15,649,522	19,059,764	37,439,431	37,016,189
Total	\$ 213,673,574	\$ 208,151,901	\$ 1,133,534,540	\$ 1,139,526,724	\$ 1,347,208,114	\$ 1,347,678,625

Additional information on the City's capital assets can be found in note 8 to the financial statements.

Long-Term Debt: At the end of the current fiscal year, the City had total debt (excluding claims and judgments, compensated absences, and other postemployment benefits) outstanding of \$765,702,501. Of this amount, \$ 93.4M is debt backed by the full faith and credit of the City and \$641.8M is debt associated with revenue streams from business-type activities.

City of Springfield, Illinois

Management's Discussion and Analysis Year Ended February 28, 2017

City of Springfield, Illinois Outstanding Debt General Obligation and Revenue Bonds February 28, 2017 and February 29, 2016

	Governmental		Business-type		Total	
	activities		activities			
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 93,418,778	\$ 97,871,104	\$ -	\$ -	\$ 93,418,778	\$ 97,871,104
Taxable tax increment bonds	18,686,537	18,910,415	-	-	18,686,537	18,910,415
Revenue bonds	-	-	641,841,084	661,618,916	641,841,084	661,618,916
Capital leases	4,099,286	5,511,041	-	-	4,099,286	5,511,041
Loans	-	-	7,656,816	6,140,823	7,656,816	6,140,823
Total	\$ 116,204,601	\$ 122,292,560	\$ 649,497,900	\$ 667,759,739	\$ 765,702,501	\$ 790,052,299

The City's total debt as shown above decreased \$24,349,798 during the current fiscal year. General obligation debt was decreased by \$4.5M, and debt from revenue bonds decreased by \$19.8M.

The City of Springfield received an A3 stable outlook rating from Moody's Investor Service in October 2016. This represented a downgrade from the previous A1 stable from Moody's in January of 2016. Moody's surveillance rating reflected their concern with the City's growth in unfunded pension liability.

Standard and Poor's reaffirmed the City at AA stable outlook in January 2016.

The City of Springfield is designated a Home Rule unit as defined in Article 7 of the Constitution of the State of Illinois. As of February 28, 2017, the Illinois General Assembly had not placed a limit on the amount of debt home rule municipalities may incur.

Additional information on the City's long-term debt can be found in note 9 to the financial statements.

Economic Factors and Next Year's Budget

- The City of Springfield continues to see flat revenue growth in nearly all consumer-driven areas. This national trend away from brick and mortar shopping shows no sign of decline or reversal. In addition, pension costs for first responders will exceed property tax collections for the first time. Policy discussions including funding options and program/service levels will be a part of future budgets.

- The City continues to benefit from controlling the cost of salaries and benefits. During FY 2018 the City will continue negotiations with both the Police Benevolent and Protective Association (PBPA) representing the City's police officers with an employment base of \$17.8M and the International Association of Fire Fighters (IAFF) representing the City's firefighters with an employment base of \$16.8M. As of the publication of this report the City has completed the labor arbitration process with PBPA, submitted the post arbitration brief and awaits the decision and disposition of the contract issues. The City and IAFF have completed the initial mediation process and are awaiting the next step in contract talks.
- The City's Joint Labor Management Health Committee continues to modify health benefits in an effort to control costs. Innovations such as an offsite walk-in clinic are thought to be an enhancement to services to employees while mitigating growing health care costs.
- Cost containment and the use of spending reserves remains key to the continued improvement of financial position.
- The City continues to see financial benefits from the consolidation of the fleet function. Ongoing analysis of staffing and business processes provides continuous refinement of the newly combined fleet facility.
- The University of Illinois Flash Index decreased from 105.3 in January 2016 to 104.4 in January 2017. The index is a weighted average based on state corporate, personal income and sales tax receipts. Any number below 100 indicates economic contraction.
- Springfield/Sangamon County's economy has remained relatively stable the past several years despite the national and regional downturns. The unemployment rate remains virtually unchanged with a December 2015 rate of 6.1% compared to the December 2016 rate of 5.7%.
- Almost all sectors have endured a downturn and retail trade along with the finance, insurance and real estate (FIRE) industries have borne the brunt of the recent recession. However, health care and hospitality have remained stable and provide the impetus for much of the employment and construction activity.

All of these factors were considered in preparing the City's budget for the 2017 budget year.

Requests for Information

This financial report is designed to provide a general overview of the City of Springfield's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: William D. McCarty II, Director, Office of Budget & Management, City of Springfield, Room 210, Municipal Center West, Springfield, Illinois 62701.

Component Units

The Springfield Police and Firefighters' Pension Plans are considered blended component units and are reported as if they were a part of the City. However, separately issued financial statements for each Plan may be obtained from the address indicated in Note 1 to the financial statements.

BASIC FINANCIAL STATEMENTS

CITY OF SPRINGFIELD, ILLINOIS

STATEMENT OF NET POSITION

February 28, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 60,835,981	\$ 37,439,949	\$ 98,275,930
Investments	-	821,314	821,314
Interest receivable	11,065	5,698	16,763
Local taxes receivable	49,669,007	-	49,669,007
Accounts receivable, net	-	39,812,496	39,812,496
Notes receivable, net	1,144,896	-	1,144,896
Grant receivable	616,089	655,143	1,271,232
Due from fiduciary funds	24,386	-	24,386
Internal balances	4,613,182	(4,613,182)	-
Other receivables	7,491,859	-	7,491,859
Inventory	-	21,405,724	21,405,724
Prepaid expenses	-	1,846,830	1,846,830
Other assets	14,932	15,810	30,742
Restricted cash and cash equivalents	30,383,564	76,737,459	107,121,023
Restricted investments	600,000	4,266,964	4,866,964
Prepaid insurance	-	419,391	419,391
Service concession arrangement receivable	-	2,888,210	2,888,210
Capital assets, not depreciated	49,992,275	61,495,927	111,488,202
Capital assets, net of depreciation	163,681,299	1,072,038,613	1,235,719,912
Total assets	369,078,535	1,315,236,346	1,684,314,881
Deferred Outflows of Resources:			
Pension items - IMRF	9,206,801	22,701,791	31,908,592
Pension items - Pension Trust Funds	71,376,589	-	71,376,589
Loss on refunding	-	9,619,324	9,619,324
Total deferred outflows of resources	80,583,390	32,321,115	112,904,505
Total assets and deferred outflows of resources	\$ 449,661,925	\$ 1,347,557,461	\$ 1,797,219,386

The accompanying notes are an integral part of these financial statements.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities:			
Accounts payable	\$ 8,437,322	\$ 19,601,135	\$ 28,038,457
Other payables	353,371	11,934	365,305
Accrued payroll	3,063,927	3,101,092	6,165,019
Accrued interest	1,627,771	14,179,425	15,807,196
Deposit payable	-	1,587,517	1,587,517
Due to other governments	-	3,554,310	3,554,310
Unearned revenue	-	1,643,909	1,643,909
Compensated absences payable:			
Due within one year	4,865,886	4,309,467	9,175,353
Due beyond one year	7,285,670	3,535,643	10,821,313
Claims and judgments:			
Due within one year	6,524,419	864,556	7,388,975
Due beyond one year	2,402,259	1,837,180	4,239,439
Long-term debt:			
Due within one year	6,394,303	13,248,267	19,642,570
Due beyond one year	109,810,297	636,249,633	746,059,930
Net pension liability	376,812,294	76,537,416	453,349,710
Other postemployment benefit obligations	105,520,212	72,320,543	177,840,755
Total liabilities	633,097,731	852,582,027	1,485,679,758
Deferred Inflows of Resources:			
Deferred property taxes	28,670,757	-	28,670,757
Pension items - IMRF	636,895	1,596,340	2,233,235
Pension items - Pension Trust Funds	49,172,480	-	49,172,480
Deferred service concession arrangement	-	2,888,210	2,888,210
Total deferred inflows of resources	78,480,132	4,484,550	82,964,682
Total liabilities and deferred inflows of resources	711,577,863	857,066,577	1,568,644,440
Net position:			
Net investment in capital assets	104,888,434	507,889,298	612,777,732
Restricted for public safety	1,218,151	-	1,218,151
Restricted for endowment care, nonexpendable	-	4,422,297	4,422,297
Restricted for debt service	4,331,106	26,229,601	30,560,707
Restricted for system repairs and improvements	-	11,630,905	11,630,905
Restricted for capital projects	1,952,199	-	1,952,199
Restricted for highways and streets	12,151,828	-	12,151,828
Restricted for economic development	6,864,021	-	6,864,021
Unrestricted (deficit)	(393,321,677)	(59,681,217)	(453,002,894)
Total net position	\$ (261,915,938)	\$ 490,490,884	\$ 228,574,946

The accompanying notes are an integral part of these financial statements.

CITY OF SPRINGFIELD, ILLINOIS

STATEMENT OF ACTIVITIES

Year Ended February 28, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 13,410,938	\$ 5,473,038	\$ 159,065	\$ -
Public health and safety	114,379,946	1,729,713	553,223	21,207
Culture and recreation	8,143,473	64,863	847,831	717,719
Highway and streets	50,945,275	1,608,310	11,575,202	1,927,000
Economic development	7,430,249	4,772	1,015,819	-
Interest on long-term debt	4,692,181	-	-	-
Total governmental activities	199,002,062	8,880,696	14,151,140	2,665,926
Business-type activities:				
Electric Fund	230,298,107	239,806,655	-	1,286,246
Water Fund	30,365,589	28,314,263	-	1,155,303
Sewer Fund	7,668,920	6,476,346	-	407,873
Motor Vehicle Parking Fund	1,001,195	721,888	-	-
Oak Ridge Cemetery Fund	1,521,906	859,768	-	-
Total business-type activities	270,855,717	276,178,920	-	2,849,422
Total primary government	\$ 469,857,779	\$ 285,059,616	\$ 14,151,140	\$ 5,515,348

General revenues:

Taxes
 Property tax
 City sales tax
 Use tax
 Personal property replacement tax
 Miscellaneous and hotel/motel taxes
 Shared state income tax
 Shared state sales tax
 Non-utility property operations
 Miscellaneous revenues
 Unrestricted investment earnings
 Transfers in (out)
 Extraordinary item: net impairment gain

Total general revenues and transfers**Change in net position**

Net position, beginning of year

Prior period adjustment

Net position, beginning of year, restated

Net position, end of year

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (7,778,835)	\$ -	\$ (7,778,835)
(112,075,803)	-	(112,075,803)
(6,513,060)	-	(6,513,060)
(35,834,763)	-	(35,834,763)
(6,409,658)	-	(6,409,658)
(4,692,181)	-	(4,692,181)
(173,304,300)	-	(173,304,300)
-	10,794,794	10,794,794
-	(896,023)	(896,023)
-	(784,701)	(784,701)
-	(279,307)	(279,307)
-	(662,138)	(662,138)
-	8,172,625	8,172,625
\$ (173,304,300)	\$ 8,172,625	\$ (165,131,675)
28,113,880	-	28,113,880
40,994,248	-	40,994,248
4,960,471	-	4,960,471
2,770,376	-	2,770,376
7,641,743	-	7,641,743
11,068,486	-	11,068,486
28,127,636	-	28,127,636
-	44,201	44,201
1,484,998	-	1,484,998
354,828	855,792	1,210,620
7,756,655	(7,756,655)	-
-	2,000,000	2,000,000
133,273,321	(4,856,662)	128,416,659
(40,030,979)	3,315,963	(36,715,016)
(223,401,639)	487,601,505	264,199,866
1,516,680	(426,584)	1,090,096
(221,884,959)	487,174,921	265,289,962
\$ (261,915,938)	\$ 490,490,884	\$ 228,574,946

The accompanying notes are an integral part of these financial statements.

CITY OF SPRINGFIELD, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET

February 28, 2017

	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 3,098,124	\$ 42,434,737	\$ 3,011,034	\$ 48,543,895
Local taxes receivable	38,839,582	3,667,489	7,161,936	49,669,007
Notes receivable, net	-	-	1,144,896	1,144,896
Grant receivable	212,581	-	403,508	616,089
Other receivables	704,886	1,156	6,053,460	6,759,502
Due from fiduciary funds	21,560	-	2,826	24,386
Interfund receivables	2,907,560	-	4,335,160	7,242,720
Other assets	-	-	14,932	14,932
Restricted cash and cash equivalents	-	9,459,193	18,549,366	28,008,559
Total assets	<u>\$ 45,784,293</u>	<u>\$ 55,562,575</u>	<u>\$ 40,677,118</u>	<u>\$ 142,023,986</u>
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts payable	\$ 2,154,244	\$ 440,383	\$ 5,197,818	\$ 7,792,445
Other payables	353,371	-	-	353,371
Accrued payroll	1,569,618	3,934	1,322,344	2,895,896
Interfund payable	287,359	-	2,752,943	3,040,302
Total liabilities	<u>4,364,592</u>	<u>444,317</u>	<u>9,273,105</u>	<u>14,082,014</u>
Deferred inflows of resources:				
Unavailable property taxes	21,974,853	-	6,695,904	28,670,757
Unavailable revenues	271,710	-	7,403,420	7,675,130
Total deferred inflows of resources	<u>22,246,563</u>	<u>-</u>	<u>14,099,324</u>	<u>36,345,887</u>
Total liabilities and deferred inflows of resources	<u>26,611,155</u>	<u>444,317</u>	<u>23,372,429</u>	<u>50,427,901</u>
Fund Balance:				
Nonspendable	-	-	14,932	14,932
Restricted				
Economic development	-	-	5,718,756	5,718,756
Capital projects	-	7,419,458	1,952,199	9,371,657
Highways and streets	-	-	6,101,992	6,101,992
Public safety	-	-	1,012,972	1,012,972
Debt service	-	2,039,735	2,291,371	4,331,106
Unrestricted				
Committed	144,667	-	2,992,413	3,137,080
Assigned	370,793	45,659,065	-	46,029,858
Unassigned (deficit)	18,657,678	-	(2,779,946)	15,877,732
Total fund balance	<u>19,173,138</u>	<u>55,118,258</u>	<u>17,304,689</u>	<u>91,596,085</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 45,784,293</u>	<u>\$ 55,562,575</u>	<u>\$ 40,677,118</u>	<u>\$ 142,023,986</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SPRINGFIELD, ILLINOIS

Reconciliation of Total Governmental Fund Balances to the
Net Position of Governmental Activities

February 28, 2017

Total governments fund balances (Statement 3)		\$ 91,596,085
Amounts reported for governmental activities in the statement of net position (Statement 1) are different because:		
Net capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		213,673,574
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		7,675,130
Differences between expected and actual experiences, assumptions changes, net differences between projected and actual earnings for Pension Trust Funds are recognized as deferred outflows and inflows of resources on the statement of net position.		22,204,109
Differences between expected and actual experiences, assumptions changes, net differences between projected and actual earnings for IMRF are recognized as deferred outflows of resources on the statement of net position.		8,569,906
Internal Service Funds are used by management to charge the costs of Self Insurance, Unemployment Compensation, supplies, postage and printing services to individual funds. The assets and liabilities of the internal service funds are appropriated between the governmental activities and the business-type activities in the statement of net position.		
Current assets	13,035,508	
Noncurrent assets	2,975,005	
Internal balances	(708,808)	
Current liabilities	(7,937,839)	
Noncurrent liabilities	(8,238,565)	(874,699)
Internal service funds allocated to business-type activities		1,119,572
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	(103,031,537)	
Bond premium	(9,305,776)	
Bond discount	231,998	
Capital leases payable	(4,099,286)	
Accrued interest	(1,627,771)	
Compensated absences	(5,714,737)	
IMRF net pension liability	(30,910,987)	
Pension Funds net pension liability	(345,901,307)	
Other postemployment benefit obligations	(105,520,212)	
Subtotal		(605,879,615)
Net position of governmental activities (Statement 1)		<u>\$ (261,915,938)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SPRINGFIELD, ILLINOIS

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended February 28, 2017

	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes:				
Property tax	\$ 21,589,038	\$ -	\$ 6,524,842	\$ 28,113,880
State Sales tax	28,127,636	-	-	28,127,636
City Sales tax	27,084,395	13,533,195	376,658	40,994,248
Use tax	4,960,471	-	-	4,960,471
Motor fuel tax	-	-	2,963,101	2,963,101
Miscellaneous and hotel/motel taxes	3,246,278	2,657,741	1,737,724	7,641,743
Fees for services	2,735,652	229,250	1,032,848	3,997,750
Investment income	142,806	-	108,443	251,249
Intergovernmental	14,461,474	-	7,460,474	21,921,948
Intragovernmental	582,803	-	-	582,803
Licenses and permits	1,035,642	-	-	1,035,642
Fines and citations	1,041,286	-	-	1,041,286
Franchise fees	2,223,215	-	-	2,223,215
Miscellaneous	587,605	40,851	2,262,810	2,891,266
Total revenues	<u>107,818,301</u>	<u>16,461,037</u>	<u>22,466,900</u>	<u>146,746,238</u>
Expenditures:				
Current:				
General government	10,935,909	-	944,711	11,880,620
Public health and safety	84,730,737	-	450,914	85,181,651
Culture and recreation	4,044,562	-	2,410,049	6,454,611
Highway and streets	12,908,179	26,767,180	11,092,667	50,768,026
Economic development	356,711	-	6,135,793	6,492,504
Capital outlay	1,927,440	351,989	603,280	2,882,709
Debt service				
Principal	147,204	3,859,844	1,422,998	5,430,046
Interest	5,316	3,889,162	1,393,359	5,287,837
Total expenditures	<u>115,056,058</u>	<u>34,868,175</u>	<u>24,453,771</u>	<u>174,378,004</u>
Excess (deficiency) of revenues over expenditures	<u>(7,237,757)</u>	<u>(18,407,138)</u>	<u>(1,986,871)</u>	<u>(27,631,766)</u>
Other financing sources (uses):				
Issuance of long-term debt	-	-	109,411	109,411
Transfers in	8,386,655	1,864,428	1,794,368	12,045,451
Transfers out	(3,676,642)	-	(612,154)	(4,288,796)
Total other financing sources (uses)	<u>4,710,013</u>	<u>1,864,428</u>	<u>1,291,625</u>	<u>7,866,066</u>
Net change in fund balance	<u>(2,527,744)</u>	<u>(16,542,710)</u>	<u>(695,246)</u>	<u>(19,765,700)</u>
Fund balances at beginning of year	<u>21,700,882</u>	<u>71,660,968</u>	<u>17,999,935</u>	<u>111,361,785</u>
Fund balances at end of year	<u>\$ 19,173,138</u>	<u>\$ 55,118,258</u>	<u>\$ 17,304,689</u>	<u>\$ 91,596,085</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SPRINGFIELD, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities

Year Ended February 28, 2017

Net changes in fund balance, total governmental funds (Statement 5)		\$ (19,765,700)
Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These amounts are as follows:		
Capital outlay	9,909,348	
Depreciation	(7,030,578)	
Subtotal		2,878,770
The net effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, donations and disposals) is to increase net position.		
Disposals of capital assets		(23,023)
Contributions of capital assets		2,665,926
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,693,314
The change in deferred outflows of resources for IMRF is reported only in the statement of activities.		(1,948,662)
The change in deferred outflows of resources for the Pension Trust Funds is reported only in the statement of activities.		(57,224,520)
The change in the net pension liability for the Pension Trust Funds is reported only in the statement of activities		39,295,245
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts comprise these differences in the treatment of long-term debt and related items.		
Issuance of debt	(109,411)	
Amortization of bond premium and bond discount	767,326	
Principal repayments:		
General obligation debt	3,685,000	
Taxable tax increment bonds	333,289	
Capital leases	1,411,755	
Subtotal		6,087,959
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences	29,178	
Other postemployment benefits	(15,988,583)	
IMRF net pension liability	(412,499)	
Accrued interest	(171,668)	
Subtotal		(16,543,572)
Internal Service Funds are used by management to charge the costs of Self Insurance, Unemployment Compensation and supplies, postage and certain printing services to individual funds. A portion of net revenue is reported with governmental activities.		2,853,284
Change in net assets of governmental activities (Statement 2)		<u>\$ (40,030,979)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SPRINGFIELD, ILLINOIS

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

February 28, 2017

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Electric Light and Power Fund	Water Fund	Other Enterprise Funds	Total	
Assets					
Current assets:					
Cash and cash equivalents	\$ 29,148,693	\$ 6,970,575	\$ 1,320,681	\$ 37,439,949	\$ 12,292,086
Investments	-	-	821,314	821,314	-
Interest receivable	-	-	5,698	5,698	11,065
Accounts receivable, net	33,054,869	3,380,434	3,377,193	39,812,496	-
Grants receivable	-	-	655,143	655,143	-
Other receivables	-	-	-	-	732,357
Interfund receivables	194,806	53,507	1,762,524	2,010,837	32,888
Inventory	20,061,165	967,253	377,306	21,405,724	-
Prepaid expenses	1,737,547	109,283	-	1,846,830	-
Other assets	-	15,810	-	15,810	-
Total current assets	84,197,080	11,496,862	8,319,859	104,013,801	13,068,396
Noncurrent assets:					
Capital assets:					
Capital assets not being depreciated	15,638,419	44,824,123	1,033,385	61,495,927	-
Capital assets being depreciated, net	834,242,385	187,578,205	50,218,023	1,072,038,613	-
Total capital assets	849,880,804	232,402,328	51,251,408	1,133,534,540	-
Restricted cash and cash equivalents	46,043,175	30,036,487	657,797	76,737,459	2,375,005
Restricted investments	-	-	4,266,964	4,266,964	600,000
Prepaid insurance	419,391	-	-	419,391	-
Service concession arrangement receivable	-	-	2,888,210	2,888,210	-
Total noncurrent assets	896,343,370	262,438,815	59,064,379	1,217,846,564	2,975,005
Total assets	980,540,450	273,935,677	67,384,238	1,321,860,365	16,043,401
Deferred outflows of resources					
IMRF Pension	17,316,935	4,303,803	1,081,053	22,701,791	-
Loss on refunding	9,529,579	89,745	-	9,619,324	-
Total deferred outflows of resources	26,846,514	4,393,548	1,081,053	32,321,115	-
Total assets and deferred outflows of resources	\$ 1,007,386,964	\$ 278,329,225	\$ 68,465,291	\$ 1,354,181,480	\$ 16,043,401

The accompanying notes are an integral part of these financial statements.

CITY OF SPRINGFIELD, ILLINOIS

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

February 28, 2017

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Electric Light and Power Fund	Water Fund	Other Enterprise Funds	Total	
Liabilities					
Current liabilities:					
Accounts payable	\$ 16,922,841	\$ 2,421,662	\$ 256,632	\$ 19,601,135	\$ 644,877
Other payables	-	3,819	-	3,819	-
Accrued payroll	2,425,065	585,250	90,777	3,101,092	168,031
Compensated absences payable	3,407,003	754,337	148,127	4,309,467	600,512
Claims and judgments	648,794	215,762	-	864,556	6,524,419
Accrued interest	12,220,638	1,939,359	19,428	14,179,425	-
Interfund payable	4,429,356	471,384	603,707	5,504,447	741,696
Deposit payable	1,587,517	-	-	1,587,517	-
Due to other governments	-	-	3,554,310	3,554,310	-
Loans payable - due within one year	-	336,310	561,957	898,267	-
Revenue bonds payable - due within one year	9,520,000	2,830,000	-	12,350,000	-
Total current liabilities	<u>51,161,214</u>	<u>9,557,883</u>	<u>5,234,938</u>	<u>65,954,035</u>	<u>8,679,535</u>
Noncurrent liabilities:					
Compensated absences	2,790,399	694,911	50,333	3,535,643	5,836,306
Claims and judgments	1,378,687	458,493	-	1,837,180	2,402,259
Other payables	-	8,115	-	8,115	-
Unearned revenue	656,250	-	987,659	1,643,909	-
Loans payable - less current portion	-	3,159,777	3,598,772	6,758,549	-
Revenue bonds payable - less current portion	544,708,000	84,783,084	-	629,491,084	-
IMRF net pension obligation	58,349,565	14,497,045	3,690,806	76,537,416	-
Other postemployment benefits obligation	55,153,317	12,424,644	4,742,582	72,320,543	-
Total noncurrent liabilities	<u>663,036,218</u>	<u>116,026,069</u>	<u>13,070,152</u>	<u>792,132,439</u>	<u>8,238,565</u>
Total liabilities	<u>714,197,432</u>	<u>125,583,952</u>	<u>18,305,090</u>	<u>858,086,474</u>	<u>16,918,100</u>
Deferred inflows of resources					
Deferred service concession arrangement	-	-	2,888,210	2,888,210	-
IMRF Pension	1,212,686	300,689	82,965	1,596,340	-
Total deferred inflows of resources	<u>1,212,686</u>	<u>300,689</u>	<u>2,971,175</u>	<u>4,484,550</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>715,410,118</u>	<u>125,884,641</u>	<u>21,276,265</u>	<u>862,571,024</u>	<u>16,918,100</u>
Net position (deficit):					
Net investment in capital assets	300,206,347	160,592,272	47,090,679	507,889,298	-
Restricted for perpetual care, nonexpendable	-	-	4,422,297	4,422,297	-
Restricted for system repairs and improvements	5,694,872	5,936,033	-	11,630,905	-
Restricted for debt service	23,367,721	2,861,880	-	26,229,601	-
Unrestricted (deficit)	<u>(37,292,094)</u>	<u>(16,945,601)</u>	<u>(4,323,950)</u>	<u>(58,561,645)</u>	<u>(874,699)</u>
Total net position (deficit)	<u>\$ 291,976,846</u>	<u>\$ 152,444,584</u>	<u>\$ 47,189,026</u>	<u>491,610,456</u>	<u>\$ (874,699)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(1,119,572)	
Adjusted net position of business-type activities				<u>\$ 490,490,884</u>	

CITY OF SPRINGFIELD, ILLINOIS

 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended February 28, 2017

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Electric Light and Power Fund	Water Fund	Other Enterprise Funds	Total	
Operating revenues:					
Fees for services	\$ 239,806,655	\$ 28,314,263	\$ 7,961,061	\$ 276,081,979	\$ 1,567,035
Intragovernmental charges	-	-	-	-	36,330,007
Payroll deductions	-	-	-	-	7,726,385
Other	-	-	96,941	96,941	58,234
Total operating revenues	239,806,655	28,314,263	8,058,002	276,178,920	45,681,661
Operating expenses:					
Personal services	-	-	4,195,663	4,195,663	5,720,480
Contractual services	-	-	1,566,744	1,566,744	30,688,873
Commodities	-	-	239,748	239,748	62,242
Equipment	-	-	46,167	46,167	91,066
Electronic data processing	-	-	107,365	107,365	32,367
Telecommunications	-	-	33,141	33,141	7,963
Operation of automotive equipment	-	-	312,171	312,171	1,891,192
Awards, benefits, and treatment	-	-	-	-	2,372,945
Repairs and maintenance	-	-	264,638	264,638	-
Bank fees	-	-	365	365	-
Travel	-	-	4,775	4,775	4,255
General and administrative	15,160,774	3,481,407	-	18,642,181	-
Production and distribution	148,499,662	14,004,058	-	162,503,720	-
Other postemployment benefits	13,454,361	3,068,959	1,261,964	17,785,284	-
Depreciation and amortization	31,944,165	4,676,122	2,213,801	38,834,088	-
Total operating expenses	209,058,962	25,230,546	10,246,542	244,536,050	40,871,383
Operating income (loss)	30,747,693	3,083,717	(2,188,540)	31,642,870	4,810,278
Nonoperating revenues (expenses):					
Investment income	197,545	116,817	541,430	855,792	103,579
Other	(86,391)	(88,586)	-	(174,977)	-
Interest expense	(22,648,911)	(3,773,382)	(92,176)	(26,514,469)	-
Amortization of surety premium	(74,842)	-	-	(74,842)	-
Auxiliary service property	-	(1,615,952)	-	(1,615,952)	-
Non-utility property operations	44,201	-	-	44,201	-
Total nonoperating revenues (expenses)	(22,568,398)	(5,361,103)	449,254	(27,480,247)	103,579
Income (loss) before transfers and contribution revenue	8,179,295	(2,277,386)	(1,739,286)	4,162,623	4,913,857
Transfers:					
Transfers in	-	-	630,000	630,000	-
Transfers (out)	(7,965,387)	(421,268)	-	(8,386,655)	-
Total transfers	(7,965,387)	(421,268)	630,000	(7,756,655)	-
Capital grants and contributions	1,286,246	1,155,303	407,873	2,849,422	-
Extraordinary item: net impairment gain	2,000,000	-	-	2,000,000	-
Change in net position	3,500,154	(1,543,351)	(701,413)	1,255,390	4,913,857
Net position (deficit), beginning of year	288,476,692	153,987,935	48,317,023		(5,788,556)
Prior period adjustment	-	-	(426,584)		-
Net position (deficit) at beginning of year, restated	288,476,692	153,987,935	47,890,439		(5,788,556)
Net position (deficit), end of year	\$ 291,976,846	\$ 152,444,584	\$ 47,189,026		\$ (874,699)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				2,060,573	
Change in net position of business-type activities				\$ 3,315,963	

The accompanying notes are an integral part of these financial statements.

CITY OF SPRINGFIELD, ILLINOIS

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

Year Ended February 28, 2017

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Electric Light and Power Fund	Water Fund	Other Enterprise Funds	Total	
Cash flows from operating activities:					
Receipts from customers	\$ 237,825,619	\$ 28,303,253	\$ 8,771,620	\$ 274,900,492	\$ 52,007
Receipts from interfund services	2,468,315	458,081	-	2,926,396	46,961,761
Payments to suppliers	(97,329,180)	(4,055,090)	(3,890,529)	(105,274,799)	(36,173,699)
Payments to employees	(40,038,423)	(8,936,443)	(4,219,198)	(53,194,064)	(6,035,078)
Payments for interfund services	(29,134,645)	(3,936,275)	(597)	(33,071,517)	-
Other operating receipts	-	-	96,941	96,941	-
Net cash from operating activities	73,791,686	11,833,526	758,237	86,383,449	4,804,991
Cash flows from noncapital financing activities:					
Transfers in (out)	-	(421,268)	630,000	208,732	-
Cash received in (paid for) interfund borrowings	(10,188,731)	1,558	(503,955)	(10,691,128)	-
Net cash from noncapital financing activities	(10,188,731)	(419,710)	126,045	(10,482,396)	-
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(21,567,181)	(10,850,831)	(1,752,790)	(34,170,802)	-
Proceeds from contributed revenue	1,286,246	1,155,303	-	2,441,549	-
Net proceeds from capital debt	-	-	2,338,377	2,338,377	-
Principal paid on revenue bonds, refunding bonds, and loans	(14,585,000)	(3,037,831)	(489,554)	(18,112,385)	-
Interest paid on revenue bonds, loans, and line of credit	(18,795,976)	(3,951,959)	(87,077)	(22,835,012)	-
Auxiliary service and nonutility property operations, net	-	(1,468,553)	-	(1,468,553)	-
Insurance reimbursement	2,000,000	-	-	2,000,000	-
Other capital and related financing activities	(42,190)	(649)	-	(42,839)	-
Net cash from capital and related financing activities	(51,704,101)	(18,154,520)	8,956	(69,849,665)	-
Cash flows from investing activities:					
Purchase of investments	-	-	(470,008)	(470,008)	-
Proceeds on sale and maturities of investments	2,740,475	2,250,000	-	4,990,475	-
Interest and dividends received	202,841	119,423	157,923	480,187	99,175
Net cash from investing activities	2,943,316	2,369,423	(312,085)	5,000,654	99,175
Net increase (decrease) in cash and cash equivalents	14,842,170	(4,371,281)	581,153	11,052,042	4,904,166
Cash and cash equivalents, beginning of year	60,349,698	41,378,343	1,397,325	103,125,366	9,762,925
Cash and cash equivalents, end of year	<u>\$ 75,191,868</u>	<u>\$ 37,007,062</u>	<u>\$ 1,978,478</u>	<u>\$ 114,177,408</u>	<u>\$ 14,667,091</u>
Reconciliation:					
Cash and cash equivalents	\$ 29,148,693	\$ 6,970,575	\$ 1,320,681	\$ 37,439,949	\$ 12,292,086
Restricted cash and cash equivalents - noncurrent	46,043,175	30,036,487	657,797	76,737,459	2,375,005
	<u>\$ 75,191,868</u>	<u>\$ 37,007,062</u>	<u>\$ 1,978,478</u>	<u>\$ 114,177,408</u>	<u>\$ 14,667,091</u>

(Continued)

CITY OF SPRINGFIELD, ILLINOIS
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (CONTINUED)
 Year Ended February 28, 2017

	Business-type Activities - Enterprise Funds				Internal Service Funds
	Electric Light and Power Fund	Water Fund	Other Enterprise Funds	Total	
Reconciliation of operating income (loss) to net cash from operating activities:					
Operating income (loss)	\$ 30,747,693	\$ 3,083,717	\$ (2,188,540)	\$ 31,642,870	\$ 4,810,278
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization	31,944,165	4,676,122	2,213,801	38,834,088	-
Change in assets, deferred outflows of resources, and liabilities:					
(Increase) decrease in accounts receivable	2,445,409	447,071	714,560	3,607,040	(432,165)
(Increase) decrease in inventories	1,696,592	190,114	19,177	1,905,883	-
(Increase) decrease in deferred outflows of resources	2,498,772	619,578	170,953	3,289,303	-
(Increase) decrease in prepaid expenses	(28,334)	(8,532)	-	(36,866)	-
(Increase) decrease in interfund receivable	-	-	9,836	9,836	1,764,274
Increase (decrease) in accounts payable	(5,800,745)	(253,681)	(1,237,028)	(7,291,454)	(297,326)
Increase (decrease) in other payables	-	308,034	-	308,034	-
Increase (decrease) in accrued payroll	151,338	12,694	12,856	176,888	91,997
Increase (decrease) in unearned revenue	(2,019,075)	-	68,410	(1,950,665)	-
Increase (decrease) in compensated absences	(46,346)	8,137	(9,105)	(47,314)	(418,705)
Increase (decrease) in claims and judgments	275,479	-	-	275,479	337,036
Increase (decrease) in interfund payable	-	-	-	-	(1,050,398)
Increase (decrease) in due to Sangamon County Water Reclamation District	-	-	(80,408)	(80,408)	-
Increase (decrease) in deposit payable	43,831	-	-	43,831	-
Increase (decrease) in IMRF net pension obligation	790,457	195,995	71,210	1,057,662	-
Increase (decrease) in deferred inflows of resources	1,212,686	300,689	65,834	1,579,209	-
Increase (decrease) in OPEB obligation	9,879,764	2,253,588	926,681	13,060,033	-
Total adjustments	43,043,993	8,749,809	2,946,777	54,740,579	(5,287)
Net cash from operating activities	\$ 73,791,686	\$ 11,833,526	\$ 758,237	\$ 86,383,449	\$ 4,804,991
Supplemental disclosure of noncash investing and capital and related financing activities:					
Contributed capital - developers	\$ -	\$ -	\$ 407,873	\$ 407,873	\$ -
Unrealized gain (loss) from reporting investments at fair value	-	-	383,281	383,281	-
					(Concluded)

The accompanying notes are an integral part of these financial statements.

CITY OF SPRINGFIELD, ILLINOIS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

February 28, 2017

	Pension Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 8,101,298	\$ 118,718
Investments:		
Mutual Fund Equities	120,097,154	-
Common Stocks	36,658,306	-
U.S. Government Securities	51,810,210	-
U.S. Agency Securities	8,424,853	-
Corporate Bonds	25,739,332	-
Insurance Contracts	27,180,307	-
Interest and dividends receivable	491,392	-
Other receivables	223,735	-
Total assets	<u>278,726,587</u>	<u>\$ 118,718</u>
Liabilities		
Accounts payable	54,206	\$ 2,918
Other accrued liabilities	-	91,414
Intergovernmental payable	-	24,386
Total liabilities	<u>54,206</u>	<u>\$ 118,718</u>
Net position, restricted for pensions	<u>\$ 278,672,381</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF SPRINGFIELD, ILLINOIS

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended February 28, 2017

	Pension Trust Funds
Additions:	
Contributions:	
Employer contributions	\$ 20,337,659
Employee contributions	3,618,980
Miscellaneous	-
Total contributions	<u>23,956,639</u>
Investment income:	
Net appreciation (depreciation) in fair value of investments	27,043,736
Interest and dividends	5,985,416
Total investment income	<u>33,029,152</u>
Less investment expense	(529,951)
Net investment income	<u>32,499,201</u>
Total additions	<u>56,455,840</u>
Deductions:	
Pension benefits	27,223,771
Administrative expenses	353,170
Total deductions	<u>27,576,941</u>
Net decrease	28,878,899
Plan net position restricted for pensions, beginning of year	<u>249,793,482</u>
Plan net position restricted for pensions, end of year	<u>\$ 278,672,381</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SPRINGFIELD, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

February 28, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Springfield (City), Illinois, have been prepared in accordance with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting practices. The more significant of these accounting policies are as follows:

Financial reporting entity:

The City is a municipal corporation with a mayoral/aldermanic form of government. As required by GAAP, these financial statements present the City and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Individual component unit disclosures – fiduciary funds: The Police and Fire Fighters' Pension Plans are reported as if they were a part of the City. This data is included in the City's fiduciary fund financial statements because the funds are fiscally dependent on the City. The Pension Plans may not issue bonded debt or levy taxes without the City's approval. These Plans provide services entirely to the City's current and former employees.

The most recent audit information was included as fiduciary funds within the City's financial reporting entity. Complete financial statements of the individual component units can be obtained at www.springfield.il.us/Government/OpenGovHome.aspx or from the following:

Police and Fire Fighters' Pension Plans:

City of Springfield, Illinois
Office of the City Treasurer
104 Municipal Center West
Springfield, Illinois 62701-1681

The Lincoln Library Foundation is a potential component unit of the City. The Foundation has not been included as it is insignificant to the financial statements. The Lincoln Library Foundation was established in 1991 for charitable, literary, and educational purposes. It is the purpose of the Foundation to focus attention on public library services in Springfield and encourage development of Lincoln Library's collections through individual gifts, endowment and bequests. The Foundation is also assisting with the renovation of the library. As of February 28, 2017 the Foundation assets totaled \$735,863.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related organization:

The City's officials are responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The Mayor appoints a majority of the board members of the Springfield Airport Authority (SAA) as required by statute. The City paid \$6,636 to SAA during the year.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Capital Improvement Fund accounts for the resources restricted, committed, or assigned for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and fund financial statements (Continued)

Additional governmental fund types which are combined as non major funds are as follows:

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Funds are used to account for principal and interest payments with respect to the general long-term debt of the City not financed by a specific source.

Capital Projects Funds are used to account for general construction or renovation projects being carried out by the City. Such projects are financed by issuance of general obligation bonds, tax increment financing district property taxes, sales taxes, utility taxes, governmental grants and user charges.

The government reports the following major proprietary funds:

The Electric Light and Power Fund accounts for the production, transmission and distribution of electricity in the City and certain nearby municipalities.

The Water Fund accounts for the collection, purification and distribution of water in the City and certain nearby municipalities.

Additionally, the government reports the following fund types:

Internal Service Funds account for health insurance, workers compensation claims, sick payouts, sick sell back, property casualty and liability insurance, building and grounds maintenance, fleet maintenance, and unemployment compensation insurance services provided to other departments or agencies of the government.

The Agency Funds are used to account for monies resulting from the City's flexible benefit plan and for wage garnishments, savings bonds and interest earned from pooled investments, which are custodial in nature.

The Fire Fighters' Pension Fund and the Police Pension Fund are pension trust funds, which account for activities as prescribed by the Illinois State Statutes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting, except Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are intended to fund. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues generally to be available if they are collected within 90 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, claims and judgments and pension and OPEB amounts are recorded only when payment is due.

Property taxes are recognized as revenues in the year for which they are budgeted. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual in the fund financial statements as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds utilize the accrual basis of accounting, which recognizes revenue when it is earned, including an estimate of utility revenue unbilled at the end of each accounting period, and expenses when they are incurred. The Water Fund, the Electric Light and Power Fund and the Sewer Fund jointly bill customers for services.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are service charges between the government's water, electric and sewer functions and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – (Continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Electric, Sewer, Cemetery, and Motor Vehicle Parking enterprise funds and the government's Support Services Revolving Fund, Self-Insurance, and Unemployment Compensation Escrow internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then, unrestricted resources, as they are needed.

Pooled cash and investments

Cash and investments of various General, special revenue, debt service and internal service funds is pooled with excess pooled cash being invested. Interest from pooled investments is allocated to the participating funds based on their daily cash balance.

Investments are recorded at fair value, except for nonnegotiable certificates of deposits which are recorded at cost, using quoted market prices. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Gains and losses on marketable securities are computed using the specific identification method.

Cash equivalents

For purposes of the statement of cash flows of its proprietary funds, the City considers all highly liquid investments (including restricted assets) with an original maturity of three months or less to be cash equivalents. Investments in the Illinois Funds, banks and ICS/Promontory are classified as cash and cash equivalents.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories and prepaids

Inventories of materials and supplies are stated at cost, with cost determined on an average cost basis. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Also included in inventory are certain cemetery plots for sale, which are valued at an estimated \$9 per lot.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method.

Restricted asset accounts

Restricted asset accounts are utilized by enterprise funds to comply with revenue bond ordinances and loan restrictions. Restricted asset accounts are utilized by governmental funds to comply with tax increment financing and special service area bonds and grant restrictions.

Notes receivable

Notes receivable are loans made through housing rehabilitation and economic development programs under the terms of mortgage-secured installment notes. The terms of the notes are one to ten years. Notes are classified as interest bearing with ranges from 0 percent per year to 5.0 percent per year. Notes receivable that are not available as current financial resources are offset by deferred inflow of resources.

Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable columns in the government-wide financial statements and in the proprietary funds financial statements. Capital assets are defined by the City, as assets with an initial, individual cost of more than \$15,000 (\$5,000 threshold for capital assets purchased with grant funds) and intangible assets of \$100,000 or more and an estimated useful life in excess of one year. Capital assets are defined by Electric Light and Power and Water Funds, as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value at the date of donation.

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

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Cost includes labor, material and similar items, and indirect business type charges for such items as transportation. The City capitalizes interest expense on funds used during construction of major projects, net of interest earned on invested unexpended bond proceeds during the construction period. The total interest cost on debt incurred by the water and electric divisions during the current fiscal year was \$3,887,194 and \$24,442,467, respectively. Of that amount, interest charged to expense was \$3,773,382 and \$22,648,911, respectively. Interest of \$0 was included as part of the cost of capital assets under construction in connection with the water and electric divisions' construction projects.

