OFFICIAL STATEMENT

New Issue
Book-Entry Only

Rating: Moody's "Aa3"
(See "RATING" herein)

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the Issuer (i) interest on the Bonds will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code. Under existing law, the Bonds and the income therefrom will be exempt from all state, City and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "Tax Matters" herein).

$3,620,000
CITY OF SPRINGFIELD, TENNESSEE
General Obligation Public Improvement and Refunding Bonds, Series 2020
(ULT) (BANK QUALIFIED)

Dated: Date of Delivery

Due: June 1, as shown below*

The City of Springfield, Tennessee (the "Issuer") will issue its $3,620,000 General Obligation Public Improvement and Refunding Bonds, Series 2020 (the "Bonds") in fully registered form, without coupons, and, when issued, the Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases of beneficial ownership interest in the Bonds will be made in book-entry form only, in denominations of $5,000 or multiples thereof through DTC Participants. Interest on the Bonds will be payable semiannually on June 1 and December 1 of each year, commencing on December 1, 2020, calculated on the basis of a 360-day year consisting of twelve 30-day months.

Payments of principal of and interest on the Bonds are to be made to purchasers by DTC through the Participants (as such term is herein defined). Purchasers will not receive physical delivery of Bonds purchased by them. See "The Bonds-Book-Entry-Only System." Principal of and interest on the Bonds are payable by the Issuer to the corporate trust office of U.S. Bank National Association, Nashville, Tennessee, as registration and paying agent (the "Registration Agent").

The Bonds are not subject to redemption prior to maturity. The Bonds are payable on June 1 of each year as follows:

Maturity (June 1)	Principal	Interest Rate	Price or Yield	Maturity (June 1)	Principal	Interest Rate	Price or Yield
2021	$ 80,000	5.000%	0.350%	2026	$460,000	5.000%	0.750%
2022	395,000	5.000	0.400	2027	450,000	5.000	0.850
2023	425,000	5.000	0.450	2028	60,000	3.000	1.050
2024	445,000	5.000	0.500	2029	60,000	3.000	1.150
2025	435,000	5.000	0.600				

$140,000 2.000% Term Bond Due June 1, 2031, Yield 1.300c%
$210,000 2.000% Term Bond Due June 1, 2034, Yield 1.500c%
$225,000 2.000% Term Bond Due June 1, 2037, Yield 1.700c%
$235,000 2.000% Term Bond Due June 1, 2040, Yield 2.000%

c=Yield to June 1, 2030 call date

The Bonds will be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer. The full faith and credit of the Issuer are irrevocably pledged for the prompt payment of principal of and interest on the Bonds.

The Bonds are offered when, as and if issued, subject to the approval of the legality by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the Issuer by Christina M. Bartee, Esq., Springfield, Tennessee, Counsel to the Issuer. Stephens Inc. is serving as Municipal Advisor to the City. The Bonds, in book-entry form, are expected to be available for delivery through The Depository Trust Company in New York, New York, on or about June 25, 2020.

June 17, 2020

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the "Official Statement") by the Issuer from time to time, is an Official Statement with respect to the Bonds described herein that is deemed final by the Issuer as of the date hereof (or of any such supplement or amendment). It is subject to completion with certain information to be established at the time of the sale of the Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

No dealer, broker, salesman or other person has been authorized by the Issuer or by Stephens Inc., as financial advisor, to give any information or make any representations other than those contained in this Official Statement and, if given or made, such information or representations with respect to the Issuer or the Bonds must not be relied upon as having been authorized by the Issuer or Stephens Inc. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities other than the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date as of which information is given in this Official Statement.

In making an investment decision investors must rely on their own examination of the Issuer and the terms of the offering, including the merits and risks involved. No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission or with any state securities agency. The Bonds have not been approved or disapproved by the Securities and Exchange Commission or any state securities agency, nor has the Securities and Exchange Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

City of Springfield, Tennessee
General Obligation Public Improvement and Refunding Bonds, Series 2020
(ULT) (Bank Qualified)

Dated: June 25, 2020

Maturity (June 1)	Amount	Rate	Yield	CUSIP No.*
2021	$80,000	5.000%	0.350%	851392TP5
2022	395,000	5.000	0.400	851392TQ3
2023	425,000	5.000	0.450	851392TR1
2024	445,000	5.000	0.500	851392TS9
2025	435,000	5.000	0.600	851392TT7
2026	460,000	5.000	0.750	851392TU4
2027	450,000	5.000	0.850	851392TV2
2028	60,000	3.000	1.050	851392TW0
2029	60,000	3.000	1.150	851392TX8
2031	140,000	2.000	1.300c	851392TZ3
2034	210,000	2.000	1.500c	851392UC2
2037	225,000	2.000	1.700c	851392UF5
2040	235,000	2.000	2.000	851392UJ7

c=Yield to June 1, 2030 Call Date

* These CUSIP numbers have been assigned by Standard & Poor’s CUSIP Service Bureau, a Division of The McGraw Hill Companies, Inc., and are included solely for the convenience of the Noteholders. The Issuer is not responsible for the selection or use of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

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The material contained herein has been obtained from sources believed to be current and reliable, but the accuracy thereof is not guaranteed. The Official Statement contains statements which are based upon estimates, forecasts, and matters of opinion, whether or not expressly so described, and such statements are intended solely as such and not as representations of fact. All summaries of statutes, resolutions, and reports contained herein are made subject to all the provisions of said documents. The Official Statement is not to be construed as a contract with the purchasers of any of the City of Springfield, Tennessee General Obligation Public Improvement and Refunding Bonds, Series 2020.

Table of Contents

CITY OF SPRINGFIELD, TENNESSEE

MAYOR

Ann Schneider

BOARD OF MAYOR AND ALDERMEN

James Hubbard
Bobby Trotter
Jeff Gragg
Tim Harris
Lisa Arnold
Clay Sneed

ADMINISTRATION

Regina Holt, City Manager
Lisa Crockett, City Recorder/Director of Finance
Kimberly Brickles, City Clerk

ISSUER ATTORNEY

Batson Nolan PLC
Christina M. Bartee, Esq.
Clarksville, Tennessee

BOND COUNSEL

Bass, Berry & Sims PLC
Nashville, Tennessee

REGISTRATION, PAYING AND REFUNDING ESCROW AGENT

U.S. Bank National Association
Nashville, Tennessee

MUNICIPAL ADVISOR

Stephens Inc.
Nashville, Tennessee

UNDERWRITER

Northland Securities, Inc.
Minneapolis, Minnesota

Summary Statement

This Summary is expressly qualified by the entire Official Statement, which should be viewed in its entirety by potential investors.

ISSUER	City of Springfield, Tennessee (the "Issuer").
ISSUE	$3,620,000 General Obligation Public Improvement and Refunding Bonds, Series 2020 (the "Bonds").
PURPOSE	The Bonds are being issued to provide funds to refund the City's outstanding General Obligation Refunding Bonds, Series 2010, dated December 16, 2010; finance capital improvements for the Municipality; and to pay Bond issuance costs.
SECURITY	The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer. The full faith and credit of the Issuer are irrevocably pledged for the prompt payment of principal of and interest on the Bonds.
DATED DATE	June 25, 2020.
INTEREST DUE	Each June 1 and December 1, commencing December 1, 2020.
PRINCIPAL DUE	June 1, commencing June 1, 2021 through June 1, 2040.
SETTLEMENT DATE	June 25, 2020.
OPTIONAL REDEMPTION	The Bonds maturing June 1, 2031 and thereafter, shall be subject to redemption prior to maturity at the option of the Municipality on June 1, 2030 and thereafter, as a whole or in part, at any time at the redemption price of par plus accrued interest to the redemption date.
RATING	"Aa3" by Moody's Investors Service, Inc. (the "Rating Agency"), based on documents and other information provided by the Issuer. The rating reflects only the view of the Rating Agency and neither the Issuer, the Financial Advisor nor the Underwriter makes any representations as to the appropriateness of such rating. There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by the Rating Agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from the Rating Agency.
TAX MATTERS	Bass, Berry & Sims PLC will provide an unqualified opinion as to the tax exemption of the Bonds discussed under "TAX MATTERS" herein.
BANK QUALIFICATION	The Bonds will be "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended.

REGISTRATION, PAYING AND ESCROW AGENT.................. U.S. Bank National Association, Nashville, Tennessee.

MUNICIPAL ADVISOR......... Stephens Inc., Nashville, Tennessee.

UNDERWRITER.................... Northland Securities, Inc., Minneapolis, Minnesota.

Official Statement

City of Springfield, Tennessee

$3,620,000

General Obligation Public Improvement and Refunding Bonds, Series 2020 (ULT) (Bank Qualified)

Introduction

The Official Statement, including the cover page and appendices hereto, is furnished in connection with the issuance by The City of Springfield, Tennessee (the "Issuer" or the "Municipality") of $3,620,000 General Obligation Public Improvement and Refunding Bonds, Series 2020 (the "Bonds").