Capital asset of the business type activities include 7,089 acres of nonutility property acquired for the proposed John H. Hunter Lake project, included in the Enterprise funds. The land was acquired to construct the proposed John H. Hunter Lake, which would supplement the present Lake Springfield's potable water supply and provide cooling water for the electricity generating system. As of February 28, 2017 the Water Fund has incurred a total of \$23,742,728 for the project, which includes the purchase price of the farmland and additional legal, engineering and other acquisition costs of \$8,025,728. The Electric Light and Power Fund has expended \$4,986,658 for the same project. Costs incurred for the project are classified as nonutility property, pending a final decision on the proposed project.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Fund	Estimated Useful Lives
Electric Light and Power:	
Utility plant	15 to 50 years
Equipment	5 to 50 years
Water:	
Utility plant and distribution system	10 to 100 years
Equipment	5 to 33 years
Sewer:	
Sewer system improvements	50 years
Buildings	10 to 50 years
Equipment	3 to 15 years
Motor Vehicle Parking System:	
Parking system improvements	10 to 50 years
Equipment	5 to 20 years
Oak Ridge Cemetery:	
Cemetery improvements	15 to 20 year

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets (Continued)

Fund	Estimated Useful Lives
Buildings	15 to 30 years
Equipment	5 to 20 years
Governmental Activities:	
Land improvements	50 years
Buildings	50 years
Streets and roadways (base)	50 years
Street overlays	15 years
Machinery and equipment	5 to 15 years
Vehicles	4 to 10 years
Library collection	5 years

Compensated absences

Employees are granted vacation and sick leave benefits in varying amounts based on tenure. In the event of termination, a nonunion employee is paid for accumulated vacation days up to a maximum of two years vacation accrual. A union employee takes vacation per the union contract. Union employees may accumulate sick leave per the union contract to be paid upon death or retirement. Nonunion employees may accumulate an unlimited number of days of sick leave. A portion of accumulated sick leave is to be paid upon death or retirement as decided by the Springfield City Council. No sick leave is paid upon termination. An actuarially determined liability is recognized for that portion of accumulated sick leave benefits estimated to be payable upon death or retirement.

Accumulated unpaid vacation leave, related to governmental fund activities, that is expected to be paid with expendable available financial resources, is reported as an expenditure and as a liability of the governmental fund that will pay it. Amounts of accumulated unpaid vacation leave that are not expected to be paid with expendable available financial resources are reported in the government-wide 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. The liabilities for all accrued sick leave benefits expected to be paid at death or retirement are recorded in an Internal Service Fund, except for the portions applicable to the Electric Light and Power and Water Funds, which are recorded in each respective fund. The actuarial determination of the liability for sick leave has been funded by charges to other funds by an Internal Service Fund which will ultimately pay the liability when due. Accumulated unpaid vacation benefits for proprietary funds are recorded in those funds when earned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources* represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Unavailable revenues in governmental funds include receivables not “available” to finance the current period.

Long-term obligations, debt costs, discounts and gains/losses on refunding

In the government-wide financial statements and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Long-term debt premiums, discounts and deferred gains/losses on refunding are amortized over the life of the related issue using the effective interest method. In accordance with GASB Statement No. 23, the gains and losses on refunding of enterprise funds' debts are deferred rather than recognized in the period of refunding. Long term debt issuance costs are expensed as incurred.

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

Capital contribution revenue

Capital contribution revenue includes donations of capital assets, revenue from capital grants, and payments received from contractors and other businesses and individuals for special capital projects. In some cases, excess deposits are refunded and deficient deposits are billed.

Fund balance

In the governmental fund financial statements, fund balances are classified as follows:

Non spendable: Amounts which cannot be spent either because they are in a non spendable form or because they are legally or contractually required to be maintained intact.

Restricted: Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund balance (Continued)

Committed: Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the City Council through ordinance approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the city Council removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned: Amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Director of the Office of Budget and Management. When assigning funds, the Director relies on the approval processes and/or the legal authority to spend funds.

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

When an expenditure is incurred in governmental funds, which can be paid using either restricted or unrestricted resources, the City policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

It is the goal of the City to achieve and maintain an unassigned General Fund balance equal to 8 to 15 percent of total annual appropriations.

Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows in the financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used for acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds of \$7,419,459 in governmental activities and \$23,852,658 in business-type activities, \$4,553,544 in Electric Light and Power Fund and \$19,299,114 in Water Fund. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City has \$4,422,297 restricted for nonexpendable endowment care. The earnings can be used for operations and maintenance of the cemetery.

Restricted net position includes \$1,218,151 for public safety, \$11,630,905 for system repairs and improvements, \$1,952,199 for capital projects, \$12,151,828 for highways and streets, \$6,864,021 for economic development, and \$30,560,707 restricted for debt service with \$2,039,735 restricted from enabling legislation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund transactions/transfers

There are various types of interfund transactions and transfers that are reported as interfund items between the funds. Interfund services provided and used are recorded as revenue, expenditures or expenses as if the transactions occurred outside the government. Interfund transactions, which constitute reimbursements of a fund for expenditures or expenses initially made from that fund, which are properly applicable to another fund, are recorded as a reduction of expenditures in the fund that is reimbursed.

Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, certain Special Revenue Funds, the Capital Improvement Fund and the Capital Projects Funds. Any encumbrances still open as of the year-end lapse, and must be reappropriated in the budget of the subsequent year.

Any encumbrances remaining at the end of the fiscal year that represent projects and/or program costs which will be remitted in subsequent fiscal years are carried into the next fiscal year. These encumbrances represent a reservation of the new year's appropriation authority. Appropriation authority held for projects and/or programs that are complete are released and become part of fund balance.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Primary Government

Authorized investments

In accordance with the City's investment policy, the City may invest in certain types of securities as provided in the Public Funds Investment Act, 30 Illinois Compiled Statutes 235/1 et seq. This act permits deposits and investments in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds. The Electric Light and Power Fund may only invest in certain securities in accordance with a master revenue bond ordinance. Those permitted investments are defined in the master revenue bond ordinance and amendments and supplements thereto. Permitted investments include U.S. Government issued or secured debt, insured or collateralized certificates of deposit, highly rated state and municipal debt, and state pooled investments. Investments held by a trustee responsible for subordinate lien bond funds may include highly rated money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933. The Oak Ridge Investment Policy allows for investments in common stocks, fixed income securities, mutual funds, and cash. The Oak Ridge Cemetery Endowment Fund is also governed by the Cemetery Care Act, 760 ILCS 100/3. The associated investment credit risks are noted below.

Custodial credit risk

Custodial credit risk is the risk a government will not be able to recover deposits or investments that are in the possession of an outside party.

At February 28, 2017, the total amount of the City's deposits in banks totaled \$159,304,789. The City's investment policy requires that deposits with financial institutions be collateralized at 105% of the market value of the principal and interest of the deposit. Collateral for any deposit over the FDIC insurance maximum is limited to the limits provided in the Illinois Public Funds Investment Act, 30 ILCS 235/1 et seq. The City's cash equivalents in Illinois Funds are not subject to custodial credit risk. Collateral coverage in excess of FDIC coverage includes collateral held by an agent of the City in the City's name, an irrevocable letter of credit, and funds maintained in a deposit placement service through Insured Cash Sweep services.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Primary Government (Continued):

The City requires all security transactions entered into by the City be conducted on a delivery versus payment basis. Securities are held by a third party custodian, designated by the City Treasurer and evidenced by a safekeeping receipt.

The investment policy for Oak Ridge Cemetery Fund does not address custodial credit risk.

Interest rate risk

The risk that changes in interest rates will adversely affect the fair value of investments is the interest rate risk. In accordance with the master revenue bond ordinance, the Electric Light and Power Fund limits investments to those with a maturity of ten years or less. City policy places further limits stating that the City will not directly invest in securities with a maturity of greater than five years three months from the date of purchase. Reserve funds, however, may be invested in securities exceeding five years three months if the maturity of such investments is made to coincide as nearly as practicable with the expected use of funds. The Cemetery Care Act places no additional interest rate restrictions on investments.

At February 28, 2017, the primary government's investment balances were as follows:

Investment Type	FMV	Maturity			
		Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
U.S. Agency Obligations	\$ 632,024	\$ -	\$ 600,760	\$ -	\$ 31,264
Municipal Obligation	33,420	-	-	33,420	-
Corporate Bonds	317,367	10,366	-	30,402	276,599
Bond Mutual Funds	538,613	-	538,613	-	-
Domestic Bond Funds	15,590	-	15,590	-	-
Subject to interest rate risk	1,537,014	<u>\$ 10,366</u>	<u>\$ 1,154,963</u>	<u>\$ 63,822</u>	<u>\$ 307,863</u>
Illinois Funds	43,750,673				
U.S. Equities	19,171				
Money Market Mutual Funds	2,308,725				
Global Mutual Funds	1,289,447				
Balanced Mutual Funds	1,733,377				
Preferred Stock	30,744				
U.S. Equity Mutual Fund	639,135				
Energy Limited Partnerships	108,820				
Real Estate Investment Trusts	125,036				
Total investments	<u>\$ 51,542,142</u>				

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Primary Government (Continued):

The risk that an issuer of an investment will not fulfill its obligation is credit risk. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy does not specifically address credit risk for investments.

At February 28, 2017, the primary government's investment balances were rated as follows:

Investment Type	Fair Value	Standard & Poor's/Moody's			
		AAA	AA	A	BA
U.S. Agency Obligations	\$ 632,024	\$ 631,264	\$ 760	\$ -	\$ -
Municipal Obligations	33,420	-	33,420	-	-
Corporate Bonds	317,367	-	-	41,016	-
Bond Mutual Funds	538,613	-	-	-	-
Domestic Bond Funds	15,590	-	-	-	-
Money Market Mutual Funds	2,308,725	-	-	-	-
Illinois Funds	43,750,673	43,750,673	-	-	-
Total	\$ 47,596,412	\$ 44,381,937	\$ 34,180	\$ 41,016	\$ -

Investment Type	BBB	Standard & Poor's/Moody's			Not Rated
		BB	B		
U.S. Agency Obligations	\$ -	\$ -	\$ -	\$ -	-
Municipal Obligations	-	-	-	-	-
Corporate Bonds	232,031	-	44,320	-	-
Bond Mutual Funds	-	-	-	538,613	-
Domestic Bond Funds	-	-	-	15,590	-
Money Market Mutual Funds	-	-	-	2,308,725	-
Illinois Funds	-	-	-	-	-
Total	\$ 232,031	\$ -	\$ 44,320	\$ 2,862,928	

Concentration of credit risk: The risk of a loss attributed to the magnitude of a government's investment in a single issue is concentration of credit risk. The City's investment policy calls for diversification of its investments by security type and institution. With the exception of U.S. Treasury notes and authorized pools, no more than 50 percent of the City's total investment portfolio will be invested in a single security type or with a single financial institution. The City's investment policy is written to encompass all City investments. Diversification levels in this policy are for the total investment portfolio.

On February 28, 2017, the City's funds did not have greater than five percent of its investments in a single security type. As of February 28, 2017 the City did not have more than 50% of its total investment with any one specific financial institution. Money market mutual funds and external investment pools are exempt given the City does not hold the underlying investment.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Primary Government (Continued):

Oak Ridge Cemetery's investment policy states investments shall be within the target asset allocation and permissible maximum and minimum percentage ranges shown in the following table:

Asset Class	Target	Maximum	Minimum
Common Stock	50%	65%	25%
Fixed Income Securities			
(Includes Preferred Stocks and Bonds)	50%	65%	35%
Mutual Funds*			
Cash & Equivalents	0%	10%	0%

* Compliance with the target asset allocation and permissible percentage ranges for Mutual Funds shall be determined as follows: (i) determine the value of the Common Stock, Fixed Income Securities and Cash and Equivalents within a Mutual Fund; (ii) add the values so determined to the value of the appropriate corresponding Asset Class: Common Stock, Fixed Income Securities and the Cash and Equivalents; using the combined value of each particular asset class, determine if that particular asset class meets the percentage standards set forth above for that asset class.

As of February 28, 2017, Oak Ridge Cemetery was not in compliance with the minimum asset allocation of 35% for fixed income securities. Total investments in these types of assets were \$1,544,699 or 30.36% as of February 28, 2017.

Fair Value

Fair Value Measurements: The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Level 1 inputs are quote prices in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs.

Valuation Techniques: Following is a description of the valuation techniques used for assets measured at fair value on a recurring basis. There have been no changes to the techniques used during the year ended February 28, 2017.

- Mutual funds, equity securities, preferred stock, energy limited partnerships, and real estate investment trusts: Valued at the closing quoted price in an active market.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Primary Government (Continued):

- Corporate bonds and municipal obligations: The investment grade corporate bonds and municipal obligations held by the City generally do not trade in active markets on the measurement date. Therefore, these securities are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.
- U.S. government agency securities: Valued by a pricing service using models that incorporate market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data.

Recurring Measurements: Assets measured at fair value on a recurring basis as of February 28, 2017 are as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Investments by fair value level				
Mutual funds – equity	\$ 1,928,582	\$ -	\$ -	\$ 1,928,582
Mutual funds – fixed income	554,203	-	-	554,203
Mutual funds – balanced	1,733,377	-	-	1,733,377
Equity securities	19,171	-	-	19,171
Energy limited partnerships	108,820	-	-	108,820
Real estate investment trusts	125,036	-	-	125,036
Corporate bonds	-	317,367	-	317,367
Municipal obligations	-	33,420	-	33,420
Preferred stock	30,744	-	-	30,744
U.S. government agency securities	-	632,024	-	632,024
Total investments by fair value level	<u>\$ 4,499,933</u>	<u>\$ 982,811</u>	<u>\$ -</u>	<u>5,482,744</u>
Money market funds*				205,534
Total investments				<u>\$ 5,688,278</u>

*Money market funds are recorded at cost and are not based on Level 1, 2, or 3 inputs.

The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. Investments in Illinois Funds are valued at Illinois Funds' share price, the price at which the investment could be sold.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Primary Government (Continued):

The City also has funds held in the Dreyfus Government Cash Management Fund and the Dreyfus Treasury Securities Cash Management Fund. Both of these funds are government money market funds and operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in the Drefyus Funds are valued at the Funds' share price, the price at which the investment could be sold.

Fiduciary Funds:

Authorized investments: Investments made by the Firefighters' and Police Pension Funds are governed by both the Illinois Pension Code and the Fund's own investment policy. Allowable investments include (1) interest-bearing bonds of the United States, or of the State of Illinois, or any county, city, township, village, incorporated town, municipal corporation, or school district in this state; (2) tax anticipation warrants issued by any city, township, village, incorporated township or fire protection district; (3) notes, bonds, debentures or other similar obligations which are guaranteed as principal and interest by the United States; (4) insured withdrawable capital accounts of state chartered savings and loan associates; (5) insured withdrawable capital accounts of federally chartered federal savings and loan association if the withdrawable accounts are insured by the Federal Deposit Insurance Corporation; (6) insured investments in credit unions if the investments are insured by the National Credit Union Administration; (7) savings accounts or certificates of deposit of a national or state bank; (8) contracts and agreements supplemental thereto providing for investments in the general account of a life insurance company authorized to do business in Illinois; (9) separate accounts of a life insurance company authorized to do business in Illinois, comprised of common or preferred stocks, bonds, or money market instruments; (10) the Illinois Funds; (11) separate accounts managed by a life insurance company authorized to do business in Illinois, comprised of real estate of loans upon real estate secured by first or second mortgages; (12) direct equities, mutual funds, and separate account; and (13) investment grade corporate bonds managed by an investment advisor.

Deposits:

Custodial credit risk: Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the Firefighters and Police Pension Fund's deposits may not be returned to it. The Firefighters and Police Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Firefighters and Police Pension Fund's deposits with financial institutions.

Springfield Firefighters monies on deposit with a financial institution have been collateralized using the collateral acceptable with the Illinois Public Funds Investment Act (30 ILCS 235).

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments:

Custodial credit risk: Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Firefighters and Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The Firefighters and Police Pension Fund's investment policy does not specifically address custodial credit risk, except for the Firefighters and Police Pension Fund's compliance with state statutes. To limit its exposure, the Firefighters and Police Pension Fund's have a third party custodian acting as an agent to safe-keep the assets of the funds.

Interest rate risk: The risk that changes in interest rates will adversely affect the fair value of the investment. The Board of Trustees of the Springfield Police and Firefighters' Pension Funds recognize their ultimate responsibility for the value preservation and growth of the Fund's assets in its investment policies. The policies will minimize the risk that the market value of the securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for benefit payments, thereby avoiding the need to sell securities on the open market prior to maturity. The policies do not limit the maximum length of investments.

At February 28, 2017, the fiduciary funds investment balances were as follows:

	FMV	MATURITY			
		Less than 1 yr	1-5 years	6-10 yrs	more than 10 yrs
US Agency Obligations	\$ 8,424,853	\$ 1,313,312	\$ 3,746,266	\$ 1,355,599	\$ 2,009,676
US Government Obligations	51,810,210	6,684,507	26,005,885	19,119,818	-
Corporate Bonds	25,739,332	1,815,111	14,237,746	7,783,423	1,903,052
Subject to interest rate risk	85,974,395	\$ 9,812,929	\$ 43,989,897	\$ 28,258,840	\$ 3,912,728
U.S. Property-Separate Insurance Account	27,180,307				
Money Market Mutual Funds	7,662,326				
Mutual Funds	120,097,154				
Common Stock	36,658,306				
Total Investments	\$ 277,572,488				

Credit risk: Generally, credit risk is the risk an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Police Pension Plan's investment policy does not specifically address credit risk for investments, except for corporate bonds and compliance with State statutes. Corporate bonds must be rated as investment grade by one of the two largest rating agencies at the time of purchase. Subsequently, if a domestic corporate bond security is downgraded below investment grade by one of the two largest rating agencies, the security must be liquidated from the portfolio within 90 days after the downgrade.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Fiduciary Funds (Continued):

The policies of the Firefighter's Pension Fund will minimize credit risk, the risk of loss due to failure of the security issuer or backer, by pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Pension will do business and by diversifying the portfolio so that potential losses on individual securities will be minimized. U.S. property-separate insurance account is a group annuity contract with Principal Life Insurance Company. While the specific annuity is not rated, Principal Life Insurance is rate by A.M. Best as A+ Superior.

At February 28, 2017, the fiduciary funds investment balances were rated as follows:

Investment Type	Fair Value	AAA	Standard and Poor's Moody's				Not Rated
			AA	A	BBB		
U.S. Agency Obligations	\$ 8,424,853	\$ -	\$ 4,318,341	\$ -	\$ -	\$ 4,106,512	
Corporate Bonds	25,739,332	518,526	2,445,477	10,272,756	9,186,504	3,316,069	
Money Market Mutual Funds	7,662,326	7,662,326	-	-	-	-	
Total investments	\$ 41,826,511	\$ 8,180,852	\$ 6,763,818	\$ 10,272,756	\$ 9,186,504	\$ 7,422,581	

Concentration of credit risk: The Springfield Firefighters' Pension Fund equity investments are held in custodial accounts managed by US Bank, PIMCO, Vanguard, Dimensional Fund Advisors, JPMorgan/Chase Bank, Great Lake Advisors, and Chicago Equity Partners. The investment policy of the Springfield Firefighters' Pension Fund allows an allocation of between 42 percent and 62 percent of the plan assets in equity-type investments, and sets further allocation guidelines within that scope. Individual holdings must meet certain criteria outlined in the investment policies, and no individual holding may comprise more than 5 percent of the equity holdings in total.

The Springfield Police Pension Fund equity investments are held in a custodial account of US Bank and managed by various investment managers. The book value of total equities may not exceed 55 percent for mutual funds, separate account of an insurance company, or separate accounts of a money manager. In addition, the Plan must comply with State statutes which dictate that individual holdings must meet certain criteria, and no individual investment held (with the exception of the United States Government and agencies securities) may exceed 5 percent of the invested assets in total. Also, no single security should comprise more than 10 percent of the portfolio's overall allocation after accounting for price appreciation and the portfolio may not exceed 10 percent in cash or cash equivalents.

There were no investments (other than U.S. government and agencies' securities – separate accounts) in any one organization that represented 5 percent or more of net assets available for benefits in the Police Pension Fund or the Firefighters' Pension Fund.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Fiduciary Funds (Continued):

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Police Pension Fund		Firefighters' Pension Fund	
	Target	Long-Term Expected Real Rate of Return	Target	Long-Term Expected Real Rate of Return
Fixed Income	35%	1.50%	35%	1.50%
Domestic Equities	34%	6.00%	34%	6.00%
International Equities	20%	6.30%	20%	6.30%
Real Estate	8%	5.90%	8%	5.90%
	3%	4.10%	3%	4.10%
Global Tactical Asset Allocation				
Cash and Cash Equivalents	0%	0.30%	0%	0.30%

The long-term expected rate of return on the Fund's investments was determined based upon an arithmetic average method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and adding expected inflation.

For the year ended February 28, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 13.02% and 13.35% for the Police Pension Fund and the Firefighters' Pension Fund, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Fair Value

Fair Value Measurements: The City's fiduciary funds categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Level 1 inputs are quote prices in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Fair Value (Continued):

Valuation Techniques: Following is a description of the valuation techniques used for assets measured at fair value on a recurring basis. There have been no changes to the techniques used during the year ended February 28, 2017.

- Mutual funds and marketable equity securities: Valued at the closing quoted price in an active market.
- Corporate bonds and municipal obligations: The investment grade corporate bonds and municipal obligations held by the funds generally do not trade in active markets on the measurement date. Therefore, these securities are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.
- U.S. government and U.S. government agency securities: Valued by a pricing service using models that incorporate market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data.

Recurring Measurements: Assets measured at fair value on a recurring basis as of February 28, 2017 are as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Investments by fair value level				
Mutual funds – equity	\$ -	\$ 3,663,167	\$ -	\$ 3,663,167
Mutual funds – fixed income	116,433,987	-	-	116,433,987
Equity securities	36,658,306	-	-	36,658,306
Corporate bonds	-	25,496,740	-	25,496,740
Municipal obligations	-	242,592	-	242,592
U.S. government securities	25,310,688	26,499,522	-	51,810,210
U.S. government agency securities	-	8,424,853	-	8,424,853
Total investments by fair value level	<u>\$ 178,402,981</u>	<u>\$ 64,326,874</u>	<u>\$ -</u>	<u>242,729,855</u>
Money market funds*				7,662,326
Real estate fund (NAV)				27,180,307
Total investments				<u>\$277,572,488</u>

*Money market funds are recorded at cost and are not based on Level 1, 2, or 3 inputs.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Fair Value (Continued):

The following table sets forth additional disclosures of the Plan's investments whose fair value is estimated using net asset value (NAV) per share (or its equivalent) as of February 28, 2017.

Investment	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Real estate fund (a)	\$27,180,307	\$ -	N/A	N/A

(a) This type includes one real estate fund that invests primarily in owned real estate, such as office buildings, industrial buildings, shopping centers, retail stores, and similar commercial property. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest. The Plan may redeem all or a portion of this investment upon notice to Principal Life Insurance Company. When payment is made pursuant to such a notice, the amount to be paid will be generally determined and paid within seven business days of the notice, subject to Principal's right to defer a payment. Principal reserves the right to defer payments for a period as is necessary, up to three years. Such deferment will be based on unstable or disorderly market or investment conditions which do not allow for an orderly investment transfer. The deferment may include, but not be limited to, situations where regular banking has been suspended or when an emergency or other circumstances beyond Principal's control does not allow for the orderly disposal and liquidation of securities or other assets. Due to the illiquid nature of the assets in which the real estate fund is invested, Principal also reserves the right to defer payments that would exceed the amount of cash and other liquid assets held, reduced by amounts committed to purchase properties or needed for operating expenses. If payments are deferred, when made they will be paid on a prorated basis in relation to the total amount of payment requests. There were no restrictions on redemption as of the Plan's measurement date of February 28, 2017.

3. PROPERTY TAXES

The City's property tax is levied each year by the second Tuesday of December on all taxable real property located in the City. A lien on all taxable real property is effective on January 1 of the tax year.

The City is a home-rule community under the 1970 Illinois Constitution and, accordingly, does not have a statutory tax rate limit.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. PROPERTY TAXES

Property in Sangamon County, the County in which the City resides, is assessed by the Sangamon County Assessor. The values are adjusted by various percentages depending upon the type of property (residential, commercial, etc.). The assessed values are equalized by the Illinois Department of Revenue to ensure uniformity of property assessments throughout the state. The Sangamon County Clerk computes the annual tax rate by dividing the levy into the equalized value of each taxing unit. The Clerk then computes the tax for each parcel by multiplying the aggregate rates of all the taxing units having jurisdiction over the parcel by the equalized value. The tax amounts by parcel are forwarded to the Sangamon County Collector.

Property taxes are collected by the Sangamon County Collector who remits to the taxing units their respective shares of the collection. Taxes levied in one year become due and payable in two installments during the following year. The first installment is due no later than June 1 and the second installment is due no later than September 1.

The 2016 taxes payable in 2017 are intended to finance the 2018 fiscal year and are not considered available for current operations and are, therefore, shown as deferred inflows of resources. The 2017 tax levy has not been recorded as a receivable at February 28, 2017. Although the tax attached as a lien on property as of January 1, 2017, the tax will not be levied until December 2017 and, accordingly, is not measurable at February 28, 2017.

A summary of net property taxes receivable, as of February 28, 2017, which is reported under the caption of local taxes receivable, follows:

General Fund	<u>\$ 21,974,853</u>
Special Revenue Funds:	
Madison Park Place TIF Project Fund	255,000
Enos Park Place TIF Project Fund	475,000
Jefferson Crossing TIF Project Fund	5,385
Northeast TIF Project Fund	459,624
Special Allocation Project Fund (Downtown TIF)	3,900,000
MacArthur TIF Fund	115,000
Dirksen Parkway Commercial Redevelopment Fund	<u>80,000</u>
	<u>5,290,009</u>
Debt Service Funds – TIFs:	
Special Assessments Fund	<u>55,895</u>
	<u>55,895</u>
Capital Project Funds:	
Far East TIF (South Grand Pointe)	530,000
South Central Business District	<u>820,000</u>
	<u>1,350,000</u>
Total property taxes receivable	<u>\$ 28,670,757</u>

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LOCAL TAXES RECEIVABLE

A summary of local taxes receivable in governmental activities as of February 28, 2017 follows:

	Governmental Activities			
	General	Capital Improvement	Nonmajor Governmental	Total
Property Tax	\$ 21,974,853	\$ -	\$ 6,695,904	\$ 28,670,757
Telecommunications tax	576,574	-	-	576,574
State income tax	2,155,708	-	-	2,155,708
Sales tax	13,557,674	3,341,037	100,728	16,999,439
Use tax	195,610	-	-	195,610
Motor fuel tax	-	-	249,950	249,950
Cable franchise tax	340,712	-	-	340,712
Hotel Motel tax	38,451	76,903	115,354	230,708
Video Gaming tax	-	249,549	-	249,549
Total	<u>\$ 38,839,582</u>	<u>\$ 3,667,489</u>	<u>\$ 7,161,936</u>	<u>\$ 49,669,007</u>

5. INTERFUND RECEIVABLES/PAYABLES AND INTERFUND TRANSFERS

Interfund receivables and payables, as of February 28, 2017, are as follows:

	Receivables	Payables
General Fund:		
Nonmajor Governmental Funds	\$ 53,481	\$ 94,029
Internal Service Funds	663,941	7,418
Water Fund	275,284	23,049
Electric Light and Power Fund	1,914,854	162,863
	<u>2,907,560</u>	<u>287,359</u>
Nonmajor Governmental Funds:		
General Fund	\$ 94,029	\$ 53,481
Nonmajor Governmental Funds	2,673,250	2,673,250
Nonmajor Enterprise Funds	600,000	-
Internal Service Funds	66,175	-
Water Fund	178,755	-
Electric Light and Power Fund	722,951	26,212
	<u>4,335,160</u>	<u>2,752,943</u>
Water Fund:		
General Fund	\$ 23,049	\$ 275,284
Nonmajor Governmental Funds	-	178,755
Nonmajor Enterprise Funds	201	-
Internal Service Funds	9,355	17,345
Electric Light and Power Fund	20,902	-
	<u>53,507</u>	<u>471,384</u>

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. INTERFUND RECEIVABLES/PAYABLES AND INTERFUND TRANSFERS – (Continued)

	<u>Receivables</u>	<u>Payable</u>
Electric Light and Power Fund:		
General Fund	\$ 162,863	\$ 1,914,854
Nonmajor Governmental Funds	26,212	722,951
Nonmajor Enterprise Funds	3,506	1,762,524
Internal Service Funds	2,225	8,125
Water Fund	<u>-</u>	<u>20,902</u>
	<u>194,806</u>	<u>4,429,356</u>
Nonmajor Enterprise Funds:		
Nonmajor Governmental Funds	\$ -	\$ 600,000
Water Fund	-	201
Electric Light and Power Fund	<u>1,762,524</u>	<u>3,506</u>
	<u>1,762,524</u>	<u>603,707</u>
Internal Service Funds:		
General Fund	\$ 7,418	\$ 663,941
Nonmajor Governmental Funds	-	66,175
Water Fund	17,345	9,355
Electric Light and Power Fund	<u>8,125</u>	<u>2,225</u>
	<u>32,888</u>	<u>741,696</u>
Total interfund receivables/payables	<u><u>\$ 9,286,445</u></u>	<u><u>\$ 9,286,445</u></u>
	<u>Due From</u>	<u>Due To</u>
General Fund:		
Trust and Agency Funds	<u>\$ 21,560</u>	<u>\$ -</u>
Nonmajor Governmental Funds:		
Trust and Agency Funds	<u>2,826</u>	<u>-</u>
Trust and Agency Funds:		
General Fund	-	21,560
Nonmajor Governmental Funds	<u>-</u>	<u>2,826</u>
	<u>-</u>	<u>24,386</u>
Total due to/due from	<u><u>\$ 24,386</u></u>	<u><u>\$ 24,386</u></u>

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. INTERFUND RECEIVABLES/PAYABLES AND INTERFUND TRANSFERS – (Continued)

These balances resulted from the time lag between dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers in and out, as of February 28, 2017, are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Activities		
General Fund:		
Corporate	\$ 8,386,655	\$ 3,676,642
General Fund subtotal	<u>8,386,655</u>	<u>3,676,642</u>
Capital Improvement Fund:		
Capital funding	<u>1,864,428</u>	<u>-</u>
Capital Improvement Fund subtotal	<u>1,864,428</u>	<u>-</u>
Nonmajor Governmental Funds:		
Operations	861,576	611,576
Debt service	578	-
Capital funding	<u>932,214</u>	<u>578</u>
Nonmajor Governmental subtotal	<u>1,794,368</u>	<u>612,154</u>
Total Governmental Activities	<u>12,045,451</u>	<u>4,288,796</u>
Business Activities		
Water Fund	<u>-</u>	<u>421,268</u>
Electric Fund	<u>-</u>	<u>7,965,387</u>
Nonmajor Enterprise:		
Operations	<u>630,000</u>	<u>-</u>
Nonmajor Enterprise subtotal	<u>630,000</u>	<u>-</u>
Total Business Type Activities	<u>630,000</u>	<u>8,386,655</u>
Internal Service Funds	<u>-</u>	<u>-</u>
	<u>\$ 12,675,451</u>	<u>\$ 12,675,451</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The \$8,386,655 General Fund transfer in are payments in lieu of tax contributions to the primary government from the Water Fund and the Electric fund.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. ACCOUNTS RECEIVABLE

Accounts receivable result from service charges billed and unbilled to customers. The following is a summary of accounts receivable, as of February 28, 2017, within the enterprise funds:

	<u>Billed</u>	<u>Unbilled</u>	<u>Total</u>
Electric Light and Power Fund	\$ 25,556,356	\$ 7,498,513	\$ 33,054,869
Water Fund	1,921,772	1,458,662	3,380,434
Sewer Fund	2,130,214	950,378	3,080,592
Oak Ridge Cemetery Operating Fund	<u>296,601</u>	<u>-</u>	<u>296,601</u>
Total receivable net of allowance for doubtful receivables	<u>\$ 29,904,943</u>	<u>\$ 9,907,553</u>	<u>\$39,812,496</u>

The Electric Light and Power Fund, the Water Fund and the Sewer Fund jointly bill customers for services. The Electric Light and Power Fund is net of allowance for doubtful accounts of \$155,485. The Water Fund is net of allowance of doubtful accounts of \$21,904.

7. SERVICE CONCESSION ARRANGEMENT

The City entered into a service concession arrangement with a Pinnacle Limited Partnership (Pinnacle) on May 17, 1989 for the operation and maintenance of the parking ramp at Seventh and Monroe Street. During fiscal year 2017, the agreement was extended for a period of twenty five years beginning May 1, 2039 and ending on April 30, 2064. The agreement entitles Pinnacle to all income, revenues, and receipts from the operation of the ramp, including parking and other revenues. The agreement states rates and charges for use of the ramp must be reasonable and not be less than nor greater than rates and charges established by the City in other City-owned parking garages in the downtown area. Under the terms of the agreement, Pinnacle is required to pay all costs of operating and maintaining the ramp. In exchange, Pinnacle shall pay the City a basic monthly payment equal to \$6,750, less any maintenance costs actually incurred and paid, as limited by the agreement. The monthly rent amount is to be renegotiated every five years, but is capped by the consumer price index (CPI).

In the original agreement, significant capital improvements to the ramp were to be shared by the City and Pinnacle. With the new agreement, the City is responsible for a structural and cosmetic rehabilitation of the ramp at an approximate cost of \$3.4 million. After completion of this repair, Pinnacle will be solely responsible for all future maintenance and rehabilitation of the ramp.

The City has reported this service concession arrangement as receivable and deferred inflows of resources in the Motor Vehicle Parking Fund in an amount equal to the net present value of remaining basic monthly payments under the remaining term of the agreement, which totaled \$2,888,210.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. CAPITAL ASSETS

Capital asset activity for the year ended February 28, 2017 was as follows:

Government activities	Beginning Balance Restated	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 22,506,915	\$ 5,695,451	\$ -	\$ 28,202,366
Construction in progress	17,956,425	3,853,465	19,981	21,789,909
Total capital assets, not being depreciated	40,463,340	9,548,916	19,981	49,992,275
Capital assets, being depreciated:				
Buildings and Improvements	38,203,539	48,299	-	38,251,838
Equipment	21,078,892	1,071,040	624,766	21,525,166
Equipment under capital lease	10,966,672	-	-	10,966,672
Infrastructure	200,800,062	1,927,000	-	202,727,062
Total capital assets, being depreciated	271,049,165	3,046,339	624,766	273,470,738
Less accumulated depreciation for:				
Buildings & Improvements	17,531,084	770,509	-	18,301,593
Equipment	17,775,127	1,742,596	601,743	18,915,980
Equipment under capital lease	4,548,994	500,560	-	5,049,554
Infrastructure	63,505,399	4,016,913	-	67,522,312
Total accumulated depreciation	103,360,604	7,030,578	601,743	109,789,439
Total capital assets, being depreciated, net	167,688,561	(3,984,239)	23,023	163,681,299
Government activities capital assets, net	\$ 208,151,901	\$ 5,564,677	\$ 43,004	\$ 213,673,574

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. CAPITAL ASSETS (Continued)

Business-type activities	Beginning Balance (restated)	Additions	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 45,195,815	\$ 650,590	\$ -	\$ 45,846,405
Construction In Progress	19,059,764	31,102,510	34,512,752	15,649,522
Total capital assets, not being depreciated	64,255,579	31,753,100	34,512,752	61,495,927
Capital assets, being depreciated:				
Buildings and Improvements	767,885,190	16,017,463	994,032	782,908,621
Equipment	494,495,197	7,013,705	2,324,809	499,184,093
Infrastructure	574,665,254	12,761,803	434,662	586,992,395
Total capital assets being depreciated	1,837,045,641	35,792,971	3,753,503	1,869,085,109
Less accumulated depreciation for:				
Buildings and Improvements	207,092,320	14,481,926	988,788	220,585,458
Equipment	256,843,618	12,056,680	2,286,038	266,614,260
Infrastructure	297,838,558	12,442,882	434,662	309,846,778
Total accumulated depreciation	761,774,496	38,981,488	3,709,488	797,046,496
Total capital assets, being depreciated, net	1,075,271,145	(3,188,517)	44,015	1,072,038,613
Business-type activities capital assets, net	\$ 1,139,526,724	\$ 28,564,583	\$ 34,556,767	\$ 1,133,534,540

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 1,195,676
Public health and safety	1,146,169
Highways and street	4,491,623
Culture and recreation	197,110
Total depreciation expense – governmental activities	\$ 7,030,578

Business-type activities:

Water	\$ 4,823,522
Electric and Power	31,944,165
Sewer	2,060,883
Motor Vehicle Parking	69,035
Oak Ridge Cemetery	83,883
Total depreciation expense – business-type activities	38,981,488
Less: amount included with auxiliary service property expenses	(147,400)
\$ 38,834,088	

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended February 28, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable:					
General obligation bonds	\$ 88,030,000	\$ -	\$ 3,685,000	\$ 84,345,000	\$ 4,890,000
Taxable increment bonds	18,910,415	109,411	333,289	18,686,537	344,628
Issuance premiums, net	9,841,104	-	767,326	9,073,778	-
Total bonds payable	116,781,519	109,411	4,785,615	112,105,315	5,234,628
Capital leases	5,511,041	-	1,411,755	4,099,286	1,159,675
Claims and judgments	8,589,642	33,162,587	32,825,551	8,926,678	6,524,419
Compensated absences	12,599,439	5,870,359	6,318,242	12,151,556	4,865,886
Net pension liability	415,695,040	412,499	39,295,245	376,812,294	-
Other postretirement benefit obligations	89,531,629	15,988,583	-	105,520,212	-
Government activity long-term liabilities	\$648,708,310	\$ 55,543,439	\$ 84,636,408	\$619,615,341	\$ 17,784,608
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Bonds payable, revenue bonds	\$615,010,000	\$ -	\$ 17,290,000	\$597,720,000	\$ 12,350,000
Deferred amounts:					
For issuance premiums, net	46,608,916	-	2,487,832	44,121,084	-
Total bonds payable	661,618,916	-	19,777,832	641,841,084	12,350,000
Loans payable	6,140,823	2,338,378	822,385	7,656,816	898,267
Claims and judgments	2,112,708	1,444,447	855,419	2,701,736	864,556
Compensated absences	7,892,424	4,050,851	4,098,165	7,845,110	4,309,467
Net pension liability	75,496,885	1,040,531	-	76,537,416	-
Other postretirement benefit obligations	59,260,510	13,060,033	-	72,320,543	-
Business-type activity long-term liabilities	\$812,522,266	\$ 21,934,240	\$ 25,553,801	\$808,902,705	\$ 18,422,290

The claims and judgments liability will be liquidated through the City's Self Insurance Internal Service fund. The Self Insurance Fund will finance the payment of those claims by charging the other funds, including Electric Light and Power and Water Funds, premiums throughout the year based on management's assessment of the relative insurance risk that should be assumed by individual funds as a service premium during the budgeting process. Additional financing may come from charges to the enterprise funds for claims and judgments through direct reimbursement of services provided. The net pension obligations and postemployment benefit obligations will generally be liquidated through City's General Fund.

In the Debt Service Funds, \$104,932 is available for future general obligation bond debt service.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. LONG-TERM DEBT (Continued)

General obligation bonds:

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 10 – 20 year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
(a)	\$ 27,080,000	\$ -	\$ -	\$ 27,080,000	\$ 2,000,000
(b)	24,485,000	-	-	24,485,000	-
(c)	29,125,000	-	2,590,000	26,535,000	1,760,000
(d)	7,340,000	-	1,095,000	6,245,000	1,130,000
Total general obligation debt	\$ 88,030,000	-	\$ 3,685,000	\$ 84,345,000	\$ 4,890,000

- (a) \$27,080,000; General Obligation Bonds, Series 2014; Current Interest Bonds due December 1, 2029; interest 3.00 percent to 5.00 percent; interest payable June 1 and December 1; to be repaid by a temporary .50% sales tax increase. At maturity of all bond issues of the City, sales tax will decrease by .25%. The proceeds are being used for infrastructure and improvements
- (b) \$24,485,000; General Obligation Bonds, Series 2015; Current Interest Bonds due December 1, 2030; interest 5.00 percent; interest payable June 1 and December 1; to be repaid by a temporary .50% sales tax increase. At maturity of all bond issues of the City, sales tax will decrease by .25%. The proceeds are being used for infrastructure and improvements.
- (c) \$29,125,000; General Obligation Bonds, Series 2016; Current Interest Bonds due December 1, 2031; interest 3.00 percent to 5.00 percent; interest payable June 1 and December 1; to be repaid by a temporary .50% sales tax increase. At maturity of all bond issues of the City, sales tax will decrease by .25%. The proceeds are being used for infrastructure and improvements.
- (d) \$8,525,000; General Obligation Refunding Bonds, Series 2015A; Current Interest Bonds due December 1, 2021; interest 2.00 percent to 5.00 percent; interest payable June 1 and December 1; to be repaid by property taxes. These proceeds were used for refunding a portion of General Obligation Bonds Series 2005A.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. LONG-TERM DEBT (Continued)

General obligation bonds debt service requirements to maturity are as follows:

<u>Fiscal Year Ending</u>	<u>Principal General Obligation Bonds and Notes</u>	<u>Interest General Obligation Bonds and Notes</u>	<u>Total General Obligation Bonds and Notes</u>
2018	\$ 4,890,000	\$ 3,965,538	\$ 8,855,538
2019	5,095,000	3,761,038	8,856,038
2020	5,315,000	3,546,288	8,861,288
2021	5,550,000	3,300,538	8,850,538
2022	5,755,000	3,043,038	8,798,038
2023 – 2027	25,415,000	11,358,688	36,773,688
2028 – 2032	<u>32,325,000</u>	<u>4,529,000</u>	<u>36,854,000</u>
Total	<u>\$ 84,345,000</u>	<u>\$ 33,504,128</u>	<u>\$ 117,849,128</u>

Tax increment financing and special service area bonds:

The government owed \$18,686,537 in Tax Increment Financing and Special Service Area Bonds at February 28, 2017. The bonds are limited obligations of the TIF district or special service area payable solely and only from collections of incremental taxes from each specific district or area. These bonds do not constitute a general obligation of the City. Establishment of a TIF district or a special service area allows the City to use increment property tax within the district to leverage private development. Redevelopment is concentrated in areas designated as declining and/or blighted. TIF can provide for conservation of existing buildings, and encourages private investment in new commercial and public facilities, as well as various types of housing and public recreation areas.

Tax Increment Financing and Special Service Area Bonds outstanding as of February 28, 2017 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
(a)	\$ 364,953	\$ -	\$ 235,359	\$ 129,594	\$ 129,594
(b)	289,779	-	56,719	233,060	44,242
(c)	7,500,000	-	-	7,500,000	-
(d)	7,500,000	-	-	7,500,000	-
(e)	1,852,523	53,442	24,520	1,881,445	101,107
(f)	<u>1,403,160</u>	<u>55,969</u>	<u>16,691</u>	<u>1,442,438</u>	<u>69,685</u>
	<u>\$ 18,910,415</u>	<u>\$ 109,411</u>	<u>\$ 333,289</u>	<u>\$ 18,686,537</u>	<u>\$ 344,628</u>

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. LONG-TERM DEBT (Continued)

- (a) \$2,438,000; Taxable Tax Increment Revenue Bonds, Series 2005; due December 10, 2019; interest 2.99 percent to 8.35 percent based upon the three months LIBOR rate adjusted quarterly; principal and interest payable December 10; to be repaid by property tax.
- (b) \$630,000; Special Service Area Ad Valorem Tax Bonds, Series 2005; due December 1, 2025; interest 5.0 percent; principal and interest payable December 1, to be repaid by property tax.
- (c) \$7,500,000; Special Service Area Ad Valorem Tax Bonds, Series 2009; due March 1, 2032; interest 7.875 percent; principal payable March 1 and interest payable September 1 and March 1, to be repaid by special service area property tax and may be repaid with 1% sales and hotel taxes within the Business District.
- (d) \$7,500,000; Special Service Area Ad Valorem Tax Bonds, Series 2010; due March 1, 2032; interest 7.5 percent; principal payable March 1 and interest payable September 1 and March 1, to be repaid by special service area property tax and may be repaid with 1% sales and hotel taxes within the Business District.
- (e) \$1,905,966; Business District Tax Revenue Bonds, Series 2013A; due March 1, 2031; interest 3.81 percent; principal payable quarterly commencing January 1, 2017 and interest payable quarterly beginning January 1, 2014 (January 1, April 1, July 1, October 1), to be repaid by special service area property tax and may be repaid with 1% sales and hotel taxes within the Business District.
- (f) \$1,459,129; Special Taxable Business District Tax Revenue Bonds, Series 2013B; due March 1, 2031; interest 5.25 percent; principal payable quarterly commencing January 1, 2017 and interest payable quarterly beginning January 1, 2014 (January 1, April 1, July 1, October 1), to be repaid by special service area property tax and may be repaid with 1% sales and hotel taxes within the Business District.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. LONG-TERM DEBT (Continued)

Tax Increment Financing and Special Service Area Bond debt service requirements to maturity are as follows:

<u>Fiscal Year Ending</u>	<u>Principal Tax Increment Financing and Special Service Area Bonds</u>	<u>Interest Tax Increment Financing and Special Service Area Bonds</u>	<u>Total Tax Increment Financing and Special Service Area Bonds</u>
2018	\$ 344,628	\$ 1,322,195	\$ 1,666,823
2019	224,994	1,301,415	1,526,409
2020	235,423	1,290,985	1,526,408
2021	420,991	1,273,526	1,694,517
2022	771,368	1,234,697	2,006,065
2023 – 2027	5,133,163	5,226,200	10,359,363
2028 – 2032	8,685,970	2,816,161	11,512,131
2033	2,860,000	109,894	2,969,894
Total	<u><u>\$ 18,676,537</u></u>	<u><u>\$ 14,575,073</u></u>	<u><u>\$ 33,261,610</u></u>

Capital leases:

The City had the following outstanding capital leases as of February 28, 2017:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
(a)	\$ 446,900	\$ -	\$ 147,204	\$ 299,696	\$ 148,965
(b)	269,918	-	269,918	-	-
(c)	1,166,109	-	382,672	783,436	388,671
(d)	909,706	-	174,844	734,864	178,446
(e)	2,718,408	-	437,117	2,281,290	443,593
Total capital leases	<u><u>\$ 5,511,041</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,411,755</u></u>	<u><u>\$ 4,099,286</u></u>	<u><u>\$ 1,159,675</u></u>

- (a) The government has entered into a lease agreement as lessee for financing the acquisition of radios, speakers, antennas and various other communication equipment for the Fire Department. The lease is paying interest at the rate of 1.170 percent. The original purchase price was \$446,900. The remainder of the balance will be paid with annual installments of \$152,520 including interest, which concludes during fiscal year 2019. This debt was issued for purposes of acquiring operating equipment.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. LONG-TERM DEBT (Continued)

Capital leases (Continued):

- (b) The government has entered into a master lease-purchase agreement as a lessee for financing the acquisition of light trucks and vehicles. The lease is paying interest at a rate of 1.3387 percent. The cost of capital assets acquired was \$1,176,737. The balance of the lease agreement will be paid with annual installments of \$273,532 including interest, which concluded during fiscal year 2017. The debt was issued for the purpose of acquiring capital assets.
- (c) The government has entered into a master lease-purchase agreement as a lessee for financing the acquisition of heavy trucks and vehicles. The lease is paying interest at a rate of 1.5678 percent. The cost of capital assets acquired was \$2,609,435. The balance of the lease agreement will be paid with annual installments of \$400,954 including interest, which concludes during fiscal year 2019. The debt was issued for the purpose of acquiring capital assets.
- (d) The government has entered into a lease-purchase agreement as a lessee for financing the acquisition of a fleet garage. The lease is paying interest at a rate of 1.950 percent. The loan proceeds were spent in the acquisition of the fleet building and other fleet related expenses. The balance of the lease agreement will be paid with annual installments of \$192,777 including interest, which concludes during fiscal year 2021. The debt was issued for the purpose of acquiring capital assets.
- (e) The government has entered into a lease-purchase agreement as a lessee for financing the acquisition of vehicles and equipment. The lease is paying interest at a rate of 1.39 percent. As of February 28, 2017, the cost of capital assets acquired was \$3,150,000. The balance of the lease agreement will be paid with annual installments of \$475,743 including interest, which concludes during fiscal year 2022. The debt was issued for the purpose of acquiring capital assets.

The future minimum lease obligations and the net present value of these minimum lease payments as of February 28, 2017, were as follows:

Fiscal Year	Government Activities		
	Capital Lease Principal	Capital Lease Interest	Capital Lease Total
2018	\$ 1,159,675	\$ 62,318	\$ 1,221,993
2019	1,177,267	44,726	1,221,993
2020	641,657	26,862	668,519
2021	651,631	16,888	668,519
2022	469,056	6,611	475,667
Total	<u>\$ 4,099,286</u>	<u>\$ 157,405</u>	<u>\$ 4,256,691</u>

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. LONG-TERM DEBT (Continued)

Revenue bonds:

The government issues revenue bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. The amounts outstanding at the end of the current fiscal year are as follows:

	Beginning Balances	Additions	Retirements	Ending Balances	Due Within One Year
(a)	5,585,000	-	5,585,000	-	-
(b)	18,520,000	-	9,000,000	9,520,000	9,520,000
(c)	507,735,000	-	-	507,735,000	-
(d)	18,910,000	-	750,000	18,160,000	780,000
(e)	64,260,000	-	1,955,000	62,305,000	2,050,000
Revenue bond principal payable	615,010,000	-	17,290,000	597,720,000	12,350,000
Unamortized debt premium	46,866,966	-	2,513,597	44,353,369	-
Unamortized debt discount	(258,050)	-	(25,765)	(232,285)	-
Total revenue bonds debt	\$ 661,618,916	\$ -	\$ 19,777,832	\$ 641,841,084	\$ 12,350,000

Electric Light and Power:

- (a) \$198,080,000; Electric Revenue Bonds (Senior Lien), Series of 2007; final payment due March 1, 2035; interest 4 percent to 5 percent; interest payable March 1 and September 1; principal payable March 1; to be repaid by net revenues of the Electric Light and Power Fund. A portion of the outstanding bonds totaling \$185,910,000 were refunded during fiscal year 2016 with the issuance of the Electric Revenue Refunding Bonds (Senior Lien), Series 2015.
- (b) \$103,230,000; Electric Revenue Bonds (Senior Lien), Series of 2008; final payment due March 1, 2037; interest 3 percent to 5 percent; interest payable March 1 and September 1; principal payable March 1; to be repaid by net revenues of the Electric Light and Power Fund. A portion of the proceeds were used to retire the Electric Revenue Bond Subordinate Lien Series 2000 and 2002. A portion of the outstanding bonds totaling \$76,190,000 were refunded during fiscal year 2016 with the issuance of the Electric Revenue Refunding Bonds (Senior Lien), Series 2015.
- (c) \$507,735,000; Electric Revenue Refunding Bonds (Senior Lien), Series 2015; final payment due March 1, 2040; interest 3.5 percent to 5 percent; interest payable March 1 and September 1; principal payable March 1; to be repaid by net revenues of the Electric Light and Power Fund. The proceeds refunded the Electric Revenue Bonds, Series 2006 and a portion of the Electric Revenue Bonds, Series 2007 and 2008. As a result of the refunding, the Electric Light and Power Fund will realize additional cash flows savings of approximately \$12,129,742 and an economic gain of \$37,718,898.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. LONG-TERM DEBT (Continued)

Revenue bonds (Continued):

Water:

- (d) \$22,140,000; Water Revenue Bonds, Series of 2008; initial principal payment due March 1, 2011; final payment due March 1, 2032; interest 4.0 percent to 5.5 percent; interest payable March 1 and September 1; principal payable March 1; to be repaid by net revenue of Water Fund.
- (e) \$68,050,000; Water Revenue Bonds, Series 2012; initial principal payment due March 1, 2013; final payment due March 1, 2037; interest 1.25 percent to 5.0 percent; interest payable March 1 and September 1; principal payable March 1; to be repaid by net revenue of Water Fund.

Debt service requirements to maturity:

Fiscal Year Ending February 28/29	Revenue Bonds Principal	Revenue Bonds Interest	Total
2018	\$12,350,000	\$ 28,039,075	\$ 40,389,075
2019	14,185,000	27,420,588	41,605,588
2020	14,870,000	26,710,238	41,580,238
2021	16,205,000	25,947,456	42,152,456
2022	17,015,000	25,126,188	42,141,188
2023 – 2027	98,960,000	111,917,525	210,877,525
2028 – 2032	126,325,000	84,344,632	210,669,632
2033 – 2037	160,545,000	50,215,688	210,760,688
2038 - 2041	137,265,000	12,287,050	149,552,050
	<u>\$597,720,000</u>	<u>\$392,008,440</u>	<u>\$989,728,440</u>

There are a number of limitations and restrictions in the various bond indentures. At February 28, 2017, cash and investments of \$76,079,662 are restricted by revenue bond ordinances to pay debt service and certain other operating and capital expenditures. Significant limitations and restrictions of the revenue bonds are as follows:

- Additional revenue bonds can be issued by certain enterprise funds if net revenue (all revenue of the system after deduction of the reasonable and necessary expenses of operation and maintenance but before depreciation, interest expense, and amortization), as shown in the financial statements audited by an independent certified public accountant or an officer's certificate for the last completed fiscal year, prior to the issuance of such bonds, is equal to at least 1.25 times the combined maximum annual principal and interest requirements on the bonds then outstanding and the additional bonds to be issued.
- Electric charges are to be collected from the various City of Springfield departments except the street department for street lighting purposes.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. LONG-TERM DEBT (Continued)

Revenue bonds (Continued):

- Water charges are to be collected from the various City of Springfield departments except the street and fire departments.
- Disposals of utility plant can only be of a routine operational nature.
- An annual operating budget for certain enterprise funds shall be adopted by the City.
- Investments are restricted as shown within the cash, cash equivalents and investments footnote.
- For the Water Fund net revenue (as defined in the bond ordinances) must equal or exceed the greater of 1.25 times principal and interest for each fiscal year, or 1.00 times principal and interest for each fiscal year plus amounts sufficient to meet reserve requirements.
- Net revenue of the Electric Light and Power Fund as defined in the bond ordinances must equal 1.25 times principal and interest for each fiscal year after reduction for reserve account requirements. The bond ordinances exclude principal and interest on subordinate lien debt for the purpose of this test.

As of February 28, 2017, the City was in compliance with the debt covenants of the bond ordinances.

Loans payable:

The City also had several loans outstanding at the end of fiscal year 2017. The outstanding loan activity for the government as of February 28, 2017 is as follows:

	Business-Type Activities				
	Beginning Balances	Additions	Retirements	Ending Balances	Due Within One Year
(a)	\$ 904,675	\$ -	\$ 129,216	\$ 775,459	\$ 132,695
(b)	2,620,965	-	174,731	2,446,234	174,731
(c)	303,278	-	28,884	274,394	28,884
(d)	1,004,070	-	276,751	727,319	284,736
(e)	811,711	-	154,268	657,443	158,203
(f)	496,124	2,338,378	58,535	2,775,967	119,018
Total loans payable	\$ 6,140,823	\$2,338,378	\$ 822,385	\$ 7,656,816	\$ 898,267

9. LONG-TERM DEBT (Continued)

Water Fund:

- (a) \$2,325,284; loan from the State of Illinois Environmental Protection Agency (IEPA) Water Revolving Fund - Drinking Water Project; final payment due April 28, 2022; interest 2.675 percent; principal and interest payable April 28 and October 28; to be repaid by net revenue of the Water Fund.
- (b) \$4,532,613; ARRA Loan from the Illinois Environmental Protection Agency (IEPA) Water Revolving Fund, Drinking Water Project L17-2530; 25 percent grant, 75 percent loan payable at 0.00 percent; principal payable on June 1 and December 1; to be repaid by net revenue of the Water Fund.
- (c) \$599,757; ARRA Loan from the Illinois Environmental Protection Agency (IEPA) Water Revolving Fund, Drinking Water Project L17-3756; 25 percent grant, 75 percent loan payable at 0.00 percent; principal payable on June 2 and December 2; to be repaid by net revenue of the Water Fund.

Sewer Fund:

- (d) \$4,596,718; loan from the State of Illinois Environmental Protection Agency (IEPA) Water Pollution Control Revolving Loan Fund; repayment period of 20 years; interest at 2.865 percent; principal and interest payable April 15 and October 15; to be repaid by net revenue of the Sewer Fund.
- (e) \$2,647,318; loan from the State of Illinois Environmental Protection Agency (EPA) Water Pollution Control Revolving Loan Fund; repayment period of 20 years; interest at 2.535 percent; principal and interest payable January 28 and July 28; to be repaid by net revenue of the Sewer Fund.
- (f) \$2,834,502; loan from the State of Illinois Environmental Protection Agency (EPA) Water Pollution Control Revolving Loan Fund; repayment period of 20 years; interest at 2.21 percent; principal and interest payable January 4 and July 4; to be repaid by net revenue of the Sewer Fund.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. LONG-TERM DEBT (Continued)

Loan debt service requirements to maturity are as follows:

Fiscal Year Ending	Business-Type Activities		
	Loans Payable Principal	Loans Payable Interest	Loans Payable Total
2018	\$ 898,268	\$ 115,040	\$ 1,013,308
2019	916,737	96,569	1,013,306
2020	783,928	77,604	861,532
2021	645,073	64,684	709,757
2022	481,146	54,739	535,885
2023 – 2027	1,773,300	205,172	1,978,472
2028 – 2032	1,473,981	123,505	1,597,486
2033 – 2036	684,383	34,467	718,850
Total	<u>\$ 7,656,816</u>	<u>\$ 771,780</u>	<u>\$ 8,428,596</u>

Line of credit:

The City has the following line of credit series:

- (a) \$15,000,000; Revolving Line of Credit (Subordinate Lien) from Illinois National Bank re-issued Fiscal Year 2015; final payment due September 1, 2019; interest 0.275 percentage point below the Index, (1 month LIBOR, currently 2.923 percent per annum). Non-usage fee of .05 percent of the average unused monthly balance is paid monthly. The line of credit is to be repaid by the net revenues of the Electric Light and Power Fund. As of February 28, 2017, the amount owed on the line of credit was \$0.

10. EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN

Plan Description, Provisions, Basis of Accounting and Funding Policies:

Illinois Municipal Retirement Fund – Regular and Sheriff’s Law Enforcement Personnel (SLEP): The City of Springfield’s defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an Agent-Multiple-Employer Public Employee Retirement System that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a financial report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report may be obtained at www.imrf.org or IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

**10. EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN
(Continued)**

Illinois Municipal Retirement Fund - Regular

Plan Administration:

All employees (other than those covered by the Police Pension Plan and the Firefighter's Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership:

At December 31, 2016, the date of the most recent actuarial valuation, the IMRF membership consisted of:

Retired employees or their beneficiaries currently receiving benefits	1,552
Inactive employees entitled to, but not yet receiving, benefits	365
Active Employees	<u>951</u>
Total	<u><u>2,868</u></u>

Benefits Provided:

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

**10. EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN
(Continued)**

Contributions:

Illinois Municipal Retirement Fund – Regular: Employees participating in IMRF are required to contribute 4.5 percent of their annual covered salary. The member rate is established by state statute. The City of Springfield is required to contribute at an actuarially determined rate. The employer annual required contribution rate for calendar year 2016 and 2015 was 16.24 and 15.44 percent, respectively, of payroll. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while supplemental retirement benefits rate is set by statute.

Net Pension Liability:

Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2016
Actuarial cost method	Entry-age normal
Asset valuation method	Market Value
Assumptions:	
Inflation	2.75%
Salary increases	3.75% to 14.5%
Interest rate	7.50%
Cost of living adjustments	3.00%

**10. EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN
(Continued)**

Mortality

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate:

The discount rate used to measure the total pension liability was 7.50% (7.46% in 2016). The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rate equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN
(Continued)

Changes in the Net Pension Liability:

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at January 1, 2016	\$641,175,823	\$535,173,888	\$106,001,935
Changes for the period:			
Service cost	7,534,307	-	7,534,307
Interest	46,764,884	-	46,764,884
Difference between expected and actual experience	3,421,813	-	3,421,813
Changes in assumptions	(3,047,814)	-	(3,047,814)
Employer contributions	-	12,910,426	(12,910,426)
Employee contributions	-	3,378,779	(3,378,779)
Net investment income	-	36,676,115	(36,676,115)
Benefit payments and refunds	(36,135,707)	(36,135,707)	-
Administrative expense	-	-	-
Other (net transfer)	-	253,830	(253,830)
Net changes	18,537,483	17,083,443	1,454,040
BALANCES AT DECEMBER 31, 2016	\$659,713,306	\$552,257,331	\$107,455,975

Changes in assumptions related to the investment rate of return and mortality were made since the prior measurement date.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources:

For the year ended February 28 2017, the City recognized pension expense of \$19,762,449. At February 28, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN
(Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,179,318	\$ -
Changes in assumption	351,327	2,230,728
Net difference between projected and actual earnings on pension plan investments	24,698,764	-
Contributions made after measurement date	1,667,093	
TOTAL	\$ 31,896,502	\$ 2,230,728

\$1,667,093 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended February 28, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Period ended February 28/29,	
2018	\$ 9,863,596
2019	9,465,333
2020	8,124,312
2021	545,440
Thereafter	-
TOTAL	\$ 27,998,681

Discount Rate Sensitivity:

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.50% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$741,929,972	\$659,713,306	\$591,976,497
Plan Fiduciary Net Position	<u>552,257,331</u>	<u>552,257,331</u>	<u>552,257,331</u>
Net Pension Liability / (Asset)	189,672,641	107,455,975	39,719,166

10. EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund – SLEP:

Plan Membership:

At December 31, 2016, the date of the most recent actuarial valuation, the IMRF SLEP membership consisted of:

Retired employees or their beneficiaries currently receiving benefits	2
Inactive employees entitled to, but not yet receiving, benefits	-
Active Employees	-
Total	<u>2</u>

Benefits Provided:

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after twenty years of service. Participating members who retire at age 50 with twenty years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of their final rate of earnings, where total pension at retirement cannot exceed 80% of the final rate of earnings.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 50 (reduced benefits) or after age 55 (full benefits) with 10 years of credited service are generally entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of their final rate of earnings, where total pension at retirement cannot exceed 75% of the final rate of earnings.

Contributions:

Illinois Municipal Retirement Fund –SLEP: Employees participating in IMRF-SLEP are required to contribute 7.5 percent of their annual covered salary. The member rate is established by state statute. The City of Springfield is required to contribute at an actuarially determined rate. The employer rate for calendar year 2016 and 2015 was 13.35 and 13.69 percent, respectively, of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

**10. EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN
(Continued)**

Illinois Municipal Retirement Fund – SLEP (Continued)

Net Pension Liability:

Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2016
Actuarial cost method	Entry-age normal
Asset valuation method	Market Value
Assumptions:	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Cost of living adjustments	3.00%

Retirement Age – Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 – 2013.

Mortality

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund – SLEP (Continued)

Discount Rate:

The discount rate used to measure the total pension liability was 7.50%. The project of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension (Asset) Liability:

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Asset
Balances at January 1, 2016	\$ 273,444	\$ 280,005	\$ (6,561)
Changes for the period:			
Interest	19,957	-	19,957
Difference between expected and actual experience	(101,060)	-	(101,060)
Employer contributions	-	1,349	(1,349)
Net investment income	-	19,836	(19,836)
Benefit payments and refunds	(14,692)	(14,692)	-
Other (net transfer)	-	(101,277)	101,277
Net changes	(95,795)	(94,784)	(1,011)
Balances at December 31, 2016	\$ 177,649	\$ 185,221	\$ (7,572)

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

**10. EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN
(Continued)**

Illinois Municipal Retirement Fund – SLEP (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources:

For the year ended February 28, 2017, the City recognized pension expense of \$5,751. At February 28, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	12,090	2,507
Contributions made after measurement date	-	-
 TOTAL	 \$ 12,090	 \$ 2,507

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Period ended February 28/29,	
2018	\$ 3,403
2019	3,403
2020	3,403
2021	(626)
Thereafter	-
 TOTAL	 \$ 9,583

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund – SLEP (Continued)

Discount Rate Sensitivity:

The following is a sensitivity analysis of the net pension (asset) liability to changes in the discount rate. The table below presents the pension (asset) liability of the City calculated using the discount rate of 7.50% as well as what the City's net pension (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 194,463	\$ 177,649	\$ 163,224
Plan fiduciary net position	185,221	185,221	185,221
Net pension liability/(asset)	\$ 9,242	\$ (7,572)	\$ (21,997)

The aggregate totals for the Police Pension Fund and Firefighters' Pension Fund are as follows.

	Deferred Outflows of Resources	Net Pension Laibility	Deferred Inflows of Resources
Police	\$ 49,719,572	\$ 167,970,023	\$ 38,406,788
Firefighters	21,657,017	177,931,284	10,765,692
Total	<u>\$ 71,376,589</u>	<u>\$ 345,901,307</u>	<u>\$ 49,172,480</u>

Police Pension Fund

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are mandated by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. Refer to Note 1 for the address to obtain financial statements of the Police Pension Fund.

The Fund is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City's mayor, one retiree is elected, and two active police employees are elected.

**10. EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN
(Continued)**

Police Pension Fund (Continued)

The pension trust fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of plan net assets. Pension trust fund operating statements present increases (e.g., additions) and decreases (e.g., deductions) in plan net assets.

The accrual basis of accounting is utilized by the pension trust fund. Under this method, additions are recorded when earned and deductions are recorded at the time liabilities are incurred.

At February 28, 2017, the date of the most recent actuarial valuation, the Police Pension Fund membership consisted of:

Retirees and beneficiaries currently receiving benefits	244
Terminated employees entitled to, but not yet receiving, benefits	4
Active Employees	<u>245</u>
Total	<u><u>493</u></u>

Benefits Provided

The Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service and is no longer in service as a police officer is entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years of service. Employees with at least 8 years, but less than 20 years of credited service, may retire at or after age 60 to a pension of 2.5 percent of the salary attached to the rank held on the last day of service by the officer for each year of creditable service. The monthly benefit of a police officer who retired after January 1, 1977 shall be increased, upon either the first of the month following the first anniversary of the date of retirement if the officer is 55 years of age or over at retirement date, or by 1/12 of 3.00 percent of the originally granted pension for each full month that has elapsed since the pension began, and by 3 percent of the current amount of pension in each January thereafter.

Covered employees are required by ILCS to contribute 9.91 percent of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Plan.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

**10. EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN
(Continued)**

Police Pension Fund (Continued)

Changes in the Net Pension Liability:

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at March 1, 2016	\$336,491,095	\$137,551,550	\$198,939,545
Changes for the period:			
Service cost	5,393,901	-	5,393,901
Interest	21,725,059	-	21,725,059
Difference between expected and actual experience	1,874,991	-	1,874,991
Changes in assumptions	(30,742,288)	-	(30,742,288)
Employer contributions	-	9,942,505	(9,942,505)
Employee contributions	-	1,900,135	(1,900,135)
Net investment income	-	17,594,578	(17,594,578)
Benefit payments and refunds	(12,646,059)	(12,646,059)	-
Administrative expense	-	(216,033)	216,033
Net changes	(14,394,396)	16,575,126	(30,969,522)
Balances at February 28, 2017	\$322,096,699	\$154,126,676	\$167,970,023

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources:

For the year ended February 28, 2017, the City recognized pension expense of \$19,969,165. At February 28, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to Police Pension Fund from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,583,390	\$ 6,038,047
Changes in assumption	38,035,585	25,961,216
Net difference between projected and actual earnings on pension plan investments	10,100,597	6,407,525
Contributions made after measurement date	-	-
TOTAL	\$ 49,719,572	\$ 38,406,788

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

**10. EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN
(Continued)**

Police Pension Fund (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Period ended February 28/29,</u>	
2018	\$ 4,127,235
2019	4,127,235
2020	4,127,231
2021	760,371
2022	101,183
Thereafter	<u>(1,930,471)</u>
TOTAL	<u>\$ 11,312,784</u>

Springfield Firefighters' Pension Fund

The Springfield Firefighters' Pension Fund is a single-employer defined benefit pension plan that covers all sworn fire personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are mandated by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. Refer to Note 1 for address to obtain financial statements of the Springfield Firefighters' Pension Fund.

The Fund is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City's mayor, one retiree is elected, and two active police employees are elected.

The pension trust fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of plan net position. Pension trust fund operating statements present increases (e.g., additions) and decreases (e.g., deductions) in plan net position.

The accrual basis of accounting is utilized by the pension trust fund. Under this method, additions are recorded when earned and deductions are recorded at the time liabilities are incurred.

At February 28, 2017, the date of the most recent actuarial valuation, the Springfield Firefighters' Pension Fund membership consisted of:

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

**10. EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN
(Continued)**

Firefighters' Pension Fund (Continued)

Retirees and beneficiaries currently receiving benefits	253
Inactive employees entitled to, but not yet receiving benefits	1
Active Employees	<u>214</u>
Total	<u><u>468</u></u>

Benefits Provided

The Plan provides retirement benefits as well as death and disability benefits. For persons who first become firefighters prior to January 1, 2011, covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank held at the date of retirement. The pension shall be increased by 1/12 of 2.5 percent of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75.0 percent of such monthly salary. Employees with at least 10 years, but less than 20 years, of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a firefighter who retired with 20 or more years of service after

January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Employees that are hired after January 1, 2011, attaining the age of 55 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the average salary for the last 8 years of service (subject to a maximum salary). The pension shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to a maximum of 75 percent of such salary. Employees with at least 10 years, but less than 20 years of credited service, may retire and receive a reduced benefit, which begins at age 60. Employees that have attained the age of 50 with at least 10 years of service may retire but their pension is reduced by 1/2 percent per month for each year the employee is under age 55. The monthly pension shall be increased annually, following the first anniversary date of retirement, and be paid upon reaching the age of at least 60 years, by the lesser of 1/12 of 3 percent of the original pension times the number of months the employee has been retired since age 60 (up to a maximum of 15 percent) or by a factor of the CPI-U, whichever is less. Dependents receive an annual increase under the same formula as the retired officer.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (Continued)

Firefighters' Pension Fund (Continued)

Covered employees are required to contribute 9.455 percent of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the Plan as actuarially determined by an enrolled actuary. By the year 2040, the City's contributions must accumulate to the point where the past service cost for the Plan is at least 90 percent funded.

Changes in the Net Pension Liability:

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balances at March 1, 2016	\$298,498,939	\$112,241,932	\$186,257,007
Changes for the period:			
Service cost	4,951,770	-	4,951,770
Interest	19,481,955	-	19,481,955
Difference between expected and actual experience	(15,137,430)	-	(15,137,430)
Changes in assumptions	9,259,467	-	9,259,467
Employer contributions	-	10,395,154	(10,395,154)
Employee contributions	-	1,718,845	(1,718,845)
Net investment income	-	14,904,623	(14,904,623)
Benefit payments and refunds	(14,577,712)	(14,577,712)	-
Administrative expense	-	(137,137)	137,137
Net changes	3,978,050	12,303,773	(8,325,723)
Balances at February 28, 2017	\$302,476,989	\$124,545,705	\$177,931,284

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources:

For the year ended February 28, 2017, the City recognized pension expense of \$18,289,770. At February 28, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to Firefighters' Pension Fund from the following sources:

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

**10. EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN
(Continued)**

Firefighters' Pension Fund (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,981,582	\$ 2,360,240
Changes in assumption	10,095,442	2,694,478
Net difference between projected and actual earnings on pension plan investments	8,579,993	5,710,974
Contributions made after measurement date	-	-
 TOTAL	 \$ 21,657,017	 \$ 10,765,692

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Period ended February 28/29,	
2018	\$ 3,203,659
2019	3,203,659
2020	3,203,655
2021	343,662
2022	1,771,404
Thereafter	(834,714)
 TOTAL	 \$ 10,891,325

Significant investments

Police Pension Fund: There are no significant investments (other than U.S. government and agencies' securities - separate account) in any one organization that represent five percent or more of net plan assets available for pension benefits. Financial statements, including investments, for the fund may be obtained from the address in Note 1.

Springfield Firefighters' Pension Fund: There are no significant investments (other than U.S. government and U.S. government-guaranteed obligations) in any one organization that represent five percent or more of net plan assets available for pension benefits. Financial statements, including investments, for the fund may be obtained from the address in Note 1.

**10. EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN
(Continued)**

Actuarial Assumptions

The total pension liability was determined using the following actuarial methods and assumptions.

	Police Pension Fund	Firefighters' Pension Fund
Actuarial Valuation Date	February 28, 2017	February 28, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
<u>Assumptions</u>		
Inflation	2.50%	2.50%
Salary Increases	4% - 17.04%	4% - 16.79%
Interest Rate	7%	7%
Asset Valuation	Market value	Market value
Marital Status	80%	80%

Mortality rates were based on the assumption study prepared by Lauterbach & Amen LLP in 2017. The table combines observed experience of Illinois Police Officers and Illinois Firefighters with the RP-2014 mortality table for blue collar workers and improved generationally using MP-2016 improvement rates.

Changes in the actuarial valuation for the Police Pension Fund and the Firefighters' Pension Fund included a change in the discount rate based upon the change in market conditions impacting the High Quality 20 year tax-exempt G.O. Bonds rate and changes in mortality improvement rates applied on a fully-generational basis.

Discount Rate

The discount rate used to measure the total pension liability was 6.58% per year for the Police Pension Fund. The discount rate used to measure the total pension liability was 6.69% for the Firefighters' Pension Fund. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plans' fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, expected rate of return of 7.00% (7.00 in 2016) was blended with a municipal bond rate of 3.95% (3.34% in 2016) based on the Bond Buyer G.O. 20-Bond Municipal Bond Index to arrive at a discount rate of 6.58% (5.89% in 2016) for the Police Pension Fund and 6.69% (6.62% in 2016) for the Firefighters' Pension Fund used to determine the total pension liability.

10. EMPLOYEE RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the Police Pension Fund net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 6.58% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.58%) or 1 percentage point higher (7.58%) than the current rate:

	1% Decrease (5.58%)	Current Discount Rate (6.58%)	1% Increase (7.58%)
Net Pension Liability	\$ 217,481,478	\$ 167,970,023	\$ 128,010,432

Discount Rate Sensitivity

The following is a sensitivity analysis of the Firefighters' Pension Fund net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 6.69% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.69%) or 1 percentage point higher (7.69%) than the current rate:

	1% Decrease (5.69%)	Current Discount Rate (6.69%)	1% Increase (7.69%)
Net Pension Liability	\$ 221,616,018	\$ 177,931,284	\$ 142,386,178

11. DEFERRED COMPENSATION PLAN

Certain employees paid by the City participate in a deferred compensation plan (the Plan) established in accordance the requirements of the Internal Revenue Code Section 457 and sponsored by the City. Participation in the plan is available to all employees of the City. The City holds no administration responsibility, investment responsibility or liability for losses under the plan.

12. ECONOMIC DEVELOPMENT BONDS

The City has approved Economic Development Bonds, Hospital Bonds and Mortgage Bonds totaling \$32,944,070 in favor of several corporations and homeowners. The purpose of these bond issues is to acquire and construct facilities for these entities' use in their operations and to provide low interest mortgage loans to homeowners. The economic costs of the bond issues are paid by the individual corporations and homeowners. The amount outstanding as of February 28, 2017 is not readily determinable. As provided in the ordinance authorizing the issuance of the bonds, the City has no liability, as the following describes:

12. ECONOMIC DEVELOPMENT BONDS (CONTINUED)

"No holder or holders of any of the bonds shall have any right to compel any exercise of the taxing power of the City to pay the bonds or the interest or premium, if any, thereon, and said bonds shall not constitute an indebtedness of the City or a loan of the credit thereof within the meaning of any constitutional or statutory provision."

13. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City is self-insured for medical benefits. When a probable medical claim liability has been incurred at year-end, and the amount of such claims can be reasonably estimated, the City records the estimated amount in its Self-Insurance Fund. The claim liability includes claims incurred and unpaid and an estimation for claims incurred but not reported (IBNR), based on historical data.

Rates are developed annually to fund the medical self-insurance program, both claims and administrative costs, in an Internal Service Fund. All funds and departments of the City are charged monthly thereafter. The annual cost of this medical program is recorded as an operating cost in both the governmental funds and proprietary funds.

The City is also self-insured for certain general liability claims and for workers' compensation claims. Resources are available and reserved as of February 28, 2017, to pay these estimated claims, including those incurred but not reported.

The City is required by bond ordinance to maintain insurance for the utility systems of the kinds and in the amounts customarily carried by private parties operating similar properties; provided, however, that the City may self-insure over all or a part of such risks by establishing reasonable reserves or budgetary provisions. The City uses a combination of insurance policies and self-insurance to comply with the provisions of the bond ordinance. The City has a property coverage contract with National Union Fire Insurance Company of Pittsburgh, Pa., an AIG company, which provides property insurance coverage for the facilities of the utility system. This contract which expires on July 14, 2017 has a liability limit of \$350,000,000. Settlement amounts have not exceeded insurance coverage for the current and three prior fiscal years. In addition, the City has established, within the General Account of the Electric Light and Power Fund, an Insurance Reserve Account which is used to pay for losses incurred by the System which are not covered by insurance policies and are less than \$900,000. As of February 28, 2017, the amount on deposit in the Insurance Reserve Account was \$1,005,038.

The Electric Light and Power and Water Funds pay actual workers' compensation claims by reimbursing the Self-Insurance Fund.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

13. RISK MANAGEMENT (Continued)

The change in the balance of claims liabilities as of February 28/29, 2017 and 2016 for the City is as follows:

	Years Ended	
	2017	2016
Unpaid claims beginning of year	\$ 10,702,350	\$ 11,174,757
Current year claims incurred including IBNRs	34,607,034	34,132,524
Claim payments	<u>(33,680,970)</u>	<u>(34,604,931)</u>
Unpaid claims at end of year	<u>\$ 11,628,414</u>	<u>\$ 10,702,350</u>

Unpaid claims at year-end are reported as claims and judgments liability in the Self Insurance, Electric Light and Power, and Water Funds.

14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)

The requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, address employer reporting for participation in defined benefit and defined contribution Other Postemployment Benefits (OPEB) plans that provide postemployment benefits other than pensions. OPEB benefits include healthcare and other non-pension benefits provided to employees in exchange for employee services rendered and constitutes part of the compensation for those services.

Plan description:

The City of Springfield Retiree Health Insurance Plan is a self-insured single-employer defined benefit medical plan that operates under the administration of the City's Office of Human Resources. The benefits, benefit levels, employee contributions, and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

Benefits provided:

The City provides post-employment health care and life insurance benefits to its retirees. Retired employees of the City of Springfield and their dependents are eligible to participate in the plan. Retirees are required to pay certain premiums and the City pays the balance of the cost of the plan. Individual funds contribute the City's portion of retiree OPEB costs for their respective portion of retirees.

All health care benefits are provided through the City's insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental health, substances abuse care; vision care; dental care; and prescriptions. Upon reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan become secondary. Until a retiree reaches age 65, \$25,000 of life insurance coverage is provided at no cost.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (Continued)

Membership:

At February 29, 2016 (latest information available), membership consisted of:

Retirees and beneficiaries currently receiving benefits	605
Active employees fully eligible to retire	139
Active employees not yet fully eligible to retire	<u>1,144</u>
Total	<u><u>1,888</u></u>

Funding policy:

The obligations of the plan members, employers and other entities are established by action of the City. The required contribution rates of the employer and the members vary depending on the applicable agreement. The City currently contributes enough money to the plan to satisfy current obligations on a pay-as-you go basis. The costs of administering the plan are paid by the City's Self Insurance Fund.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2017, the City contributed \$10,510,082 which was net of retirees premiums received of \$3,960,822.

Annual OPEB cost and net OPEB obligation:

The City's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement 45 for employers in plans with more than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty 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 the City's net OPEB obligation to the Retiree Health Plan at February 28, 2017:

Annual required contribution	\$	38,583,333
Interest on net OPEB obligation		5,852,187
Adjustment to annual req contribution		<u>(4,876,822)</u>
Annual OPEB cost (expense)		39,558,698
Contributions and payments made		<u>(10,510,082)</u>
Increase in net OPEB obligation		29,048,616
Net OPEB obligation- March 1, 2016		<u>148,792,139</u>
Net OPEB obligation- February 28, 2017	\$	<u><u>177,840,755</u></u>

The City's OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the two preceding years are as follows:

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (Continued)

Annual OPEB cost and net OPEB obligation (Continued):

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
February 28, 2015	25,715,640	18.84%	115,485,539
February 29, 2016	37,869,262	12.05%	148,792,139
February 28, 2017	39,558,697	12.73%	177,840,755

Funded status and funding progress:

The funded status of the plan as of February 29, 2016 (most recent data available) was as follows:

Actuarial Accrued Liability (AAL)	\$ 431,136,403
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	431,136,403
Funded Ratio (Actuarial Value of Plan Assets/AAL)	N/A
Covered Payroll (Active Employees)	93,568,692
UAAL as a Percentage of Covered Payroll	461%

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

Actuarial methods and assumptions:

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

14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (Continued)

Actuarial methods and assumptions (Continued):

The City's OPEB actuarial valuation as of February 29, 2016, used the entry age normal actuarial cost method to estimate both the unfunded actuarial liability and Annual Required Contribution as of February 29, 2016. This method was selected because it produced the best estimate of the OPEB liability and annual cost. Because the OPEB liability is currently unfunded, the actuarial assumptions include a 4.0 percent rate of return on invested assets, which is based on the City's investments. The actuarial assumptions also include an annual medical trend rate of 8.50 percent that starts in fiscal year 2017, to an ultimate rate of 5.50 percent by the year 2029. The rate of compensation/inflation rate assumption used within the actuarial valuation was 4.00 percent per year. The actuarial value of assets was not determined as the City has not advance funded the obligation. The unfunded actuarial accrued liability is being amortized on an open 30-year basis as a level percent of payroll. The remaining amortization period at February 29, 2016 is 30 years.

Allocation of post employment benefits

The City's allocations of its OPEB liability to the City's functions are as follows:

Governmental activities:		
General Government	\$	13,079,154
Public Safety		63,240,367
Highways and Streets		20,452,965
Economic Development		3,191,643
Culture and Recreation		5,556,083
Business activities:		
Public Utility		67,577,961
Oak Ridge Cemetery		857,885
Sewer Fund		3,054,383
Motor vehicle parking systems		830,314
	\$	<u>177,840,755</u>

15. COMMITMENTS AND CONTINGENT LIABILITIES

The City participates in a number of federal financial assistance programs, principal of which are the National Infrastructure Investment Grant and the Community Development Block Grant and Rental Subsidy programs. Although the City grant programs have been audited through February 28, 2017 in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), these programs are still subject to financial and compliance audits and resolution of any previously identified questioned costs. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

15. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

By ordinance, the City is required to annually provide \$100,000 from hotel-motel taxes for operations of the Springfield Metropolitan Exposition and Auditorium Authority (SMEAA).

City Council approved a Resource Management Agreement with The Energy Authority (TEA), giving TEA the exclusive right to market the City's excess generation capacity, effective March 1, 2003. Under this agreement, the City pays a monthly resource management fee to TEA. The City paid resource management fees of \$787,188 and \$768,081 to TEA during the years ended February 28, 2017 and February 29, 2016, respectively.

The City is a transmission-owning member of Midcontinent Independent System Operator (MISO) and participates in the energy market operated by MISO (the "MISO Energy Market") under a Resource Management Agreement with The Energy Authority Inc. ("TEA"). The City has designated TEA to be the Market Participant for the transaction of power sales and purchases in the MISO Energy Market on behalf of the City. The MISO Energy Market consists of both Day Ahead and Real Time energy markets. Participation in the MISO Energy Market gives the System the ability to offer excess generating capacity for sale into the MISO Energy Market and also provides the opportunity for economical power purchases to accommodate the System's native load needs at certain times of the year. Net sales to MISO totaled \$7,506,703 and \$6,507,731 for the years ended February 28, 2017 and February 29, 2016, respectively. Net sales to MISO are included with operating revenues.

On August 10, 2006, the Illinois Environmental Protection Agency issued to the City the Prevention of Significant Deterioration Air Permit, known as the "Air Permit", for the Dallman 4 Project. On September 12, 2006, however, the Sierra Club challenged the "Air Permit", which caused a delay in issuance of the release to begin construction. The City estimated that the cost of an expected one-year delay from the Sierra Club's challenge to the Air Permit could total a minimum of \$150 million. To avoid the increased cost and prevent further construction delay, on November 16, 2006, the City entered into a settlement with the Sierra Club and the release to begin construction was granted. Under the settlement, the City agreed to enter into a power purchase agreement for 120 MW of wind power capacity at a reasonable price for at least ten years.

In accordance with the Settlement, the Electric Light and Power Fund purchased 53,137 MW from Hancock County Wind costing \$3,099,989 and 335,274 MW from Crystal Lake Wind, LLC costing \$11,736,880 in fiscal year 2017.

The Police Pension and Springfield Firefighters' Pension Plans are subject to a program compliance audit by the Illinois Department of Insurance. The compliance audit for the year ended February 28, 2017 has not yet been conducted. Accordingly, the Plans' compliance with applicable requirements will be established at some future date. The amount of adjustments, if any, to be made by the Illinois Department of Insurance cannot be determined at this time although the Plans expect such amount, if any, to be immaterial.

15. COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

The City is also party to various other legal proceedings that have occurred during normal governmental operations. There are multiple suits filed for automobile accidents involving City vehicles. The City is contesting all liability. Although outcome of these law suits is not presently determinable, in the opinion of the City Attorney, the resolutions will not have a material adverse effect on the financial condition of the City.

The City is party to several arbitrations regarding union employees. These cases are either awaiting a decision from the arbitrator or in the early discovery stages. Any potential liabilities have been considered in the general liability of the City.