The Bonds are issuable under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 9-21-101, et seq., Tennessee Code Annotated, and pursuant to a resolution adopted by the Board of Mayor and Aldermen of the Issuer on May 19, 2020 (the "Resolution") authorizing the issuance, sale and payment of the Bonds.

This Official Statement includes descriptions of, among other matters, the Bonds, the Resolution, and the Issuer. Such descriptions and information do not purport to be comprehensive or definitive. All references to the Resolution are qualified in their entirety by reference to the definitive document, including the form of the Bonds included in the Resolution. During the period of the offering of the Bonds, copies of the Resolution and any other documents described herein or in the Resolution may be obtained from the Issuer. After delivery of the Bonds, copies of such documents will be available for inspection at the Mayor's office. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the Resolution.

The Bonds

Description

The Bonds are being issued to (i) refund the City's General Obligation Refunding Bonds, Series 2010, dated December 16, 2010 (the "Refunded Bonds"); (ii) finance capital improvements for the Issuer, including (A) improvements to stormwater facilities, park and greenway facilities, streets and roadways, and golf course facilities, and (B) the purchase of public works vehicles and equipment (collectively, the "Projects"); and (iii) pay Bond issuance costs.

The Bonds will be issued as fully registered book-entry Bonds, without coupons, in denominations of $5,000 or any integral multiple thereof. The Bonds will be dated the date of delivery. Interest on the Bonds, at the rates per annum set forth on the cover page and calculated on the basis of a 360-day year, consisting of twelve 30-day months, will be payable semiannually on June 1 and December 1 of each year (herein an "Interest Payment Date"), commencing December 1, 2020.

The Bonds will mature on the dates and in the amounts set forth on the cover page.

Except as otherwise provided in the Detailed Notice of Sale and in the Resolution, the Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds.

U.S. Bank National Association, Nashville, Tennessee (the “Registration Agent”) will make all interest payments with respect to the Bonds on each Interest Payment Date directly to the registered owners as shown on the Note registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the Interest Payment Date (the “Regular Record Date”) by check or draft mailed to such owners at their addresses shown on said registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the Issuer in respect of such Bonds to the extent of the payments so made. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. In the event the Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the Owner of at least $1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

Any interest on any Note which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter “Defaulted Interest”) shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the Issuer to the persons in whose names the Bonds are registered at the close of business on a date (the “Special Record Date”) for the payment of such Defaulted Interest, which shall be fixed in the following manner: The Issuer shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Note and the date of the proposed payment, and at the same time the Issuer shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall not be more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Note registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in the Resolution or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the Issuer to punctually pay or duly provide for the payment of principal of and interest on the Bonds when due.

Optional Redemption

The Bonds maturing June 1, 2031 and thereafter, shall be subject to redemption prior to maturity at the option of the Municipality on June 1, 2030 and thereafter, as a whole or in part, at any time at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board of Mayor and Aldermen of the Municipality in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interest within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Mandatory Redemption

Subject to the credit hereinafter provided, the Issuer shall redeem Bonds maturing June 1, 2031, 2034, 2037 and 2040 on the redemption dates set forth below opposite, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Note is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

Final Maturity	Redemption Date	Principal Amount of Bonds Redeemed
	June 1, 2030	$70,000
June 1, 2031	June 1, 2031*	70,000
	June 1, 2032	$70,000
June 1, 2034	June 1, 2033	70,000
	June 1, 2034*	70,000
	June 1, 2035	$75,000
June 1, 2037	June 1, 2036	75,000
	June 1, 2037*	75,000
	June 1, 2038	$75,000
June 1, 2040	June 1, 2039	80,000
	June 1, 2040*	80,000

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Issuer may (i) deliver to the Registration Agent for cancellation Bonds maturing June 1, 2031, 2034, 2037 and 2040 to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond maturing June 1, 2031, 2034, 2037 or 2040 so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Issuer on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced.

Notice of Redemption

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the Issuer not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Note registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Issuer nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants, or Beneficial Owners. Failure of DTC, or any successor Depository, to provided notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the Issuer pursuant to written instructions from an authorized representative of the Issuer (other than for a mandatory sinking fund redemption, if applicable, notices of which shall be given at least forty-five (45) days prior to the redemption date unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided.

Security and Sources of Payment

The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer. The full faith and credit of the Issuer are irrevocably pledged for the prompt payment of principal of and interest on the Bonds.

Discharge and Satisfaction of Bonds

The Bonds may be discharged and defeased in any one or more of the following ways:

(a) By depositing sufficient funds as and when required with the Registration Agent, to pay the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an “Agent”; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the Issuer shall also pay or cause to be paid all other sums payable under the Resolution, or make adequate provision therefor, and by resolution of the Board of Mayor and Aldermen instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the Issuer to the holders of such Bonds shall be fully discharged and satisfied.

If the Issuer pays and discharges the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners of such Bonds shall thereafter be entitled only to payment out of the money or Defeasance Obligations.

Defeasance Obligations are direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). Only one fully-registered Note certificate will be issued in the aggregate principal amount of each maturity of the Bonds, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with Direct Participants, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participant and not of DTC, the Registration Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Registration Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Note certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE ISSUER AND THE REGISTRATION AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OR ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF

THE RESOLUTION TO BE GIVEN TO NOTEHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS NOTEHOLDER.

Sources and Uses of Funds

The following table sets forth the sources and uses of funds in connection with the issuance of the Bonds.

Sources of Funds	
Par Amount	$3,620,000.00
Reoffering Premium	547,390.05
Debt Service Funds	23,800.00
Total Sources	$4,191,190.05

Uses of Funds	
Deposit to Escrow Fund	$2,426,967.01
Deposit to Project Fund	1,685,676.00
Costs of Issuance (includes Underwriter's Discount, Municipal Advisory Fees, and Expenses)	75,344.34
Rounding Amount	3,202.70
Total Uses	$4,191,190.05

Application of Bond Proceeds

The portion of the proceeds of the Bonds being issued to refund the Refunded Bonds will be deposited with U.S. Bank National Association, Nashville, Tennessee (the "Escrow Agent"), pursuant to a Refunding Escrow Agreement between the City and the Escrow Agent, and will be used to United States Treasury Securities – State and Local Government Series (the "Escrow Investments"). The Escrow Investments will be held in a separate fund established by the Escrow Agent with the interest earned and the principal amount of the Escrow Investments being sufficient to pay principal of and interest on the Refunded Bonds. Neither the principal of nor the interest on the Escrow Investments will be available for payment of the Bonds. The City, or the Escrow Agent, as applicable, will give the paying agent for the Refunded Bonds irrevocable directions to redeem the Refunded Bonds on or about September 1, 2020.

The balance of the proceeds of the Bonds will be deposited to a Project Fund held by the Issuer, and used to pay costs of the Projects and costs of issuance of the Bonds.

Rating

The Bonds have been assigned a rating of “Aa3” by Moody’s Investors Service, Inc. (the “Rating Agency”) based on documents and other information provided by the Issuer. The rating reflects only the view of the Rating Agency, and neither the Issuer, the Financial Advisor, nor the Underwriter make any representation as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by the Rating Agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from the Rating Agency.

Continuing Disclosure

General

The Issuer will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Issuer by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2020 (the “Annual Report”), and to provide notice of the occurrence of certain enumerated events and notice of failure to provide any required financial information of the Issuer. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the Issuer with the Municipal Securities Rulemaking Board (“MSRB”) at www.emma.msrb.com and with any State Information Depository which may be established in Tennessee (the “SID”). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time (the “Rule”).

In the past five years, the Issuer has not failed to comply, in any material respect, with any previous undertakings with regard to the Rule.

Annual Report

The Issuer’s Annual Report shall contain or incorporate by reference the General Purpose Financial Statements of the Issuer for the fiscal year, prepared in accordance with generally accepted accounting principles; provided, however, if the Issuer’s audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained herein, and the audited financial statements shall be filed when available. The Annual Report shall also include in a similar format the following information included in Appendix B to this Official Statement as follows.

1. “Summary of Outstanding Debt”;

2. “Debt Statement”;

3. “Debt Record”;

4. “Population”;

5. “Per Capita Debt Ratios”;

6. “Debt Trend”;

7. “General Obligation Debt Service Requirements”;

8. “Property Valuation and Property Tax”;

9. “Top Taxpayers”;

10. “Funds Balances”; and

11. “Local Option Sales Tax Collections”.

Any or all of the items above may be incorporated by reference from other documents, including Official Statements in final form for debt issues of the Issuer or related public entities, which have been submitted to the Securities and Exchange Commission. If the document incorporated by reference is a final Official Statement, it will be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

Reporting of Significant Events

The Issuer will file notice of the following events (the “Listed Events”) with the MSRB and SID, if any:

a. Principal and interest payment delinquencies.

b. Non-payment related defaults, if material.

c. Unscheduled draws on debt service reserves reflecting financial difficulties.

d. Unscheduled draws on credit enhancements reflecting financial difficulties.

e. Substitution of credit or liquidity providers, or their failure to perform.

f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds.

g. Modifications to rights of the security holders, if material.

h. Bond calls, if material, and tender offers.

i. Defeasances.

j. Release, substitution or sale of property securing repayment of the security, if material.

k. Rating changes.

l. Bankruptcy, insolvency, receivership or similar event of the obligated person.

m. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

n. Appointment of a successor or additional trustee or the change of name of a trustee, if material

o. Incurrence of a financial obligation (as defined by the Rule) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and

p. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

Upon the occurrence of a Listed Event, the Issuer shall file a notice of such occurrence with the MSRB and SID, if any, no more than ten (10) business days after the occurrence of such event.