The City utilizes encumbrance accounting to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end the amount of encumbrance expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General	\$ 567,661
Capital Improvement	977,715
Self Insurance Fund	28,080
Nonmajor governmental	7,823,343
Nonmajor Enterprise	<u>626,445</u>
Total	<u>\$10,023,244</u>

16. PLEDGED REVENUES

The Electric Light and Power Fund has pledged future net revenues, net of operations and maintenance costs, to repay \$661.12 million in electric revenue bonds issued in 2006, 2007 and 2008. Proceeds from these bonds provided financing for various electric system projects including the construction of Dallman Unit 4. The bonds are payable solely from electric net revenues and are payable through March 1, 2037. Annual principal and interest payments on the bonds are required to be 80 percent or less of net revenues as per the bond ordinance.

During fiscal year 2016, the issuance of the Series 2015 Senior Electric Lien bonds refunded a portion of the 2006, 2007 and 2008 electric revenue bonds. The Series 2015 bonds are payable solely from electric net revenues and are payable through March 1, 2040.

As of fiscal year 2017, the total principal and interest remaining to be paid on the bonds is \$860.5 million. For fiscal year 2017, the total principal and interest paid and total net revenues were \$33,305,086 and \$80,440,291, respectively.

16. PLEDGED REVENUES (Continued)

The Water Fund has pledged future net revenues, net of operations and maintenance costs, to repay \$90.190 million in water revenue bonds issued in 2008 and 2012. Proceeds from these bonds provided financing for various water system projects. The bonds are payable solely from water system net revenues and are payable through March 1, 2037. The total principal and interest remaining to be paid on the bonds is \$129.3 million as of February 28, 2017 and \$135.9 million as of February 29, 2016. Annual principal and interest payments on the bonds are required to be 80 percent or less of net revenues as per the bond ordinance. For fiscal year 2017, the total principal and interest paid, and total net revenues were \$6,633,575 and \$11,878,903, respectively.

The City has pledged a portion of future property tax revenues to repay tax increment financing and special service area bonds issued to finance the redevelopment in areas designated as declining and/or blighted. The bonds are payable solely from the incremental property taxes generated in those areas. The City may use a special 1% sales and hotel tax from within the Business District to repay the Legacy Point Area SSA bonds. Total principal and interest remaining on the bonds is \$33,261,609, payable through March 2032. For the current year, principal and interest paid and total incremental property tax revenues were \$1,660,778 and \$1,337,874 respectively.

17. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit fund balance/net position

The following funds had deficit fund balances or net position, which will be funded by the collection of future property taxes, program income, federal grants, developer guarantees and transfers from other funds:

Illinois Municipal Retirement Fund	\$ (134,958)
Police Law Enforcement Block Grant Fund	(106,066)
Support Services Revolving Fund	(1,111,769)
South Central Business District	(352,483)

Fund balances disclosure:

Economic Development has a restricted fund balance of \$5,718,756.

\$2,559 is restricted for the Community Development Block Grant which works to provide decent affordable housing, to provide services to the most vulnerable in Springfield, and to create jobs through expansion/retention of businesses.

\$3,399,560 is restricted for downtown TIF eligible projects.

\$1,483,227 is restricted for Madison Park Place TIF eligible projects.

17. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

\$32,659 is restricted for the Illinois Housing Development Authority Grant which is used to assist Springfield citizens in purchasing homes/ preventing foreclosures during financial crisis such as job loss.

\$646,660 is restricted for Enos Park TIF projects.

\$256 is restricted for Northeast TIF eligible projects.

\$4,649 is restricted for Jefferson Crossing TIF eligible projects.

\$1,983 is restricted for MacArthur TIF eligible projects.

\$147,203 is restricted for Dirksen Parkway Commercial Redevelopment TIF eligible projects.

Capital Projects has a restricted fund balance of \$9,371,657.

\$641,624 is restricted for expenditures related to the Eleventh Street construction project. This fund also accounts for the revenues and expenditures related to the Wanless' Iles Junction Special Service Area.

\$1,310,575 is restricted for expenditures related to the South Grand Pointe Project.

\$7,419,458 is restricted for infrastructure/capital improvements (General Obligation Bond series 2015 and series 2016 unspent bond proceeds).

Highways & Streets has a restricted fund balance of \$6,101,992.

\$6,101,992 in the Motor Fuel Tax Fund is restricted for infrastructure.

Public Safety has a restricted fund balance of \$1,012,972.

\$110,082 is restricted by the State Drug Profit Forfeiture Fund which accounts for revenues received from the Illinois State Police for seized assets in narcotic arrests and allowable expenditures related to police activities that the State approves.

\$381,419 is restricted by the Police Evidence Fund which accounts for monies collected as evidence in legal cases and then remitted either back to the suspect or remitted to the Illinois State Police, who then disperses the funds to the law enforcement agencies involved.

17. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

\$226,257 is restricted by the Federal Drug Profit Forfeiture Fund which accounts for revenues received from the Federal Government for seized assets in narcotic arrests and allowable expenditures related to police activities that the Federal Government must approve.

\$249,256 is restricted by the Local Foreign Fire Insurance Fund which is monies received from the fire tax which can only be spent on Board approved items for the Springfield Fire Department.

\$45,958 is restricted by the Police Laboratory Fund which is monies received from the court systems for marijuana drug testing completed by certified Springfield police detectives, which can only be used for approved police expenditures.

Debt Service has a restricted fund balance of \$4,331,106.

\$104,932 is restricted for principal and interest payments for Wanless Iles Junction SSA.

\$2,186,439 is restricted for principal and interest payments for the South Central Business District Fund.

\$2,039,735 is restricted for principal and interest payments for the General Obligation Bond series 2014, series 2015 and series 2016.

Recycling has a committed fund balance of \$443,781.

\$443,781 is committed for the Recycling Fund which accounts for revenues received from recycling fees which can be used on related waste and recycling expenses.

Convention and Visitors Fund has a committed fund balance of \$2,185,099.

\$2,185,099 is committed for the Convention and Visitors Fund which accounts for hotel and motel taxes committed for the promotion of tourism and conventions in Springfield.

The Capital Equipment Fund has a committed fund balance of \$363,533, which is committed for the purchase of capital equipment.

The General Fund has a committed fund balance of \$144,667 for funds already committed for next fiscal year.

The General fund has an assigned fund balance of \$370,793.

\$370,793 is assigned for the Library Fund as it is a sub-fund of the General Fund.

Capital Improvement fund has an assigned fund balance of \$45,659,065, which is assigned for capital/infrastructure improvements.

CITY OF SPRINGFIELD, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

18. PRIOR PERIOD ADJUSTMENT

The City has restated beginning net position as of March 1, 2016 to correct a) understated construction in progress and b) overstated land.

	Governmental Activities	Business-Type Activities	Other Enterprise Funds
Net position, March 1, 2016 (as previously reported)	\$ (223,401,639)	\$ 487,601,505	\$ 48,317,023
Restated for:			
a) Understated Construction in Progress	1,516,680	-	-
b) Overstated Land	-	(426,584)	(426,584)
Total restatement	1,516,680	(426,584)	(426,584)
Net position, March 1, 2016 (as restated)	\$ (221,884,959)	\$ 487,174,921	\$ 47,890,439

19. SUBSEQUENT EVENTS

In July 2017, \$14 million in grant funding was approved by ordinance authorizing the execution of an agreement with the U.S. Department of Transportation for the next phase of the railroad relocation project through the Federal government's Transportation Investment Generating Economic Recovery program (TIGER).

The passage of the State of Illinois budget in July 2017 will have an adverse effect on the City's General Fund revenue with an estimated decline of \$2.1 million over the next two fiscal years.

20. EXTRAORDINARY ITEM

On September 9, 2016, Dallman Unit 33 was removed from service to investigate a reduction in generation top end capacity. This investigation resulted in the unit being placed out of service due to damage discovered to the turbine. The damage was the result of material failure of the austenitic ring. The unit is insured by The National Union Fire Insurance Company of Pittsburgh, Pa., an AIG company. General Electric International, Inc. was contracted to repair and replace the infrastructure impaired from the failure. Repairs have been successfully completed and Dallman Unit 33 became fully operational on January 11, 2017.

As of February 28, 2017, the restoration costs of the City's impaired electric infrastructure as a result of the incident totaled approximately \$3.6 million. These costs were capitalized in Electric Plant Accounts. In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, a net impairment gain of \$2,000,000 resulted from the accounting treatment of impaired assets. The City used the restoration cost approach to calculate the impairment. The carrying amount of the capital asset was \$0. As of February 28, 2017 the restoration cost was \$3,566,646 less insurance proceeds of \$2,000,000 for a net cash outlay of \$1,566,646.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL - GENERAL FUND

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Revenues				
Taxes:				
Property tax	\$ 21,457,659	\$ 21,457,659	\$ 21,589,038	\$ (131,379)
State sales tax	29,294,508	29,294,508	28,127,636	1,166,872
City sales tax	28,265,098	28,265,098	27,084,395	1,180,703
Use tax	4,870,248	4,870,248	4,960,471	(90,223)
Miscellaneous	3,525,719	3,525,719	3,246,278	279,441
Total taxes	<u>87,413,232</u>	<u>87,413,232</u>	<u>85,007,818</u>	<u>2,405,414</u>
Fees for service:				
Fire protection	1,154,421	1,154,421	1,220,576	(66,155)
Public works services	857,800	857,800	889,128	(31,328)
Fees for licenses	70	70	35	35
Miscellaneous	700,200	700,200	561,050	139,150
Total fees for service	<u>2,712,491</u>	<u>2,712,491</u>	<u>2,670,789</u>	<u>41,702</u>
Investment income	<u>5,000</u>	<u>5,000</u>	<u>142,806</u>	<u>(137,806)</u>
Intergovernmental:				
State income tax	12,488,682	12,488,682	11,068,486	1,420,196
Replacement tax	2,462,000	2,462,000	2,218,326	243,674
State grants	203,000	203,000	58,301	144,699
Federal grants	79,300	79,300	111,999	(32,699)
Intergovernmental reimbursements	375,000	375,000	362,701	12,299
Total intergovernmental	<u>15,607,982</u>	<u>15,607,982</u>	<u>13,819,813</u>	<u>1,788,169</u>
Licenses and permits:				
Building permits	886,300	886,300	619,727	266,573
Liquor licenses	312,400	312,400	320,865	(8,465)
Other licenses and permits	101,400	101,400	95,050	6,350
Total licenses and permits	<u>1,300,100</u>	<u>1,300,100</u>	<u>1,035,642</u>	<u>264,458</u>
Fines and citations:				
Traffic fines	790,000	790,000	654,885	135,115
Other fines and citations	418,000	418,000	386,401	31,599
Total fines and citations	<u>1,208,000</u>	<u>1,208,000</u>	<u>1,041,286</u>	<u>166,714</u>
Franchise fees	<u>2,184,600</u>	<u>2,184,600</u>	<u>2,223,215</u>	<u>(38,615)</u>
Reimbursements:				
Intragovernmental reimbursements	9,184,317	537,567	582,803	(45,236)
Total reimbursements	<u>9,184,317</u>	<u>537,567</u>	<u>582,803</u>	<u>(45,236)</u>
Other revenues, miscellaneous	<u>457,151</u>	<u>457,151</u>	<u>587,235</u>	<u>(130,084)</u>
Total revenues	<u>120,072,873</u>	<u>111,426,123</u>	<u>107,111,407</u>	<u>4,314,716</u>

(Continued)

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL - GENERAL FUND

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Expenditures				
General government:				
Mayor	\$ 1,570,284	\$ 1,580,984	\$ 1,391,109	\$ 189,875
Veterans commission	1,000	1,000	877	123
City council	582,803	582,803	576,387	6,416
City clerk	592,411	592,411	590,235	2,176
City treasurer	1,292,433	1,292,433	1,115,561	176,872
Corporation counsel	1,825,007	1,819,507	1,636,801	182,706
Human resources	1,436,912	1,436,912	1,301,405	135,507
Budget and management	2,105,329	2,105,329	1,980,991	124,338
General city	3,003,240	3,003,240	2,170,424	832,816
Municipal band	57,015	57,015	48,951	8,064
Civil service commission	30,000	30,000	24,477	5,523
Disabilities commission	400	400	2	398
Planning and zoning commission	30,000	30,000	22,312	7,688
Senior citizens commission	85,350	85,350	76,377	8,973
Total general government	<u>12,612,184</u>	<u>12,617,384</u>	<u>10,935,909</u>	<u>1,681,475</u>
Public health and safety:				
Fire	37,753,144	37,794,598	37,110,655	683,943
Building and zoning	3,092,621	3,416,621	3,073,411	343,210
Solid waste	82,110	82,110	51,428	30,682
Police	46,519,841	46,550,364	44,647,763	1,902,601
Total public health and safety	<u>87,447,716</u>	<u>87,843,693</u>	<u>84,883,257</u>	<u>2,960,436</u>
Highway and streets:				
Engineering	1,843,275	1,850,775	1,750,789	99,986
Garage	9,331,059	9,724,059	9,033,209	690,850
Streets	1,017,961	1,009,061	928,940	80,121
Traffic engineering	1,275,021	1,275,021	1,195,241	79,780
Total highway and streets	<u>13,467,316</u>	<u>13,858,916</u>	<u>12,908,179</u>	<u>950,737</u>
Economic development	<u>\$ 652,055</u>	<u>\$ 652,055</u>	<u>\$ 356,711</u>	<u>\$ 295,344</u>

(Continued)

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL - GENERAL FUND

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Capital outlay:				
Mayor	\$ 94,350	\$ 84,950	\$ 28,335	\$ 56,615
City clerk	16,500	16,500	3,997	12,503
Treasurer	6,750	6,750	6,500	250
Corporation counsel	6,000	11,500	9,076	2,424
Human resources	2,200	2,200	3,304	(1,104)
Budget and management	11,085	11,085	6,164	4,921
General City	764,030	764,030	720,678	43,352
Fire	319,500	363,500	280,181	83,319
Building and zoning	12,500	12,500	2,869	9,631
Police	450,500	450,500	357,845	92,655
Engineering	4,300	11,700	18,020	(6,320)
Garage	113,800	113,800	106,199	7,601
Streets	550	2,550	2,449	101
Traffic engineering	900	900	429	471
Total capital outlay	<u>1,802,965</u>	<u>1,852,465</u>	<u>1,546,046</u>	<u>306,419</u>
Total expenditures	<u>115,982,236</u>	<u>116,824,513</u>	<u>110,630,102</u>	<u>6,194,411</u>
Excess of revenues over expenditures	<u>4,090,637</u>	<u>(5,398,390)</u>	<u>(3,518,695)</u>	<u>(1,879,695)</u>
Other financing sources (uses)				
Transfers in	8,646,750	8,646,750	8,386,655	(260,095)
Transfers out	(6,816,142)	(7,046,142)	(6,762,257)	283,885
Total other financing sources (uses)	<u>1,830,608</u>	<u>1,600,608</u>	<u>1,624,398</u>	<u>23,790</u>
Net change in fund balance	<u>\$ 5,921,245</u>	<u>\$ (3,797,782)</u>	(1,894,297)	<u>\$ (1,903,485)</u>
Lincoln Library Fund - General Fund Sub-fund			(633,447)	
Fund balance, beginning of year			21,700,882	
Fund balance, end of year			<u>\$ 19,173,138</u>	

CITY OF SPRINGFIELD, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 RETIREE HEALTH PLAN

February 28, 2017

Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2/28/17	\$ -	\$ 431,136,403	\$ 431,136,403	-	\$ 93,568,692	460.77%
2/29/16		431,136,403	431,136,403	-	93,568,692	460.77%
2/28/15	-	376,648,755	376,648,755	-	93,568,692	402.54
2/28/14	-	376,648,755	376,648,755	-	93,568,692	402.54
2/28/13	-	292,687,705	292,687,705	-	96,959,664	301.87
2/29/12	-	292,687,705	292,687,705	-	96,959,664	301.87

CITY OF SPRINGFIELD, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 ILLINOIS MUNICIPAL RETIREMENT FUND (REGULAR)

Last Two Fiscal Years

FISCAL YEAR ENDING FEBRUARY 28/29,	2017	2016
Actuarially Determined Contribution	\$ 11,473,056	\$ 10,920,182
Contributions in Relation to the Actuarially Determined Contribution	11,481,205	10,925,426
Contribution Deficiency (Excess)	<u>(8,149)</u>	<u>(5,244)</u>
Covered-Employee Payroll	\$ 71,164,810	\$ 70,174,007
Contributions as a Percentage of Covered-Employee Payroll	16.13%	15.57%

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

Notes to the Required Supplementary Information:

The information presented was determined as part of the actuarial valuations as of December 31 of the prior year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was aggregate entry age normal; the amortization method was level percent of payroll, closed and the amortization period was 27 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

CITY OF SPRINGFIELD, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND -
SHERIFF'S LAW ENFORCEMENT PERSONNEL (SLEP)

Last Two Fiscal Years

FISCAL YEAR ENDING FEBRUARY 28/29,	2017	2016
Actuarially Determined Contribution	\$0	\$0
Contributions in Relation to the Actuarially Determined Contribution	1,349	1,611
Contribution Deficiency (Excess)	(1,349)	(1,611)
Covered-Employee Payroll	\$0	\$0
Contributions as a Percentage of Covered- Employee Payroll	0.00%	0.00%

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

Notes to the Required Supplementary Information:

The information presented was determined as part of the actuarial valuations as of December 31 of the prior year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was aggregate entry age normal; the amortization method was level percent of payroll, closed and the amortization period was 27 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

CITY OF SPRINGFIELD, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION PLAN**

Year Ended February 28, 2017

FISCAL YEAR ENDING FEBRUARY 28/29,	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 8,519,086	\$ 9,108,968	\$ 9,050,592	\$ 9,942,505
Contributions in Relation to the Actuarially Determined Contribution	8,519,086	9,608,968	9,050,592	9,942,505
Contribution Deficiency (Excess)	-	(500,000)	-	-
Covered-Employee Payroll	\$ 18,451,326	\$ 18,716,719	\$ 20,250,340	\$ 21,487,817
Contributions as a Percentage of Covered-Employee Payroll	46.17%	51.34%	44.69%	46.27%

Notes to the Required Supplementary Information:

GASB Statement No. 67 requires a 10-year schedule of changes in the net pension liability. The statement provides that required supplementary information should be presented for as many years for which information measured in conformity with the requirements of the Statement is available. Additional information as of the latest actuarial valuation presented as follows: The actuarial cost method was projected unit credit; the amortization method was level percentage of pay, 90% closed basis and the amortization period was 24 years.

CITY OF SPRINGFIELD, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION PLAN

Year Ended February 28, 2017

FISCAL YEAR ENDING FEBRUARY 28/29,	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 9,579,518	\$ 10,661,138	\$ 9,786,645	\$ 10,395,154
Contributions in Relation to the Actuarially Determined Contribution	9,599,575	9,973,179	9,786,645	10,395,154
Contribution Deficiency (Excess)	(20,057)	687,959	-	-
Covered-Employee Payroll	\$ 15,938,419	\$ 16,810,597	\$ 16,982,730	\$ 19,361,967
Contributions as a Percentage of Covered-Employee Payroll	60.23%	59.33%	57.63%	53.69%

Notes to the Required Supplementary Information:

GASB Statement No. 67 requires a 10-year schedule of changes in the net pension liability. The statement provides that required supplementary information should be presented for as many years for which information measured in conformity with the requirements of the Statement is available. Additional information as of the latest actuarial valuation presented as follows: The actuarial cost method was projected unit credit; the amortization method was level percentage of pay, 90% closed basis and the amortization period was 24 years.

CITY OF SPRINGFIELD, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
RETIREE HEALTH PLAN**

Year Ended February 28, 2017

Fiscal Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage of ARC Contributed
2017	\$ 10,510,082	\$ 38,583,333	27.24%
2016	4,562,662	37,099,358	12.30%
2015	4,843,764	24,988,049	19.38%
2014	4,575,763	19,898,989	22.99%
2013	3,706,272	19,898,989	18.63%
2012	3,815,665	19,245,714	19.83%

CITY OF SPRINGFIELD, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY
 AND RELATED RATIOS
 ILLINOIS MUNICIPAL RETIREMENT FUND (REGULAR)

Last Two Years

MEASUREMENT DATE DECEMBER 31,	2016*	2015
TOTAL PENSION LIABILITY		
Service Cost	\$ 7,534,307	\$ 7,741,537
Interest on the Total Pension Liability	46,764,884	45,019,774
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	3,421,813	5,701,739
Changes of Assumptions	(3,047,814)	748,889
Benefit Payments, Including Refunds of Member Contributions	<u>(36,135,707)</u>	<u>(33,679,386)</u>
Net Change in Total Pension Liability	18,537,483	25,532,553
Total Pension Liability - Beginning	<u>641,175,823</u>	<u>615,643,270</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 659,713,306</u></u>	<u><u>\$ 641,175,823</u></u>
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	\$ 12,910,426	\$ 13,260,115
Contributions- Employee	3,378,779	3,386,746
Net Investment Income	36,676,115	2,652,218
Benefit Payments, Including Refunds of Member Contributions	(36,135,707)	(33,679,386)
Other	<u>253,830</u>	<u>10,594,339</u>
Net Change in Plan Fiduciary Net Position	17,083,443	(3,785,968)
Plan Net Position - Beginning	<u>535,173,888</u>	<u>538,959,856</u>
PLAN NET POSITION - ENDING	<u><u>\$ 552,257,331</u></u>	<u><u>\$ 535,173,888</u></u>
EMPLOYER'S NET PENSION LIABILITY	<u><u>\$ 107,455,975</u></u>	<u><u>\$ 106,001,935</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.71%	83.47%
Covered-Employee Payroll	\$ 71,067,373	\$ 71,519,784
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	151.20%	148.21%

*Changes in assumptions related to investment rate of return and mortality were made since the prior measurement date.

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

CITY OF SPRINGFIELD, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY
 AND RELATED RATIOS
 ILLINOIS MUNICIPAL RETIREMENT FUND (SLEP)

Last Two Years

MEASUREMENT DATE DECEMBER 31,	2016	2015
TOTAL PENSION LIABILITY		
Service Cost	\$ -	\$ -
Interest on the Total Pension Liability	19,957	21,205
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(101,060)	(23,291)
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Member Contributions	<u>(14,692)</u>	<u>(14,409)</u>
Net Change in Total Pension Liability	(95,795)	(16,495)
Total Pension Liability - Beginning	<u>273,444</u>	<u>289,939</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 177,649</u></u>	<u><u>\$ 273,444</u></u>
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	\$ 1,349	\$ 1,663
Contributions- Employee	-	-
Net Investment Income	19,836	1,456
Benefit Payments, Including Refunds of Member Contributions	(14,692)	(14,409)
Other	<u>(101,277)</u>	<u>(6,319)</u>
Net Change in Plan Fiduciary Net Position	(94,784)	(17,609)
Plan Net Position - Beginning	<u>280,005</u>	<u>297,614</u>
PLAN NET POSITION - ENDING	<u><u>\$ 185,221</u></u>	<u><u>\$ 280,005</u></u>
EMPLOYER'S NET PENSION LIABILITY (ASSET)	<u><u>\$ (7,572)</u></u>	<u><u>\$ (6,561)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	104.26%	102.40%
Covered-Employee Payroll	\$ -	\$ -
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	0.00%	0.00%

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

CITY OF SPRINGFIELD, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY
AND RELATED RATIOS
POLICE PENSION PLAN

February 28, 2017

MEASUREMENT DATE MARCH 1,	2015	2016	2017
TOTAL PENSION LIABILITY			
Service Cost	\$ 5,469,903	\$ 6,838,653	\$ 5,393,901
Interest	18,510,532	16,130,049	21,725,059
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	(8,623,937)	1,874,991
Changes of Assumptions	-	54,324,917	(30,742,288)
Benefit Payments, Including Refunds of Member Contributions	(11,585,442)	(12,066,816)	(12,646,059)
Net Change in Total Pension Liability	12,394,993	56,602,866	(14,394,396)
Total Pension Liability - Beginning	267,493,236	279,888,229	336,491,095
TOTAL PENSION LIABILITY - ENDING	\$ 279,888,229	\$ 336,491,095	\$ 322,096,699
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 9,608,968	\$ 9,050,592	\$ 9,942,505
Contributions- Member	1,956,068	1,895,118	1,900,135
Net Investment Income	8,926,872	(6,690,669)	17,594,578
Benefit Payments, Including Refunds of Member Contributions	(11,585,442)	(12,066,816)	(12,646,059)
Administrative Expense	(164,934)	(228,877)	(216,033)
Other	302	7,757	-
Net Change in Plan Fiduciary Net Position	8,741,834	(8,032,895)	16,575,126
Plan Net Position - Beginning	136,842,611	145,584,445	137,551,550
PLAN NET POSITION - ENDING	\$ 145,584,445	\$ 137,551,550	\$ 154,126,676
EMPLOYER'S NET PENSION LIABILITY	\$ 134,303,784	\$ 198,939,545	\$ 167,970,023
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.0%	40.9%	47.9%
Covered-Employee Payroll	\$ 18,716,719	\$ 20,250,340	\$ 21,487,817
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	717.6%	982.4%	781.7%

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

Year Ended February 28, 2017 - Changes in assumptions related to changes in the discount rate and bond rate used since the prior measurement date. The discount rate went from 5.89% to 6.58% and the bond rate from 3.34% to 3.95%. The morality assumptions included mortality improvements stated in the most recently released MP-2016 table and the rates were applied on a fully-generational basis.

Year Ended February 29, 2016 - Changes in assumptions related to changes in the discount rate and the mortality tables used since the prior measurement date. The discount rate went from 6.92% to 5.89%. The morality tables used were previously the RP-2000 mortality tables projected to the appropriate years, while the current mortality tables were based upon assumption studies performed by Lauterbach & Amen, LLP in 2016.

CITY OF SPRINGFIELD, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY
AND RELATED RATIOS
FIREFIGHTERS' PENSION PLAN

February 28, 2017

MEASUREMENT DATE MARCH 1,	2015	2016	2017
TOTAL PENSION LIABILITY			
Service Cost	\$ 5,438,758	\$ 5,111,168	\$ 4,951,770
Interest	17,749,350	17,506,592	19,481,955
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	4,164,750	(15,137,430)
Changes of Assumptions	-	14,101,572	9,259,467
Benefit Payments, Including Refunds of Member Contributions	(12,922,751)	(13,670,346)	(14,577,712)
Net Change in Total Pension Liability	10,265,357	27,213,736	3,978,050
Total Pension Liability - Beginning	261,019,846	271,285,203	298,498,939
TOTAL PENSION LIABILITY - ENDING	\$ 271,285,203	\$ 298,498,939	\$ 302,476,989
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 9,973,179	\$ 9,786,645	\$ 10,395,154
Contributions- Member	1,704,162	1,696,300	1,718,845
Net Investment Income	7,144,916	(5,946,400)	14,904,623
Benefit Payments, Including Refunds of Member Contributions	(12,922,751)	(13,670,346)	(14,577,712)
Administrative Expense	(133,317)	(109,969)	(137,137)
Net Change in Plan Fiduciary Net Position	5,766,189	(8,243,770)	12,303,773
Plan Net Position - Beginning	114,719,513	120,485,702	112,241,932
PLAN NET POSITION - ENDING	\$ 120,485,702	\$ 112,241,932	\$ 124,545,705
EMPLOYER'S NET PENSION LIABILITY	\$ 150,799,501	\$ 186,257,007	\$ 177,931,284
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44.4%	37.6%	41.2%
Covered-Employee Payroll	\$ 17,649,529	\$ 16,982,730	\$ 19,361,967
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	854.4%	1096.7%	919.0%

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

CITY OF SPRINGFIELD, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS

February 28, 2017

Annual Money-Weighted Rate of Return, Net of Investment Expense			
	2015	2016	2017
Police Pension Plan	6.71%	-4.74%	13.02%
Firefighters' Pension Plan	6.30%	-4.86%	13.35%

These schedules are intended to present information for a ten-year period. As updated information becomes available, additional years will be presented.

CITY OF SPRINGFIELD, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO FINANCIAL STATEMENTS

1. BUDGETARY INFORMATION

Budgetary information:

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

- Prior to February 28/29, the Director of the Office of Budget and Management submits to the City Council, a proposed operating budget for the fiscal year commencing March 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to March 1, the budget is legally enacted through passage of an ordinance.
- The level of budgetary control is by major object within each department.
- The department head responsible for approval of transfers, certifies the transfer is necessary and transmits a copy of the approval so that the Director of the Office of Budget and Management may record the transfers. The sum of such transfers cannot exceed 2 percent of the total appropriation within specified major objects. Budgeted amounts may be transferred between line items within a department within a fund; however, any revisions that alter total departmental expenditures of any fund must be approved by the City Council. Unexpended appropriations remaining at year-end lapse, rolled, or re-appropriated in the next fiscal year.
- Supplemental budgetary appropriations were necessary during the fiscal year ended February 28, 2017. Supplemental appropriations totaled \$2,709,635.
- Budgets are adopted on the modified accrual basis of accounting for the General Fund, Special Revenue Funds, Oak Ridge Cemetery Operating Fund, Motor Vehicle Parking System, Sewer, Debt Service Funds and the Capital Projects Funds, except for the funds indicated below, by fund type. The following funds were unbudgeted for fiscal year 2017.

Special Revenue Funds

Illinois Municipal Retirement Fund
Local Foreign Fire Insurance Fund
DCEO Grant Fund

Enterprise Funds

Oak Ridge Endowment Care Sub-Fund

- Budgets are also adopted in accordance with revenue bond ordinances for the following Enterprise Funds: Water, and Electric Light and Power. The Water and Electric Light and Power budgets are adopted on the accrual basis.

CITY OF SPRINGFIELD, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

2. EXPENDITURES IN EXCESS OF BUDGET

The following major object line items had an excess of expenditures over budget for the year ended February 28, 2017:

General Fund

General Government – Contractual services	\$ 951
General Government – Commodities	4,003
Public Health and Safety – Telecommunications	244
Highway and Streets – Telecommunications	4,703
Highway and Streets – Travel	1,214
Economic Development – Telecommunications	140
Capital Outlay – Telecommunications	2,518
Capital Outlay – Electronic Data Processing	12,886
Capital Outlay – Equipment	100

Northeast TIF Project Fund

Debt Service – Principal	24,425
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Special Assessments Fund

Debt Service – Principal	312
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South Central Business District

Debt Service – Principal	41,213
Debt Service – Interest	27,895

Capital Equipment Fund

Debt Service – Interest	521
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Oak Ridge Cemetery Fund

Telecommunications	156
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Motor Vehicle Parking Fund

Commodities	727
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Support Services Revolving Fund

Personal services	51,908
Operations of automotives	35,642

Unemployment Compensation Escrow Fund

Personal services	13,990
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Electric Light and Power Fund

Other postemployment benefits	13,454,361
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Water Fund

Other postemployment benefits	3,068,959
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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

GENERAL FUND

The City's General Fund consists of the following sub-funds:

The General (Corporate) Fund accounts for all of the general revenue of the City which is not specifically levied or collected for other City funds, and for expenditures related to public works, public safety and other general governmental activities of the City.

The Lincoln Library Fund accounts for replacement taxes, grant revenues, and fees to finance the City's public library and expenditures related to the operation of the library.

CITY OF SPRINGFIELD, ILLINOIS
GENERAL FUND
COMBINING BALANCE SHEET - BY SUBFUND

February 28, 2017

	General Fund	Library Fund	Combining General Fund
Assets:			
Cash and cash equivalents	\$ 2,544,431	\$ 553,693	\$ 3,098,124
Restricted cash & cash equivalents	-	-	-
Local taxes receivable	38,839,582	-	38,839,582
Grant receivable	212,581	-	212,581
Other receivables	704,886	-	704,886
Due from fiduciary funds	21,560	-	21,560
Interfund receivables	2,907,560	-	2,907,560
Total assets	<u>45,230,600</u>	<u>553,693</u>	<u>45,784,293</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	2,118,139	36,105	2,154,244
Other payables	282,788	70,583	353,371
Accrued payroll	1,514,925	54,693	1,569,618
Interfund payable	265,840	21,519	287,359
Total liabilities	<u>4,181,692</u>	<u>182,900</u>	<u>4,364,592</u>
Deferred inflows of resources:			
Unavailable property taxes	21,974,853	-	21,974,853
Unavailable revenues	271,710	-	271,710
Total deferred inflows of resources	<u>22,246,563</u>	<u>-</u>	<u>22,246,563</u>
Total liabilities and deferred inflows of resources	<u>26,428,255</u>	<u>182,900</u>	<u>26,611,155</u>
Fund Balance:			
Committed	144,667	-	144,667
Assigned	-	370,793	370,793
Unassigned	18,657,678	-	18,657,678
Total fund balance	<u>18,802,345</u>	<u>370,793</u>	<u>19,173,138</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 45,230,600</u>	<u>\$ 553,693</u>	<u>\$ 45,784,293</u>

See accompanying Independent Auditor's Report.

CITY OF SPRINGFIELD, ILLINOIS

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BY SUBFUND

February 28, 2017

	General Fund	Library Fund	Eliminations	Combining General Fund
Revenues:				
Taxes:				
Property tax	\$ 21,589,038	\$ -	\$ -	\$ 21,589,038
State Sales tax	28,127,636	-	-	28,127,636
City Sales tax	27,084,395	-	-	27,084,395
Use tax	4,960,471	-	-	4,960,471
Miscellaneous	3,246,278	-	-	3,246,278
Fees for services	2,670,789	64,863	-	2,735,652
Investment income	142,806	-	-	142,806
Intergovernmental	13,819,813	641,661	-	14,461,474
Intragovernmental	582,803	-	-	582,803
Licenses and permits	1,035,642	-	-	1,035,642
Fines and citations	1,041,286	-	-	1,041,286
Franchise fees	2,223,215	-	-	2,223,215
Miscellaneous	587,235	370	-	587,605
Total revenues	<u>107,111,407</u>	<u>706,894</u>	<u>-</u>	<u>107,818,301</u>
Expenditures:				
Current:				
General government	10,935,909	-	-	10,935,909
Public health and safety	84,730,737	-	-	84,730,737
Culture and recreation	-	4,044,562	-	4,044,562
Highway and streets	12,908,179	-	-	12,908,179
Economic development	356,711	-	-	356,711
Capital outlay	1,546,046	381,394	-	1,927,440
Debt service	152,520	-	-	152,520
Total expenditures	<u>110,630,102</u>	<u>4,425,956</u>	<u>-</u>	<u>115,056,058</u>
Excess (deficiency) of revenues over expenditures	<u>(3,518,695)</u>	<u>(3,719,062)</u>	<u>-</u>	<u>(7,237,757)</u>
Other financing sources (uses):				
Capital lease issuance	-	-	-	-
Transfers in	8,386,655	3,085,615	(3,085,615)	8,386,655
Transfers out	(6,762,257)	-	3,085,615	(3,676,642)
Total other financing sources (uses)	<u>1,624,398</u>	<u>3,085,615</u>	<u>-</u>	<u>4,710,013</u>
Net change in fund balance	<u>(1,894,297)</u>	<u>(633,447)</u>	<u>-</u>	<u>(2,527,744)</u>
Fund balances at beginning of year	20,696,642	1,004,240	-	21,700,882
Fund balances at end of year	<u>\$ 18,802,345</u>	<u>\$ 370,793</u>	<u>\$ -</u>	<u>\$ 19,173,138</u>

See accompanying Independent Auditor's Report.

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - LINCOLN LIBRARY FUND
GENERAL FUND SUB-FUND

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Revenues:				
Fees for services	\$ 79,250	\$ 79,250	\$ 64,863	\$ 14,387
Intergovernmental:				
Replacement tax	600,000	600,000	552,050	47,950
Grants	135,000	135,000	89,611	45,389
Total intergovernmental	<u>735,000</u>	<u>735,000</u>	<u>641,661</u>	<u>93,339</u>
Miscellaneous, other	550	550	370	180
Total revenues	<u>814,800</u>	<u>814,800</u>	<u>706,894</u>	<u>107,906</u>
Expenditures:				
Culture and recreation:				
Personal services and fringe benefits	3,294,407	3,294,407	3,191,052	103,355
Contractual services	858,100	858,100	812,553	45,547
Commodities	43,800	43,800	26,986	16,814
Other charges	16,250	16,250	13,971	2,279
Total culture and recreation	<u>4,212,557</u>	<u>4,212,557</u>	<u>4,044,562</u>	<u>167,995</u>
Capital outlay:				
Equipment	370,000	370,000	331,075	38,925
EDP equipment	45,000	45,000	34,117	10,883
Telecommunications	24,000	24,000	16,202	7,798
Total capital outlay	<u>439,000</u>	<u>439,000</u>	<u>381,394</u>	<u>57,606</u>
Total expenditures	<u>4,651,557</u>	<u>4,651,557</u>	<u>4,425,956</u>	<u>225,601</u>
Deficiency of revenues over expenditures	<u>(3,836,757)</u>	<u>(3,836,757)</u>	<u>(3,719,062)</u>	<u>117,695</u>
Other financing sources (uses):				
Transfers in	3,085,615	3,085,615	3,085,615	-
Total other financing sources (uses)	<u>3,085,615</u>	<u>3,085,615</u>	<u>3,085,615</u>	<u>-</u>
Net change in fund balance	<u>\$ (751,142)</u>	<u>\$ (751,142)</u>	<u>(633,447)</u>	<u>\$ 117,695</u>
Fund balance, beginning of year			1,004,240	
Fund balance, end of year			<u>\$ 370,793</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CAPITAL IMPROVEMENTS FUND

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Revenues:				
Taxes:				
City sales tax	\$ 14,132,047	\$ 14,132,047	\$ 13,533,195	\$ 598,852
Hotel tax	1,171,834	1,171,834	1,158,483	13,351
Video gaming tax	1,200,000	1,200,000	1,499,258	(299,258)
Fees for services	200,500	200,500	229,250	(28,750)
Misc, other	400	400	40,851	(40,451)
Total revenues	<u>16,704,781</u>	<u>16,704,781</u>	<u>16,461,037</u>	<u>243,744</u>
Expenditures:				
Highway and streets:				
Personal services & fringe benefits	245,023	249,023	248,915	108
Contractual services	33,161,455	33,157,455	26,518,265	6,639,190
Debt Service				
Principal	3,969,985	3,969,985	3,859,844	110,141
Interest	3,928,930	3,928,930	3,889,162	39,768
Total highway and streets	<u>41,305,393</u>	<u>41,305,393</u>	<u>34,516,186</u>	<u>6,789,207</u>
Capital outlay, improvements	<u>1,813,000</u>	<u>1,813,000</u>	<u>351,989</u>	<u>1,461,011</u>
Total expenditures	<u>43,118,393</u>	<u>43,118,393</u>	<u>34,868,175</u>	<u>8,250,218</u>
Excess of revenues over expenditures	<u>(26,413,612)</u>	<u>(26,413,612)</u>	<u>(18,407,138)</u>	<u>8,006,474</u>
Other financing sources (uses):				
Transfers in	<u>1,864,428</u>	<u>1,864,428</u>	<u>1,864,428</u>	<u>-</u>
Total other financing sources (uses)	<u>1,864,428</u>	<u>1,864,428</u>	<u>1,864,428</u>	<u>-</u>
Net change in fund balance	<u>\$ (24,549,184)</u>	<u>\$ (24,549,184)</u>	<u>(16,542,710)</u>	<u>\$ 8,006,474</u>
Fund balance, beginning of year			<u>71,660,968</u>	
Fund balance, end of year			<u>\$ 55,118,258</u>	

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for revenue from specific taxes or other earmarked revenue sources which, by statute, charter provision, or local ordinance, are restricted or committed to finance particular functions or activities of the government. The City's special revenue funds are as follows:

The Convention and Visitors Fund accounts for Hotel-Motel Tax and expenditures for the promotion of tourism and conventions in Springfield.

The Illinois Municipal Retirement Fund (IMRF) Fund accounts for the City's IMRF contributions and is custodial in nature.

The Motor Fuel Tax Fund accounts for the City's Motor Fuel Tax allotment from the state and expenditures for street improvements and operating transfers for the retirement of special assessment bonds.

The Community Development Block Grant Fund accounts for entitlement revenue from the U.S. Department of Housing and Urban Development (HUD) and designated expenditures in the areas of Housing and Neighborhood Revitalization; Public Facilities Improvement; and Economic Development and Public Services for the City.

The Community Development Block Grant Home Program Fund accounts for entitlement revenue from the U.S. Department of Housing and Urban Development (HUD) and expenditures in the areas of Housing and Neighborhood Revitalization.

The Special Allocation Project Account Fund (Downtown TIF) is a special revenue fund which accounts for revenues including property taxes, and loan payments received and expenditures made for downtown TIF eligible projects.

The State Drug Profit Forfeiture Fund accounts for State revenues received from the sale of seized assets in narcotic arrests and expenditures related to police activities.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds – Continued

The Police Evidence Fund accounts for monies collected as evidence in legal cases and is custodial in nature.

The DCEO Grant Fund accounts for grant revenue received from the Illinois Department of Commerce and Economic Opportunity (DCEO) and grant reimbursable expenditures.

The Federal Drug Profit Forfeiture Fund accounts for revenues received from the sale of seized assets in narcotic arrests and expenditures related to police activities.

The Police Law Enforcement Block Grant Fund accounts for revenue received from the U.S. Department of Justice and designated expenditures within the areas of crime reduction and public safety.

Madison Park Place TIF Project Fund accounts for revenues, including property taxes, and for loan payments received and eligible TIF project expenditures.

The Local Foreign Fire Insurance Fund accounts for transfers received from the General Fund and expenditures for the Fire Department. This fund is in the custody of the Foreign Fire Insurance Board.

The Police Laboratory Fund accounts for revenues received from the court systems for marijuana drug testing completed by certified Springfield police detectives.

The Illinois Housing Development Authority Grant Fund accounts for revenue from the State of Illinois and designated expenditures in the areas of Housing and Neighborhood Revitalization.

Enos Park TIF Project fund accounts for revenues, including property taxes, and loan payments received and eligible TIF project expenditures.

The Recycling Fee Fund accounts for the recycling fee committed by City Council for designated expenditures in recycling and waste management.

Northeast TIF Project Fund accounts for revenues, including property taxes, and loan payments received and eligible TIF project expenditures.

Jefferson Crossing TIF Project Fund accounts for revenues, including property taxes, and eligible TIF project expenditures.

MacArthur TIF Fund accounts for revenues, including property taxes, and loan payments received and eligible TIF project expenditures.

Dirksen Parkway Commercial Redevelopment Fund accounts for revenues, including property taxes, and loan payments received and eligible TIF project expenditures.

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of principal and interest on general obligation debt, serial and term, other than revenue debt issued for and serviced by a governmental enterprise. The City's debt service funds are as follows:

The Special Assessments Fund accounts for monies, including special assessment receivables, used to retire special assessment bonds payable.

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds. The City's capital project funds are as follows:

The 1996 Capital Improvement Fund (also included bond proceeds for Wanless' Iles Junction Special Service Area) accounts for the Issuance of the Series 1996C General Obligation Bonds and expenditures related to the Stanford Avenue, Eleventh Street and Koke Mill Road construction projects. This fund also accounts for the revenues and expenditures related to the Wanless' Iles Junction Special Service Area.

The TIF South Grand Pointe Project Fund accounts for the bond issuance of the Series 1995 Tax Incremental Revenue Bonds and expenditures related to the South Grand Pointe Project.

The South Central Business Fund accounts for revenues from City sales tax and eligible expenditures in the District.

The Capital Equipment Fund accounts for the committed revenues and expenditures for the purchase of capital equipment other than equipment financed by proprietary and trust funds.

CITY OF SPRINGFIELD, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

February 28, 2017

	Special Revenue Funds			
	Convention & Visitors Fund	Illinois Municipal Retirement Fund	Motor Fuel Tax Fund	Community Development Block Grant Fund
Assets				
Cash and cash equivalents	\$ 2,143,186	\$ -	\$ -	\$ 85
Local taxes receivable	115,354	-	249,950	-
Notes receivable	-	-	-	149,277
Grants receivable	119,784	-	-	-
Other receivables	-	-	6,050,797	-
Due from fiduciary funds	925	-	-	-
Interfund receivables	-	949,256	3,172,422	100,828
Other assets	-	-	-	-
Restricted cash and cash equivalents	-	204,147	6,292,276	23,453
Total assets	\$ 2,379,249	\$ 1,153,403	\$ 15,765,445	\$ 273,643
Liabilities , deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 147,397	\$ -	\$ 3,612,017	\$ 115,034
Accrued payroll	19,001	1,288,361	-	6,772
Interfund payable	24,612	-	1,600	-
Total liabilities	191,010	1,288,361	3,613,617	121,806
Deferred inflows of resources:				
Unavailable property taxes	-	-	-	-
Unavailable revenues	3,140	-	6,049,836	149,278
Total deferred inflows of resources	3,140	-	6,049,836	149,278
Total liabilities and deferred inflows of resources	194,150	1,288,361	9,663,453	271,084
Fund balances (deficit):				
Nonspendable	-	-	-	-
Restricted:				
Economic development	-	-	-	2,559
Capital projects	-	-	-	-
Highways and streets	-	-	6,101,992	-
Public safety	-	-	-	-
Debt service	-	-	-	-
Unrestricted				
Committed	2,185,099	-	-	-
Unassigned (deficit)	-	(134,958)	-	-
Total fund balances (deficit)	2,185,099	(134,958)	6,101,992	2,559
Total liabilities, deferred inflows of resources and fund balances	\$ 2,379,249	\$ 1,153,403	\$ 15,765,445	\$ 273,643

Exhibit 10
(Continued)

Special Revenue Funds						
Community Development Block Grant Home Program Fund	Special Allocation Project Account Fund (Downtown TIF)	State Drug Profit Forfeiture Fund	Police Evidence Fund	DCEO Grant Fund	Federal Drug Profit Forfeiture Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	3,900,000	-	-	-	-	
-	967,382	-	-	-	-	
22,464	-	-	-	-	150,860	
-	-	61	1,338	-	98	
-	1,901	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	4,362,795	113,577	384,706	-	197,653	
<u>\$ 22,464</u>	<u>\$ 9,232,078</u>	<u>\$ 113,638</u>	<u>\$ 386,044</u>	<u>\$ -</u>	<u>\$ 348,611</u>	
\$ 22,464	\$ 957,640	\$ 3,556	\$ 4,625	\$ -	\$ 24,695	
-	7,766	-	-	-	-	
-	-	-	-	-	-	
<u>22,464</u>	<u>965,406</u>	<u>3,556</u>	<u>4,625</u>	<u>-</u>	<u>24,695</u>	
-	3,900,000	-	-	-	-	
-	967,112	-	-	-	97,659	
-	4,867,112	-	-	-	97,659	
<u>22,464</u>	<u>5,832,518</u>	<u>3,556</u>	<u>4,625</u>	<u>-</u>	<u>122,354</u>	
-	-	-	-	-	-	
-	3,399,560	-	-	-	-	
-	-	-	-	-	-	
-	-	110,082	381,419	-	226,257	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>-</u>	<u>3,399,560</u>	<u>110,082</u>	<u>381,419</u>	<u>-</u>	<u>226,257</u>	
<u>\$ 22,464</u>	<u>\$ 9,232,078</u>	<u>\$ 113,638</u>	<u>\$ 386,044</u>	<u>\$ -</u>	<u>\$ 348,611</u>	

(Continued)

CITY OF SPRINGFIELD, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

February 28, 2017

	Special Revenue Funds			
	Police Law Enforcement Block Grant Fund	Madison Park Place TIF Project Fund	Local Foreign Fire Insurance Fund	Police Laboratory Fund
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Local taxes receivable	-	255,000	-	-
Notes receivable	-	-	-	-
Grant receivables	110,400	-	-	-
Other receivables	1	364	-	23
Due from fiduciary funds	-	-	-	-
Interfund receivables	-	-	-	-
Other assets	-	-	14,932	-
Restricted cash and cash equivalents	1,446	1,483,048	269,577	47,470
Total assets	\$ 111,847	\$ 1,738,412	\$ 284,509	\$ 47,493
Liabilities , deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 110,393	\$ -	\$ 20,321	\$ 1,535
Accrued payroll	-	185	-	-
Interfund payable	-	-	-	-
Total liabilities	110,393	185	20,321	1,535
Deferred inflows of resources:				
Unavailable property taxes	-	255,000	-	-
Unavailable revenues	107,520	-	-	-
Total deferred inflows of resources	107,520	255,000	-	-
Total liabilities and deferred inflows of resources	217,913	255,185	20,321	1,535
Fund balances (deficit):				
Nonspendable	-	-	14,932	-
Restricted:				
Economic development	-	1,483,227	-	-
Capital projects	-	-	-	-
Highways and streets	-	-	-	-
Public safety	-	-	249,256	45,958
Debt service	-	-	-	-
Unrestricted				
Committed	-	-	-	-
Unassigned (deficit)	(106,066)	-	-	-
Total fund balances (deficit)	(106,066)	1,483,227	264,188	45,958
Total liabilities, deferred inflows of resources and fund balances	\$ 111,847	\$ 1,738,412	\$ 284,509	\$ 47,493

Exhibit 10
Continued

Special Revenue Funds						
Illinois Housing Development Authority Grant Fund	Enos Park TIF Project Fund	Recycling Fee Fund	Northeast TIF Project Fund	Jefferson Crossing TIF Project Fund	MacArthur TIF Fund	Dirksen Parkway Commercial Redevelopment Fund
\$ -	\$ -	\$ 399,982	\$ -	\$ -	\$ -	\$ -
-	475,000	-	459,624	5,385	115,000	80,000
-	28,237	-	-	-	-	-
-	-	-	-	-	-	-
-	210	-	-	1	20	36
-	-	-	-	-	-	-
-	-	112,654	-	-	-	-
-	-	-	-	-	-	-
32,659	756,007	-	256	4,648	81,658	147,167
<u>\$ 32,659</u>	<u>\$ 1,259,454</u>	<u>\$ 512,636</u>	<u>\$ 459,880</u>	<u>\$ 10,034</u>	<u>\$ 196,678</u>	<u>\$ 227,203</u>
\$ -	\$ 7,980	\$ 68,855	\$ -	\$ -	\$ 79,695	\$ -
-	111	-	-	-	-	-
-	100,828	-	-	-	-	-
-	108,919	68,855	-	-	79,695	-
-	475,000	-	459,624	5,385	115,000	80,000
-	28,875	-	-	-	-	-
-	503,875	-	459,624	5,385	115,000	80,000
-	612,794	68,855	459,624	5,385	194,695	80,000
-	-	-	-	-	-	-
32,659	646,660	-	256	4,649	1,983	147,203
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	443,781	-	-	-	-
-	-	-	-	-	-	-
32,659	646,660	443,781	256	4,649	1,983	147,203
<u>\$ 32,659</u>	<u>\$ 1,259,454</u>	<u>\$ 512,636</u>	<u>\$ 459,880</u>	<u>\$ 10,034</u>	<u>\$ 196,678</u>	<u>\$ 227,203</u>

(Continued)

CITY OF SPRINGFIELD, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

February 28, 2017

	Debt Service Funds	
	Special Assessments Fund	
Assets		
Cash and cash equivalents	\$	104,248
Local taxes receivable		55,895
Notes receivable		-
Grants receivable		-
Other receivables		26
Due from fiduciary funds		-
Interfund receivables		-
Other assets		-
Restricted cash and cash equivalents		658
Total assets	\$	160,827
Liabilities , deferred inflows of resources and fund balances		
Liabilities:		
Accounts payable	\$	-
Accrued payroll		-
Interfund payable		-
Total liabilities		-
Deferred inflows of resources:		
Unavailable property taxes		55,895
Unavailable revenues		-
Total deferred inflows of resources		55,895
Total liabilities and deferred inflows of resources		55,895
Fund balances (deficit):		
Nonspendable		-
Restricted:		
Economic development		-
Capital projects		-
Highways and streets		-
Public safety		-
Debt service		104,932
Unrestricted		
Committed		-
Unassigned (deficit)		-
Total fund balances (deficit)		104,932
Total liabilities, deferred inflows of resources and fund balances	\$	160,827

Exhibit 10
Continued

Capital Projects Fund				
1996 Capital Improvement Fund (Wanless Iles Junction SSA)	TIF South Grand Pointe Project Fund	South Central Business District	Capital Equipment Fund	Total Non Major Governmental Funds
\$ -	\$ -	\$ -	\$ 363,533	\$ 3,011,034
-	530,000	920,728	-	7,161,936
-	-	-	-	1,144,896
-	-	-	-	403,508
163	322	-	-	6,053,460
-	-	-	-	2,826
-	-	-	-	4,335,160
-	-	-	-	14,932
663,072	1,310,401	2,172,692	-	18,549,366
<u>\$ 663,235</u>	<u>\$ 1,840,723</u>	<u>\$ 3,093,420</u>	<u>\$ 363,533</u>	<u>40,677,118</u>
\$ 21,611	\$ -	\$ -	\$ -	5,197,818
-	148	-	-	1,322,344
-	-	2,625,903	-	2,752,943
<u>21,611</u>	<u>148</u>	<u>2,625,903</u>	<u>-</u>	<u>9,273,105</u>
-	530,000	820,000	-	6,695,904
-	-	-	-	7,403,420
-	530,000	820,000	-	14,099,324
<u>21,611</u>	<u>530,148</u>	<u>3,445,903</u>	<u>-</u>	<u>23,372,429</u>
-	-	-	-	14,932
-	-	-	-	5,718,756
641,624	1,310,575	-	-	1,952,199
-	-	-	-	6,101,992
-	-	-	-	1,012,972
-	-	2,186,439	-	2,291,371
-	-	-	363,533	2,992,413
-	-	(2,538,922)	-	(2,779,946)
<u>641,624</u>	<u>1,310,575</u>	<u>(352,483)</u>	<u>363,533</u>	<u>17,304,689</u>
<u>\$ 663,235</u>	<u>\$ 1,840,723</u>	<u>\$ 3,093,420</u>	<u>\$ 363,533</u>	<u>\$ 40,677,118</u>
(Concluded)				

CITY OF SPRINGFIELD, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended February 28 2017

	Special Revenue Funds			
	Convention & Visitors Fund	Illinois Municipal Retirement Fund	Motor Fuel Tax Fund	Community Development Block Grant Fund
Revenues:				
Taxes:				
Property tax	\$ -	\$ -	\$ -	\$ -
City sales tax	-	-	-	-
Motor fuel tax	-	-	2,963,101	-
Hotel/motel taxes	1,737,724	-	-	-
Fees for services	-	-	-	-
Investment income	3,985	-	16,749	3,813
Intergovernmental	783,610	-	5,572,469	583,364
Miscellaneous	3,864	1,230	19,495	15,812
Total revenues	<u>2,529,183</u>	<u>1,230</u>	<u>8,571,814</u>	<u>602,989</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public health and safety	-	-	-	-
Culture and recreation	2,410,049	-	-	-
Highway and streets	-	-	11,092,667	-
Economic development	-	-	-	820,505
Capital outlay	65,519	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>2,475,568</u>	<u>-</u>	<u>11,092,667</u>	<u>820,505</u>
Excess (deficiency) of revenues over expenditures	<u>53,615</u>	<u>1,230</u>	<u>(2,520,853)</u>	<u>(217,516)</u>
Other financing sources (uses):				
Transfers in	196,245	-	-	82,881
Transfers out	-	-	(332,450)	-
Issuance of long-term debt	-	-	-	-
Bond premium	-	-	-	-
Bond discount	-	-	-	-
Total other financing sources (uses)	<u>196,245</u>	<u>-</u>	<u>(332,450)</u>	<u>82,881</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>249,860</u>	<u>1,230</u>	<u>(2,853,303)</u>	<u>(134,635)</u>
Fund balances (deficit), beginning of year	1,935,239	(136,188)	8,955,295	137,194
Fund balances (deficit), end of year	<u>\$ 2,185,099</u>	<u>\$ (134,958)</u>	<u>\$ 6,101,992</u>	<u>\$ 2,559</u>

Exhibit 11
(Continued)

Special Revenue Funds					
Community Development Block Grant Home Program Fund	Special Allocation Project Account Fund (Downtown TIF)	State Drug Profit Forfeiture Fund	Police Evidence Fund	DCEO Grant Fund	Federal Drug Profit Forfeiture Fund
\$ -	\$ 3,721,922	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	61,694	564	3,590	43	939
468,168	-	-	-	-	-
-	1,546,607	61,175	141,035	-	58,846
468,168	5,330,223	61,739	144,625	43	59,785
-	-	-	-	-	-
-	-	90,078	99,536	-	12,075
-	-	-	-	-	-
-	-	-	-	-	-
385,287	4,344,023	-	-	-	-
-	-	17,714	-	-	72,276
-	-	-	-	-	-
-	-	-	-	-	-
385,287	4,344,023	107,792	99,536	-	84,351
-	-	-	-	-	-
82,881	986,200	(46,053)	45,089	43	(24,566)
-	-	-	-	-	-
(82,881)	-	-	-	(196,245)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(82,881)	-	-	-	(196,245)	-
-	-	-	-	-	-
-	986,200	(46,053)	45,089	(196,202)	(24,566)
-	2,413,360	156,135	336,330	196,202	250,823
\$ -	\$ 3,399,560	\$ 110,082	\$ 381,419	\$ -	\$ 226,257

(Continued)

CITY OF SPRINGFIELD, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended February 28, 2017

	Special Revenue Funds			
	Police Law Enforcement Block Grant Fund	Madison Park Place TIF Project Fund	Local Foreign Fire Insurance Fund	Police Laboratory Fund
Revenues:				
Taxes:				
Property tax	\$ -	\$ 254,773	\$ -	\$ -
City sales tax	-	-	-	-
Motor fuel tax	-	-	-	-
Hotel/motel taxes	-	-	-	-
Fees for services	-	-	-	3,362
Investment income	-	4,281	274	191
Intergovernmental	52,863	-	-	-
Miscellaneous	-	-	234,766	-
Total revenues	<u>52,863</u>	<u>259,054</u>	<u>235,040</u>	<u>3,553</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public health and safety	50,000	-	196,349	2,876
Culture and recreation	-	-	-	-
Highway and streets	-	-	-	-
Economic development	-	5,277	-	-
Capital outlay	110,472	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>160,472</u>	<u>5,277</u>	<u>196,349</u>	<u>2,876</u>
Excess (deficiency) of revenues over expenditures	<u>(107,609)</u>	<u>253,777</u>	<u>38,691</u>	<u>677</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of long-term debt	-	-	-	-
Bond premium	-	-	-	-
Bond discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(107,609)</u>	<u>253,777</u>	<u>38,691</u>	<u>677</u>
Fund balances (deficit), beginning of year	1,543	\$ 1,229,450	225,497	45,281
Fund balances (deficit), end of year	<u>\$ (106,066)</u>	<u>\$ 1,483,227</u>	<u>\$ 264,188</u>	<u>\$ 45,958</u>

Exhibit 11
Continued

Special Revenue Funds						
Illinois Housing Development Authority Grant Fund	Enos Park TIF Project Fund	Recycling Fee Fund	Northeast TIF Project Fund	Jefferson Crossing TIF Project Fund	MacArthur TIF Fund	Dirksen Parkway Commercial Redevelopment Fund
\$ -	\$ 470,896	\$ -	\$ 447,026	\$ 394	\$ 112,052	\$ 78,808
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,029,486	-	-	-	-
-	4,356	-	460	13	220	365
-	-	-	-	-	-	-
-	19,980	-	-	-	-	-
-	495,232	1,029,486	447,486	407	112,272	79,173
-	-	-	-	-	-	-
-	-	944,711	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	250,544	-	199,256	-	126,620	-
-	-	-	-	-	-	-
-	-	-	235,358	-	-	-
-	-	-	12,642	-	-	-
-	250,544	944,711	447,256	-	126,620	-
-	-	-	-	-	-	-
-	244,688	84,775	230	407	(14,348)	79,173
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	244,688	84,775	230	407	(14,348)	79,173
32,659	401,972	359,006	26	4,242	16,331	68,030
\$ 32,659	\$ 646,660	\$ 443,781	\$ 256	\$ 4,649	\$ 1,983	\$ 147,203

(Continued)

CITY OF SPRINGFIELD, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended February 29, 2016

	<u>Debt Service Funds</u>
	<u>Special Assessments Fund</u>
Revenues:	
Taxes:	
Property tax	\$ 70,895
City sales tax	-
Motor fuel tax	-
Hotel/motel taxes	-
Fees for services	-
Investment income	388
Intergovernmental	-
Miscellaneous	-
Total revenues	<u>71,283</u>
Expenditures:	
Current:	
General government	-
Public health and safety	-
Culture and recreation	-
Highway and streets	-
Economic development	-
Capital outlay	-
Debt service	
Principal	56,719
Interest	14,176
Total expenditures	<u>70,895</u>
Excess (deficiency) of revenues over expenditures	<u>388</u>
Other financing sources (uses):	
Transfers in	578
Transfers out	-
Issuance of long-term debt	-
Total other financing sources (uses)	<u>578</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	966
Fund balances (deficit), beginning of year	\$ 103,966
Fund balances (deficit), end of year	<u><u>\$ 104,932</u></u>

Exhibit 11
Continued

Capital Projects Funds				
1996 Capital Improvement Fund (Wanless Iles Junction SSA)	TIF South Grand Pointe Project Fund	South Central Business District	Capital Equipment Fund	Total Non Major Governmental Funds
\$ -	\$ 548,123	\$ 819,953	\$ -	\$ 6,524,842
-	-	376,658	-	376,658
-	-	-	-	2,963,101
-	-	-	-	1,737,724
-	-	-	-	1,032,848
2,513	3,358	647	-	108,443
-	-	-	-	7,460,474
-	-	-	160,000	2,262,810
2,513	551,481	1,197,258	160,000	22,466,900
-	-	-	-	944,711
-	-	-	-	450,914
-	-	-	-	2,410,049
-	-	-	-	11,092,667
-	4,281	-	-	6,135,793
337,299	-	-	-	603,280
-	-	41,213	1,089,708	1,422,998
-	-	1,306,020	60,521	1,393,359
337,299	4,281	1,347,233	1,150,229	24,453,771
(334,786)	547,200	(149,975)	(990,229)	(1,986,871)
-	-	332,450	1,182,214	1,794,368
(578)	-	-	-	(612,154)
-	-	109,411	-	109,411
(578)	-	441,861	1,182,214	1,291,625
(335,364)	547,200	291,886	191,985	(695,246)
976,988	763,375	(644,369)	171,548	17,999,935
\$ 641,624	\$ 1,310,575	\$ (352,483)	\$ 363,533	\$ 17,304,689
(Concluded)				

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CONVENTION AND VISITORS FUND

Year Ended February 28, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Revenues:				
Taxes, hotel/motel taxes	\$ 1,762,752	\$ 1,762,752	\$ 1,737,724	\$ 25,028
Intergovernmental, grants	398,289	398,289	783,610	(385,321)
Investment income	150	150	3,985	(3,835)
Miscellaneous, other	3,000	3,000	3,864	(864)
Total revenues	<u>2,164,191</u>	<u>2,164,191</u>	<u>2,529,183</u>	<u>(364,992)</u>
Expenditures:				
Culture and recreation:				
Personal services and fringe benefits	1,240,617	1,240,617	1,048,695	191,922
Contractual services	1,624,282	1,607,575	1,247,358	360,217
Commodities	145,025	145,025	78,395	66,630
Other charges	62,102	62,102	35,601	26,501
Total culture and recreation	<u>3,072,026</u>	<u>3,055,319</u>	<u>2,410,049</u>	<u>645,270</u>
Capital outlay:				
Equipment	-	16,707	16,688	19
EDP equipment	73,400	73,400	44,219	29,181
Telecommunications	6,860	6,860	4,612	2,248
Total capital outlay	<u>80,260</u>	<u>96,967</u>	<u>65,519</u>	<u>31,448</u>
Total expenditures	<u>3,152,286</u>	<u>3,152,286</u>	<u>2,475,568</u>	<u>676,718</u>
Excess (deficiency) of revenues over expenditures	<u>(988,095)</u>	<u>(988,095)</u>	<u>53,615</u>	<u>(1,041,710)</u>
Other financing sources (uses):				
Transfers in	196,089	196,089	196,245	(156)
Total other financing sources (uses)	<u>196,089</u>	<u>196,089</u>	<u>196,245</u>	<u>(156)</u>
Net change in fund balance	<u>\$ (792,006)</u>	<u>\$ (792,006)</u>	<u>249,860</u>	<u>\$ (1,041,866)</u>
Fund balance, beginning of year			<u>1,935,239</u>	
Fund balance, end of year			<u>\$ 2,185,099</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - MOTOR FUEL TAX FUND

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Revenues:				
Taxes, motor fuel tax	\$ 2,766,750	\$ 2,766,750	\$ 2,963,101	\$ (196,351)
Investment income	1,900	1,900	16,749	(14,849)
Intergovernmental reimbursements	10,585,000	10,585,000	5,572,469	5,012,531
Miscellaneous, other	14,000	14,000	19,495	(5,495)
Total revenues	<u>13,367,650</u>	<u>13,367,650</u>	<u>8,571,814</u>	<u>4,795,836</u>
Expenditures:				
Highways and streets:				
Contractual services	1,000,000	560,000	17,925	542,075
Commodities	2,025,000	2,025,000	878,967	1,146,033
Improvements	15,000,000	15,440,000	10,195,775	5,244,225
Total highway and streets	<u>18,025,000</u>	<u>18,025,000</u>	<u>11,092,667</u>	<u>6,932,333</u>
Total expenditures	<u>18,025,000</u>	<u>18,025,000</u>	<u>11,092,667</u>	<u>6,932,333</u>
Excess (deficiency) of revenues over expenditures	<u>(4,657,350)</u>	<u>(4,657,350)</u>	<u>(2,520,853)</u>	<u>(2,136,497)</u>
Other financing uses:				
Transfers out	-	-	(332,450)	332,450
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(332,450)</u>	<u>332,450</u>
Net change in fund balance	<u>\$ (4,657,350)</u>	<u>\$ (4,657,350)</u>	(2,853,303)	<u>\$ (1,804,047)</u>
Fund balance, beginning of year			8,955,295	
Fund balance, end of year			<u>\$ 6,101,992</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT FUND

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Revenues:				
Intergovernmental, grants	\$ 2,190,000	\$ 2,190,000	\$ 583,364	\$ 1,606,636
Investment income	3,740	3,740	3,813	(73)
Miscellaneous, other	33,465	33,465	15,812	17,653
Total revenues	<u>2,227,205</u>	<u>2,227,205</u>	<u>602,989</u>	<u>1,624,216</u>
Expenditures:				
Economic development:				
Personal services	386,519	386,519	364,651	21,868
Contractual services	27,000	27,000	8,700	18,300
Commodities	400	400	-	400
Other charges	1,756,200	1,756,200	447,154	1,309,046
Total economic development	<u>2,170,119</u>	<u>2,170,119</u>	<u>820,505</u>	<u>1,349,614</u>
Capital outlay:				
EDP equipment	500	500	-	500
Total capital outlay	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total expenditures	<u>2,170,619</u>	<u>2,170,619</u>	<u>820,505</u>	<u>1,350,114</u>
Excess (deficiency) of revenues over expenditures	<u>56,586</u>	<u>56,586</u>	<u>(217,516)</u>	<u>274,102</u>
Other financing sources:				
Transfers in	83,000	83,000	82,881	119
Total other financing sources	<u>83,000</u>	<u>83,000</u>	<u>82,881</u>	<u>119</u>
Net change in fund balance	<u>\$ 139,586</u>	<u>\$ 139,586</u>	<u>(134,635)</u>	<u>\$ 274,221</u>
Fund balance, beginning of year			137,194	
Fund balance, end of year			<u>\$ 2,559</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT HOME PROGRAM FUND

Year Ended February 28, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Revenues:				
Intergovernmental grants	\$ 1,160,000	\$ 1,160,000	\$ 468,168	\$ 691,832
Total revenues	<u>1,160,000</u>	<u>1,160,000</u>	<u>468,168</u>	<u>691,832</u>
Expenditures:				
Economic development				
Other charges	1,075,000	1,075,000	385,287	689,713
Total expenditures	<u>1,075,000</u>	<u>1,075,000</u>	<u>385,287</u>	<u>689,713</u>
Excess of revenues over expenditures	<u>85,000</u>	<u>85,000</u>	<u>82,881</u>	<u>2,119</u>
Other financing uses:				
Transfers out	(83,000)	(83,000)	(82,881)	(119)
Total other financing uses	<u>(83,000)</u>	<u>(83,000)</u>	<u>(82,881)</u>	<u>(119)</u>
Net change in fund balance	<u>\$ 2,000</u>	<u>\$ 2,000</u>	-	<u>\$ 2,000</u>
Fund balance, beginning of year			-	
Fund balance, end of year			<u>\$ -</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - SPECIAL ALLOCATION PROJECT ACCOUNT FUND (DOWNTOWN TIF)

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Revenues:				
Taxes, property taxes	\$ 3,850,000	\$ 3,850,000	\$ 3,721,922	\$ 128,078
Investment income	70,200	70,200	61,694	8,506
Miscellaneous, other	1,600,000	1,600,000	1,546,607	53,393
Total revenues	<u>5,520,200</u>	<u>5,520,200</u>	<u>5,330,223</u>	<u>189,977</u>
Expenditures:				
Economic development:				
Personal services and fringe benefits	432,414	432,414	395,430	36,984
Contractual services	57,750	57,750	6,381	51,369
Commodities	1,100	1,100	484	616
Other charges	6,003,550	6,003,550	3,941,728	2,061,822
Total economic development	<u>6,494,814</u>	<u>6,494,814</u>	<u>4,344,023</u>	<u>2,150,791</u>
Capital outlay:				
Equipment	500	500	-	500
EDP equipment	1,550	1,550	-	1,550
Total capital outlay	<u>2,050</u>	<u>2,050</u>	<u>-</u>	<u>2,050</u>
Total expenditures	<u>6,496,864</u>	<u>6,496,864</u>	<u>4,344,023</u>	<u>2,152,841</u>
Excess (deficiency) of revenues over expenditures	<u>(976,664)</u>	<u>(976,664)</u>	<u>986,200</u>	<u>(1,962,864)</u>
Net change in fund balance	<u>\$ (976,664)</u>	<u>\$ (976,664)</u>	<u>986,200</u>	<u>\$ (1,962,864)</u>
Fund balance, beginning of year			<u>2,413,360</u>	
Fund balance, end of year			<u>\$ 3,399,560</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - STATE DRUG PROFIT FORFEITURE FUND

Year Ended February 28, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Revenues:				
Investment income	\$ 40	\$ 40	\$ 564	\$ (524)
Miscellaneous, other	72,500	72,500	61,175	11,325
Total revenues	<u>72,540</u>	<u>72,540</u>	<u>61,739</u>	<u>10,801</u>
Expenditures:				
Public health and safety:				
Contractual services	45,000	45,000	39,970	5,030
Commodities	52,000	52,000	43,276	8,724
Other/Travel	13,000	13,000	6,832	6,168
Total public health and safety	<u>110,000</u>	<u>110,000</u>	<u>90,078</u>	<u>19,922</u>
Capital outlay:				
Equipment	20,000	20,000	15,543	4,457
EDP equipment	5,000	5,000	2,171	2,829
Total capital outlay	<u>25,000</u>	<u>25,000</u>	<u>17,714</u>	<u>7,286</u>
Total expenditures	<u>135,000</u>	<u>135,000</u>	<u>107,792</u>	<u>27,208</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (62,460)</u>	<u>\$ (62,460)</u>	(46,053)	<u>\$ (16,407)</u>
Fund balance, beginning of year			156,135	
Fund balance, end of year			<u>\$ 110,082</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - POLICE EVIDENCE FUND

Year Ended February 28, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Revenues:				
Investment income	\$ 50	\$ 50	\$ 3,590	\$ (3,540)
Miscellaneous, other	85,000	85,000	141,035	(56,035)
Total revenues	<u>85,050</u>	<u>85,050</u>	<u>144,625</u>	<u>(59,575)</u>
Expenditures:				
Public health and safety:				
Other	130,000	130,000	99,536	30,464
Total expenditures	<u>130,000</u>	<u>130,000</u>	<u>99,536</u>	<u>30,464</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (44,950)</u>	<u>\$ (44,950)</u>	45,089	<u>\$ (90,039)</u>
Fund balance, beginning of year			336,330	
Fund balance, end of year			<u>\$ 381,419</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - FEDERAL DRUG PROFIT FORFEITURE FUND

Year Ended February 28, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Revenues:				
Investment income	\$ 50	\$ 50	\$ 939	\$ (889)
Miscellaneous	-	-	58,846	(58,846)
Total revenues	<u>50</u>	<u>50</u>	<u>59,785</u>	<u>(59,735)</u>
Expenditures:				
Public health and safety:				
Contractual services	5,000	5,000	3,290	1,710
Commodities	15,000	15,000	5,529	9,471
Other/Travel	18,500	18,500	3,256	15,244
Total public health and safety	<u>38,500</u>	<u>38,500</u>	<u>12,075</u>	<u>26,425</u>
Capital outlay:				
Equipment	100,000	100,000	40,986	59,014
EDP equipment	55,000	55,000	31,290	23,710
Total capital outlay	<u>155,000</u>	<u>155,000</u>	<u>72,276</u>	<u>82,724</u>
Total expenditures	<u>193,500</u>	<u>193,500</u>	<u>84,351</u>	<u>109,149</u>
Deficiency of revenues over expenditures	<u>\$ (193,450)</u>	<u>\$ (193,450)</u>	(24,566)	<u>\$ (168,884)</u>
Fund balance, beginning of year			250,823	
Fund balance, end of year			<u>\$ 226,257</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - POLICE LAW ENFORCEMENT BLOCK GRANT FUND

Year Ended February 28, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Revenues:				
Intergovernmental grants	\$ -	\$ -	\$ 52,863	\$ (52,863)
Total revenues	<u>-</u>	<u>-</u>	<u>52,863</u>	<u>(52,863)</u>
Expenditures:				
Public health and safety:				
Other charges	<u>163,308</u>	<u>163,308</u>	<u>50,000</u>	<u>113,308</u>
Total public health and safety	<u>163,308</u>	<u>163,308</u>	<u>50,000</u>	<u>113,308</u>
Capital outlay:				
Equipment	<u>225,777</u>	<u>225,777</u>	<u>110,472</u>	<u>115,305</u>
Total capital outlay	<u>225,777</u>	<u>225,777</u>	<u>110,472</u>	<u>115,305</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (389,085)</u>	<u>\$ (389,085)</u>	<u>(107,609)</u>	<u>\$ (281,476)</u>
Fund balance, beginning of year			<u>1,543</u>	
Fund balance (deficit), end of year			<u>\$ (106,066)</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - MADISON PARK PLACE TIF PROJECT FUND

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Revenues:				
Taxes, property tax	\$ 250,000	\$ 250,000	\$ 254,773	\$ (4,773)
Investment income	100	100	4,281	(4,181)
Total revenues	<u>250,100</u>	<u>250,100</u>	<u>259,054</u>	<u>(8,954)</u>
Expenditures:				
Economic development:				
Personal services	10,299	10,299	5,277	5,022
Other charges	1,468,560	1,468,560	-	1,468,560
Total expenditures	<u>1,478,859</u>	<u>1,478,859</u>	<u>5,277</u>	<u>1,473,582</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,228,759)</u>	<u>\$ (1,228,759)</u>	253,777	<u>\$ (1,482,536)</u>
Fund balance, beginning of year			<u>1,229,450</u>	
Fund balance, end of year			<u>\$ 1,483,227</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - POLICE LABORATORY FUND

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Revenues:				
Fees for services	\$ 4,500	\$ 4,500	\$ 3,362	\$ 1,138
Investment income	20	20	191	(171)
Total revenues	<u>4,520</u>	<u>4,520</u>	<u>3,553</u>	<u>967</u>
Expenditures:				
Public Safety:				
Contractual services	500	500	150	350
Commodities	<u>3,500</u>	<u>3,500</u>	<u>2,726</u>	<u>774</u>
Total public safety	<u>4,000</u>	<u>4,000</u>	<u>2,876</u>	<u>1,124</u>
Total expenditures	<u>4,000</u>	<u>4,000</u>	<u>2,876</u>	<u>1,124</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 520</u>	<u>\$ 520</u>	677	<u>\$ (157)</u>
Fund balance, beginning of year			45,281	
Fund balance, end of year			<u>\$ 45,958</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - ILLINOIS HOUSING DEVELOPMENT AUTHORITY GRANT

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures,				
Economic development, other charges	<u>32,660</u>	<u>32,660</u>	<u>-</u>	<u>32,660</u>
Total expenditures	<u>32,660</u>	<u>32,660</u>	<u>-</u>	<u>32,660</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (32,660)</u>	<u>\$ (32,660)</u>	<u>-</u>	<u>\$ 32,660</u>
Fund balance, beginning of year			<u>32,659</u>	
Fund balance, end of year			<u>\$ 32,659</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - ENOS PARK TIF PROJECT FUND

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Revenues:				
Taxes, property tax	\$ 479,000	\$ 479,000	\$ 470,896	\$ 8,104
Investment income	2,057	2,057	4,356	(2,299)
Miscellaneous, other	19,978	19,978	19,980	(2)
Total revenues	<u>501,035</u>	<u>501,035</u>	<u>495,232</u>	<u>5,803</u>
Expenditures:				
Economic development:				
Personal services and fringe benefits	-	5,855	3,104	2,751
Other charges	845,652	839,797	247,440	592,357
Total expenditures	<u>845,652</u>	<u>845,652</u>	<u>250,544</u>	<u>595,108</u>
Excess of revenues over expenditures	<u>\$ (344,617)</u>	<u>\$ (344,617)</u>	244,688	<u>\$ (589,305)</u>
Fund balance, beginning of year			401,972	
Fund balance, end of year			<u>\$ 646,660</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - RECYCLING FEE FUND

Year Ended February 28, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Revenues:				
Fees for services	\$ 650,000	\$ 650,000	\$ 1,029,486	\$ (379,486)
Total revenues	<u>650,000</u>	<u>650,000</u>	<u>1,029,486</u>	<u>(379,486)</u>
Expenditures:				
General government:				
Contractual services	656,000	929,000	926,885	2,115
Commodities	<u>14,950</u>	<u>21,950</u>	<u>17,826</u>	<u>4,124</u>
Total general government	<u>670,950</u>	<u>950,950</u>	<u>944,711</u>	<u>6,239</u>
Total expenditures	<u>670,950</u>	<u>950,950</u>	<u>944,711</u>	<u>6,239</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (20,950)</u>	<u>\$ (300,950)</u>	84,775	<u>\$ (385,725)</u>
Fund balance, beginning of year			<u>359,006</u>	
Fund balance, end of year			<u>\$ 443,781</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - NORTHEAST TIF PROJECT FUND

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Revenues:				
Taxes, property tax	\$ 450,000	\$ 450,000	\$ 447,026	\$ 2,974
Investment income	25	25	460	(435)
Total revenues	<u>450,025</u>	<u>450,025</u>	<u>447,486</u>	<u>2,539</u>
Expenditures:				
Economic development:				
Awards and grants	200,000	200,000	199,256	744
Debt service				
Principal	210,933	210,933	235,358	(24,425)
Interest	37,068	37,068	12,642	24,426
Total expenditures	<u>448,001</u>	<u>448,001</u>	<u>447,256</u>	<u>745</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 2,024</u>	<u>\$ 2,024</u>	230	<u>\$ 1,794</u>
Fund balance, beginning of year			26	
Fund balance, end of year			<u>\$ 256</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - JEFFERSON CROSSING TIF FUND

Year Ended February 28, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Revenues:				
Taxes, property tax	\$ 10,760	\$ 10,760	\$ 394	\$ 10,366
Investment income	-	-	13	(13)
Total revenues	<u>10,760</u>	<u>10,760</u>	<u>407</u>	<u>10,353</u>
Expenditures:				
Economic development:				
Awards and grants	<u>15,000</u>	<u>15,000</u>	-	<u>15,000</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	-	<u>15,000</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (4,240)</u>	<u>\$ (4,240)</u>	407	<u>\$ (4,647)</u>
Fund balance, beginning of year			<u>4,242</u>	
Fund balance, end of year			<u>\$ 4,649</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - MACARTHUR TIF

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Revenues:				
Taxes, property tax	\$ 20,000	\$ 20,000	\$ 112,052	\$ (92,052)
Investment income	-	-	220	(220)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>112,272</u>	<u>(92,272)</u>
Expenditures:				
Economic development:				
Awards and grants	<u>36,320</u>	<u>126,620</u>	<u>126,620</u>	<u>-</u>
Total expenditures	<u>36,320</u>	<u>126,620</u>	<u>126,620</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (16,320)</u>	<u>\$ (106,620)</u>	(14,348)	<u>\$ (92,272)</u>
Fund balance, beginning of year			<u>16,331</u>	
Fund balance, end of year			<u>\$ 1,983</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - DIRKSEN PARKWAY REDEVELOPMENT TIF

Year Ended February 28, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Revenues:				
Taxes, property tax	\$ 80,000	\$ 80,000	\$ 78,808	\$ 1,192
Investment income	25	25	365	(340)
Total revenues	<u>80,025</u>	<u>80,025</u>	<u>79,173</u>	<u>852</u>
Expenditures:				
Economic development:				
Awards and grants	135,000	135,000	-	135,000
Total expenditures	<u>135,000</u>	<u>135,000</u>	<u>-</u>	<u>135,000</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (54,975)</u>	<u>\$ (54,975)</u>	79,173	<u>\$ (134,148)</u>
Fund balance, beginning of year			68,030	
Fund balance, end of year			<u>\$ 147,203</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - SPECIAL ASSESSMENTS FUND

Year Ended February 28, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Revenues:				
Taxes, property tax	\$ 55,895	\$ 55,895	\$ 70,895	\$ (15,000)
Investment income	20	20	388	(368)
Total revenues	<u>55,915</u>	<u>55,915</u>	<u>71,283</u>	<u>(15,368)</u>
Expenditures:				
Debt service				
Principal	41,407	56,407	56,719	(312)
Interest	14,489	14,489	14,176	313
Total expenditures	<u>55,896</u>	<u>70,896</u>	<u>70,895</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>19</u>	<u>(14,981)</u>	<u>388</u>	<u>(15,369)</u>
Other financing sources:				
Transfers in	-	-	578	(578)
Total other financing sources	<u>-</u>	<u>-</u>	<u>578</u>	<u>(578)</u>
Net change in fund balance	<u>\$ 19</u>	<u>\$ (14,981)</u>	966	<u>\$ (15,947)</u>
Fund balance, beginning of year			103,966	
Fund balance, end of year			<u>\$ 104,932</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - 1996 CAPITAL IMPROVEMENT FUND
 AND WANLESS ILES JUNCTION SSA

Year Ended February 28, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Revenues:				
Investment income	\$ 50	\$ 50	\$ 2,513	\$ (2,463)
Intergovernmental reimbursements	30,000	30,000	-	30,000
Total revenues	<u>30,050</u>	<u>30,050</u>	<u>2,513</u>	<u>27,537</u>
Expenditures:				
Capital outlay, construction	<u>1,258,000</u>	<u>1,258,000</u>	<u>337,299</u>	<u>920,701</u>
Excess (deficiency) of revenues over expenditures	<u>(1,227,950)</u>	<u>(1,227,950)</u>	<u>(334,786)</u>	<u>(893,164)</u>
Other financing uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>(578)</u>	<u>578</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(578)</u>	<u>578</u>
Net change in fund balance	<u>\$ (1,227,950)</u>	<u>\$ (1,227,950)</u>	<u>(335,364)</u>	<u>\$ (892,586)</u>
Fund balance, beginning of year			<u>976,988</u>	
Fund balance, end of year			<u>\$ 641,624</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - TIF SOUTH GRAND POINTE PROJECT FUND

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Revenues:				
Taxes, property taxes	\$ 505,000	\$ 505,000	\$ 548,123	\$ (43,123)
Investment income	50	50	3,358	(3,308)
Total revenues	<u>505,050</u>	<u>505,050</u>	<u>551,481</u>	<u>(46,431)</u>
Expenditures:				
Economic development:				
Personal services and fringe benefits	8,852	8,552	4,281	4,271
Other charges	1,234,700	1,235,000	-	1,235,000
Total economic development	<u>1,243,552</u>	<u>1,243,552</u>	<u>4,281</u>	<u>1,239,271</u>
Excess (deficiency) of revenues over expenditures	<u>(738,502)</u>	<u>(738,502)</u>	<u>547,200</u>	<u>(1,285,702)</u>
Net change in fund balance	<u>\$ (738,502)</u>	<u>\$ (738,502)</u>	<u>547,200</u>	<u>\$ (1,285,702)</u>
Fund balance, beginning of year			<u>763,375</u>	
Fund balance, end of year			<u>\$ 1,310,575</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - SOUTH CENTRAL BUSINESS DISTRICT

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Revenues:				
Property tax	\$ 1,200,000	\$ 1,200,000	\$ 819,953	\$ 380,047
Sales tax	427,000	427,000	376,658	50,342
Investment income	60	60	647	(587)
Total revenues	<u>1,627,060</u>	<u>1,627,060</u>	<u>1,197,258</u>	<u>429,802</u>
Expenditures:				
Capital outlay:				
Improvements	6,400,000	6,400,000	-	6,400,000
Total capital outlay	<u>6,400,000</u>	<u>6,400,000</u>	<u>-</u>	<u>6,400,000</u>
Debt service:				
Principal	-	-	41,213	(41,213)
Interest	1,278,125	1,278,125	1,306,020	(27,895)
Total debt service	<u>1,278,125</u>	<u>1,278,125</u>	<u>1,347,233</u>	<u>(69,108)</u>
Total expenditures	<u>7,678,125</u>	<u>7,678,125</u>	<u>1,347,233</u>	<u>6,330,892</u>
Deficiency of revenues over expenditures	<u>(6,051,065)</u>	<u>(6,051,065)</u>	<u>(149,975)</u>	<u>(5,901,090)</u>
Other financing sources:				
Issuance of long-term debt	6,500,870	6,500,870	109,411	6,391,459
Transfers in	-	-	332,450	(332,450)
Total other financing uses	<u>6,500,870</u>	<u>6,500,870</u>	<u>441,861</u>	<u>6,059,009</u>
Net change in fund balance	<u>\$ 449,805</u>	<u>\$ 449,805</u>	291,886	<u>\$ 157,919</u>
Fund balance (deficit), beginning of year			(644,369)	
Fund balance (deficit), end of year			<u>\$ (352,483)</u>	