For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the Issuer shall determine the materiality of such event as soon as possible after learning of its occurrence.

Termination of Reporting Obligation

The Issuer's obligations under the Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Amendment/Waiver

Notwithstanding any other provision of the Disclosure Certificate, the Issuer may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions concerning the Annual Report and Reporting of Significant Events it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized Bond Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of the respective Holders, or (ii) does not, in the opinion of nationally recognized Bond Counsel, materially impair the interests of the Holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of the Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Default

In the event of a failure of the Issuer to comply with any provision of the Disclosure Certificate, any Noteholder or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an event of default, if any, under the Resolution, and the sole remedy under the Disclosure Certificate in the event of any failure of the Issuer to comply with the Disclosure Certificate shall be an action to compel performance.

Future Issues

Due to the City's population growth, the City regularly reviews other capital needs, but no action, other than mentioned herein, has been taken for any additional capital financing at this time.

COVID 19

The world-wide outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread to several counties and cities in the State of Tennessee, including the City and is considered by the World Health Organization to be a Public Health Emergency of International Concern. The spread of COVID-19 has led to quarantine and other "social distancing" measures in affected regions. While effects of COVID-19 on the City may be temporary, the virus has affected travel, commerce and financial markets across the world. Additionally, U.S. and global stock markets have recently experienced significant volatility and overall declines that have attributed to COVID-19 concerns.

The City is unable to predict: (i) the extent or duration of the COVID-19 outbreak or any other epidemic or pandemic; (ii) the extent or duration of existing and additional quarantines, travel restrictions or other measures relating to COVID-19 or any other epidemic or pandemic; or (iii) whether and to what extent the COVID-19 outbreak or any other epidemic or pandemic may disrupt the local or global economy, manufacturing or the supply chain or whether any such disruption may adversely affect the operations of the City. Given the evolving nature of the spread of the virus and the behavior of governments, businesses and individuals in response thereto, the City cannot accurately predict the magnitude of the impact of COVID-19 on the City and its financial condition. The City is proactively taking steps to mitigate the spread of COVID-19 and to preserve effective staffing for all essential City operations.

Although the City cannot accurately predict the magnitude of the ultimate impact of COVID-19 outbreak on the City's finances, the City is carefully monitoring the immediate effect of the COVID-19 outbreak on the City's finances and is attempting to make projections as to the effect of the COVID-19 outbreak for the upcoming fiscal year. For the current fiscal year, the City's largest source of revenues is property tax revenues. Property tax revenues are due by December 31 of each year, so all tax year 2019 taxes were required to be paid without any penalty by December 31, 2020.

The City's second largest source of revenues is sales and use tax revenues. Such tax revenues are expected to comprise approximately 44% of the City's revenues in the current fiscal year that ends June 30, 2020. The City has not seen any significant decrease in sales tax revenues as a result of the COVID-19 outbreak and the community response thereto.

The administration for the City has proposed a budget for the 2021 fiscal year commencing July 1, 2020 which budgets a 1.61% decline in revenues. This projected decline in revenues is primarily due to the effect of the COVID-19 outbreak. This decline includes a projected 6.23% decline in sales tax revenues. Given the uncertainties as to when businesses will be fully operational, these projected declines are uncertain and the ultimate amount of revenues from sales and use taxes and other similar business taxes may be significantly less or more than what has been projected in the City's proposed budget. In the proposed budget, the City has proposed certain cost reduction measures that will offset projected revenue reductions due to the COVID-19 outbreak.

The City does expects to receive some amounts of federal and/or State assistance to offset costs to the City of addressing the COVID-19 outbreak. As this point, the City has not been informed as to the timing or amount of federal or State assistance that may be provided, nor does the City know the scope of expenses that will be payable from such assistance. Therefore, the City cannot provide any assurances to whether the projected decline in tax revenues will be mitigated, in whole or part, by such assistance. The City's proposed budget for the 2021 fiscal year does not include any such assistance as a source of revenue to provide for a balanced budget.

The City's current liquidity position is expected to be adequate to fund essential services and make timely debt service payments on debt of the City.

Various types of information regarding employment and income trends within the City are detailed in APPENDIX B. This information was assembled prior to the COVID-19 outbreak and may not be reflective of current financial conditions. For example, unemployment rates throughout the United States, including the City, have increased significantly since the COVID-19 outbreak. Furthermore, APPENDIX B lists the largest employers in the City. The COVID-19 outbreak has affected businesses throughout the United States, including businesses in the City, and many of the employers listed in APPENDIX B have been forced to reduce their employment levels from the levels described in APPENDIX B. Given the fluidity of the current economic environment, the City is not able to provide sufficiently accurate updates to this information.

Litigation

The Issuer, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. As of the date of this Official Statement and after reviewing the current status of all pending and threatened litigation with its counsel, the Issuer believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits that have been filed and of any actions or claims pending or threatened against the Issuer or its officials in such capacity are adequately covered by insurance or by sovereign immunity or will not have a material adverse effect upon the Issuer's financial condition.

As of the date of this Official Statement, the Issuer has no knowledge or information concerning any pending or threatened litigation contesting the authority of the Issuer to issue, sell or deliver the proposed Bonds. The Issuer has no knowledge or information of any actions pending or expected which would materially affect the Issuer's ability to pay the debt service requirements of the proposed Bonds.

Approval of Legal Proceedings

Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of Bass, Berry & Sims PLC, Bond Counsel. A copy of the opinion will be delivered with the Bonds. (See Appendix A). Certain legal matters will be passed upon for the Issuer by Christina M. Bartee, Esq., Springfield, Tennessee, Counsel to the Issuer.

Tax Matters

Federal Taxes

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the City and assuming compliance by the City with certain covenants, is that interest on the Bonds:

- is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and
- is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code.

The Code imposes requirements on the Bonds that the City must continue to meet after the Bonds are issued. These requirements generally involve the way that the Bond proceeds must be invested and ultimately used. If the City does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The City has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder or who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Bonds or affect the market price of the Bonds. See also “Changes in Federal and State Tax Law” below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is “bond premium” on that Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized a bondholder’s tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with bond premium, even though the Bond is sold for an amount less than or equal to the owner’s original cost. If a bondholder owns any Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Original Issue Discount. A Bond will have "original issue discount" if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel's opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder's federal gross income under the Internal Revenue Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

State Taxes

Under existing law, the Bonds and the income therefrom are exempt from all present state, City and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

Qualified Tax-Exempt Obligations

Under the Code, in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations", as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the City as to the Bonds, Bond Counsel has determined that the Bonds upon issuance will be "qualified tax-exempt obligations" within the meaning of the Code.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal and Congressional committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. It cannot be predicted whether, or in what form, these proposals might be enacted or if enacted, whether they would apply to Bonds prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Municipal Advisor

Stephens Inc. is serving as Municipal Advisor to the Issuer in connection with the issuance of the Bonds. Stephens Inc., in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal or state income tax status of the Bonds or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. The information set forth herein has been obtained from the Issuer and other sources believed to be reliable, but has not been independently verified by Municipal Advisor.

The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds.

The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Issuer and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

Underwriting

Northland Securities, Inc., Minneapolis, Minnesota (the "Underwriter"), acting for and on behalf of itself and other securities dealers as it may designate, will purchase the Bonds for an aggregate purchase price of $4,149,228.96, which is par, plus original issue premium of $547,390.05, less Underwriter's discount of $18,161.09.

The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

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Miscellaneous

The foregoing summaries do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. For details of all terms and conditions, purchasers are referred to the Resolution, copies of which may be obtained from the Issuer.

Any statement made in this Official Statement involving matters of opinion and estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement was duly authorized by the Issuer.

Certificate of Issuer

I, Ann Schneider, do hereby certify that I am the duly qualified and acting Mayor of the City of Springfield, Tennessee, and as such official, I do hereby further certify with respect to the Official Statement dated June 17, 2020 issued in connection with the sale of the Issuer's $3,620,000 General Obligation Public Improvement and Refunding Bonds, Series 2020, and to the best of my knowledge, information, and belief (a) the descriptions and statements contained in said Official Statement were at the time of the acceptance of the winning bid and are on the date hereof true and correct in all material respects; and (b) that said Official Statement did not at the time of the acceptance of the winning bid and does not on the date hereof contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements made, in light of the circumstances under which they are made, not misleading.

WITNESS my official signature this 25th day of June, 2020.

/s/ *Ann Schneider*
Mayor

I, Lisa Crockett, do hereby certify that I am the duly qualified and acting City Recorder of the City of Springfield, Tennessee, and as such official, I do hereby certify that Ann Schneider is the duly qualified and acting Mayor of said Issuer and that the signature appended to the foregoing certificate is the true and genuine signature of such official.

WITNESS my official signature and the seal of the City of Springfield, Tennessee as of the date subscribed to the foregoing certificate.

/s/ *Lisa Crockett*
City Recorder

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APPENDIX A

Form of Legal Opinion of Bass, Berry & Sims PLC, Attorneys,
Nashville, Tennessee relating to the Bonds.

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(Form of Opinion of Bond Counsel)

Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, Tennessee 37201

June 25, 2020

We have acted as bond counsel to the City of Springfield, Tennessee (the “Issuer”) in connection with the issuance of $3,620,000 General Obligation Public Improvement and Refunding Bonds, Series 2020, dated the date hereof (the “Bonds“). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding general obligations of the Issuer.

2. The resolution of the Board of Mayor and Aldermen of the Issuer authorizing the Bonds have been duly and lawfully adopted, is in full force and effect and is the valid and binding agreement of the Issuer, enforceable in accordance with its terms.

3. The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer. The full faith and credit of the Issuer are irrevocably pledged for the prompt payment of principal of and interest on the Bonds.

4. Interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and interest on the Bonds is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. Except as set forth in this Paragraph 4 and Paragraph 6 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, City and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

6. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Code.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the resolution authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

BASS, BERRY & SIMS PLC

APPENDIX B

Demographic and General Financial Information
for the Issuer

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DEMOGRAPHIC AND GENERAL FINANCIAL INFORMATION OF THE MUNICIPALITY

GENERAL INFORMATION

The Issuer

The City of Springfield (the "City") is located in the region of Middle Tennessee in Robertson County (the "County"). The City, located approximately 30 miles north of Nashville, was incorporated in April of 1927 by Chapter 158, Acts of 1927, as amended by the General Assembly of the State of Tennessee, and operates under a Council/Manager form of government. The City serves as the county seat of Robertson County.

The Board of Mayor and Aldermen

The Board of Mayor and Aldermen is the legislative and policy-making body of the City and consists of six Aldermen who are elected from each of the City's six wards for four-year terms. The present members and expiration of their respective terms and the mayor who is elected for a four-year term of office are as follows:

Ann Schneider, Mayor
Term (12/1/2016 - 11/30/2020)

Name	Expiration of Term
James Hubbard, Ward 1 Alderman	11/30/2022
Bobby Trotter, Ward 2 Alderman	11/30/2022
Jeff Gragg, Ward 3 Alderman	11/30/2022
Tim Harris, Ward 4 Alderman	11/30/2020
Lisa Arnold, Ward 5 Alderman	11/30/2020
Clay Sneed, Ward 6 Alderman	11/30/2020

Administration

The day-to-day administration of the City is handled through the City Manager who is responsible for the everyday functions. The members of the administration are listed below.

Name	Title
Regina Holt	City Manager
Lisa Crockett	Director of Finance/City Recorder

DEMOGRAPHIC AND ECONOMIC INFORMATION

Population

The U.S. Census Bureau estimated a 2018 population of 16,957 residents in the City which represents a 17.4% increase from the 2000 Census.

POPULATION

	City	Robertson County	Tennessee
1980 U.S. Census	10,814	37,021	4,600,252
1990 U.S. Census	12,191	41,669	4,890,626
2000 U.S. Census	14,441	54,825	5,703,719
2010 U.S. Census	16,439	66,322	6,355,311
2012 U.S. Census Estimate	16,467	66,798	6,453,898
2013 U.S. Census Estimate	16,526	67,412	6,494,340
2014 U.S. Census Estimate	16,614	68,046	6,541,223
2015 U.S. Census Estimate	16,673	68,687	6,591,170
2016 U.S. Census Estimate	16,751	69,393	6,646,010
2017 U.S. Census Estimate	16,838	70,328	6,708,799
2018 U.S. Census Estimate	16,957	71,179	6,771,631

Source: U.S. Census Bureau

Per Capita Personal Income

The County's per capita personal income for 2018 was $42,104, reflecting a 34.1% increase over the last ten years.

	Robertson County	Tennessee	% of State
2009 Per Capita Personal Income	$31,401	$34,260	91.7%
2010 Per Capita Personal Income	$31,743	$35,653	89.0%
2011 Per Capita Personal Income	$33,129	$37,616	88.1%
2012 Per Capita Personal Income	$35,278	$39,296	89.8%
2013 Per Capita Personal Income	$35,768	$39,421	90.7%
2014 Per Capita Personal Income	$36,451	$40,799	89.3%
2015 Per Capita Personal Income	$37,874	$42,590	88.9%
2016 Per Capita Personal Income	$38,995	$43,720	89.2%
2017 Per Capita Personal Income	$40,211	$44,950	89.5%
2018 Per Capita Personal Income	$42,104	$46,889	89.8%

Source: U.S. Department of Commerce, Bureau of Economic Analysis, CA1-3 Personal Income Summary

Median Housing Values

	Robertson County	Tennessee	% of State
2009 Median Housing Value	$147,000	$148,000	99.3%
2010 Median Housing Value	$148,500	$149,900	99.1%
2011 Median Housing Value	$145,000	$150,925	96.1%
2012 Median Housing Value	$149,000	$160,000	93.1%
2013 Median Housing Value	$154,000	$165,000	93.3%
2014 Median Housing Value	$165,000	$166,000	99.4%
2015 Median Housing Value	$164,900	$175,000	94.2%
2016 Median Housing Value	$183,922	$185,000	99.4%
2017 Median Housing Value	$192,250	$196,500	97.8%
2018 Median Housing Value	$206,000	$210,000	98.1%

Source: Tennessee Housing Development Agency – This data reflects only the sales prices of new and existing homes that were sold in the respective years. This data may not be representative of the median value of all homes in the County.

Labor Force, Employment and Unemployment Data

The labor force within the County has increased from 33,768 in 2010 to 38,843 as of March 2020, reflecting a 15% increase.

EMPLOYMENT DATA FOR ROBERTSON COUNTY

				Unemployment Percent		
Year	Employment	Unemployment	Total Labor Force	Robertson County	State	U.S.
2010	30,661	3,107	33,768	9.2%	9.6%	9.6%
2011	31,260	2,867	34,127	8.4%	9.0%	8.9%
2012	31,382	2,362	33,744	7.0%	7.8%	8.1%
2013	31,284	2,282	33,566	6.8%	7.7%	7.4%
2014	31,447	1,901	33,348	5.7%	6.6%	6.2%
2015	32,050	1,651	33,701	4.9%	5.6%	5.3%
2016	33,180	1,455	34,635	4.2%	4.7%	4.9%
2017	34,655	1,220	35,875	3.4%	3.8%	4.3%
2018	35,907	1,187	37,094	3.2%	3.5%	3.9%
2019	37,431	1,118	38,549	2.9%	3.4%	3.7%
March-20	37,639	1,204	38,843	3.1%	3.5%	4.4%

Source: Bureau of Labor Statistics

Major Employers

The following are the largest employers and their respective number of employees in the County.

LIST OF MAJOR EMPLOYERS IN ROBERTSON COUNTY

Employer	Employees	Products/Services
Electrolux Home Products	3,400	Gas & Electric Ranges
Robertson County Board of Education	1,500	Schools
Macy’s Logistics	1,000	Distribution fort Macy's
NorthCrest Medical Center	650	Healthcare – Hospitals
Walmart Inc.	500	Retail
Robertson County Government	442	Government
Hollingsworth Oil Co. Inc	350	Gas Stations
County of Robertson	328	Government
Unarco Material Handling, Inc.	250	Pallet and Warehouse Storage Systems

Source: Tennessee Department of Economic and Community Development.

Retail Sales

The County’s retail sales in 2018 totaled $884,458,229, reflecting a 118% increase since 2001.

Retail Sales For Robertson County

2001 Retail Sales	$406,608,331	2011 Retail Sales	$601,074,174
2002 Retail Sales	$408,525,911	2012 Retail Sales	$614,987,645
2003 Retail Sales	$459,908,179	2013 Retail Sales	$656,930,692
2004 Retail Sales	$519,959,186	2014 Retail Sales	$670,882,089
2005 Retail Sales	$545,060,606	2015 Retail Sales	$682,614,878
2006 Retail Sales	$596,883,751	2016 Retail Sales	$743,689,138
2007 Retail Sales	$632,037,659	2017 Retail Sales	$784,355,523
2008 Retail Sales	$616,557,109	2018 Retail Sales	$794,450,440
2009 Retail Sales	$545,705,722	2019 Retail Sales	$884,458,229
2010 Retail Sales	$564,468,268		

Source: Tennessee Department of Revenue

Tourism, Restaurants and Lodging

There are three hotels/motels located in the City and more than 60 restaurants. Area attractions include the Port Royal State Historic Park, Highland Rim Speedway, Tennessee-Kentucky Threshermen’s Show, and the Bell Witch Bluegrass Festival.