CITY OF SPRINGFIELD, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CAPITAL EQUIPMENT FUND

Year Ended February 28, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Revenues:				
Other	\$ -	\$ -	\$ 160,000	\$ (160,000)
Total revenue	-	-	160,000	(160,000)
Expenditures:				
Capital outlay:				
Equipment	44,916	44,916	-	44,916
Total capital outlay	44,916	44,916	-	44,916
Debt service:				
Principal	1,090,700	1,090,700	1,089,708	992
Interest	60,000	60,000	60,521	(521)
Total debt service	1,150,700	1,150,700	1,150,229	471
Total expenditures	1,195,616	1,195,616	1,150,229	45,387
Deficiency of revenues over expenditures	(1,195,616)	(1,195,616)	(990,229)	(205,387)
Other financing sources:				
Transfers in	1,182,214	1,182,214	1,182,214	-
Total other financing sources	1,182,214	1,182,214	1,182,214	-
Net change in fund balance	\$ (13,402)	\$ (13,402)	191,985	\$ (205,387)
Fund balance, beginning of year			171,548	
Fund balance, end of year			<u>\$ 363,533</u>	

CITY OF SPRINGFIELD, ILLINOIS

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS

February 28, 2017

	Oak Ridge Cemetery Fund	Sewer Fund	Motor Vehicle Parking System Fund	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 26,889	\$ 1,016,653	\$ 277,139	\$ 1,320,681
Investments	821,314	-	-	821,314
Interest receivable	5,240	414	44	5,698
Accounts receivable	296,601	3,080,592	-	3,377,193
Grants receivable	-	655,143	-	655,143
Interfund receivables	-	1,762,524	-	1,762,524
Inventory	367,428	-	9,878	377,306
Total current assets	<u>1,517,472</u>	<u>6,515,326</u>	<u>287,061</u>	<u>8,319,859</u>
Noncurrent assets:				
Capital assets				
Capital assets not being depreciated	-	68,421	964,964	1,033,385
Capital assets being depreciated, net	1,113,005	47,960,945	1,144,073	50,218,023
Total capital assets	<u>1,113,005</u>	<u>48,029,366</u>	<u>2,109,037</u>	<u>51,251,408</u>
Restricted cash and cash equivalents	-	657,797	-	657,797
Restricted investments	4,266,964	-	-	4,266,964
Service concession arrangement receivable	-	-	2,888,210	2,888,210
Total noncurrent assets	<u>5,379,969</u>	<u>48,687,163</u>	<u>4,997,247</u>	<u>59,064,379</u>
Total assets	<u>6,897,441</u>	<u>55,202,489</u>	<u>5,284,308</u>	<u>67,384,238</u>
Deferred Outflows of Resources:				
IMRF Pension	246,832	658,929	175,292	1,081,053
Total deferred outflows of resources	<u>246,832</u>	<u>658,929</u>	<u>175,292</u>	<u>1,081,053</u>
Total assets and deferred outflows of resources	<u>\$ 7,144,273</u>	<u>\$ 55,861,418</u>	<u>\$ 5,459,600</u>	<u>\$ 68,465,291</u>
Liabilities and Net Position				
Current liabilities:				
Accounts payable	\$ 19,763	\$ 194,721	\$ 42,148	\$ 256,632
Accrued payroll	24,206	54,451	12,120	90,777
Compensated absences payable	41,346	77,077	29,704	148,127
Accrued interest	-	19,428	-	19,428
Interfund payable	597	601,584	1,526	603,707
Due to other governments	-	3,554,310	-	3,554,310
Loans payable, due within one year	-	561,957	-	561,957
Total current liabilities	<u>85,912</u>	<u>5,063,528</u>	<u>85,498</u>	<u>5,234,938</u>
Noncurrent liabilities:				
Unearned revenue	987,659	-	-	987,659
Compensated absences	14,049	26,190	10,094	50,333
Loans payable, less current portion	-	3,598,772	-	3,598,772
IMRF net pension obligation	830,682	2,270,189	589,935	3,690,806
Other postemployment benefits obligation	857,885	3,054,383	830,314	4,742,582
Total noncurrent liabilities	<u>2,690,275</u>	<u>8,949,534</u>	<u>1,430,343</u>	<u>13,070,152</u>
Total liabilities	<u>2,776,187</u>	<u>14,013,062</u>	<u>1,515,841</u>	<u>18,305,090</u>
Deferred inflows from resources				
Deferred service concession arrangement	-	-	2,888,210	2,888,210
IMRF Pension	17,131	53,666	12,168	82,965
Total deferred inflows of resources	<u>17,131</u>	<u>53,666</u>	<u>2,900,378</u>	<u>2,971,175</u>
Total liabilities and deferred inflows of resources	<u>2,793,318</u>	<u>14,066,728</u>	<u>4,416,219</u>	<u>21,276,265</u>
Net Position				
Net investment in capital assets	1,113,005	43,868,637	2,109,037	47,090,679
Restricted for endowment care, nonexpendable	4,422,297	-	-	4,422,297
Unrestricted (deficit)	<u>(1,184,347)</u>	<u>(2,073,947)</u>	<u>(1,065,656)</u>	<u>(4,323,950)</u>
Total net position	<u>\$ 4,350,955</u>	<u>\$ 41,794,690</u>	<u>\$ 1,043,381</u>	<u>\$ 47,189,026</u>

CITY OF SPRINGFIELD, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS

Year Ended February 28, 2017

	Oak Ridge Cemetery Fund	Sewer Fund	Motor Vehicle Parking System Fund	Total
Operating revenues:				
Fees for services	\$ 835,859	\$ 6,453,003	\$ 672,199	\$ 7,961,061
Other	23,909	23,343	49,689	96,941
Total operating revenues	<u>859,768</u>	<u>6,476,346</u>	<u>721,888</u>	<u>8,058,002</u>
Operating expenses:				
Personal services	945,829	2,604,298	645,536	4,195,663
Contractual services	107,259	1,382,784	76,701	1,566,744
Commodities	94,712	123,859	21,177	239,748
Equipment	5,297	40,686	184	46,167
Electronic data processing	1,031	97,899	8,435	107,365
Telecommunications	4,056	13,315	15,770	33,141
Operation of automotive equipment	45,886	231,897	34,388	312,171
Repair and maintenance	-	264,638	-	264,638
Bank fees	365	-	-	365
Travel	41	4,734	-	4,775
Other postemployment benefits	264,251	837,040	160,673	1,261,964
Depreciation	83,883	2,060,883	69,035	2,213,801
Total operating expenses	<u>1,552,610</u>	<u>7,662,033</u>	<u>1,031,899</u>	<u>10,246,542</u>
Operating income (loss)	<u>(692,842)</u>	<u>(1,185,687)</u>	<u>(310,011)</u>	<u>(2,188,540)</u>
Nonoperating revenues (expenses):				
Investment income	537,510	3,247	673	541,430
Interest expense	-	(92,176)	-	(92,176)
Total nonoperating revenues (expenses)	<u>537,510</u>	<u>(88,929)</u>	<u>673</u>	<u>449,254</u>
Income before capital contributions and transfers	<u>(155,332)</u>	<u>(1,274,616)</u>	<u>(309,338)</u>	<u>(1,739,286)</u>
Transfers:				
Transfer in	630,000	-	-	630,000
Total transfers	<u>630,000</u>	<u>-</u>	<u>-</u>	<u>630,000</u>
Capital grants and contributions	-	407,873	-	407,873
Change in net position	<u>474,668</u>	<u>(866,743)</u>	<u>(309,338)</u>	<u>(701,413)</u>
Net position at beginning of year	3,876,287	42,661,433	1,779,303	48,317,023
Prior period adjustment	-	-	(426,584)	(426,584)
Net position at beginning of year, restated	<u>3,876,287</u>	<u>42,661,433</u>	<u>1,352,719</u>	<u>47,890,439</u>
Net position at end of year	<u>\$ 4,350,955</u>	<u>\$ 41,794,690</u>	<u>\$ 1,043,381</u>	<u>\$ 47,189,026</u>

CITY OF SPRINGFIELD, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

Year Ended February 28, 2017

	Oak Ridge Cemetery Fund	Sewer Fund	Motor Vehicle Parking System Fund	Total
Cash flows from operating activities:				
Receipts from customers	\$ 930,999	\$ 7,168,422	\$ 672,199	\$ 8,771,620
Receipts from interfund services	-	-	-	-
Payments to suppliers	(277,467)	(3,496,889)	(116,173)	(3,890,529)
Payments to employees	(943,190)	(2,632,213)	(643,795)	(4,219,198)
Payments for interfund services	(597)	-	-	(597)
Other operating receipts	23,909	23,343	49,689	96,941
Net cash from operating activities	(266,346)	1,062,663	(38,080)	758,237
Cash flows from noncapital financing activities:				
Transfers in (out)	630,000	-	-	630,000
Cash received in (paid for) interfund borrowings	(53,722)	(440,852)	(9,381)	(503,955)
Net cash from noncapital financing activities	576,278	(440,852)	(9,381)	126,045
Cash flows from capital and related financing activities:				
Purchase of capital assets	-	(1,727,881)	(24,909)	(1,752,790)
Proceeds from capital debt	-	2,338,377	-	2,338,377
Principal paid on loans	-	(489,554)	-	(489,554)
Interest paid on loans	-	(87,077)	-	(87,077)
Net cash from capital and related financing activities	-	33,865	(24,909)	8,956
Cash flows from investing activities:				
Purchase of investments	(470,008)	-	-	(470,008)
Interest and dividends received	154,232	3,007	684	157,923
Net cash from investing activities	(315,776)	3,007	684	(312,085)
Net increase (decrease) in cash and cash equivalents	(5,844)	658,683	(71,686)	581,153
Cash and cash equivalents, beginning of year	32,733	1,015,767	348,825	1,397,325
Cash and cash equivalents, end of year	<u>\$ 26,889</u>	<u>\$ 1,674,450</u>	<u>\$ 277,139</u>	<u>\$ 1,978,478</u>
Reconciliation:				
Cash and cash equivalents	\$ 26,889	\$ 1,016,653	\$ 277,139	\$ 1,320,681
Restricted cash and cash equivalents - noncurrent	-	657,797	-	657,797
	<u>\$ 26,889</u>	<u>\$ 1,674,450</u>	<u>\$ 277,139</u>	<u>\$ 1,978,478</u>

(Continued)

CITY OF SPRINGFIELD, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
NONMAJOR ENTERPRISE FUNDS

Year Ended February 28, 2017

	Oak Ridge Cemetery Fund	Sewer Fund	Motor Vehicle Parking System Fund	Total
Reconciliation of operating (loss) to net cash flows from operating activities:				
Operating (loss)	\$ (692,842)	\$ (1,185,687)	\$ (310,011)	\$ (2,188,540)
Adjustments to reconcile operating (loss) to net cash from operating activities				
Depreciation	83,883	2,060,883	69,035	2,213,801
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	8,975	705,585	-	714,560
(Increase) decrease in inventories	17,755	-	1,422	19,177
(Increase) decrease in deferred outflows of resources	35,300	110,580	25,073	170,953
Increase (decrease) in interfund receivable	-	9,836	-	9,836
Increase (decrease) in accounts payable	(19,417)	(1,256,671)	39,060	(1,237,028)
Increase (decrease) in accrued payroll	1,273	11,714	(131)	12,856
Increase (decrease) in unearned revenue	68,410	-	-	68,410
Increase (decrease) in compensated absences	7,976	(16,468)	(613)	(9,105)
Increase (decrease) in due to Sangamon County Water Reclamation District	-	(80,408)	-	(80,408)
Increase in IMRF net pension obligation	28,298	34,980	7,932	71,210
Increase in deferred inflows of resources	-	53,666	12,168	65,834
Increase in other postemployment benefits	194,043	614,653	117,985	926,681
Total adjustments	426,496	2,248,350	271,931	2,946,777
Net cash from operating activities	\$ (266,346)	\$ 1,062,663	\$ (38,080)	\$ 758,237
Supplemental disclosure of noncash investing and capital and related financing activities:				
Contributed capital	\$ -	\$ 407,873	\$ -	\$ 407,873
Unrealized gain from marking investments to fair value	383,281	-	-	383,281

**CITY OF SPRINGFIELD, ILLINOIS
OAK RIDGE CEMETERY FUND**

COMBINING SCHEDULE OF NET POSITION - BY SUB-FUND

February 28, 2017

	Oak Ridge Cemetery Sub-Fund	Endowment Care Sub-Fund	Eliminations	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 26,889	\$ -	\$ -	\$ 26,889
Investments	821,314	-	-	821,314
Interest receivable	578	4,662	-	5,240
Accounts receivable	296,601	-	-	296,601
Inventory	367,428	-	-	367,428
Total current assets	<u>1,512,810</u>	<u>4,662</u>	<u>-</u>	<u>1,517,472</u>
Capital assets:				
Capital assets being depreciated, net	1,113,005	-	-	1,113,005
Total capital assets	<u>1,113,005</u>	<u>-</u>	<u>-</u>	<u>1,113,005</u>
Noncurrent assets				
Restricted assets, investments	-	4,266,964	-	4,266,964
Interfund receivables	-	150,671	(150,671)	-
Total noncurrent assets	<u>-</u>	<u>4,417,635</u>	<u>(150,671)</u>	<u>4,266,964</u>
Total assets	<u>2,625,815</u>	<u>4,422,297</u>	<u>(150,671)</u>	<u>6,897,441</u>
Deferred outflows of resources				
Deferred Outflows - IMRF Pension	246,832	-	-	246,832
Total deferred outflows of resources	<u>246,832</u>	<u>-</u>	<u>-</u>	<u>246,832</u>
Total assets and deferred outflows of resources	<u>\$ 2,872,647</u>	<u>\$ 4,422,297</u>	<u>\$ (150,671)</u>	<u>\$ 7,144,273</u>
Liabilities and Net Position				
Current liabilities:				
Accounts payable	\$ 19,763	\$ -	\$ -	\$ 19,763
Accrued payroll	24,206	-	-	24,206
Interfund payable	597	-	-	597
Compensated absences payable	41,346	-	-	41,346
Total current liabilities	<u>85,912</u>	<u>-</u>	<u>-</u>	<u>85,912</u>
Noncurrent liabilities:				
Unearned revenue	987,659	-	-	987,659
Compensated absences payable	14,049	-	-	14,049
Interfund payable	150,671	-	(150,671)	-
IMRF net pension obligation	830,682	-	-	830,682
Other postemployment benefits obligation	857,885	-	-	857,885
Total noncurrent liabilities	<u>2,840,946</u>	<u>-</u>	<u>(150,671)</u>	<u>2,690,275</u>
Total liabilities	<u>2,926,858</u>	<u>-</u>	<u>(150,671)</u>	<u>2,776,187</u>
Deferred inflows of resources				
Deferred inflows - IMRF Pension	17,131	-	-	17,131
Total deferred inflows of resources	<u>17,131</u>	<u>-</u>	<u>-</u>	<u>17,131</u>
Total liabilities and deferred inflows of resources	<u>2,943,989</u>	<u>-</u>	<u>(150,671)</u>	<u>2,793,318</u>
Net position:				
Net investment in capital assets	1,113,005	-	-	1,113,005
Restricted for endowment care	-	4,422,297	-	4,422,297
Unrestricted (deficit)	(1,184,347)	-	-	(1,184,347)
Total net position	<u>\$ (71,342)</u>	<u>\$ 4,422,297</u>	<u>\$ -</u>	<u>\$ 4,350,955</u>

**CITY OF SPRINGFIELD, ILLINOIS
OAK RIDGE CEMETERY FUND**

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY SUB-FUND

Year Ended February 28, 2017

	Oak Ridge Cemetery Sub-Fund	Endowment Care Sub-Fund	Eliminations	Total
Operating revenues:				
Fees for services	\$ 835,859	\$ -	\$ -	\$ 835,859
Other	23,909	-	-	23,909
Total operating revenues	<u>859,768</u>	<u>-</u>	<u>-</u>	<u>859,768</u>
Operating expenses:				
Personal services	945,829	-	-	945,829
Contractual services	107,259	-	-	107,259
Commodities	94,712	-	-	94,712
Equipment	5,297	-	-	5,297
Electronic data processing	1,031	-	-	1,031
Telecommunications	4,056	-	-	4,056
Operation of automotive equipment	45,886	-	-	45,886
Bank fees	365	-	-	365
Travel	41	-	-	41
Other postemployment benefits	264,251	-	-	264,251
Depreciation	83,883	-	-	83,883
Total operating expenses	<u>1,552,610</u>	<u>-</u>	<u>-</u>	<u>1,552,610</u>
Operating loss	<u>(692,842)</u>	<u>-</u>	<u>-</u>	<u>(692,842)</u>
Nonoperating revenues:				
Investment income	79,913	457,597	-	537,510
Total nonoperating revenues	<u>79,913</u>	<u>457,597</u>	<u>-</u>	<u>537,510</u>
Income (loss) before transfers	<u>(612,929)</u>	<u>457,597</u>	<u>-</u>	<u>(155,332)</u>
Transfers:				
Transfers in	775,376	53,858	(199,234)	630,000
Transfers out	(53,858)	(145,376)	199,234	-
Total transfers	<u>721,518</u>	<u>(91,518)</u>	<u>-</u>	<u>630,000</u>
Change in net position	108,589	366,079	-	474,668
Net position (deficit), beginning of year	(179,931)	4,056,218	-	3,876,287
Net position (deficit), end of year	<u>\$ (71,342)</u>	<u>\$ 4,422,297</u>	<u>\$ -</u>	<u>\$ 4,350,955</u>

**CITY OF SPRINGFIELD, ILLINOIS
OAK RIDGE CEMETERY FUND**

COMBINING SCHEDULE OF CASH FLOWS BY SUB-FUND

Year Ended February 28, 2017

	Oak Ridge Cemetery Sub-Fund	Endowment Care Sub-Fund	Eliminations	Total
Cash flows from operating activities:				
Receipts from customers	\$ 930,999	\$ -	\$ -	\$ 930,999
Payments to suppliers	(277,467)	-	-	(277,467)
Payments to employees	(943,190)	-	-	(943,190)
Payments for interfund services	(597)	-	-	(597)
Other operating receipts	23,909	-	-	23,909
Net cash from operating activities	<u>(266,346)</u>	<u>-</u>	<u>-</u>	<u>(266,346)</u>
Cash flows from noncapital financing activities:				
Decrease (increase) in interfund receivables	-	145,376	-	145,376
(Decrease) increase in interfund payables	(199,098)	-	-	(199,098)
Transfers out	(53,858)	(145,376)	199,234	-
Transfers in	775,376	53,858	(199,234)	630,000
Net cash from noncapital financing activities	<u>522,420</u>	<u>53,858</u>	<u>-</u>	<u>576,278</u>
Cash flows from investing activities:				
Interest and dividends received	20,052	134,180	-	154,232
Purchase of investments	(281,970)	(188,038)	-	(470,008)
Net cash from investing activities	<u>(261,918)</u>	<u>(53,858)</u>	<u>-</u>	<u>(315,776)</u>
Net decrease in cash and cash equivalents	(5,844)	-	-	(5,844)
Cash and cash equivalents, beginning of year	32,733	-	-	32,733
Cash and cash equivalents, end of year	<u>\$ 26,889</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,889</u>
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	\$ (692,842)	\$ -	\$ -	\$ (692,842)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	83,883	-	-	83,883
(Increase) decrease in accounts receivable	8,975	-	-	8,975
(Increase) decrease in inventories	17,755	-	-	17,755
(Increase) decrease in deferred outflows of resources	35,300	-	-	35,300
Increase (decrease) in accounts payable	(19,417)	-	-	(19,417)
Increase (decrease) in accrued payroll	1,273	-	-	1,273
Increase (decrease) in unearned revenue	68,410	-	-	68,410
Increase (decrease) in compensated absences payable	7,976	-	-	7,976
Increase (decrease) in IMRF net pension obligation	28,298	-	-	28,298
Increase (decrease) in other postemployment benefits obligation	194,043	-	-	194,043
Net cash used in operating activities	<u>\$ (266,346)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (266,346)</u>
Supplemental disclosure of noncash investing and capital and related financing activities:				
Unrealized gain (loss) from reporting investments at fair value	\$ 59,862	\$ 323,419	\$ -	\$ 383,281

CITY OF SPRINGFIELD, ILLINOIS

OAK RIDGE CEMETERY FUND

SCHEDULE OF REVENUES AND EXPENSES - BUDGET (NONGAAP BASIS) AND ACTUAL

Year Ended February 28, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Operating revenues:				
Fees for services	\$ 1,007,500	\$ 1,007,500	\$ 835,859	\$ 171,641
Miscellaneous, other	22,800	22,800	23,909	(1,109)
Total operating revenues	<u>1,030,300</u>	<u>1,030,300</u>	<u>859,768</u>	<u>170,532</u>
Operating expenses:				
Personal services	1,072,619	1,072,619	945,829	126,790
Contractual services	118,850	113,700	107,259	6,441
Commodities	92,000	102,000	94,712	7,288
Equipment	10,400	5,550	5,297	253
Electronic data processing	5,200	5,200	1,031	4,169
Telecommunications	3,900	3,900	4,056	(156)
Operation of automotive equipment	53,100	53,100	45,886	7,214
Travel	1,300	1,300	41	1,259
Debt service	3,500	3,500	365	3,135
Total operating expenses	<u>1,360,869</u>	<u>1,360,869</u>	<u>1,204,476</u>	<u>156,393</u>
Operating income (loss) budget basis	<u>(330,569)</u>	<u>(330,569)</u>	<u>(344,708)</u>	<u>14,139</u>
Nonoperating revenues:				
Investment income	30,000	30,000	537,510	(507,510)
Total nonoperating revenues	<u>30,000</u>	<u>30,000</u>	<u>537,510</u>	<u>(507,510)</u>
Income (loss) before transfers	<u>(300,569)</u>	<u>(300,569)</u>	<u>192,802</u>	<u>(493,371)</u>
Transfers:				
Transfer in	400,000	630,000	630,000	-
Transfer out	(40,000)	(40,000)	-	(40,000)
Total transfers	<u>360,000</u>	<u>590,000</u>	<u>630,000</u>	<u>(40,000)</u>
Net income (loss) budget basis	<u>\$ 59,431</u>	<u>\$ 289,431</u>	<u>\$ 822,802</u>	<u>\$ (533,371)</u>
RECONCILIATION TO CHANGE IN NET POSITION				
Depreciation			(83,883)	
Other postemployment benefits			(264,251)	
CHANGE IN NET POSITION			<u>\$ 474,668</u>	

CITY OF SPRINGFIELD, ILLINOIS

SEWER FUND

SCHEDULE OF REVENUES AND EXPENSES - BUDGET (NONGAAP BASIS) AND ACTUAL

Year Ended February 28, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Operating revenues:				
Fees for services	\$ 6,232,105	\$ 6,232,105	\$ 6,453,003	\$ (220,898)
Miscellaneous, other	1,500	1,500	23,343	(21,843)
Total operating revenues	<u>6,233,605</u>	<u>6,233,605</u>	<u>6,476,346</u>	<u>(242,741)</u>
Operating expenses:				
Personal services	2,541,021	2,671,021	2,604,298	66,723
Contractual services	2,145,950	2,145,950	1,382,784	763,166
Commodities	276,800	276,800	123,859	152,941
Equipment	754,500	624,500	172,765	451,735
Electronic data processing	520,600	520,600	97,899	422,701
Telecommunications	19,400	19,400	13,315	6,085
Operation of automotive equipment	256,200	256,200	231,897	24,303
Repairs and maintenance	2,450,000	2,450,000	1,860,440	589,560
Debt service	544,718	544,718	489,553	55,165
Travel	13,500	13,500	4,734	8,766
Total operating expenses	<u>9,522,689</u>	<u>9,522,689</u>	<u>6,981,544</u>	<u>2,541,145</u>
Operating income (loss) budget basis	<u>(3,289,084)</u>	<u>(3,289,084)</u>	<u>(505,198)</u>	<u>(2,783,886)</u>
Nonoperating revenues (expenses):				
Investment income	600	600	3,247	(2,647)
Loan Proceeds	5,000,000	5,000,000	-	5,000,000
Debt service	(46,404)	(46,404)	(92,176)	45,772
Total nonoperating revenues (expenses)	<u>4,954,196</u>	<u>4,954,196</u>	<u>(88,929)</u>	<u>5,043,125</u>
Income (loss) before transfers	<u>1,665,112</u>	<u>1,665,112</u>	<u>(594,127)</u>	<u>2,259,239</u>
Contribution revenue	-	-	407,873	(407,873)
Net income (loss) budget basis	<u>\$ 1,665,112</u>	<u>\$ 1,665,112</u>	<u>(186,254)</u>	<u>\$ 1,851,366</u>
RECONCILIATION TO CHANGE IN NET POSITION				
Capital purchases			1,727,881	
Debt principal payments			489,553	
Depreciation			(2,060,883)	
Other postemployment benefits			(837,040)	
CHANGE IN NET POSITION			<u>\$ (866,743)</u>	

CITY OF SPRINGFIELD, ILLINOIS

MOTOR VEHICLE PARKING SYSTEM FUND
SCHEDULE OF REVENUES AND EXPENSES - BUDGET (NONGAAP BASIS) AND ACTUAL

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Operating revenues:				
Fees for services	\$ 755,540	\$ 755,540	\$ 672,199	\$ 83,341
Miscellaneous, other	50,000	50,000	49,689	311
Total operating revenues	<u>805,540</u>	<u>805,540</u>	<u>721,888</u>	<u>83,652</u>
Operating expenses:				
Personal services	644,874	649,694	645,536	4,158
Contractual services	96,625	94,805	76,701	18,104
Commodities	17,950	20,450	21,177	(727)
Equipment	1,900	25,400	184	25,216
Electronic data processing	21,300	17,300	8,435	8,865
Telecommunications	2,300	17,300	15,770	1,530
Operation of automotive equipment	37,200	37,200	34,388	2,812
Travel	850	850	-	850
Total operating expenses	<u>822,999</u>	<u>862,999</u>	<u>802,191</u>	<u>60,808</u>
Operating income (loss) budget basis	<u>(17,459)</u>	<u>(57,459)</u>	<u>(80,303)</u>	<u>22,844</u>
Nonoperating revenues (expenses):				
Interest income	50	50	673	(623)
Total nonoperating revenues (expenses)	<u>50</u>	<u>50</u>	<u>673</u>	<u>(623)</u>
Income (loss) before transfers	<u>(17,409)</u>	<u>(57,409)</u>	<u>(79,630)</u>	<u>22,221</u>
Net income (loss) budget basis	<u>\$ (17,409)</u>	<u>\$ (57,409)</u>	<u>(79,630)</u>	<u>\$ 22,221</u>
RECONCILIATION TO CHANGE IN NET POSITION				
Depreciation			(69,035)	
Other postemployment benefits			(160,673)	
CHANGE IN NET POSITION			<u>\$ (309,338)</u>	

CITY OF SPRINGFIELD, ILLINOIS

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

February 28, 2017

	Support Services Revolving Fund	Unemployment Compensation Escrow Fund	Self Insurance Fund	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 165,438	\$ -	\$ 12,126,648	\$ 12,292,086
Interest receivable	-	-	11,065	11,065
Interfund receivables	7,458	-	25,430	32,888
Other receivables	-	-	732,357	732,357
Total current assets	<u>172,896</u>	<u>-</u>	<u>12,895,500</u>	<u>13,068,396</u>
Noncurrent assets:				
Restricted cash and cash equivalents	-	213,280	2,161,725	2,375,005
Restricted investments	-	-	600,000	600,000
Total noncurrent assets	<u>-</u>	<u>213,280</u>	<u>2,761,725</u>	<u>2,975,005</u>
Total assets	<u>\$ 172,896</u>	<u>\$ 213,280</u>	<u>\$ 15,657,225</u>	<u>\$ 16,043,401</u>
Liabilities and Net Position				
Current liabilities				
Accounts payable	366,558	\$ 13,990	\$ 264,329	\$ 644,877
Accrued payroll	64,145	-	103,886	168,031
Compensated absences payable	84,407	-	516,105	600,512
Claims and judgments	-	-	6,524,419	6,524,419
Interfund payable	740,874	-	822	741,696
Total current liabilities	<u>1,255,984</u>	<u>13,990</u>	<u>7,409,561</u>	<u>8,679,535</u>
Noncurrent liabilities				
Compensated absences payable	28,681	-	5,807,625	5,836,306
Claims and judgments	-	-	2,402,259	2,402,259
Total noncurrent liabilities	<u>28,681</u>	<u>-</u>	<u>8,209,884</u>	<u>8,238,565</u>
Total liabilities	<u>1,284,665</u>	<u>13,990</u>	<u>15,619,445</u>	<u>16,918,100</u>
Net position, unrestricted (deficit)	<u>\$ (1,111,769)</u>	<u>\$ 199,290</u>	<u>\$ 37,780</u>	<u>\$ (874,699)</u>

CITY OF SPRINGFIELD, ILLINOIS

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended February 28, 2017

	Support Services Revolving Fund	Unemployment Compensation Escrow Fund	Self Insurance Fund	Total
Operating revenues:				
Fees for services	\$ -	\$ -	\$ 1,567,035	\$ 1,567,035
Intragovernmental	6,305,120	-	30,024,887	36,330,007
Payroll deductions	-	154,562	7,571,823	7,726,385
Other	52,007	-	6,227	58,234
Total operating revenues	6,357,127	154,562	39,169,972	45,681,661
Operating expenses:				
Personal services	3,878,947	113,990	1,727,543	5,720,480
Contractual services	321,793	-	30,367,080	30,688,873
Commodities	61,952	-	290	62,242
Equipment	91,066	-	-	91,066
Electronic data processing	32,367	-	-	32,367
Telecommunications	7,963	-	-	7,963
Operation of automotive equipment	1,891,192	-	-	1,891,192
Travel	4,255	-	-	4,255
Awards, benefits and treatment expense, injured employees	-	-	2,372,945	2,372,945
Total operating expenses	6,289,535	113,990	34,467,858	40,871,383
Operating income (loss)	67,592	40,572	4,702,114	4,810,278
Nonoperating revenues:				
Investment income	-	-	103,579	103,579
	-	-	103,579	103,579
Change in net position	67,592	40,572	4,805,693	4,913,857
Net position (deficit), beginning of year	(1,179,361)	158,718	(4,767,913)	(5,788,556)
Net position (deficit), end of year	<u><u>\$ (1,111,769)</u></u>	<u><u>\$ 199,290</u></u>	<u><u>\$ 37,780</u></u>	<u><u>\$ (874,699)</u></u>

CITY OF SPRINGFIELD, ILLINOIS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended February 28, 2017

	Support Services Revolving Fund	Unemployment Compensation Escrow Fund	Self Insurance Fund	Total
Cash flows from operating activities:				
Receipts from customers	\$ 52,007	\$ -	\$ -	\$ 52,007
Receipts from interfund services	7,464,252	154,562	39,342,947	46,961,761
Payments to suppliers	(3,550,076)	-	(32,623,623)	(36,173,699)
Payments to employees	(3,905,117)	(101,880)	(2,028,081)	(6,035,078)
Net cash from operating activities	61,066	52,682	4,691,243	4,804,991
Cash flows from investing activities:				
Interest earned on investments	-	-	99,175	99,175
Net cash from investing activities	-	-	99,175	99,175
Net increase in cash and cash equivalents	61,066	52,682	4,790,418	4,904,166
Cash and cash equivalents, beginning of year	104,372	160,598	9,497,955	9,762,925
Cash and cash equivalents, end of year	\$ 165,438	\$ 213,280	\$ 14,288,373	\$ 14,667,091
Reconciliation:				
Cash and cash equivalents	\$ 165,438	\$ -	\$ 12,126,648	\$ 12,292,086
Restricted cash and cash equivalents	-	213,280	2,161,725	2,375,005
	\$ 165,438	\$ 213,280	\$ 14,288,373	\$ 14,667,091
Cash flows from operating activities:				
Operating income (loss)	\$ 67,592	\$ 40,572	\$ 4,702,114	\$ 4,810,278
Changes in assets and liabilities:				
(Increase) decrease in other receivable	-	-	(432,165)	(432,165)
(Increase) decrease in interfund receivable	1,159,132	-	605,142	1,764,274
Increase (decrease) in accounts payable	(94,884)	12,110	(214,552)	(297,326)
Increase (decrease) in accrued payroll	(11,283)	-	103,280	91,997
Increase (decrease) in interfund payable	(1,044,604)	-	(5,794)	(1,050,398)
Increase (decrease) in compensated absences	(14,887)	-	(403,818)	(418,705)
Increase (decrease) in claims and judgements	-	-	337,036	337,036
Net cash from operating activities	\$ 61,066	\$ 52,682	\$ 4,691,243	\$ 4,804,991

CITY OF SPRINGFIELD, ILLINOIS

SUPPORT SERVICES REVOLVING FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL

Year Ended February 28, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Operating revenues:				
Intragovernmental, charges for services	\$ 6,325,177	\$ 6,325,177	\$ 6,305,120	\$ 20,057
Other revenue	-	-	52,007	(52,007)
Total operating revenues	<u>6,325,177</u>	<u>6,325,177</u>	<u>6,357,127</u>	<u>(31,950)</u>
Operating expenses:				
General and administrative:				
Personal services	3,925,039	3,827,039	3,878,947	(51,908)
Contractual services	428,740	398,140	321,793	76,347
Commodities	117,690	78,032	61,952	16,080
Equipment	88,400	92,058	91,066	992
EDP	41,800	41,800	32,367	9,433
Telecommunications	11,100	11,100	7,963	3,137
Operations of automotives	1,680,950	1,855,550	1,891,192	(35,642)
Permanent improvements	50,000	40,000	-	40,000
Travel	4,850	4,850	4,255	595
Total general and administrative	<u>6,348,569</u>	<u>6,348,569</u>	<u>6,289,535</u>	<u>59,034</u>
Operating income (loss)	<u>(23,392)</u>	<u>(23,392)</u>	<u>67,592</u>	<u>(90,984)</u>
Net income (loss)	<u>\$ (23,392)</u>	<u>\$ (23,392)</u>	67,592	<u>\$ (90,984)</u>
Net position (deficit), beginning of year			(1,179,361)	
Net position (deficit), end of year			<u>\$ (1,111,769)</u>	

CITY OF SPRINGFIELD, ILLINOIS

UNEMPLOYMENT COMPENSATION ESCROW FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Operating revenues:				
Contributions, payroll deductions	\$ 65,775	\$ 65,775	\$ 154,562	\$ (88,787)
Total operating revenues	<u>65,775</u>	<u>65,775</u>	<u>154,562</u>	<u>(88,787)</u>
Operating expenses:				
General and administrative:				
Personal services	100,000	100,000	113,990	(13,990)
Total general and administrative	<u>100,000</u>	<u>100,000</u>	<u>113,990</u>	<u>(13,990)</u>
Operating income (loss)	<u>(34,225)</u>	<u>(34,225)</u>	<u>40,572</u>	<u>(74,797)</u>
Net income (loss)	<u>\$ (34,225)</u>	<u>\$ (34,225)</u>	<u>40,572</u>	<u>\$ (74,797)</u>
Net position, beginning of year			158,718	
Net position, end of year			<u>\$ 199,290</u>	

CITY OF SPRINGFIELD, ILLINOIS

SELF INSURANCE FUND
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL

Year Ended February 28, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Operating revenues:				
Fees for services	\$ 862,258	\$ 862,258	\$ 1,567,035	\$ (704,777)
Intragovernmental, charges for services	31,855,765	31,855,765	30,024,887	1,830,878
Contributions, payroll deductions	7,457,107	7,457,107	7,571,823	(114,716)
Other revenue	-	-	6,227	(6,227)
Total operating revenues	<u>40,175,130</u>	<u>40,175,130</u>	<u>39,169,972</u>	<u>1,005,158</u>
Operating expenses:				
General and administrative:				
Personal services	2,005,000	2,332,000	1,727,543	604,457
Contractual services	35,255,700	34,928,700	30,367,080	4,561,620
Commodities	4,000	4,000	290	3,710
Awards, benefits and treatment expense, injured employees	4,180,000	4,180,000	2,372,945	1,807,055
Total general and administrative	<u>41,444,700</u>	<u>41,444,700</u>	<u>34,467,858</u>	<u>6,976,842</u>
Operating income (loss)	<u>(1,269,570)</u>	<u>(1,269,570)</u>	<u>4,702,114</u>	<u>(5,971,684)</u>
Nonoperating revenues:				
Investment income	10,000	10,000	103,579	(93,579)
Transfers in	283,885	283,885	-	283,885
Net nonoperating revenues	<u>293,885</u>	<u>293,885</u>	<u>103,579</u>	<u>190,306</u>
Net income (loss)	<u>\$ (975,685)</u>	<u>\$ (975,685)</u>	<u>4,805,693</u>	<u>\$ (5,781,378)</u>
Net position (deficit), beginning of year			<u>(4,767,913)</u>	
Net position, end of year			<u>\$ 37,780</u>	

CITY OF SPRINGFIELD, ILLINOIS

PENSION TRUST FUNDS
COMBINING STATEMENT OF PLAN NET POSITION

February 28, 2017

	Firefighters' Pension Fund	Police Pension Fund	Total
Assets			
Cash and cash equivalents	\$ 3,078,673	\$ 5,022,625	\$ 8,101,298
Investments:			
Mutual Fund Equities	53,574,266	66,522,888	120,097,154
Common Stocks	16,435,600	20,222,706	36,658,306
U.S. Government Securities	25,310,688	26,499,522	51,810,210
U.S. Agency Securities	3,277,904	5,146,949	8,424,853
Corporate Bonds	10,183,250	15,556,082	25,739,332
Insurance Contracts	12,458,741	14,721,566	27,180,307
Interest and dividends receivable	261,861	229,531	491,392
Other receivables	10,275	213,460	223,735
Total assets	<u>124,591,258</u>	<u>154,135,329</u>	<u>278,726,587</u>
Liabilities			
Accounts payable	<u>45,553</u>	<u>8,653</u>	<u>54,206</u>
Net position held in trust for pensions	<u>\$ 124,545,705</u>	<u>\$ 154,126,676</u>	<u>\$ 278,672,381</u>

CITY OF SPRINGFIELD, ILLINOIS

PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION

Year Ended February 28, 2017

	Firefighters' Pension Fund	Police Pension Fund	Total
Additions:			
Contributions:			
Employer contributions	\$ 10,395,154	\$ 9,942,505	\$ 20,337,659
Employee contributions	1,718,845	1,900,135	3,618,980
Total contributions	12,113,999	11,842,640	23,956,639
Investment income:			
Net appreciation (depreciation) in fair value of investments	12,396,481	14,647,255	27,043,736
Interest and dividends	2,727,526	3,257,890	5,985,416
Total investment income(loss)	15,124,007	17,905,145	33,029,152
Less investment expense	(219,384)	(310,567)	(529,951)
Net investment income	14,904,623	17,594,578	32,499,201
Total additions	27,018,622	29,437,218	56,455,840
Deductions:			
Pension benefits	14,577,712	12,646,059	27,223,771
Administrative expenses	137,137	216,033	353,170
Total deductions	14,714,849	12,862,092	27,576,941
Net decrease	12,303,773	16,575,126	28,878,899
Net position held in trust for pensions:			
Beginning of year	112,241,932	137,551,550	249,793,482
End of year	<u>\$ 124,545,705</u>	<u>\$ 154,126,676</u>	<u>\$ 278,672,381</u>

CITY OF SPRINGFIELD, ILLINOIS

AGENCY FUNDS
 COMBINING STATEMENT OF ASSETS AND LIABILITIES

February 28, 2017

	Agency Funds			Total
	General Interest Escrow Fund	Flex Benefit Escrow Fund	Trust and Agency Fund	
Assets				
Cash	\$ 24,386	\$ 89,209	\$ 5,123	\$ 118,718
Total assets	<u>\$ 24,386</u>	<u>\$ 89,209</u>	<u>\$ 5,123</u>	<u>\$ 118,718</u>
Liabilities				
Accounts payable	\$ -	\$ 1,325	\$ 1,593	\$ 2,918
Other accrued liabilities	-	87,884	3,530	91,414
Intergovernmental payable	24,386	-	-	24,386
Total liabilities	<u>\$ 24,386</u>	<u>\$ 89,209</u>	<u>\$ 5,123</u>	<u>\$ 118,718</u>

CITY OF SPRINGFIELD, ILLINOIS

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year Ended February 28, 2017

	Balances March 1, 2016	Additions	Deletions	Balances February 28, 2017
General Interest Escrow				
<i>Assets</i>				
Cash	\$ 437,142	\$ 139,494	\$ 552,250	\$ 24,386
<i>Liabilities</i>				
Intergovernmental payable	\$ 437,142	\$ 139,494	\$ 552,250	\$ 24,386
Flex Benefit Escrow Fund				
<i>Assets</i>				
Cash	\$ 80,600	\$ 715,275	\$ 706,666	\$ 89,209
<i>Liabilities</i>				
Accounts payable	\$ 1,749	\$ 15,048	\$ 15,472	\$ 1,325
Other accrued liabilities	78,851	109,725	100,692	87,884
Total liabilities	\$ 80,600	\$ 124,773	\$ 116,164	\$ 89,209
Trust and Agency Funds				
<i>Assets</i>				
Cash	\$ 3,529	\$ 164,639	\$ 163,045	\$ 5,123
<i>Liabilities</i>				
Accounts payable	\$ 3,529	\$ 52,018	\$ 53,954	\$ 1,593
Other accrued liabilities	-	3,530	-	3,530
Total liabilities	\$ 3,529	\$ 55,548	\$ 53,954	\$ 5,123
Total Assets				
Cash	\$ 521,271	\$ 1,019,408	\$ 1,421,961	\$ 118,718
Liabilities				
Accounts payable	\$ 5,278	\$ 67,066	\$ 69,426	\$ 2,918
Other accrued liabilities	78,851	113,255	100,692	91,414
Intergovernmental payable	437,142	139,494	552,250	24,386
Total liabilities	\$ 521,271	\$ 319,815	\$ 722,368	\$ 118,718

CITY OF SPRINGFIELD, ILLINOIS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF SOURCE

February 28, 2017

Assets

General capital assets:

Site land	\$ 28,202,367
Construction in progress	21,789,910
Buildings and improvements	38,251,837
Equipment	32,474,512
Infrastructure	202,727,062
	<u>\$ 323,445,688</u>

Investments in Capital Assets

Derived from:

Revenue	\$ 79,229,494
General obligation bonds and notes	71,256,405
Grants:	
Federal	8,721,808
State	1,828,205
Donations	162,409,776
	<u>\$ 323,445,688</u>

Note: The above amounts do not include fully depreciated equipment in the Facilities Management Internal Service Fund of \$17,326.

The above assets are presented without regard to applicable accumulated depreciation.