Transportation

Interstate Highways 65 and 24 are within 12 miles of the City of Springfield. U.S. Highways 41 and 431 and also State Highway 49 pass through Robertson County, providing convenient highway and interstate access to the City.

Air Transport

The Springfield-Robertson County Airport handles corporate jets and general aviation aircraft. The nearest commercial airport, Nashville International Airport, is approximately 30 miles away in Nashville. In Fiscal Year 2019, the Nashville International Airport operated an average of 3540 daily flights to 71 nonstop markets.

Water Transport

The closest port facility for water transport is in Nashville on the Cumberland River.

Rail Transport

The CSX Railroad runs through the middle of the City.

Health Care

NorthCrest Medical Center, which began operations in 1956 under the name of Jesse Holman Jones Hospital, is a 109-bed facility located in the City and serves Robertson and surrounding counties as well as Southern Kentucky. The 43 acre NorthCrest Medical Center campus includes the hospital and four medical office buildings that house more than 100 physicians in a broad range of specialties. NorthCrest Medical Center has been named Top Performer on Key Quality Measures by The Joint Commission, the leading accreditor of health care organizations in America.

Higher Education

The City's population is served locally by the Highland Crest College Campus that was opened in August 2011. In coordination with Volunteer State Community College and Austin Peay State University, the college offers general education core classes in a 25,000 square foot, two-story building. In addition, many colleges and universities in the Greater Nashville Area, including Belmont University, Fisk University, Lipscomb University, Tennessee State University, Trevecca Nazarene University, and Vanderbilt University provide many options within driving distance of the City.

Public Education

There are 25 schools in the Robertson County public school system. All Robertson County schools are accredited by the Southern Association of Colleges and Schools and are approved by the Tennessee Department of Education.

The school system operates under the direction of a six-member School Board and a Director of Schools. Members are elected by popular vote in county elections. They serve staggered, four-year terms. The Director of Schools is appointed by the Board members. The average daily membership of the Robertson County school system was 10,959 for the 2018-2019 school year.

Average Daily Membership

School Year	Robertson County Schools	School Year	Robertson County Schools
2001-2002	9,867	2010-2011	10,957
2002-2003	9,446	2011-2012	11,050
2003-2004	9,696	2012-2013	11,182
2004-2005	9,974	2013-2014	10,807
2005-2006	10,261	2014-2015	11,143
2006-2007	10,551	2015-2016	10,977
2007-2008	10,710	2016-2017	11,085
2008-2009	10,774	2017-2018	11,050
2009-2010	10,909	2018-2019	10,959

Source: Tennessee Department of Education

SPRINGFIELD, TENNESSEE

SUMMARY OF OUTSTANDING DEBT(1)

Amount Issued	Issue	Maturity Date	Interest Rate	Principal Outstanding 6/30/2019
	General Obligation Bonds - General Government			
$652,500	General Obligation Bonds, Series 1981	2020	5.00%	$35,000
3,000,000	General Obligation Bonds, Series 2009A	2019	3.50%	145,000
	Total General Obligation Bonds - General Government			$180,000
	General Obligation Notes - General Government			
177,000	Capital Outlay Note, Series 2011	2020	4.14%	19,666
680,000	Capital Outlay Note, Series 2012	2022	4.87%	204,000
	Total General Obligation Notes - General Government			$223,666
	General Obligation Capital Leases - General Government			
250,800	PNC Equipment Finance - Golf Carts	2020	3.95%	$150,115
8,202	PNC Equipment Finance - Golf Utility Vehicle	2020	3.95%	1,639
	Total General Obligation Capital Leases - General Government			$151,754
	Total General Obligation Government Debt			$555,420
	Jointly Issued General Obligation Debt (1)			
$11,950,000	General Obligation Refunding Bonds, Series 2008	2019	3.00%-4.125%	630,000
8,770,000	General Obligation Refunding Bonds, Series 2009	2019	4.00%	430,000
5,260,000	General Obligation Refunding Bonds, Series 2010	2027	2.00%-4.00%	3,035,000
9,255,000	General Obligation Refunding Bonds, Series 2012	2029	2.00%-3.00%	6,295,000
11,225,000	General Obligation Bonds, Series 2013	2033	2.00%-4.50%	8,650,000
607,253	Capital Outlay Note, Series 2014B	2022	2.59%	235,153
18,485,000	General Obligation Public Improvement Bonds, Series 2014	2039	2.00%-5.00%	16,250,000
1,831,000	Capital Outlay Note, Series 2015	2021	1.24%-2.79%	526,000
1,240,000	Capital Outlay Note, Series 2016	2023	1.75%	579,300
6,030,000	General Obligation Public Improvement Bonds, Series 2016	2036	2.00%-3.00%	5,635,000
1,750,000	Capital Outlay Note, Series 2017	2023	1.24%-1.79%	1,086,265
9,550,000	General Obligation Public Improvement Bonds, Series 2018	2038	3.00%-5.00%	9,170,000
4,450,000	General Obligation Refunding Bonds, Series 2019	2029	3.00%-4.00%	4,450,000
	Total Jointly Issued General Obligation Bonds & Notes (2)			56,971,718
	Total General Obligation Bonds, Notes & Leases			$57,527,138
	Self-Supporting Bonds, Notes, and Capital Leases			
	Electric Fund			
	TVA Conservation Loan			487,053
	Sewer Fund			
1,607,000	TN State Funding Board Loan	2020	2.84%	46,688
19,250,000	TN State Funding Board Loan	2025	1.35%	6,283,425
26,500,000	TN State Funding Board Loan	2038	1.30%	4,534,708
	Total Self-Supporting Bonds & Notes			$11,351,874
	Total Current Outstanding Debt			$68,879,012

Summary of Outstanding Debt (Continued)

DEBT STATEMENT
as of June 30, 2019

Outstanding Debt	
Total Current Outstanding Debt	$68,879,012
Gross Direct Debt	$68,879,012
Plus: GO Bonds, Series 2020	$3,620,000
Less: Bonds To Be Refunded	($2,380,000)
Less: Self-Supporting Debt Issues	(48,782,855) (3)
Net Direct Debt	$21,336,157
Net Overlapping Debt (4)	
City's Portion of Robertson County Debt (24.11% of $131,869,883)	$31,508,853
Total Net Overlapping Debt	$31,508,853
Overall Net Debt	$52,845,010

(1) As of June 30, 2019 audit, adjusted for GO Refunding Bonds, Series 2019 and GO Bonds, Series 2020.

(2) Jointly issued debt consists of combined general governmental purpose and self-supporting debt included in the same debt issuance.

(3) This is the amount of bonds and notes payable for business-type activities as of June 30, 2019.

(4) Using Robertson County and City of Springfield's 2018 assessed value taken from the tax aggregate report, as well as the outstanding debt for Robertson County for fiscal year ended June 30, 2019 and adjusted for GO Bonds, Series 2019.

Source: Annual Financial Report for the fiscal year ending June 30, 2019 and City officials.

DEBT RECORD

There is no record of a default on bond principal and interest from information available.

DEBT PER CAPITA RATIOS

Outstanding Debt	$4,061.98
Gross Direct Debt	$4,061.98
Net Direct Debt	$1,258.25
Net Overlapping Debt	$1,858.16
Overall Net Debt	$3,116.41

DEBT RATIOS

	Estimated Actual Value	Assessed Value
Outstanding Debt	4.79%	15.87%
Gross Direct Debt	4.79%	15.87%
Net Direct Debt	1.48%	4.92%
Net Overlapping Debt	2.19%	7.26%
Overall Net Debt	3.68%	12.18%

DEBT TREND

	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Debt Type					
Governmental Activities Bonds and Notes Payable	$20,219,452	$22,227,260	$16,147,866	$17,638,667	$17,320,455
Business-Type Activities Bonds and Notes Payable	48,874,562	48,950,060	49,065,999	48,639,411	45,258,937
Total Bonds and Notes Payable	**$69,094,014**	**$71,177,320**	**$65,213,865**	**$66,278,078**	**$62,579,392**

Source: Annual Financial Reports for the fiscal years ending June 30, 2019-2015 and City officials.

SPRINGFIELD, TENNESSEE

DEBT SERVICE REQUIREMENTS

as of June 30, 2019(1)

		Principal Requirements							Interest Requirements						
Year No.	Year	General Government	Jointly Issued (2)	Self-Supporting	Plus: GO Bonds, Series 2020	Less: Bonds To Be Refunded	Total Requirements	Percent Principal Retired	General Government	Jointly Issued (2)	Self-Supporting	Plus: GO Bonds, Series 2020	Less: Bonds To Be Refunded	Total Requirements	Total Debt Service
1	2020	419,420	4,722,514	756,953			5,898,887		87,535	1,822,325	238,629			2,148,489	8,047,376
2	2021	68,000	4,479,591	226,248	80,000		4,853,839		6,611	1,706,174	290,069	144,013	(95,200)	2,051,668	6,905,507
3	2022	68,000	4,095,845	1,397,172	395,000	(350,000)	5,606,017		3,312	1,554,471	435,672	150,300	(88,200)	2,055,555	7,661,572
4	2023	-	3,863,768	1,415,556	425,000	(370,000)	5,334,324		-	1,407,850	416,352	130,550	(73,800)	1,880,952	7,215,276
5	2024	-	3,445,000	1,434,180	445,000	(385,000)	4,939,180	37.98%	-	1,276,070	396,768	109,300	(58,700)	1,723,438	6,662,618
6	2025	-	3,510,000	1,223,920	435,000	(405,000)	4,763,920		-	1,148,145	376,932	87,050	(42,900)	1,569,227	6,333,147
7	2026	-	3,250,000	242,028	460,000	(425,000)	3,527,028		-	1,045,163	64,632	65,300	(26,300)	1,148,795	4,675,823
8	2027	-	3,380,000	245,316	450,000	(445,000)	3,630,316		-	947,788	61,344	42,300	(8,900)	1,042,532	4,672,848
9	2028	-	3,020,000	248,652	60,000		3,328,652		-	843,463	58,008	19,800		921,271	4,249,923
10	2029	-	3,090,000	252,036	60,000		3,402,036	64.58%	-	745,044	54,624	18,000		817,668	4,219,704
11	2030	-	2,525,000	255,456	70,000		2,850,456		-	648,688	51,204	16,200		716,092	3,566,548
12	2031	-	2,430,000	258,924	70,000		2,758,924		-	571,913	47,736	14,800		634,449	3,393,373
13	2032	-	2,515,000	262,440	70,000		2,847,440		-	496,206	44,220	13,400		553,826	3,401,266
14	2033	-	2,585,000	266,004	70,000		2,921,004		-	417,832	40,656	12,000		470,488	3,391,492
15	2034	-	1,835,000	269,616	70,000		2,174,616	83.91%	-	335,532	37,044	10,600		383,176	2,557,792
16	2035	-	1,885,000	273,276	75,000		2,233,276		-	277,512	33,384	9,200		320,096	2,553,372
17	2036	-	1,950,000	276,996	75,000		2,301,996		-	217,013	29,664	7,700		254,377	2,556,373
18	2037	-	1,610,000	280,752	75,000		1,965,752		-	152,163	25,908	6,200		184,271	2,150,023
19	2038	-	1,670,000	284,568	75,000		2,029,568		-	96,539	22,092	4,700		123,331	2,152,899
20	2039	-	1,110,000	288,432	80,000		1,478,432	98.18%	-	38,850	18,228	3,200		60,278	1,538,710
21	2040	-	-	292,356	80,000		372,356		-	-	14,304	1,600		15,904	388,260
22	2041	-	-	296,328			296,328		-	-	10,332			10,332	306,660
23	2042	-	-	300,348			300,348		-	-	6,312			6,312	306,660
24	2043	-	-	304,317			304,317	100.00%	-	-	2,400			2,400	306,717
		$555,420	$56,971,718	$11,351,874	$3,620,000	($2,380,000)	$70,119,012		$97,458	$15,748,741	$2,776,514	$866,213	($394,000)	$19,094,927	$89,213,939

(1) As of Junes 30, 2019 audit, adjusted for GO Refunding Bonds, Series 2019 and GO Bonds, Series 2020.

(2) Jointly issued debt consists of combined general governmental purpose and self-supporting debt included in the same debt issuance.

Source: Annual Financial Report for the fiscal year ending June 30, 2019 and City officials.

FINANCIAL INFORMATION

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund 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 segment is 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 and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Basis of Accounting and Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statement. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flow. Property taxes are recognized as revenues in the year for which they are levied even though the receivable is recognized in the prior period when the enforceable legal claim arises. Property taxes recognized as receivable before the period of revenue recognition are reported as deferred revenues. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenue also has a period of availability of 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise 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 are considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Certain revenues are required to be recognized in the General Fund as a receivable at June 30th and either as revenue or deferred revenue, depending upon revenue recognition policies of the entity. The following items for the City are recorded: property tax, in-lieu of tax, TVA, State beer tax, income tax, local beer tax, mixed drink and gasoline tax.

The City reports the following fund types:

Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial positions (sources, uses, and balances of the financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General Fund – is the general operating fund of the City. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Special Revenue Funds – are used to account for all proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The City reports the following special revenue funds: Capital Improvement Fund, Drug Enforcement Fund, and Forfeited Property Fund.

Capital Projects Fund – is used to account for all financial resources used for the acquisition and construction of major capital facilities not being financed by proprietary funds.

Proprietary Funds:
The focus of the proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are similar to those of business in the private sector. **The Electric Fund, Gas Fund, Sewer Fund, Water Fund, Sanitation Fund, and Storm Water Fund are proprietary funds of the City.**

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 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 City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise 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.

Budgetary Process
Annual budgets are prepared and adopted on a basis consistent with GAAP for governmental funds except capital project funds and certain revenue funds associated with grants which are adopted on project-by-project basis and normally span a multi-fiscal-year period.

In accordance with state law, budgetary accounting is administered as a management control for all funds of the City. The City Manager coordinates the development of a recommended budget for the upcoming fiscal year and presents the preliminary budget to the Board of Mayor and Aldermen. After a review and adjustments are made to the Annual Budget, the Board of Mayor and Aldermen must pass the budget before it is adopted and becomes the approved spending plan for the City.

The City Manager is authorized to transfer budgeted amounts within departmental activities; the Board of Mayor and Aldermen must approve transfers of budgeted amounts between departmental activities. Any revisions to the total expenditures of any department or fund must be approved through passage of an ordinance by the Board of Mayor and Aldermen. Capital expenditures within the governmental funds are budgeted within the appropriate department. All annual appropriations lapse at year-end.

Investment and Cash Management Practices

Investment of cash funds of the City are in accordance with *Tennessee Code Annotated* Title 6, Section 56 and paragraphs 106 and 107. Generally, investments are limited to U.S. Government obligations, U.S. agencies obligations guaranteed by the U.S. Government, certificates of deposit guaranteed by the FDIC or properly collateralized under state law or the State Collateral Pool. Required collateral for investments and demand deposit accounts must be held by a third party escrow account for the benefit of the City. For reporting purposes, all investments are stated at cost that approximates market value.

Current state law does not allow cities and counties in the state to invest in repurchase agreements unless they follow the State Funding Board Regulations or invest in unusual derivative products.

Property Tax

State Authority. Under Tennessee law, a municipality is authorized to levy a tax on all taxable property within the municipality without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount.

Under the Constitution and laws of the State of Tennessee, all real and personal property is subject to taxation, except to the extent that the General Assembly of the State of Tennessee (the "General Assembly") exempts certain constitutionally permitted categories of property from taxation. Property exempt from taxation includes federal, state and local government property, property of housing authorities, certain low cost housing for elderly persons, property owned and used exclusively for certain religious, charitable, scientific and educational purposes and certain other property as defined under the Tennessee Code Annotated.

Under the Constitution and laws of the State of Tennessee, property is classified into three separate classes for purposes of taxation: Real Property; Tangible Personal Property; and Intangible Personal Property. Real Property includes lands, structures, improvements, machinery and equipment affixed to realty and related rights and interests. Real Property is required constitutionally to be classified into four subclassifications and assessed at the rates as follows:

(a) Public Utility Property (which includes all property of every kind used or held for use in the operation of a public utility, such as railroad companies, certain telephone companies, freight and private car companies, street car companies, power companies, express companies and other public utility companies), to be assessed at 55% of its value;

(b) Industrial and Commercial Property (which includes all property of every kind used or held for use for any commercial, mining, industrial, manufacturing, business or similar purpose), to be assessed at 40% of its value;

(c) Residential Property (which includes all property which is used or held for use for dwelling purposes and contains no more than one rental unit), to be assessed at 25% of its value; and

(d) Farm Property (which includes all real property used or held for use in agriculture), to be assessed at 25% of its value.

Tangible Personal Property includes personal property such as goods, chattels and other articles of value, which are capable of manual or physical possession and certain machinery and equipment. Tangible Personal Property is required constitutionally to be classified into three subclassifications and assessed at the rates as follows:

(a) Public Utility Property, to be assessed at 55% of its value;

(b) Industrial and Commercial Property, to be assessed at 30% of its value; and

(c) All other Tangible Personal Property (including that used in agriculture), to be assessed at 5% of its value, subject to an exemption of $7,500 worth of Tangible Personal Property for personal household goods and furnishings, wearing apparel and other tangible personal property in the hands of a taxpayer.

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution of the State of Tennessee empowers the General Assembly to classify Intangible Personal Property into sub-classifications and to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State of Tennessee for purposes of taxation.

The Constitution of the State of Tennessee requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State of Tennessee and that the General Assembly direct the method to ascertain the value and definition of property in each class or subclass. Each respective taxing authority is constitutionally required to apply the same tax rate to all property within its jurisdiction.