CITY OF SPRINGFIELD, ILLINOIS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

Year Ended February 28, 2017

Function and Activity	Capital Assets February 29, 2016 (as restated)	Additions	Deletions	Capital Assets February 28, 2017
General government:				
Municipal building and plaza	\$ 29,966,734	\$ -	\$ -	\$ 29,966,734
Community promotion	55,806	31,865	-	87,671
Community services	1,133,522	-	-	1,133,522
Fleet Management	1,980,272	41,068	-	2,021,340
Mayor's office	229,137	-	-	229,137
Total general government	<u>33,365,471</u>	<u>72,933</u>	<u>-</u>	<u>33,438,404</u>
Public health and safety:				
Police protection	7,765,400	47,034	216,378	7,596,056
Fire protection	13,769,057	293,298	19,981	14,042,374
Civil defense	1,292,240	-	-	1,292,240
Total public health and safety	<u>22,826,697</u>	<u>340,332</u>	<u>236,359</u>	<u>22,930,670</u>
Streets	247,531,620	10,880,592	408,388	258,003,824
Traffic engineering	170,340	-	-	170,340
Culture and recreation	1,715,574	-	-	1,715,574
Libraries	5,885,477	717,719	-	6,603,196
Planning and zoning	-	583,680	-	583,680
Total capital assets	<u>\$ 311,495,179</u>	<u>\$ 12,595,256</u>	<u>\$ 644,747</u>	<u>\$ 323,445,688</u>

Note: The above amounts do not include fully depreciated equipment in the Facilities Management Internal Service Fund of \$17,326.

The above assets are presented without regard to applicable accumulated depreciation.

CITY OF SPRINGFIELD, ILLINOIS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY

February 28, 2017

Function and Activity	Site Land	Buildings and Improvements	Equipment	Infrastructure	Construction in Progress	Total
General government:						
Municipal building and plaza	\$ 130,250	\$ 23,600,978	\$ 6,235,506	\$ -	\$ -	\$ 29,966,734
Community promotion	55,806	-	-	-	31,865	87,671
Community services	-	1,102,438	-	31,084	-	1,133,522
Fleet Management	-	1,493,174	528,166	-	-	2,021,340
Mayor's office	-	-	229,137	-	-	229,137
Total general government	<u>186,056</u>	<u>26,196,590</u>	<u>6,992,809</u>	<u>31,084</u>	<u>31,865</u>	<u>33,438,404</u>
Public health and safety:						
Police protection	-	305,600	7,290,456	-	-	7,596,056
Fire protection	-	3,910,644	10,131,730	-	-	14,042,374
Civil defense	-	-	1,292,240	-	-	1,292,240
Total public health and safety	<u>-</u>	<u>4,216,244</u>	<u>18,714,426</u>	<u>-</u>	<u>-</u>	<u>22,930,670</u>
Streets	27,432,630	435,860	5,732,160	202,645,128	21,758,046	258,003,824
Traffic engineering	-	-	170,340	-	-	170,340
Culture and recreation	-	1,715,574	-	-	-	1,715,574
Libraries	-	5,687,569	864,777	50,850	-	6,603,196
Planning and zoning	583,680	-	-	-	-	583,680
Total capital assets	<u>\$ 28,202,366</u>	<u>\$ 38,251,837</u>	<u>\$ 32,474,512</u>	<u>\$ 202,727,062</u>	<u>\$ 21,789,911</u>	<u>\$ 323,445,688</u>

Note: The above amounts do not include fully depreciated equipment in the Facilities Management Internal Service Fund of \$17,326.

The above assets are presented without regard to applicable accumulated depreciation.

CITY OF SPRINGFIELD, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Year Ended February 28, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Over)/Under</u>
Expenditures:				
General government:				
Mayor:				
Personal services and fringe benefits	\$ 1,223,634	\$ 1,228,634	\$ 1,174,707	\$ 53,927
Contractual services	289,450	292,650	176,247	116,403
Commodities	9,300	9,800	7,355	2,445
Electronic data processing	7,350	9,350	4,574	4,776
Telecommunications	7,050	7,050	5,261	1,789
Awards and grants	16,000	16,000	15,000	1,000
Travel	17,500	17,500	7,965	9,535
Total Mayor	<u>1,570,284</u>	<u>1,580,984</u>	<u>1,391,109</u>	<u>189,875</u>
Veterans commission, contractual services	<u>1,000</u>	<u>1,000</u>	<u>877</u>	<u>123</u>
City council:				
Personal services and fringe benefits	574,953	574,953	572,189	2,764
Contractual services	2,100	2,100	1,297	803
Commodities	2,550	2,550	679	1,871
Equipment	50	50	-	50
Electronic data processing	100	100	-	100
Telecommunications	3,050	3,050	2,222	828
Total City council	<u>582,803</u>	<u>582,803</u>	<u>576,387</u>	<u>6,416</u>
City clerk:				
Personal services and fringe benefits	481,376	481,376	480,359	1,017
Contractual services	94,785	94,785	95,736	(951)
Commodities	9,200	9,200	13,203	(4,003)
Electronic data processing	2,500	2,500	-	2,500
Telecommunications	2,850	2,850	841	2,009
Travel	1,700	1,700	96	1,604
Total City clerk	<u>592,411</u>	<u>592,411</u>	<u>590,235</u>	<u>2,176</u>

(Continued)

CITY OF SPRINGFIELD, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
City treasurer:				
Personal services and fringe benefits	\$ 1,107,826	\$ 1,107,826	\$ 1,026,310	\$ 81,516
Contractual services	122,507	122,507	54,115	68,392
Commodities	8,100	8,100	6,033	2,067
Electronic data processing	9,800	9,800	7,650	2,150
Telecommunications	3,100	3,100	2,116	984
Refunds	13,000	13,000	7,054	5,946
Bank Fees	25,000	25,000	11,413	13,587
Travel	3,100	3,100	870	2,230
Total City treasurer	1,292,433	1,292,433	1,115,561	176,872
Corporation counsel:				
Personal services and fringe benefits	1,703,257	1,703,257	1,571,705	131,552
Contractual services	90,350	84,850	46,083	38,767
Commodities	15,950	15,950	8,737	7,213
Electronic data processing	6,150	6,150	4,775	1,375
Telecommunications	5,000	5,000	3,369	1,631
Travel & Op of Auto	4,300	4,300	2,132	2,168
Total corporation counsel	1,825,007	1,819,507	1,636,801	182,706
Human resources:				
Personal services and fringe benefits	1,039,952	1,039,952	1,017,313	22,639
Contractual services	307,050	307,050	210,402	96,648
Commodities	13,700	14,000	9,536	4,464
Equipment	1,950	1,950	1,007	943
Electronic data processing	67,310	67,010	59,094	7,916
Telecommunications	4,000	4,000	3,379	621
Travel	2,950	2,950	674	2,276
Total human resources	1,436,912	1,436,912	1,301,405	135,507
Budget and management:				
Personal services and fringe benefits	1,844,492	1,845,442	1,784,356	61,086
Contractual services	52,435	51,485	22,463	29,022
Commodities	11,200	11,200	7,801	3,399
Electronic data processing	176,512	176,512	157,407	19,105
Telecommunications	8,200	8,200	2,433	5,767
Travel	12,490	12,490	6,531	5,959
Total budget and management	2,105,329	2,105,329	1,980,991	124,338

(Continued)

CITY OF SPRINGFIELD, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
General City:				
Contractual services	2,112,584	2,194,784	1,901,942	292,842
Commodities	3,000	5,300	2,778	2,522
Awards and grants	134,000	135,500	135,500	-
Electronic data processing	753,656	667,656	130,204	537,452
Total general City	3,003,240	3,003,240	2,170,424	832,816
Municipal band:				
Contractual services	53,915	53,915	47,148	6,767
Commodities	3,100	3,100	1,803	1,297
Total municipal band	57,015	57,015	48,951	8,064
Civil service commission, contractual services	30,000	30,000	24,477	5,523
Disabilities commission, contractual services	400	400	2	398
Planning and zoning commission, contractual services	30,000	30,000	22,312	7,688
Senior citizens commission:				
Contractual services	85,150	85,150	76,377	8,773
Commodities	200	200	-	200
Total senior citizens commission	85,350	85,350	76,377	8,973
Total general government	12,612,184	12,617,384	10,935,909	1,681,475

(Continued)

CITY OF SPRINGFIELD, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Public health and safety:				
Fire:				
Personal services and fringe benefits	\$ 35,356,856	\$ 35,356,856	\$ 34,956,273	\$ 400,583
Contractual services	561,710	563,164	454,795	108,369
Commodities	280,000	320,000	259,323	60,677
Equipment	8,700	248,700	245,000	3,700
Electronic data processing	54,000	54,000	51,631	2,369
Telecommunications	81,700	81,700	63,999	17,701
Operation of automotive equipment	1,221,600	981,600	901,061	80,539
Debt Service	153,578	153,578	152,520	1,058
Travel	35,000	35,000	26,053	8,947
Total fire	37,753,144	37,794,598	37,110,655	683,943
Building and zoning:				
Personal services and fringe benefits	2,400,871	2,400,871	2,274,139	126,732
Contractual services	570,300	847,430	643,740	203,690
Commodities	9,250	10,750	10,693	57
Electronic data processing	41,500	41,500	38,899	2,601
Telecommunications	9,100	9,100	9,344	(244)
Operation of automotive equipment	61,000	61,000	51,134	9,866
Permanent Improvements	-	45,370	45,369	1
Travel	600	600	93	507
Total building and zoning	3,092,621	3,416,621	3,073,411	343,210
Solid waste:				
Personal services and fringe benefits	75,360	75,360	50,191	25,169
Contractual services	4,150	4,150	587	3,563
Commodities	700	700	198	502
Electronic data processing	200	200	9	191
Telecommunications	1,050	1,050	443	607
Travel	650	650	-	650
Total solid waste	82,110	82,110	51,428	30,682
Police:				
Personal services and fringe benefits	40,484,699	40,484,699	38,950,167	1,534,532
Contractual services	3,492,682	3,520,118	3,440,163	79,955
Commodities/Equipment	298,700	300,887	271,231	29,656
Electronic data processing	459,000	459,900	426,813	33,087
Telecommunications	522,760	522,760	452,675	70,085
Operation of automotive equipment	1,233,000	1,233,000	1,086,733	146,267
Travel	29,000	29,000	19,981	9,019
Total police	46,519,841	46,550,364	44,647,763	1,902,601
Total public health and safety	87,447,716	87,843,693	84,883,257	2,960,436

(Continued)

CITY OF SPRINGFIELD, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Highway and streets:				
Engineering:				
Personal services and fringe benefits	\$ 1,287,783	\$ 1,292,783	\$ 1,212,073	\$ 80,710
Contractual services	236,342	238,242	232,284	5,958
Commodities	5,350	5,350	3,977	1,373
Equipment	1,500	1,500	225	1,275
Electronic data processing	60,000	60,000	52,271	7,729
Telecommunications	22,100	22,100	25,089	(2,989)
Operation of automotive equipment	227,100	227,100	220,669	6,431
Travel	3,100	3,700	4,201	(501)
Total engineering	1,843,275	1,850,775	1,750,789	99,986
Garage:				
Personal services and fringe benefits	7,108,259	7,108,259	7,008,263	99,996
Contractual services	622,050	606,550	480,966	125,584
Commodities	158,000	158,000	118,707	39,293
Equipment	10,000	418,500	72,441	346,059
Electronic data processing	3,100	3,100	948	2,152
Telecommunications	22,100	22,100	23,814	(1,714)
Operation of automotive equipment	1,406,000	1,406,000	1,326,659	79,341
Travel	1,550	1,550	1,411	139
Total garage	9,331,059	9,724,059	9,033,209	690,850
Streets:				
Personal services and fringe benefits	661,921	661,921	656,676	5,245
Contractual services	28,975	28,975	23,374	5,601
Commodities	302,800	293,900	227,815	66,085
Electronic data processing	3,100	3,100	1,982	1,118
Telecommunications	6,000	6,000	4,065	1,935
Permanent improvements	14,315	14,315	13,733	582
Travel	850	850	1,295	(445)
Total streets	1,017,961	1,009,061	928,940	80,121
Traffic engineering:				
Personal services and fringe benefits	1,139,781	1,139,781	1,082,726	57,055
Contractual services	34,500	34,500	33,629	871
Commodities	21,900	21,900	16,571	5,329
Equipment	10,000	10,000	9,972	28
Electronic data processing	180	180	-	180
Telecommunications	6,360	6,360	1,537	4,823
Operation of automotive equipment	61,700	61,700	49,938	11,762
Travel	600	600	868	(268)
Total traffic engineering	1,275,021	1,275,021	1,195,241	79,780
Total highway and streets	13,467,316	13,858,916	12,908,179	950,737

(Continued)

CITY OF SPRINGFIELD, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Economic development:				
Economic development:				
Personal services and fringe benefits	\$ 150,405	\$ 161,515	\$ 161,512	\$ 3
Contractual services	258,350	247,090	166,839	80,251
Commodities/Equipment	7,550	7,550	3,442	4,108
Electronic Data Processing	2,750	2,750	179	2,571
Telecommunications	2,500	2,650	2,790	(140)
Awards and grants	225,000	225,000	18,247	206,753
Travel	5,500	5,500	3,702	1,798
Total economic development	652,055	652,055	356,711	295,344
Capital outlay:				
Mayor:				
Equipment	87,750	80,350	25,385	54,965
Telecommunications	600	600	700	(100)
Electronic data processing	6,000	4,000	2,250	1,750
Total Mayor	94,350	84,950	28,335	56,615
City clerk:				
Equipment	11,000	11,000	812	10,188
Electronic data processing	5,000	5,000	3,185	1,815
Telecommunications	500	500	-	500
Total City clerk	16,500	16,500	3,997	12,503
Treasurer:				
Equipment	1,750	1,750	1,624	126
Electronic data processing	5,000	5,000	4,876	124
Total treasurer	6,750	6,750	6,500	250

(Continued)

CITY OF SPRINGFIELD, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Corporation counsel:				
Equipment	\$ 1,000	\$ 1,000	\$ 479	\$ 521
Electronic data processing	5,000	10,500	8,597	1,903
Total corporation counsel	6,000	11,500	9,076	2,424
Human resources:				
Equipment	1,000	1,000	-	1,000
Electronic data processing	1,200	1,200	3,304	(2,104)
Total human resources	2,200	2,200	3,304	(1,104)
Budget and management:				
Equipment	3,135	3,135	1,025	2,110
Electronic data processing	7,950	7,950	5,139	2,811
Total budget and management	11,085	11,085	6,164	4,921
General City:				
Telecommunications	685,000	709,000	696,066	12,934
Electronic data processing	79,030	55,030	24,612	30,418
Total economic development	764,030	764,030	720,678	43,352
Fire:				
Equipment	162,500	176,500	134,206	42,294
Motor Vehicles	60,000	60,000	60,000	-
Machinery/Equipment	60,000	90,000	55,075	34,925
Electronic data processing	20,000	20,000	18,188	1,812
Telecommunications	17,000	17,000	12,712	4,288
Total fire	319,500	363,500	280,181	83,319
Building and zoning:				
Equipment	500	500	600	(100)
Motor Vehicles	500	500	500	-
Electronic data processing	10,000	10,000	1,244	8,756
Telecommunications	1,500	1,500	525	975
Total building and zoning	12,500	12,500	2,869	9,631

(Continued)

CITY OF SPRINGFIELD, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Police:				
Equipment	\$ 239,000	\$ 239,000	\$ 172,202	\$ 66,798
Motor Vehicles	110,000	110,000	107,938	2,062
Machinery	88,000	88,000	58,365	29,635
Electronic data processing	7,500	7,500	11,194	(3,694)
Telecommunications	6,000	6,000	8,146	(2,146)
Total police	450,500	450,500	357,845	92,655
Engineering:				
Equipment	400	400	-	400
Electronic data processing	3,600	3,600	10,678	(7,078)
Telecommunications	300	7,700	7,342	358
Total engineering	4,300	11,700	18,020	(6,320)
Garage:				
Equipment	3,000	3,000	-	3,000
Motor Vehicles	105,000	105,000	105,000	-
Electronic data processing	5,000	5,000	749	4,251
Telecommunications	800	800	450	350
Total garage	113,800	113,800	106,199	7,601
Streets:				
Equipment	350	2,350	1,967	383
Electronic data processing	-	-	10	(10)
Telecommunications	200	200	472	(272)
Total streets	550	2,550	2,449	101
Traffic engineering:				
Equipment	400	400	129	271
Motor Vehicles	300	300	300	-
Telecommunications	200	200	-	200
Total traffic engineering	900	900	429	471
Total capital outlay	1,802,965	1,852,465	1,546,046	306,419
Total expenditures	\$ 115,982,236	\$ 116,824,513	\$ 110,630,102	\$ 6,194,411

CITY OF SPRINGFIELD, ILLINOIS

ELECTRIC LIGHT AND POWER FUND
SCHEDULE OF REVENUES AND EXPENSES - BUDGET (GAAP BASIS) AND ACTUAL

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Operating revenues:				
Fees for services	\$ 253,438,981	\$ 253,457,431	\$ 239,806,655	\$ 13,650,776
Operating expenses:				
General and administrative:				
Accounting and collection	8,240,293	7,794,726	7,154,482	640,244
Administration	18,316,300	18,276,525	7,207,218	11,069,307
Customer services	1,522,463	897,463	799,074	98,389
Total general and administrative	28,079,056	26,968,714	15,160,774	11,807,940
Other postemployment benefits	-	-	13,454,361	(13,454,361)
Production and distribution:				
Maintenance - steam	39,627,514	41,952,514	31,069,855	10,882,659
Production - steam	80,433,474	77,719,734	74,980,612	2,739,122
Transmission	6,864,676	6,883,126	6,481,707	401,419
Distribution	13,865,741	13,865,641	15,166,649	(1,301,008)
Gas turbines	1,045,005	2,445,005	2,374,308	70,697
Purchased power	28,230,633	35,030,633	18,426,531	16,604,102
Total production and distribution	170,067,043	177,896,653	148,499,662	29,396,991
Depreciation	32,499,760	31,440,732	31,856,064	(415,332)
Amortization	87,110	88,101	88,101	-
Total operating expenses	230,732,969	236,394,200	209,058,962	27,335,238
Operating income budget basis	22,706,012	17,063,231	30,747,693	(13,684,462)
Nonoperating revenues (expenses):				
Investment income	26,358	26,358	197,545	(171,187)
Interest expense	(25,479,253)	(25,479,253)	(22,648,911)	(2,830,342)
Amortization surety premium	-	-	(74,842)	74,842
Nonutility income (expense)	64,738	64,738	44,201	20,537
Other revenue (expense)	(220,350)	(220,350)	(86,391)	(133,959)
Total non-operating revenues expenses	(25,608,507)	(25,608,507)	(22,568,398)	(3,040,109)
Income (loss) before transfers and contribution revenue	(2,902,495)	(8,545,276)	8,179,295	(16,724,571)
Contribution revenue	1,430,000	1,430,000	1,286,246	143,754
Transfers, out	(8,183,178)	(8,183,178)	(7,965,387)	(217,791)
Net impairment gain	-	-	2,000,000	(2,000,000)
Change in net position	\$ (9,655,673)	\$ (15,298,454)	\$ 3,500,154	\$ (18,798,608)

CITY OF SPRINGFIELD, ILLINOIS

Water Fund
 Schedule of Revenues and Expenses - Budget (GAAP Basis) and Actual

Year Ended February 28, 2017

	Original Budget	Final Budget	Actual	(Over)/Under
Operating revenues:				
Fees for services, sale of water	\$ 29,814,332	\$ 29,814,332	\$ 28,314,263	\$ 1,500,069
Operating expenses:				
General and administrative:				
Accounting and collection	1,959,676	1,881,046	1,737,123	143,923
Administration	3,786,226	4,148,996	1,744,284	2,404,712
Total general and administrative	5,745,902	6,030,042	3,481,407	2,548,635
Other postemployment benefits	-	-	3,068,959	(3,068,959)
Production and distribution:				
Source of supply	1,264,841	1,249,946	994,448	255,498
Pumping	2,177,350	1,856,690	1,350,473	506,217
Purification	4,930,001	4,760,001	4,889,644	(129,643)
Distribution	6,442,462	6,442,462	6,769,493	(327,031)
Total production and distribution	14,814,654	14,309,099	14,004,058	305,041
Depreciation	4,531,066	4,766,304	4,676,122	90,182
Total operating expenses	25,091,622	25,105,445	25,230,546	(125,101)
Operating income budget basis	4,722,710	4,708,887	3,083,717	1,625,170
Non-operating revenues (expenses):				
Investment income	4,541	4,541	116,817	(112,276)
Interest expense	(3,774,986)	(3,774,986)	(3,773,382)	(1,604)
Auxiliary service property	(2,640,166)	(2,811,166)	(1,615,952)	(1,195,214)
Other expense	(100,492)	(100,492)	(88,586)	(11,906)
Total non-operating revenues (expenses)	(6,511,103)	(6,682,103)	(5,361,103)	(1,321,000)
Income (loss) before transfers and contribution revenue	(1,788,393)	(1,973,216)	(2,277,386)	304,170
Contribution revenue	1,608,813	1,608,813	1,155,303	453,510
Transfers out	(439,950)	(439,950)	(421,268)	(18,682)
Change in net position	\$ (619,530)	\$ (804,353)	\$ (1,543,351)	\$ 738,998

CITY OF SPRINGFIELD, ILLINOIS
ELECTRIC LIGHT AND POWER FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
RESTRICTED ACCOUNTS REQUIRED BY REVENUE BOND ORDINANCE

Year Ended February 28, 2017

	Emergency Repair Account	Renewal Replacement and Improvement Account	Rebate Fund Account	2007 Senior Lien Bond and Interest Account	2007 Senior Lien Debt Service Reserve Account	2008 Senior Lien Bond and Interest Account	2008 Electric Debt Service Reserve Account	2015 Senior Lien and Interest Account	2015 Senior Lien Debt Service Reserve Account	2010 Electric Improvement Account	Total
Cash and cash equivalents and investments at beginning of year - reserve accounts	\$ 3,998,896	\$ 3,553,102	\$ 45,311	\$ 5,698,980	\$ 4,819,034	\$ 9,466,701	\$ 3,634,543	\$ 5,925,921	\$ 9,869,756	\$ 1,226,222	\$ 48,238,466
Add (deduct):											
Interest received	24,813	20,443	164	8	17,404	9,279	14,867	10,899	42,680	2,488	143,045
Compliance Deposits	-	17,145,516	-	-	-	9,984,413	-	23,952,504	-	-	51,082,433
Insurance settlements	-	2,650,382	-	-	-	-	-	-	-	-	2,650,382
Bond and interest payments	-	-	-	(5,696,700)	-	(9,701,000)	-	(17,907,386)	-	-	(33,305,086)
Transfers (to) from restricted accounts	-	-	-	(2,288)	(4,836,438)	-	-	2,288	4,836,438	-	-
Transfers (to) from unrestricted accounts	-	(21,500,000)	(40,451)	(5,698,980)	-	292,692	-	-	4,879,118	(1,228,710)	(22,769,161)
	24,813	(1,683,659)	(40,287)	(5,698,980)	(4,819,034)	292,692	14,867	6,058,305	-	(1,226,222)	(2,198,387)
Adjustment to fair market value	3,096	-	-	-	-	-	-	-	-	-	3,096
	3,096	-	-	-	-	-	-	-	-	-	3,096
Cash and cash equivalents and investments at end of year - reserve accounts	\$ 4,026,805	\$ 1,869,443	\$ 5,024	\$ -	\$ -	\$ 9,759,393	\$ 3,649,410	\$ 11,984,226	\$ 14,748,874	\$ -	\$ 46,043,175

*Not related to long-term debt reserve accounts

STATISTICAL SECTION

Statistical Section

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

Contents

A. 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.

B. Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate revenue.

C. 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.

D. Demographic and Economic Information

These schedules offer indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

E. Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

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CITY OF SPRINGFIELD, ILLINOIS

NET POSITIONS BY COMPONENT

LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016*	2017
Governmental activities										
Net investment in capital assets	\$ 165,871,612	\$ 175,976,590	\$ 180,935,905	\$ 183,669,278	\$ 182,071,515	\$ 165,099,565	\$ 155,645,419	\$ 138,291,734	\$ 120,811,832	\$ 104,888,434
Restricted for public safety	1,394,303	1,159,993	1,615,427	1,802,693	1,186,566	1,814,307	1,296,106	1,166,076	1,223,135	1,218,151
Restricted for debt service	2,274,276	3,390,503	4,726,040	5,090,201	6,002,860	10,578,055	609,109	7,508,323	1,740,567	4,331,106
Restricted for capital projects	3,775,857	2,533,362	3,105,336	1,521,162	11,826,628	3,999,702	10,612,932	2,024,838	1,754,963	1,952,199
Restricted for highways and streets	9,132,163	8,794,371	10,596,917	10,917,981	11,646,639	11,567,809	10,730,388	10,282,023	9,520,584	12,151,828
Restricted for economic development	10,995,552	11,311,750	11,112,750	11,485,646	8,749,029	4,215,547	6,170,879	5,047,618	9,675,905	6,864,021
Restricted for culture and recreation	-	-	-	-	596,839	-	-	-	28,531	-
Restricted for waste and recycling	4,933	84,444	19,861	33,630	29,091	77,195	266,522	-	-	-
Unrestricted (deficit)	(38,605,856)	(52,096,761)	(59,590,762)	(52,797,816)	(58,338,397)	(40,475,329)	(48,334,944)	(50,160,051)	(368,157,156)	(393,321,677)
Total governmental activities net assets	\$ 154,842,840	\$ 151,154,252	\$ 152,521,474	\$ 161,722,775	\$ 163,770,770	\$ 156,876,851	\$ 136,996,411	\$ 114,160,561	\$ (223,401,639)	\$ (261,915,938)
Business type activities										
Net investment in capital assets	\$ 412,607,080	\$ 488,016,230	\$ 495,104,949	\$ 528,393,036	\$ 538,145,927	\$ 528,749,050	\$ 504,121,328	\$ 504,707,959	\$ 499,798,064	\$ 507,889,298
Restricted for endowment care	3,415,502	3,476,595	3,537,893	3,513,878	3,654,440	3,876,499	4,202,338	4,378,414	4,056,218	4,422,297
Restricted for Home for the Friendless	6,275	-	-	-	-	-	-	-	-	-
Restricted for debt service	41,299,032	47,281,555	63,497,660	24,323,654	25,078,417	29,269,346	30,596,968	31,316,883	31,090,394	26,229,601
Restricted for system repairs and improvements	-	-	-	5,455,654	5,711,260	4,376,766	11,995,776	15,339,602	15,144,756	11,630,905
Unrestricted (deficit)	75,370,658	14,399,071	7,644,466	5,264,654	(26,144,919)	(11,900,461)	976,729	(14,998,826)	(62,487,927)	(59,681,217)
Total business type activities net assets	\$ 532,698,547	\$ 553,173,451	\$ 569,784,968	\$ 566,950,876	\$ 546,445,125	\$ 554,371,200	\$ 551,893,139	\$ 540,744,032	\$ 487,601,505	\$ 490,490,884
Primary government										
Net investment in capital assets	\$ 578,478,692	\$ 663,992,820	\$ 676,040,854	\$ 712,062,314	\$ 720,217,442	\$ 693,848,615	\$ 659,766,747	\$ 642,999,693	\$ 620,609,896	\$ 612,777,732
Restricted for public safety	1,394,303	1,159,993	1,615,427	1,802,693	1,186,566	1,814,307	1,296,106	1,166,076	1,223,135	1,218,151
Restricted for endowment care	3,415,502	3,476,595	3,537,893	3,513,878	3,654,440	3,876,499	4,202,338	4,378,414	4,056,218	4,422,297
Restricted for Home for the Friendless	6,275	-	-	-	-	-	-	-	-	-
Restricted for debt service	43,573,308	50,672,058	68,223,700	29,413,855	31,081,277	39,847,401	31,206,077	38,825,206	32,830,961	30,560,707
Restricted for system repairs and improvements	-	-	-	5,455,654	5,711,260	4,376,766	11,995,776	15,339,602	15,144,756	11,630,905
Restricted for capital projects	3,775,857	2,533,362	3,105,336	1,521,162	11,826,628	3,999,702	10,612,932	2,024,838	1,754,963	1,952,199
Restricted for highways and streets	9,132,163	8,794,371	10,596,917	10,917,981	11,646,639	11,567,809	10,730,388	10,282,023	9,520,584	12,151,828
Restricted for economic development	10,995,552	11,311,750	11,112,750	11,485,646	8,749,029	4,215,547	6,170,879	5,047,618	9,675,905	6,864,021
Restricted for culture and recreation	-	-	-	-	596,839	-	-	-	28,531	-
Restricted for waste and recycling	4,933	84,444	19,861	33,630	29,091	77,195	266,522	-	-	-
Unrestricted (deficit)	36,764,802	(37,697,690)	(51,946,296)	(47,533,162)	(84,483,316)	(52,375,790)	(47,358,215)	(65,158,877)	(430,645,083)	(453,002,894)
Total primary government net assets	\$ 687,541,387	\$ 704,327,703	\$ 722,306,442	\$ 728,673,651	\$ 710,215,895	\$ 711,248,051	\$ 688,889,550	\$ 654,904,593	\$ 264,199,866	\$ 228,574,946

*The City implemented GASB Statement No. 68 in FY 2016.

Schedule A-2

CITY OF SPRINGFIELD, ILLINOIS CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	\$ 27,553,505	\$ 27,086,696	\$ 27,418,511	\$ 17,261,874	\$ 26,686,733	\$ 33,244,055	\$ 34,315,843	\$ 17,005,181	\$ 15,834,011	\$ 13,410,938
Public health and safety	60,416,606	67,156,793	76,331,360	75,268,739	78,138,081	78,226,657	88,797,781	90,819,916	112,349,673	114,379,946
Culture and recreation	8,767,106	8,738,480	10,381,497	10,308,975	6,825,270	8,124,714	7,271,027	6,107,939	7,734,835	8,143,473
Highway and streets	19,675,671	22,436,884	18,285,727	20,357,199	20,646,802	21,486,203	32,958,656	57,232,003	50,675,482	50,945,275
Economic development	631,245	894,402	1,255,663	5,451,903	4,202,863	1,942,236	3,831,255	8,251,396	9,861,283	7,430,249
Interest on long-term debt	4,339,091	2,682,725	1,838,092	2,447,922	1,047,400	5,030,911	2,066,505	3,068,850	3,957,466	4,692,181
Total governmental activities expenses	121,383,224	128,995,980	135,510,850	131,096,612	137,547,149	148,054,776	169,241,067	182,485,285	200,412,750	199,002,062
Business-type activities:										
Electric Fund	162,007,796	171,294,760	204,665,269	238,516,831	251,719,564	234,574,177	258,467,046	255,162,987	234,230,656	230,298,107
Water Fund	18,131,828	19,811,456	21,420,115	21,797,702	21,477,041	23,663,681	23,395,859	26,414,590	26,652,983	30,365,589
Sewer Fund	5,580,243	5,801,268	5,725,640	5,901,756	6,139,395	5,803,107	9,495,190	7,732,550	8,090,911	7,668,920
Motor Vehicle Parking Fund	943,655	1,030,883	1,023,332	1,040,291	963,729	885,762	952,716	862,667	934,718	1,001,195
Oak Ridge Cemetery Fund	1,128,717	1,253,450	1,214,754	1,174,863	1,170,920	1,201,562	1,254,982	1,378,635	1,470,782	1,521,906
Total business-type activities expenses	187,792,239	199,191,817	234,049,110	268,431,443	281,470,649	266,128,289	293,565,793	291,551,429	271,380,050	270,855,717
Total primary government expenses	\$ 309,175,463	\$ 328,187,797	\$ 369,559,960	\$ 399,528,055	\$ 419,017,798	\$ 414,183,065	\$ 462,806,860	\$ 474,036,714	\$ 471,792,800	\$ 469,857,779
Program Revenues										
Governmental Activities:										
Charges for Service:										
General government	\$ 3,722,688	\$ 9,881,019	\$ 11,624,275	\$ 12,259,477	\$ 12,093,999	\$ 11,126,451	\$ 14,115,119	\$ 5,202,787	\$ 5,184,222	\$ 5,473,038
Public health and safety	1,770,098	1,548,006	1,627,517	1,825,969	1,660,354	1,970,903	1,853,269	1,765,328	1,683,535	1,729,713
Culture and recreation	139,667	123,555	123,232	117,842	100,834	134,004	90,696	81,440	76,701	64,863
Highway and streets	1,241,343	1,072,047	1,889,709	2,013,472	1,935,878	2,112,273	1,983,291	2,202,211	1,872,906	1,608,310
Economic development	3,753	4,650	7,800	7,575	12,675	34,986	9,376	5,761	7,216	4,772
Operating Grants and Contributions:										
General government	59,415	421,864	1,991,591	22,767	321,490	7,842	42,726	-	-	159,065
Public health and safety	1,794,994	1,636,041	4,446,106	5,832,136	4,120,717	2,212,435	1,832,735	527,261	2,253,749	553,223
Culture and recreation	204,876	166,691	142,427	139,136	156,306	241,042	145,957	948,089	960,499	847,831
Highway and streets	-	1,359,805	1,708,264	2,976,369	2,889,647	4,202,624	6,313,595	5,966,713	16,237,446	11,575,202
Economic development	3,376,797	3,717,434	3,714,704	4,641,842	3,547,739	2,176,610	1,641,572	1,390,114	1,533,951	1,015,819
Capital Grants and Contributions:										
Public health and safety	-	-	-	-	-	-	-	-	-	21,207
Culture and recreation	-	-	-	-	-	-	-	-	-	717,719
Highway and streets	12,634,739	1,429,027	4,633,588	890,177	699,127	1,533,995	1,005,055	12,312,102	1,056,391	1,927,000
Total governmental activities revenues	24,948,370	21,360,139	31,909,213	30,726,762	27,538,766	25,753,165	29,033,391	30,401,806	30,866,616	25,697,762

CITY OF SPRINGFIELD, ILLINOIS

CHANGES IN NET POSITION - CONTINUED

LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Program Revenues - Continued										
Business type activities:										
Charges for Service:										
Electric Fund	186,501,353	186,236,133	216,059,625	226,750,881	220,339,573	226,036,772	233,741,265	244,679,049	237,772,754	239,806,655
Water Fund	19,258,571	20,894,278	25,012,041	29,040,941	31,480,740	30,996,507	30,016,919	28,954,212	28,367,672	28,314,263
Sewer Fund	6,107,610	5,747,187	5,686,507	5,849,462	5,764,406	6,542,103	5,806,930	5,886,598	6,177,450	6,476,346
Motor Vehicle Parking Fund	949,144	909,933	899,855	865,802	857,916	841,240	827,182	815,336	816,657	721,888
Oak Ridge Cemetery Fund	725,541	745,508	805,871	745,016	800,943	902,444	701,608	932,398	873,733	859,768
Capital Grants and Contributions:										
Electric Fund	1,082,775	1,956,779	1,600,089	2,405,613	3,216,929	6,222,739	664,890	1,435,136	874,301	1,286,246
Water Fund	2,511,025	1,287,817	1,486,711	2,227,071	1,297,932	923,059	1,242,564	1,124,986	1,542,103	1,155,303
Sewer Fund	1,063,360	744,517	48,617	81,441	276,376	251,953	1,021,193	1,021,193	905,793	407,873
Oak Ridge Cemetery Fund	-	-	-	-	-	256,130	18,750	230,000	25,000	-
Total business type activities revenues	<u>\$ 218,199,379</u>	<u>\$ 218,522,152</u>	<u>\$ 251,599,316</u>	<u>\$ 267,966,227</u>	<u>\$ 264,034,815</u>	<u>\$ 272,972,947</u>	<u>\$ 293,114,163</u>	<u>\$ 285,078,908</u>	<u>\$ 277,355,463</u>	<u>\$ 279,028,342</u>
Total primary government program revenue:	<u>\$ 243,147,749</u>	<u>\$ 239,882,291</u>	<u>\$ 283,508,529</u>	<u>\$ 298,692,989</u>	<u>\$ 291,573,581</u>	<u>\$ 298,726,112</u>	<u>\$ 322,147,554</u>	<u>\$ 315,480,714</u>	<u>\$ 308,222,079</u>	<u>\$ 304,726,104</u>
Net (Expense)/Revenue										
Governmental activities	\$ (96,434,854)	\$ (107,635,841)	\$ (103,601,637)	\$ (100,569,850)	\$ (110,008,383)	\$ (122,301,611)	\$ (140,207,676)	\$ (152,083,479)	\$ (169,546,134)	\$ (173,304,300)
Business type activities	<u>30,407,140</u>	<u>19,330,335</u>	<u>17,550,206</u>	<u>(465,216)</u>	<u>(17,435,834)</u>	<u>6,844,658</u>	<u>(451,630)</u>	<u>(6,472,521)</u>	<u>5,975,413</u>	<u>8,172,625</u>
Total primary government net expense	<u>\$ (66,027,714)</u>	<u>\$ (88,305,506)</u>	<u>\$ (86,051,431)</u>	<u>\$ (100,835,066)</u>	<u>\$ (127,444,217)</u>	<u>\$ (115,456,953)</u>	<u>\$ (140,659,306)</u>	<u>\$ (158,556,000)</u>	<u>\$ (163,570,721)</u>	<u>\$ (165,131,675)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
General revenue										
Property tax	\$ 24,365,573	\$ 25,389,136	\$ 26,647,461	\$ 27,503,034	\$ 27,888,049	\$ 28,261,595	\$ 29,252,052	\$ 27,303,868	\$ 27,857,691	\$ 28,113,880
City sales tax	25,271,570	24,894,837	25,194,070	30,207,937	31,177,403	31,618,148	32,408,079	41,328,159	42,253,155	40,994,248
Use tax	3,187,942	3,253,232	3,161,672	3,393,135	3,586,753	3,591,849	3,982,267	4,437,535	4,728,068	4,960,471
Motor fuel tax	3,196,190	3,014,194	3,461,124	-	-	-	-	-	-	-
Shared state income tax	10,142,889	10,698,972	7,570,725	9,166,754	9,325,787	10,438,210	11,240,804	11,288,503	12,412,961	11,068,486
Shared state sales tax	24,398,513	24,120,114	26,591,157	25,468,722	26,129,231	26,916,116	26,580,515	27,981,265	28,419,785	28,127,636
Personal property replacement tax	3,277,272	2,938,733	2,676,315	2,818,549	2,573,216	2,425,852	2,895,408	2,812,965	2,692,271	2,770,376
Miscellaneous taxes	3,499,984	4,116,876	5,900,722	6,663,605	6,674,804	6,580,893	7,122,973	7,681,076	7,874,487	7,641,743
Intergovernmental reimbursements	6,196,204	-	-	-	-	-	-	-	-	-
Miscellaneous revenues	2,487,574	2,556,531	856,002	987,306	1,109,405	1,214,488	1,896,395	1,291,690	1,027,668	1,484,998
Unrestricted investment earnings	1,959,938	841,711	294,268	194,169	193,062	133,402	121,327	47,946	88,288	354,828
Transfers	2,138,943	2,122,917	2,615,343	3,167,940	3,398,668	3,147,021	2,706,976	5,396,518	8,814,746	7,756,655
Total governmental activities	<u>\$ 110,122,592</u>	<u>\$ 103,947,253</u>	<u>\$ 104,968,859</u>	<u>\$ 109,571,151</u>	<u>\$ 112,056,378</u>	<u>\$ 114,327,574</u>	<u>\$ 118,206,796</u>	<u>\$ 129,569,525</u>	<u>\$ 136,169,120</u>	<u>\$ 133,273,321</u>

CITY OF SPRINGFIELD, ILLINOIS

CHANGES IN NET POSITION - CONTINUED

LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position - Continued										
Business-type activities:										
Net impairment gain	44,811,143	3,246,789	-	-	-	-	-	-	-	2,000,000
Donations Home to the Friendless	-	-	-	-	-	-	-	-	-	-
Non-utility property operations	-	-	-	34,509	93,329	41,370	82,984	81,911	74,890	44,201
Miscellaneous revenues	-	-	83,750	-	27,993	1,689,736	44,819	-	336,173	-
Unrestricted investment earnings	3,712,457	20,697	1,592,904	764,555	207,429	361,814	468,846	307,301	(187,811)	855,792
Extraordinary gain	-	-	-	-	-	50,735	83,895	8,824	-	-
Transfers	(2,138,943)	(2,122,917)	(2,615,343)	(3,167,940)	(3,398,668)	(3,147,021)	(2,706,976)	(5,396,518)	(8,814,746)	(7,756,655)
Total business-type activities	46,384,657	1,144,569	(938,689)	(2,368,876)	(3,069,917)	(1,003,366)	(2,026,432)	(4,998,482)	(8,591,494)	(4,856,662)
Total primary government	\$ 156,507,249	\$ 105,091,822	\$ 104,030,170	\$ 107,202,275	\$ 108,986,461	\$ 113,324,208	\$ 116,180,364	\$ 124,571,043	\$ 127,577,626	\$ 128,416,659
Change in Net Position pre Prior Period Adjustment										
Governmental activities	\$ 13,687,738	\$ (3,688,588)	\$ 1,367,222	\$ 9,201,301	\$ 2,047,995	\$ (7,974,037)	\$ (19,880,440)	\$ (22,513,954)	\$ (33,377,014)	\$ (40,030,979)
Business-type activities	76,791,797	20,474,904	16,611,517	(2,834,092)	(20,505,751)	5,841,292	(2,478,062)	(11,471,003)	(2,616,081)	3,315,963
Total primary government	\$ 90,479,535	\$ 16,786,316	\$ 17,978,739	\$ 6,367,209	\$ (18,457,756)	\$ (2,132,745)	\$ (22,358,502)	\$ (33,984,957)	\$ (35,993,095)	\$ (36,715,016)

CITY OF SPRINGFIELD, ILLINOIS
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	463,416	144,667	144,667
Assigned	-	-	-	-	685,630	999,804	1,087,603	1,369,986	1,004,240	370,793
Unassigned	-	-	-	-	12,481,030	15,760,873	19,018,600	17,149,008	20,551,975	18,657,678
Unreserved	16,662,888	8,773,485	2,560,730	8,353,495	-	-	-	-	-	-
Total general fund	\$ 16,662,888	\$ 8,773,485	\$ 2,560,730	\$ 8,353,495	\$ 13,166,660	\$ 16,760,677	\$ 20,106,203	\$ 18,982,410	\$ 21,700,882	\$ 19,173,138
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	13,800	13,800	18,750	-	4,031	14,932
Restricted	-	-	-	-	40,882,986	32,270,105	49,577,355	54,935,985	54,431,039	26,536,483
Committed	-	-	-	-	-	8,380,445	9,110,824	15,671,104	2,419,212	2,992,413
Assigned	-	-	-	-	-	848,841	1,073,312	-	35,847,662	45,659,065
Unassigned	-	-	-	-	-	(154,593)	348,052	(128,234)	(3,041,041)	(2,779,946)
Reserved	2,417,784	3,567,834	4,928,630	6,152,134	(145,873)	-	-	-	-	-
Unreserved reported in:										
Special revenue funds	22,327,364	22,328,983	22,676,961	23,230,189	-	-	-	-	-	-
Capital projects funds	8,294,942	8,208,702	7,045,812	9,611,548	-	-	-	-	-	-
Debt service funds	912,232	7,307	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 33,952,322	\$ 34,112,826	\$ 34,651,403	\$ 38,993,871	\$ 40,750,913	\$ 41,358,598	\$ 60,128,293	\$ 70,478,855	\$ 89,660,903	\$ 72,422,947

Notes for 2017:

*The assigned fund balance in the general fund decreased by \$633,447 due to the library sub-fund having decreased liabilities and a decreased cash balance.