The financial operations of the City are accounted for primarily through its general fund. Most taxes and non-tax revenues (such as license fees, fines and costs and user's fees) are paid into the general fund and current operating expenditures are made from the general fund pursuant to appropriations made by the Board of Mayor and Aldermen. Taxes levied for debt service are paid directly into the debt service funds and debt service expenditures are made from those funds.

Financial Records

The City maintains its financial records on a fiscal year basis. Appendix C hereto sets forth the general purpose financial statements of the City for the year ended June 30, 2019, which have been examined by Thurman Campbell Group, PLC, Clarksville, Tennessee. The City maintains its financial records on a fiscal year basis. The City did not ask Thurman Campbell Group, PLC to perform any additional review in connection with this Official Statement.

INVESTMENT AND CASH MANAGEMENT PRACTICES

Investment of idle City operating funds is controlled by state statute and local policies and administered by the City Recorder. Generally, such policies limit investment instruments to direct U.S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit. As required by prevailing statutes, all demand deposits or Certificates of Deposit are secured by similar grade collateral pledges at 110% of market value for amounts in excess of that guaranteed through federally sponsored insurance programs. Deposits with savings and loan associations must be collateralized as outlined above, by an irrevocable letter of credit issued by the Federal Home Loan Bank or by providing notes secured by the first mortgages or first deeds of trust upon residential property in the state equal to at least 150% of the amount of uninsured deposits. All collateral must be held in a third party escrow account for the benefit of the City. For reporting purposes, all investments are stated at cost, which approximates market value. The City Recorder is responsible for all City investments.

Accounting and Financial Reporting for Retirement Commitments

See page 46, Note 8 of the of the City of Springfield Annual Financial Report for the fiscal year ending June 30, 2019 as presented and prepared by Thurman Campbell Group, PLC.

Accounting and Financial Reporting for Other Postemployment Benefits

See page 52, Note 9 of the of the City of Springfield Annual Financial Report for the fiscal year ending June 30, 2019 as presented and prepared by Thurman Campbell Group, PLC.

TAX LEVIES, RATES AND COLLECTIONS

Introduction

The City is authorized to levy a tax on all property within the City without limitation as to rate or amount. All real and personal property within the City is assessed in accordance with the state constitutional and statutory provisions by the City Property Tax Assessor except most utility property, which is assessed by the Office of State Assessed Properties. All property taxes are due on December 31st of each year based upon appraisals as of January 1 of the same calendar year. All property taxes are delinquent on January 1 of the subsequent calendar year.

Reappraisal Program

Title 67, Chapter 5, Part 16, Tennessee Code Annotated, as supplemented and amended, mandates that after June 1, 1989, all property in the State of Tennessee will be reappraised on a continuous six (6) year cycle composed of an on-sight review of each parcel of property over a five (5) year period followed by reevaluation of all such property in the year following the completion of the review. In the second and fourth years of the review, there shall be an updating of all real property values by application of an index or indexes established for the jurisdiction by the State Board of Equalization, so as to maintain real property values at full value as defined in Title 67, Chapter 5, Part 6, Tennessee Code Annotated. The State Board of Equalization shall also consider a plan submitted by a local assessor, which would have the effect of maintaining real property values at full value, which may be used in lieu of indexing.

Title 67, Chapter 5, Part 17, Tennessee Code Annotated, provides that at such time as such reappraisal and reassessment processes are completed in a particular county, the respective governing bodies of the county and the municipalities located therein shall determine and certify a tax rate which will provide the same ad valorem tax revenue for the respective jurisdiction as was levied prior to reappraisal and reassessment. In computing the new tax rate, the estimated assessed value of all new construction and improvements placed on the tax rolls since the previous year, and the assessed value of all deletions from the previous tax roll are excluded. The new tax rate therefore, is derived from a comparison of tax revenues, tax rates and assessed values of property on the tax roll in both the year before and the year after the reappraisal. The effect of the reappraisal and reassessment statutes is to adjust the property tax rate downward to prevent a taxing unit from collecting additional property tax revenues as a result of reappraisal. Once a municipality or county complies with state law and certifies a tax rate which provides the same property tax revenue as was collected before reappraisal, its governing body may vote to approve a tax rate change which would produce more or less tax revenue. The City last completed a reappraisal process in 2018.

PROPERTY VALUATION AND PROPERTY TAX

Fiscal Year	**2019-2020**	**2018-2019**	**2017-2018**	**2016-2017**	**2015-2016**
Tax Year	**2019**	**2018**	**2017**	**2016**	**2015**
ESTIMATED ACTUAL VALUES					
Residential & Farm	$781,063,300	$761,509,200	$719,676,433	$631,707,590	$627,769,614
Commercial & Industrial	390,147,700	384,255,700	422,017,927	390,467,197	388,451,009
Personal Tangible Property	245,584,031	256,804,820	274,303,463	270,625,390	268,847,083
Public Utilities	20,507,995	18,590,396	15,484,165	20,253,130	19,802,667
Total Estimated Actual Values	$1,437,303,026	$1,421,160,116	$1,431,481,988	$1,313,053,307	$1,304,870,373
Annual Percentage Change	1.14%	-0.72%	9.02%	0.63%	6.69%
Estimated Per Capita Amount	$84,762	$83,810	$85,015	$78,387	$78,262
ASSESSED VALUES					
Residential & Farm (at 25%)	$195,265,825	$190,377,300	$152,445,450	$151,230,800	$150,288,050
Commercial & Industrial (at 40%)	156,059,080	153,690,055	143,030,320	149,564,560	148,792,280
Personal Tangible Property (at 30%)	73,675,259	77,041,503	70,212,524	77,967,595	77,320,096
Public Utilities (at 30%-55%)	8,951,740	8,114,708	6,759,485	8,841,138	8,645,465
Total Assessed Values	$433,951,904	$429,223,566	$372,447,779	$387,604,093	$385,045,891
Annual Percentage Change	1.10%	15.24%	-3.91%	0.66%	2.09%
Estimated Per Capita Amount	$25,591	$25,312	$22,119	$23,139	$23,094
Appraisal Ratios	100.00%	100.00%	84.73%	95.76%	95.76%
Assessed Values to Actual Values	30.19%	30.20%	26.02%	29.52%	29.51%
Property Tax Rate	$1.072	$1.072	$1.20	$1.20	$1.20
Taxes Levied	$4,651,964	$4,601,277	$4,469,373	$4,651,249	$4,620,551
Collections					
Current Fiscal Year	In Process	$4,472,984	$4,329,893	$4,453,819	$4,429,391
Percent Collected Current FY	In Process	97.21%	96.88%	95.76%	95.86%

Sources: Annual Financial Report for the fiscal year ending June 30, 2019, State Board of Equalization, 2015-2019 Tax Aggregate Reports of Tennessee and City officials.

The value of all property is based upon its sound, intrinsic and immediate value for purposes of sale between a willing seller and a willing buyer without consideration of speculative values. In determining the value of all property of every kind, the assessor is to be guided by, and follow the instructions of, the appropriate assessment manuals issued by the Division of Property Assessments and approved by the State Board of Equalization. Such assessment manuals are required to take into account various factors that are generally recognized by appraisers as bearing on the sound, intrinsic and immediate economic value of property at the time of assessment.

Local Option Sales and Use Tax

Pursuant to applicable provisions of Title 67, Chapter 6, Part 7 of the *Tennessee Code Annotated* as amended, the “Local Sales Tax Act”), a county levies a county-wide local option sales tax. Under the Local Sales Tax Act, counties and incorporated cities may levy a sales tax on the same privileges on which the State levies its sales tax. The rate of any sales tax levied by a county or city is limited under State law to two and three-fourths percent (2 ¾%).

Pursuant to the Local Sales Tax Act, the levy of a sales tax by a county precludes any city or town within the county from levying a sales tax, but a city or town may levy a sales tax in addition to the county’s sales tax at a rate not exceeding the difference between the county sales tax rate and the maximum local option sales tax rate of two and three-fourths percent (2 ¾%). If a city or town is located in more than one county, each portion of the city or town that is located in a separate county is treated as a separate city or town for purposes of determining the maximum sales tax rate.

The revenues from the county-wide sales taxes are distributed pursuant to the provisions of the Local Sales Tax Act and other provision of the *Tennessee Code Annotated*. Fifty percent (50%) of the revenues raised through the county-wide sales taxes are directed to educational purposes and are distributed to all organized school systems in the county in which the taxes are collected based upon the average daily attendance of each school system. The balance of the sales tax collections are divided between the general fund of the county in which the taxes are collected and all incorporated cities or towns in such county based on the sites of collection, unless a separate agreement has been ratified concerning the distribution of these funds.

Local sales taxes collected by Robertson County and shared with the City pursuant to State statutory authorities are based on the current rate of two and three-fourths percent (2.75%) for the fiscal years 2015 – 2019 are outlined below:

	FY2018-19	**FY2017-18**	**FY2016-17**	**FY2015-16**	**FY2014-15**
County Sales Tax Rate	2.75%	2.75%	2.75%	2.75%	2.75%
Total Amount to City (General Fund)	$6,208,855	$5,941,832	$5,784,182	$5,654,686	$5,296,794
% of Increase	4.49%	2.73%	2.29%	6.76%	4.75%

Sources: Annual Financial Reports for fiscal years ending June 30, 2015-2019.