*The unassigned fund balance in the general fund decreased by \$1,894,297 due to an increase of cash on hand and the interfund receivable decreasing for the PILOT transfer by \$2,562,439 due from CWLP, local taxes receivable decreasing by \$394,878, and due from fiduciary funds decreasing by \$415,136 due to a receivable from the General Interest Escrow Fund.

*There is \$7,419,458 included in "all other governmental funds" which is restricted for capital projects and held in the Capital Improvements Fund

*Assigned Fund Balance in the governmental funds increased by \$9,811,403 due to the deposit of home rule sales taxes assigned for capital improvement projects.

*Restricted fund balance in the governmental funds decreased by \$27,894,556 because of the use of the General Obligation bond proceeds.

*Unassigned fund balance in the governmental funds decreased by \$261,095 due to a decrease in the amount the South Central Business District Fund owes the Motor Fuel Tax Fund for the MacArthur Biv Extension project.

CITY OF SPRINGFIELD, ILLINOIS

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2008	2009	2010	2011	2012	2013	2014	2015	2016*	2017**
Revenues										
Taxes										
Property tax	\$ 24,365,573	\$ 25,389,136	\$ 26,647,461	\$ 27,106,263	\$ 27,496,370	\$ 27,868,122	\$ 29,252,052	\$ 27,303,868	\$ 27,857,691	\$ 28,113,880
State sales tax	24,398,513	24,120,114	24,242,096	25,468,722	26,129,231	26,916,116	26,580,515	27,981,265	28,419,785	28,127,636
City sales tax	25,271,570	24,894,837	25,194,070	30,207,937	31,177,403	31,618,148	32,408,079	41,328,159	42,253,155	40,994,248
Use tax	3,187,942	3,253,232	3,161,672	3,393,135	3,586,753	3,591,849	3,982,267	4,437,535	4,728,068	4,960,471
Motor fuel tax	3,196,190	3,014,194	3,461,124	2,976,369	2,889,647	2,559,123	2,904,788	2,875,600	2,866,844	2,963,101
Miscellaneous taxes	3,499,984	4,116,876	5,900,722	6,663,605	6,674,804	6,580,893	7,122,973	7,681,076	7,874,487	7,641,743
Fees for services	2,647,794	2,480,907	2,602,296	3,055,362	3,132,061	3,723,822	3,535,696	4,038,752	3,627,860	3,997,750
Investment income	1,959,938	841,711	239,268	190,340	188,256	121,924	110,355	45,536	71,798	251,249
Intergovernmental	18,064,491	20,806,233	20,148,971	23,128,433	20,521,925	19,127,404	21,100,279	20,058,045	32,948,232	21,921,948
Intragovernmental	6,166,174	6,006,585	8,510,634	8,427,996	7,922,904	6,890,645	9,635,401	532,530	518,449	582,803
Licenses and permits	1,312,993	1,211,922	1,130,695	1,359,136	1,303,889	1,256,118	1,444,251	1,261,110	1,266,006	1,035,642
Fines and fees	2,916,762	2,929,863	3,028,908	1,272,592	1,476,364	1,430,247	1,370,054	1,277,570	1,196,845	1,041,286
Special assessments	143,206	131,371	137,834	40,586	44,595	40,586	40,248	1,517	-	-
Franchise fees	1,619,034	1,732,681	1,795,484	1,846,665	1,968,522	2,064,924	2,341,793	2,147,565	2,215,420	2,223,215
Miscellaneous revenue	1,308,643	803,678	1,428,248	1,946,999	1,529,231	1,268,129	2,071,540	1,511,102	1,116,996	2,891,266
Other Reimbursements	567,343	317,829	297,763	188,296	675,970	178,510	331,499	-	-	-
Total Revenues	120,626,150	122,051,169	127,927,246	137,272,436	136,717,925	135,236,560	144,231,790	142,481,230	156,961,636	146,746,238
Expenditures										
General government	19,820,056	20,542,391	25,844,528	18,420,188	24,629,833	30,508,838	33,402,991	12,385,941	11,939,648	11,880,620
Public health and safety	59,010,881	65,488,660	70,997,389	67,915,487	70,596,101	72,694,422	78,773,337	80,965,510	82,675,045	85,181,651
Culture and recreation	7,723,335	7,685,300	7,464,661	6,859,580	5,681,083	5,877,980	6,039,938	5,847,242	6,121,944	6,454,611
Highway and streets	17,027,955	20,536,422	17,362,456	18,697,505	16,703,653	15,516,287	20,743,663	52,152,404	52,833,669	50,768,026
Economic development	628,214	778,857	778,754	4,757,233	3,870,186	1,314,778	1,735,333	7,782,301	4,745,106	6,492,504
Capital outlay	7,994,800	4,931,822	4,513,136	2,606,765	1,693,199	4,579,596	6,170,280	3,773,475	10,442,136	2,882,709
Debt service										
Principal	5,421,014	6,328,723	6,874,497	7,977,518	7,031,133	6,952,693	9,131,147	5,110,535	13,000,583	5,430,046
Interest	4,811,121	4,849,413	3,885,807	1,580,086	3,440,535	4,245,775	2,080,671	3,041,164	4,090,495	5,287,837
Total expenditures	122,437,376	131,141,588	137,721,228	128,814,362	133,645,723	141,690,769	158,077,360	171,058,572	185,848,626	174,378,004
Excess of revenues over (under) expenditures	(1,811,226)	(9,090,419)	(9,793,982)	8,458,074	3,072,202	(6,454,209)	(13,845,570)	(28,577,342)	(28,886,990)	(27,631,766)
Other Financing Sources (Uses)										
Issuance of debt	-	73,603	-	-	-	-	30,060,825	24,619,620	37,790,238	109,411
Premium (discount) from bond issuance	-	-	-	-	-	-	2,050,041	4,637,973	3,735,626	-
Loan proceeds	6,000,000	-	1,500,000	-	-	-	-	-	-	-
Transfers in	13,336,391	14,758,963	16,377,312	14,697,594	11,306,809	14,683,415	14,796,958	11,273,306	14,466,481	12,045,451
Transfers out	(11,566,886)	(13,471,046)	(13,757,508)	(13,020,435)	(8,042,004)	(11,573,256)	(12,197,033)	(5,876,788)	(5,651,735)	(4,288,796)
Capitalized leases	3,054,873	-	-	-	233,200	4,012,000	1,250,000	3,150,000	446,900	-
Total other financing sources (uses)	10,824,378	1,361,520	4,119,804	1,677,159	3,498,005	7,122,159	35,960,791	37,804,111	50,787,510	7,866,066
Net change in fund balance	\$ 9,013,152	\$ (7,728,899)	\$ (5,674,178)	\$ 10,135,233	\$ 6,570,207	\$ 667,950	\$ 22,115,221	\$ 9,226,769	\$ 21,900,520	\$ (19,765,700)
Debt service as a percentage of non-capital expenditures	9.0%	9.0%	8.2%	7.6%	8.0%	8.2%	7.4%	5.0%	10.1%	6.5%

* The increase in the intergovernmental revenues is due to TIGER grant receipts received during the fiscal year.

* The increase in the principal debt service payments is due to the refunding of the General Obligation Refunding Bonds, Series 2005A with the General Obligation Refunding Bonds, Series 2015A.

** Miscellaneous revenues increased due to an increase in principal payments received by the Special Allocation Project Account Fund (Downtown TIF).

CITY OF SPRINGFIELD, ILLINOIS

REVENUES BY SOURCE - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

Fiscal Year	Property and Replacement Taxes	Sales and Miscellaneous Taxes	State Income Tax	Other	Licenses, Permits, Fines Fees, and Charges for Services	Investment Interest	Misc Revenues	Total
2008	27,642,845 (1)	54,451,154	10,142,889	16,480,892	8,496,583	1,959,938	1,451,849	120,626,150
2009	28,327,869 (1)	59,399,253	10,698,972	13,492,942	8,355,373	841,711	935,049	122,051,169
2010	29,323,776 (1)	61,959,684	7,570,725	18,710,328	8,557,383	239,268	1,566,082	127,927,246
2011	29,924,812 (1)	68,709,768	10,025,633	18,900,543	7,533,755	190,340	1,987,585	137,272,436
2012	30,069,586 (1)	67,568,191	10,168,044	19,269,186	7,880,836	188,256	1,573,826	136,717,925
2013	30,293,974 (1)	68,707,006	10,438,210	15,891,620	8,475,111	121,924	1,308,715	135,236,560
2014	32,147,461 (1)	70,093,834	11,240,804	19,835,754	8,691,794	110,355	2,111,788	144,231,790
2015	30,116,833 (1)	81,428,035	11,288,503	9,364,708	8,724,997	45,536	1,512,618	142,481,230
2016	30,549,962 (1)	86,142,339	12,412,961	18,361,449	8,306,131	71,798	1,116,996	156,961,636
2017	30,884,257 (1)	84,687,204	11,068,486	8,665,883	8,297,893	251,248	2,891,266	146,746,237

(1) Reflects the pass through of property taxes for the Fire & Police Pension funds previously recorded in Trust & Agency Funds. Change pursuant to GASB Statement No. 27.

**[Note] Revenue has been restated to more accurately represent account groupings.

CITY OF SPRINGFIELD, ILLINOIS
SIGNIFICANT OWN SOURCE REVENUE
LAST TEN YEARS

		<u>City Sales Tax</u>	<u>Tax Rate</u>	<u>Property Tax- General Levy (1)</u>	<u>Tax Rate</u>
2008		25,271,570	1.5%	18,266,003	0.9385
2009		24,894,837	1.5%	19,130,097	0.9385
2010		25,194,070	1.5%-1.75% (2)	19,432,383	0.9385
2011		30,207,937	1.75%	20,323,354	0.9385
2012	(4)	31,142,463	1.75%	20,713,846	0.9385
2013	(4)	31,225,541	1.75%	20,959,144	0.9385
2014		32,015,350	1.75%-2.25% (3)	21,735,543	0.9385
2015		40,944,446	2.25%	21,206,208	0.9385
2016		41,880,192	2.25%	21,268,745	0.9385
2017		40,617,591	2.25%	21,589,038	0.9385

(1) Does not include property tax receipts from Tax Increment Districts or Special Assessments.

(2) .25% increase effective for 2 months of fiscal year.

(3) .5% increase effective for 2 months of fiscal year.

(4) City sales tax restated.

Notes:

Due to the Home Rule status of the City of Springfield, there are not any rate restrictions for these taxes.

There are no overlapping taxing bodies that also have a City Sales Tax.

Numerous schedules for overlapping property tax districts follow this schedule.

Due to Sangamon County system limitations the following information is unavailable: collections as of the end of the levy year in dollars and as a percentage of the levy; collections in subsequent years

Source: City of Springfield, Office of Budget and Management and the County Clerk.

CITY OF SPRINGFIELD, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Farm Property	Railroads Property	Commercial Property	Industrial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Actual Taxable Value	Actual Tax Collections	Estimated Actual Values
2008	1,213,203,768	2,145,788	2,128,897	734,532,831	993,853	1,953,005,137	0.9385	18,328,953	18,266,003	5,859,015,411
2009	1,292,728,250	2,222,322	2,335,948	761,232,277	1,057,099	2,059,575,896	0.9385	19,329,120	19,130,097	6,178,727,688
2010	1,332,080,539	3,616,591	2,619,188	776,487,811	1,882,907	2,116,687,036	0.9385	19,865,108	19,827,735	6,350,061,108
2011	1,365,332,999	1,479,123	3,140,680	806,276,113	1,873,017	2,178,101,932	0.9385	20,441,487	20,323,354	6,434,305,796
2012	1,397,271,458	1,404,790	3,439,711	815,403,647	1,897,700	2,219,417,506	0.9385	20,829,231	20,713,846	6,658,251,918
2013	1,422,534,518	1,641,788	3,653,037	807,776,501	1,993,105	2,237,598,949	0.9385	20,999,866	20,959,144	6,712,796,847
2014	1,431,654,072	1,912,242	3,894,150	806,365,670	1,993,083	2,245,819,217	0.9385	21,077,013	21,735,543	6,737,457,651
2015	1,435,938,883	2,234,634	4,005,286	826,035,675	2,207,268	2,270,421,746	0.9385	21,307,908	21,206,208	6,811,265,238
2016	1,443,334,329	2,377,057	4,095,891	819,893,144	2,073,214	2,271,773,635	0.9385	21,320,596	21,268,745	6,815,320,905
2017	1,476,714,697	2,308,749	4,550,689	815,416,542	2,039,674	2,301,030,351	0.9385	21,595,170	21,589,038	6,903,091,053

Note: Values are net of tax exempt property. Tax exempt property value is not available.

Source: County Clerk's Office

CITY OF SPRINGFIELD, ILLINOIS

DIRECT AND OVERLAPPING TAX RATES

LAST TEN FISCAL YEARS

<u>Overlapping Rates</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
City	\$ 0.9385	\$ 0.9385	\$ 0.9385	\$ 0.9385	\$ 0.9385	\$ 0.9385	\$ 0.9385	\$ 0.9385	\$ 0.9385	\$ 0.9385
School District #186	4.6665	4.4258	4.5638	4.5398	4.6422	4.7369	4.8920	5.0184	5.1650	5.2030
Junior College District #526	0.4611	0.4653	0.4610	0.4579	0.4604	0.4619	0.4650	0.4690	0.4736	0.5021
Capital Township	0.1135	0.1012	0.1011	0.1003	0.0962	0.0908	0.0906	0.0926	0.0925	0.0913
County	0.6733	0.6697	0.6901	0.6828	0.6940	0.7035	0.7204	0.7360	0.7507	0.7546
Park District	0.4512	0.4466	0.4550	0.4506	0.4576	0.4627	0.4746	0.4746	0.4869	0.4884
Sangamon County Water										
Reclamation District	0.0853	0.0841	0.0862	0.0854	0.0871	0.0886	0.0915	0.0935	0.0955	0.0956
Airport Authority	0.0820	0.0814	0.0831	0.0820	0.0832	0.0914	0.0916	0.0928	0.0931	0.0930
Auditorium Authority	0.0695	0.0694	0.0712	0.0707	0.0648	0.0678	0.0694	0.0701	0.0711	0.0714
Mass Transportation	0.1018	0.1021	0.1056	0.1051	0.1075	0.1096	0.1135	0.1166	0.1201	0.1208
Total	\$ 7.6427	\$ 7.3841	\$ 7.5556	\$ 7.5131	\$ 7.6315	\$ 7.7517	\$ 7.9471	\$ 8.1021	\$ 8.2870	\$ 8.3587
<u>Direct Rates</u>										
Police Pension	\$ 0.2756	\$ 0.2775	\$ 0.4194	\$ 0.3626	\$ 0.3852	\$ 0.3506	\$ 0.3793	\$ 0.4012	\$ 0.3984	\$ 0.4321
Fire Pension	0.3140	0.3197	0.3783	0.3834	0.4159	0.4114	0.4274	0.4172	0.4308	0.4518
Municipal Retirement	0.0284	0.0162	0.0087	0.1743	0.1196	0.1141	0.0873	0.1047	0.0908	0.0546
Lincoln Library	0.1518	0.1440	-	-	-	-	-	-	0.0185	-
General	0.1585	0.1619	0.1134	-	-	0.0447	0.0445	0.0154	-	-
Judgment and Interest	0.0102	0.0192	0.0187	0.0182	0.0178	0.0177	-	-	-	-
Total	\$ 0.9385	\$ 0.9385	\$ 0.9385	\$ 0.9385	\$ 0.9385	\$ 0.9385	\$ 0.9385	\$ 0.9385	\$ 0.9385	\$ 0.9385

Source: County Clerk's Office

Schedule B-5

CITY OF SPRINGFIELD, ILLINOIS

PROPERTY TAX LEVIES DIRECT AND OVERLAPPING

LAST TEN FISCAL YEARS

Fiscal Year	City (1)	School District	Junior College District	Township	County	Park District	Sangamon County Water Reclamation District	Airport Authority	Auditorium Authority	Mass Transportation District	Total
2008	18,330,100 (2)	87,022,578	22,280,837	2,197,123	21,748,397	9,684,419	2,075,000	1,852,379	1,547,666	1,907,920	168,646,419
2009	19,329,120	88,721,021	23,858,707	2,065,230	22,836,207	9,934,269	2,155,000	1,920,413	1,614,797	2,004,435	174,439,199
2010	19,865,108	90,723,707	24,732,974	2,110,000	24,178,014	10,566,173	2,261,000	1,999,487	1,694,733	2,082,262	180,213,458
2011	20,441,487	86,049,467	24,647,244	2,149,128	24,391,073	10,592,572	2,301,823	2,015,927	1,719,691	2,098,563	176,406,975
2012	20,829,231	89,128,093	25,362,018	2,099,981	25,373,393	10,960,608	2,394,480	2,079,398	1,603,978	2,167,957	181,999,137
2013	20,999,866	91,100,925	25,905,443	1,998,460	26,060,236	11,174,509	2,470,644	2,299,345	1,690,003	2,218,210	185,917,641
2014	21,077,013	94,156,766	26,517,112	2,001,233	27,107,610	11,509,263	2,572,645	2,312,251	1,735,083	2,295,360	191,284,336
2015	21,307,908	97,177,832	27,189,519	2,050,275	28,117,853	11,639,952	2,662,431	2,360,585	1,766,916	2,372,589	196,645,860
2016	21,320,596	99,477,401	27,859,908	2,049,751	29,033,584	11,929,457	2,736,047	2,440,404	1,788,421	2,426,566	201,062,135
2017	21,595,170	100,730,672	30,149,315	2,050,219	29,696,676	12,115,814	2,786,983	2,470,996	1,817,953	2,457,950	205,871,748

(1) Excludes tax levy on increases in assessed valuation after 1980 of tax increment district property. The City receives the difference between the cumulative tax rate for all taxing bodies multiplied times the current assessed valuation and the 1980 assessed valuation of property within the tax increment district.

(2) Corrected number to reflect levy extended

Source: County Clerk's Office

Note: Due to Sangamon County system limitations the following information is unavailable: collections as of the end of the levy year in dollars and as a percentage of the levy; collections in subsequent years

CITY OF SPRINGFIELD, ILLINOIS

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

Fiscal Year	2017				2008			
	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	
	White Oaks Mall Co.	\$ 8,204,317	1	0.36%	\$ 8,988,876	1	0.46%	
	Lutheran Retirement Center	5,926,308	2	0.26%				
	Horace Mann Educators Corp.	5,263,839	3	0.23%	4,749,292	6	0.24%	
	Memorial Health System	4,956,492	4	0.22%				
	Wells Fargo Home Mortgage	4,873,784	5	0.21%	4,391,981	7	0.22%	
	Memorial Health System	4,856,028	6	0.21%				
	White Oaks Plaza LLC	4,580,865	7	0.20%				
	Springfield Clinic LLP #1	4,513,155	8	0.20%				
	Wal-Mart RE Business Trust	4,398,250	9	0.19%				
	Springfield Clinic LLP #2	4,218,985	10	0.18%				
	IPROC Springfield LLC				8,031,101	2	0.41%	
	AIG-CMS-Franklin Life				6,027,277	3	0.31%	
	Simon Property Group				5,597,790	4	0.29%	
	Trust				5,074,553	5	0.26%	
	Trust				4,152,400	9	0.21%	
	Government Property Fund				4,259,245	8	0.22%	
	Downtown Property LLC				4,022,269	10	0.21%	
	Total	\$ 51,792,023		2.26%	\$ 55,294,784		2.83%	
	EAV			2,301,030,351			1,953,005,137	

Source: County Clerk's Office

CITY OF SPRINGFIELD, ILLINOIS

TAXABLE SALES BY CATEGORY

LAST TEN CALENDAR YEARS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Merchandise	\$ 5,012,200	\$ 5,013,004	\$ 5,172,432	\$ 6,146,577	\$ 5,507,165	\$ 5,888,023	\$ 5,711,770	\$ 7,786,792	\$ 7,787,136	\$ 6,802,036
Food	1,546,374	1,744,039	1,615,180	2,074,988	2,307,278	2,290,154	2,149,201	2,993,816	3,158,217	3,937,098
Drinking and Eating Places	3,847,096	3,810,482	3,931,293	4,649,748	4,729,672	4,857,495	4,968,073	6,556,427	6,939,884	6,983,179
Apparel	1,356,121	1,302,456	1,221,738	1,470,010	1,937,493	1,395,012	1,514,386	1,939,184	1,930,563	1,934,025
Furniture & H.H. & Radio	2,108,694	2,028,409	1,810,558	2,183,671	2,026,495	2,039,656	1,945,710	2,428,315	2,606,398	2,582,194
Lumber, Bldg. Hardware	2,729,087	2,351,854	2,358,291	3,207,980	2,682,012	2,739,540	2,923,783	3,948,008	4,037,791	4,031,111
Automotive & Filling Stations	2,335,109	2,348,272	2,195,170	2,905,708	3,210,644	3,391,955	3,261,002	3,970,536	3,589,885	3,451,731
Drugs & Misc. Retail	3,088,309	3,131,505	3,419,237	3,902,159	4,476,177	4,806,905	4,878,319	6,003,707	6,224,912	6,009,076
Agriculture & All Others	2,666,068	2,760,068	2,531,419	3,121,469	3,200,898	3,314,163	3,243,427	4,248,649	4,362,726	4,464,698
Manufacturers	331,913	360,029	303,394	429,650	373,023	389,786	423,465	605,532	545,493	560,058
Totals	\$ 25,020,971	\$ 24,850,118	\$ 24,558,712	\$ 30,091,960	\$ 30,450,857	\$ 31,112,689	\$ 31,019,136	\$ 40,480,966	\$ 41,183,005	\$ 40,755,206
City direct sales tax rate	1.5%	1.5%	1.5%-1.75%	1.75%	1.75%	1.75%	1.75%-2.25%	2.25%	2.25%	2.25%

Source: Illinois Department of Revenue Categories by Standard Industrial Codes (SIC)

CITY OF SPRINGFIELD, ILLINOIS

Property Tax Payment Calendar

Taxes Assessed:	The owner of real property on January 1 in any year is liable for taxes of that year.
Taxes Due:	Current taxes on real property may be paid in two equal installments. The first installment is generally due not later than June 1 and bears interest at the rate of 1 1/2 percent per month until paid, sold, or forfeited. The second installment is due and payable not later than September 1 and bears interest at the rate of 1 1/2 percent per month after September 1 until paid, sold, or forfeited.
Payable:	The first installment of real estate taxes are payable to the Town Collector in the townships in which the taxpayer resides on or before June 1, and the second installment is payable at the office of the County Collector on or before September 1 (office is located in the County Building).
Tax Sale:	Application for judgment and sale in cases of unpaid taxes is made during the month of October. (A Monday is fixed for the date of sale by the County Treasurer.) Tax bills are sold to the bidder who offers to pay the accumulated amount of tax and to charge thereon the lowest rate of interest. The maximum rate of interest provided by law is 18 percent every six months for a period of 2 1/2 years, if less than 6 units and owner-occupied. The purchaser of the tax bill is given a certificate of purchase for each piece of real estate.
Redemption:	Redemption may be made by the owner by payment to the County Clerk of the redemption amount which includes costs and interest plus a charge for redemption certificate, at any time before issuance of the tax deed.
Tax Deed:	Two years, or 2 1/2 years under certain circumstances, from the date of the annual tax sale, the holder of a certificate of purchase which has not been redeemed may, by fulfilling the statutory procedures and paying any subsequent unpaid taxes, obtain a deed. The tax certificate holder may extend the time for redemption to expire at any time in the third year but no longer than three years from the date of sale. This deed must be issued before the expiration of three years after the annual tax sale or the certificate becomes void.

Schedule C-1

CITY OF SPRINGFIELD, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					Business Type Activities								Total Primary Government	Percentage of Per Capita Income (a)	Per Capita (a)	
	General Bonded Debt	Tax Increment	Special Assessment	Capital		Loans	Water		Electric		Motor Vehicle Fund		Sewer Fund Bonds				
				Bonds	Leases		Revenue	Bonds	Revenue	Bonds	Notes Payable	Bond					
2008	52,293,397	3,258,000	610,136	8,954,739	-	-	22,240,075	-	602,735,415	-	642,000	8,721,601	3,040,626	-	702,495,989	16.60%	5,999
2009	45,498,849	2,968,868	358,005	7,494,789	-	-	41,940,598	-	661,235,854	-	436,000	7,976,135	2,607,349	-	770,516,447	17.47%	6,580
2010	38,517,557	2,528,685	221,223	6,160,571	1,500,000	-	40,575,168	-	649,773,829	-	221,000	9,508,300	2,154,072	-	751,160,405	16.18%	6,415
2011	32,163,900	2,211,432	181,284	4,764,149	1,500,000	-	39,505,000	-	622,125,000	-	-	9,913,036	1,660,000	-	714,023,801	15.07%	6,098
2012	25,570,978	1,870,307	99,945	3,682,284	-	-	37,430,000	-	610,110,000	-	-	9,320,455	-	-	690,333,969	15.33%	5,938
2013	21,679,501	16,517,647	55,260	5,811,411	-	-	96,862,359	-	609,379,473	-	-	8,298,778	-	-	762,054,429	16.26%	6,555
2014	38,264,959	19,165,870	-	5,075,146	-	-	95,586,294	-	595,262,787	-	-	7,127,834	-	-	761,682,890	16.20%	6,552
2015	68,416,346	19,039,359	-	6,310,742	-	-	93,027,970	-	580,427,431	-	-	6,393,559	-	-	773,615,407	16.05%	6,655
2016	97,871,103	18,910,415	-	5,511,042	-	-	90,431,897	-	571,187,020	-	-	6,140,823	-	-	790,052,300	15.97%	6,796
2017	93,418,778	18,686,537	-	4,099,286	-	-	87,613,084	-	554,228,000	-	-	7,656,816	-	-	765,702,501	15.11%	6,587

(a) See Schedule D-1 for personal income and population data.

CITY OF SPRINGFIELD, ILLINOIS

GENERAL BONDED DEBT CAPACITY AND RATIOS

LAST TEN FISCAL YEARS

Fiscal Year	Equalized Assessed Value	General Bonded Debt	Accumulated Resources Restricted to Repaying Principal of General Bonded Debt	Net General Bonded Debt	Net General Bonded Debt to Assessed Value	Debt Limit (1)	Comparative Available Debt Capacity
2008	1,953,005,137	52,293,397	-	52,293,397	2.68%	168,446,693	116,153,296
2009	2,059,575,896	45,498,849	-	45,498,849	2.21%	177,638,421	132,139,572
2010	2,116,687,036	38,517,557	-	38,517,557	1.82%	182,564,257	144,046,700
2011	2,178,101,932	32,163,900	-	32,163,900	1.48%	187,861,292	155,697,392
2012	2,219,417,306	25,570,978	-	25,570,978	1.15%	191,424,743	165,853,765
2013	2,237,598,949	21,679,501	-	21,679,501	0.97%	192,992,909	171,313,408
2014	2,245,819,217	40,315,000	-	40,315,000	1.80%	193,701,907	153,386,907
2015	2,270,421,746	68,416,346	7,042,434	61,373,912	2.70%	195,823,876	127,407,530
2016	2,271,773,635	97,871,103	1,542,314	96,328,789	4.24%	195,940,476	98,069,373
2017	2,301,030,351	93,418,778	2,039,735	91,379,043	3.97%	198,463,868	105,045,090

(1) The City of Springfield has home rule powers. There are no debt limits that apply.

The debt limit for non-home rule governments is 8.625% of assessed valuation (65 ILCS 5/8-5-1).

CITY OF SPRINGFIELD, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF FEBRUARY 28, 2017

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Springfield:			
General Obligation	\$ 93,418,778		
Tax Increment Financing & Special Service Area	18,686,537		
Capital Leases	4,099,286		
TOTAL	<u>\$ 116,204,601</u>		
Debt repaid with property tax			
School District #186,5,3A,14,8,16	\$ 174,348,288	67.84%	118,277,879
Community College District #526	26,285,000	59.22%	15,567,265
Springfield Park District	13,715,000	92.07%	12,627,162
Springfield Airport Authority	5,266,360	82.25%	4,331,840
Springfield Auditorium Authority	7,746,636	90.23%	6,989,565
Sangamon County Water Reclamation District	79,485,000	76.72%	60,979,425
County	18,515,000	58.73%	10,873,390
Other	2,575,000	6.38%	164,176
Subtotal, overlapping debt			229,810,702
City direct debt			<u>116,204,601</u>
Total direct and overlapping debt			<u>\$ 346,015,303</u>

Source: County Clerk's Office; Taxing Districts; Bond issue documents

The Sangamon County Clerk's Office provides an annual overlap report. The report specifies each overlapping district's EAV dollars and percentage. The overlapping district percentage is applied to their outstanding debt. The debt is verified either directly from the district or the bond documents.

Schedule C-4

CITY OF SPRINGFIELD, ILLINOIS

PLEDGED - REVENUE COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year	Electric Revenue Bonds					Water Revenue Bonds					
	Gross Revenues (2)	Less Operating Expenses (2)	Net Available Revenue	Current Maturities Debt Service		Gross Revenues (2)	Less Operating Expenses (2)	Net Available Revenue	Current Maturities Debt Service		
				Principal (1)	Interest				Principal (1)	Interest	
											Coverage
2008	197,063,362	132,558,530	64,504,832	11,985,000	23,562,232	19,825,103	12,092,889	7,732,214	2,015,000	1,143,305	2.45
2009	193,417,054	141,141,367	52,275,687	9,935,000	29,226,696	21,085,659	13,063,926	8,021,733	1,430,000	1,290,827	2.95
2010	219,385,718	165,834,049	53,551,669	11,445,000	31,152,614	26,546,139	14,411,760	12,134,379	1,495,000	2,064,790	3.41
2011	230,691,378	174,099,238	56,592,140	12,015,000	30,581,264	30,783,282	14,907,298	15,875,984	2,075,000	1,993,470	3.90
2012	224,931,888	184,370,503	40,561,385	12,995,000	29,980,314	31,733,014	15,182,116	16,550,898	2,280,000	1,897,320	3.96
2013	232,739,871	166,594,377	66,145,494	13,020,000	29,435,770	32,293,721	16,313,690	15,980,031	2,352,500	3,031,330	2.97
2014	254,553,291	194,165,967	60,387,324	13,600,000	28,855,660	31,068,200	17,014,452	14,053,748	2,360,000	4,171,790	2.15
2015	246,076,630	193,002,405	53,074,225	14,235,000	28,224,380	28,429,769	17,040,843	11,388,926	2,440,000	4,090,050	1.74
2016	238,324,467	167,105,338	71,219,129	14,585,000	26,895,727	30,286,701	16,711,912	13,574,789	2,705,000	3,992,450	2.03
2017	243,173,410	162,733,119	80,440,291	9,520,000	24,203,275	29,484,746	17,605,843	11,878,903	2,830,000	3,835,800	1.78

(1) Excludes effect of bonds defeased. Includes only first lien bond debt service, subordinate lien debt service is excluded.

(2) Electric Light and Power Fund and Water Fund includes auxiliary service and non-utility property revenues and expenses. Excludes depreciation and amortization in all funds. Excludes contributed revenues, impairment gains and extraordinary items. Includes interest and transfers in all funds.

CITY OF SPRINGFIELD, ILLINOIS

PLEDGED - REVENUE COVERAGE - CONTINUED

LAST TEN FISCAL YEARS

	Motor Vehicle Parking Revenue Bonds (3)						Sewer Revenue Bonds					
	Gross Revenues	Less Operating Expenses (2)	Net Available Revenue	Current Maturities Debt Service		Coverage	Gross Revenues	Less Operating Expenses (2)	Net Available Revenue	Current Maturities Debt Service		Coverage
				Principal (1)	Interest (2)					Principal (1)	Interest (2)	
2008	963,836	810,276	153,560	206,000	25,165	0.66	6,268,352	3,522,306	2,746,046	460,000	133,935	4.62
2009	913,517	872,525	40,992	215,000	17,440	0.18	5,804,771	5,248,386	556,385	480,000	112,315	0.94
2010	1,000,004	916,605	83,399	221,000	8,840	0.36	5,692,694	3,952,008	1,740,686	505,000	89,660	2.93
2011	1,086,911	960,512	126,399	-	-	-	5,936,305	4,200,911	1,735,394	530,000	65,723	2.91
2012	857,966	906,640	(48,674)	-	-	-	6,042,540	4,432,879	1,609,661	-	-	-
2013	841,406	831,186	10,220	-	-	-	6,847,256	4,022,379	2,824,877	-	-	-
2014	827,232	843,972	(16,740)	-	-	-	5,985,564	5,569,884	415,680	-	-	-
2015	815,376	816,211	(835)	-	-	-	6,322,920	6,152,427	170,493	-	-	-
2016	816,905	858,864	(41,959)	-	-	-	7,084,039	6,010,331	1,073,708	-	-	-
2017	722,561	962,864	(240,303)	-	-	-	6,887,466	5,601,150	1,286,316	-	-	-

(1) Excludes effect of bonds defeased.

(2) Excludes effect of amounts capitalized.

(3) Refinanced with GO refunding bonds effective FY2003.

CITY OF SPRINGFIELD, ILLINOIS

PLEDGED - REVENUE COVERAGE - CONTINUED

LAST TEN FISCAL YEARS

Fiscal Year	Special Assessment Bonds					Tax Increment Bonds (1)				
	Gross Revenues	Less Operating Expenses	Net Available Revenue	Current Maturities Debt Service		Gross Resources	Less Operating Expenses	Net Available Revenue	Current Maturities Debt Service	
				Principal	Interest				Principal	Interest
2008	262,575	-	262,575	197,630	35,172	7,391,573	5,712,315	1,679,258	410,633	202,086
2009	238,520	-	238,520	180,793	21,026	6,759,932	4,937,133	1,822,799	430,632	204,313
2010	276,292	-	276,292	55,306	11,061	7,142,824	6,209,540	933,284	292,356	176,986
2011	105,085	-	105,085	60,430	9,064	8,194,239	6,142,238	2,052,001	174,258	150,946
2012	107,582	-	107,582	49,973	4,997	7,939,740	8,627,729	(687,989)	164,484	126,483
2013	100,872	-	100,872	55,260	2,763	7,891,948	11,274,910	(3,382,962)	207,842	1,254,327
2014	98,229	-	98,229	-	-	16,248,359	18,283,871	(2,035,512)	217,231	1,240,086
2015	57,447	-	57,447	-	-	6,768,548	8,103,876	(1,335,328)	237,777	1,359,482
2016	-	-	-	-	-	8,557,643	9,449,647	(892,004)	269,182	1,328,076
2017	-	-	-	-	-	8,475,099	6,862,533	1,612,566	333,289	1,327,489

(1) Far East TIF bonds omitted after FY2002 due to GO refinancing.

(2) Special Service Area bonds included.

CITY OF SPRINGFIELD, ILLINOIS

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS

Calendar Year		Population	Personal Income (2)(7)	Per Capita Income (2)(7)	Median Age (6)	School Enrollment (1)	Unemployment Rate 2/28 (5)
2007	(3)	117,096	7,302,405	35,316	37.2	13,800	5.2%
2008		117,096	7,662,763	36,863	36.7	14,213	7.4%
2009		117,096	7,844,388	37,551	37.0	14,180	9.2%
2010	(4)	116,250	8,152,960	38,731	38.2	14,120	7.7%
2011	(4)	116,250	8,530,580	40,304	38.3	14,219	7.7%
2012	(4)	116,250	8,573,776	40,439	39.9	14,303	8.2%
2013	(4)	116,250	8,774,090	41,459	40.0	14,484	7.4%
2014	(4)	116,250	9,006,852	42,552	38.7	14,292	5.6%
2015	(4)	116,250	9,204,307	43,590	38.7	14,158	5.7%
2016	(4)	116,250	N/A	N/A	N/A	14,893	5.0%

Sources: U.S. Dept of Labor-Bureau of Labor Statistics, Bureau of the Census
U.S. Dept of Commerce, and Illinois Board of Education.

- (1) District 186 Schools only K-12.- source-IL Board of Education Summary Report
- (2) Information obtained from the U.S. Dept of Commerce Bureau of Economic Analysis.
Figures for the most current year are unavailable.
- (3) Special census performed.
- (4) Official Census Data
- (5) Bureau of Labor statistics- labor force data - updated 6-2017
- (6) U.S. Census Bureau estimate
- (7) Updated numbers from current U.S. Dept. of Commerce Bureau report 6/28/17 FIPS #44100 Springfield IL MSA

N/A Information is not available

CITY OF SPRINGFIELD, ILLINOIS

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	Fiscal Year 2017				Fiscal Year 2008			
	Employees	Rank	Percentage of Total City Employment		Employees	Rank	Percentage of Total City Employment	
State of Illinois	17,800	1	29.52%		17,000	1	26.34%	
Memorial Health System	5,791	2	9.60%		5,200	2	8.06%	
Hospital Sisters Health System	4,247	3	7.04%		2,567	4	3.98%	
Springfield Public Schools	2,673	4	4.43%		2,019	5	3.13%	
Springfield Clinic LLP	2,300	5	3.81%				0.00%	
SIU School of Medicine	1,539	6	2.55%		1,350	7	2.09%	
University of IL – Springfield	1,524	7	2.53%		1,118	9	1.73%	
City of Springfield	1,402	8	2.33%		1,732	6	2.68%	
Blue Cross Blue Shield	1,310	9	2.17%				0.00%	
Horace Mann Educators	1,100	10	1.82%		1,280	8	1.98%	
SBC / AT&T					900	10	1.39%	
Illinois National Guard					2,700	3	4.18%	
Top Ten Total	39,686		65.82%		35,866		55.58%	
Total workforce	60,296				64,536			

Source: Illinois Department of Employment Security; Springfield Chamber of Commerce

CITY OF SPRINGFIELD, ILLINOIS

FULL-TIME-EQUIVALENT CITY EMPLOYEES BY CITY AGENCY

LAST TEN FISCAL YEARS

<u>Agency</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Office of the Mayor	36	35	34	31	29	31	32	30	30	31
City Council	12	12	12	12	12	12	12	12	12	12
City Clerk	5	5	5	5	5	5	5	5	5	5
City Treasurer	14	14	14	14	13	14	13	13	13	13
Human Resources	12	12	12	11	11	11	11	11	11	11
Budget & Management (1)	26	25	25	25	23	32	31	31	62	61
Fire Department	241	236	234	219	212	228	228	229	226	225
Public Works	248	249	244	227	214	194	183	184	180	180
Economic Development	13	13	12	11	10	9	9	9	9	10
Public Library	65	65	58	47	41	41	41	41	41	41
Police Department	327	324	322	304	289	287	287	289	282	282
Conventions & Tourism	20	19	19	19	19	13	13	14	14	14
Public Utilities	713	761	761	742	721	683	661	642	622	614
Total	<u>1,732</u>	<u>1,770</u>	<u>1,752</u>	<u>1,667</u>	<u>1,599</u>	<u>1,560</u>	<u>1,526</u>	<u>1,510</u>	<u>1,507</u>	<u>1,499</u>

(1) Absorbed fleet operations

Note: This schedule represents planned City Employees.

Source: City of Springfield's Office of Budget & Management's Budget Book.

CITY OF SPRINGFIELD, ILLINOIS

OPERATING INDICATORS BY AGENCY

LAST TEN FISCAL YEARS

Agency	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Works										
Streets resurfaced (miles)	8.0	0.0	2.5	4.0	0.0	15.0	16.0	51.0	45.0	35.0
Concrete patching (miles)	3.5	0.9	0.9	3.9	1.0	1.0	5.0	5.0	2.0	5.0
Building Permits issued	3,384	3,196	3,576	3,326	2,960	3,520	3,186	3,310	3,118	2,878
Building Permits value	193,722,102	198,228,372	190,768,327	207,229,681	255,756,699	193,633,649	254,923,577	161,782,726	225,480,353	118,212,220
Police										
Calls for Service	158,960	124,993	124,512	123,035	123,652	123,940	117,683	119,841	133,996	118,043
Adult Arrests	7,925	7,614	7,615	6,832	6,699	6,225	5,987	5,757	5,099	4,850
Juvenile Arrests	1,361	1,517	1,665	1,085	1,183	941	878	1,049	1,108	898
Citations issued	25,404	16,928	22,386	24,189	22,489	22,532	17,798	16,195	14,691	13,845
Fire										
Emergency Responses	15,075	15,919	15,348	15,931	16,431	16,411	16,368	17,185	16,963	17,641
Inspections	4,639	5,337	3,774	4,197	4,459	4,579	4,701	3,513	5,216	3,440
Library										
Books in collection	392,645	414,690	451,723	358,912	347,109	343,099	315,132	312,499	318,767	247,394
Total reference questions	58,088	53,482	45,825	41,768	38,447	34,041	34,184	29,931	29,839	29,081
Physical Items borrowed	671,867	727,018	699,234	636,433	624,112	596,847	508,655	469,261	446,861	394,545
Ebook circulations (borrowing)	-	-	-	-	-	-	52,723	64,219	74,874	73,503
Borrowed per capita	6.0	6.5	6.3	5.5	5.4	5.1	4.8	4.6	4.5	4.0
Public Utilities										
Electric Customers	70,764	69,575	69,833	69,475	69,636	69,941	70,264	70,864	71,305	71,376
Water Customers	51,966	51,112	51,424	51,156	51,446	51,829	52,043	52,540	53,134	53,258
Avg Daily Water Consumption (gallons)	23,181,707	20,702,828	21,179,524	22,468,891	22,456,897	22,792,040	20,635,082	20,561,678	20,393,222	19,783,155

Sources: The City of Springfield's Office of Public Works, Police Department, Fire Department, Library and Utility

CITY OF SPRINGFIELD, ILLINOIS

CAPITAL ASSET STATISTICS BY AGENCY

LAST TEN FISCAL YEARS

Agency	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Works										
Miles of Streets (2)	654	655	656	656	657	625	626	628	629	630
Miles of Sewers (1)	580	493	494	494	495	495	496	498	499	500
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	12	12	12	12	12	12	12	12	12	12
Public Utilities										
Miles of Water Mains	645	650	745	747	749	759	760	761	763	765
Miles of Electric Lines	1,127	1,133	1,136	1,075	1,079	1,081	1,083	1,084	1,086	1,089
# of Street Lights	18,324	18,446	18,496	17,226	17,303	17,329	17,379	17,468	17,484	17,554

Source: City of Springfield Office of Public Works, Police Department, Fire Department and Public Utility

(1) FY09 reflects miles subsequent to completion of GIS mapping.

(2) FY13 reflects miles subsequent to completion of GIS mapping