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TOP TAXPAYERS

Business	Type of Business	Tax Year 2019 Assessed Value	Assessed Value as a percent of Total Assessment
Electrolux Home Products	Manufacturing	$26,886,323	6.18%
Martinrea Fabco	Manufacturing	8,813,130	2.03%
National Tobacco Company	Manufacturing	7,007,332	1.61%
Wal-Mart	Retail	5,895,017	1.35%
SAIA Burgess Automotive	Manufacturing	5,741,415	1.32%
Joe H. Moore	Real Estate	5,482,515	1.26%
Unarco Material Handling	Manufacturing	4,895,484	1.13%
Legacy Village Apartments	Apartment Complex	4,299,292	0.99%
Lowe's Home Centers	Retail	3,836,826	0.88%
Northcrest Medical Center	Healthcare	3,764,292	0.87%

Source: City officials

FUND BALANCES

	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
GOVERNMENTAL FUNDS					
General Fund	$8,292,289	$8,381,606	$6,959,761	$5,665,414	$4,282,816
Capital Improvements Fund	7,309,019	7,962,496	980,743	2,380,063	1,486,242
Other Governmental Funds	1,190,593	1,188,087	1,090,086	1,021,245	1,169,989
Total Governmental Funds	$16,791,901	$17,532,189	$9,030,590	$9,066,722	$6,939,047

NET ASSETS

PROPRIETARY FUNDS

	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Electric Fund	$19,939,873	$19,939,873	$19,024,904	$18,098,940	$17,645,724
Gas Fund	23,328,790	23,475,248	23,587,999	23,578,680	23,300,394
Sewer Fund	27,108,579	23,997,189	20,957,291	18,040,732	16,348,050
Water Fund	31,855,596	28,084,534	23,865,571	19,639,015	17,673,260
Non-Major-Sanitation & Stormwater Mgt. Funds	2,986,729	2,674,069	2,445,148	2,146,148	1,759,902
Total Proprietary Funds	$105,219,567	$98,170,913	$89,880,913	$81,503,515	$76,727,330

Sources: Annual Financial Reports for fiscal years ending June 30, 2015-2019 and City officials.

Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
Fiscal Year ended June 30

	2019	2018	2017	2016	2015
REVENUES					
Local Taxes	$12,454,220	$12,088,309	$11,942,665	$11,704,737	$11,483,967
Licenses and Permits	219,143	155,649	108,848	130,102	99,803
Intergovernmental Revenues	1,865,458	1,862,407	1,897,509	1,894,936	1,747,874
Charges for Services	1,075,929	1,037,977	1,062,760	996,995	739,789
Revenues from Use of Property	166,776	153,893	161,631	169,115	165,525
Fines, Fees and Costs	146,734	118,330	147,708	147,210	147,150
Interest Income	11,943	11,932	4,873	1,036	2,038
Other Revenues	102,602	88,698	114,344	101,867	301,186
Total Revenues	16,042,805	15,517,195	15,440,338	15,145,998	14,687,332
EXPENDITURES					
General Government	$2,244,610	$1,886,627	$1,324,177	$1,267,421	$1,018,262
Public Safety	6,426,994	6,018,667	6,256,542	6,295,660	6,068,916
Highways and Streets	1,856,982	1,703,845	1,581,811	1,538,703	1,507,855
Culture & Recreation	2,091,959	2,006,213	2,036,614	1,981,111	2,011,347
Debt Service	2,789,520	2,232,388	2,720,966	2,574,774	2,708,268
Other Expenditures	536,058	578,808	598,406	518,594	551,158
Capital Outlay	1,029,482	1,089,486	1,500,628	1,328,711	891,365
Total Expenditures	16,975,605	15,516,034	16,019,144	15,504,974	14,757,171
Excess of Revenues over (under) Expenditures	(932,800)	1,161	(578,806)	(358,976)	(69,839)
OTHER FINANCING SOURCES (USES)					
Operating Transfers Out	($47,881)	($371,400)	($13,600)	($47,300)	($130,866)
Operating Transfers In	891,091	868,608	862,131	800,733	765,905
Borrowing on Notes/Bonds	0	1,044,940	659,118	1,128,102	1,562,693
Sale of Capital Assets	49,708	230,520	75,428	7,297	0
Total Other Financing Sources (Uses)	892,918	1,772,668	1,583,077	1,888,832	2,197,732
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing	(39,882)	1,773,829	1,004,271	1,529,856	2,127,893
Fund Balance July 1	$8,381,605	$6,959,761	$5,665,414	$4,282,816	$2,383,891
Prior Period Adjustments:					
Adjustments	(49,435)	(351,985)	290,076	(147,258)	(228,967)
Fund Balance, June 30	8,292,288	8,381,605	6,959,761	5,665,414	4,282,816

Sources: Annual Financial Reports for fiscal years ending June 30, 2015-2019.

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APPENDIX C

Comprehensive Annual Financial Report of the Issuer for the Fiscal Year Ended June 30, 2019

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CITY OF SPRINGFIELD, TENNESSEE

FINANCIAL STATEMENTS

AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2019

City of Springfield, Tennessee
Table of Contents
June 30, 2019

City of Springfield, Tennessee
General Information and Roster of City Officials (Unaudited)
June 30, 2019

Location and General

The City of Springfield is located in Robertson County, Tennessee. The City was incorporated in April of 1927 by Chapter 158, Acts of 1927, as amended by the General Assembly of the State of Tennessee. The City operates under a City Manager form of government.

Population

The population of the City of Springfield was 16,440 according to the 2010 special census.

Roster of Elected Public Officials

Mayor	Ann Schneider
Vice-Mayor, Alderman - Ward 4	Tim Harris
Alderman - Ward 1	James Hubbard
Alderman - Ward 2	Bobby Trotter
Alderman - Ward 3	Jeff Gragg
Alderman - Ward 5	Bruce Head
Alderman - Ward 6	Clay Sneed

Roster of City Officials

City Manager	Gina Holt
Assistant City Manager	Ryan Martin
City Recorder/Finance Director	Lisa Crockett CPA, CMFO

THURMAN CAMPBELL GROUP, PLC
CERTIFIED PUBLIC ACCOUNTANTS

Members

American Institute of
Certified Public Accountants

Tennessee Society of
Certified Public Accountants

Kentucky Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen
City of Springfield
Springfield, Tennessee

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 the City of Springfield, Tennessee (the City), as of and for the year ended June 30, 2019, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States and the requirements prescribed by the Comptroller of the Treasury, State of Tennessee, as detailed in the Audit Manual. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund 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 pension plan and other post-employment information on pages 7–15 and 60–62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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 nonmajor fund financial statements, budgetary comparison information – special revenue funds and capital improvements fund, and other supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison information – special revenue funds and capital improvements fund and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison information – special revenue funds and capital improvements fund and the schedule of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and other supplementary information 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 December 2, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Thurman Campbell Group, PLC

Clarksville, Tennessee
December 2, 2019

This section of the City of Springfield's annual financial report presents a narrative overview and analysis of the City's financial performance for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with other additional information that we have furnished in the financial report of the City of Springfield.

Financial Highlights

The assets and deferred outflows of resources of the City of Springfield exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $149,778,626 (net position). Of this amount, $36,417,156 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, the City of Springfield's governmental funds reported combined ending fund balances of $16,791,901, a decrease of 4.22% in comparison with the prior year.

Approximately 46.65% of this total amount, $7,832,852 is available for spending at the City's discretion (unassigned fund balance).

At the end of the current fiscal year, unassigned fund balance for the general fund was $7,832,852 or 46.14% of total general fund expenditures.

The City of Springfield's total debt decreased during the current fiscal year by $2,122,535.

Overview of the Financial Statements

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

Government-wide financial statements - The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Springfield's finances in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes or earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes, licenses and permits, and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, community development and recreation. The business-type activities of the City include electric distribution, natural gas distribution, water, sewer, sanitation and storm water management. The government-wide financial statements can be found on pages 16 and 17 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 of Springfield, 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 two categories: governmental funds and proprietary funds. It is important to note that these fund categories use different accounting approaches and should be interpreted differently.

Governmental funds - *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the citywide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the governments near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Springfield maintains five 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 improvements fund, both of which are considered to be major funds. Data from the other three 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* elsewhere in this report.

The City of Springfield adopts an annual appropriation budget for its general, capital improvements and other special revenue funds. A budgetary comparison schedule has been provided for these funds to demonstrate compliance with this budget. The basic governmental fund statements can be found on pages 18 - 21 of this report.

Proprietary funds - The City of Springfield maintains enterprise funds as its only type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Springfield uses enterprise funds to account for its electric distribution, natural gas distribution, water, sewer, sanitation, and storm water management operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric distribution, natural gas distribution, water, and sewer operations, which are considered to be major funds of the City of Springfield. The basic propriety fund financial statements can be found on pages 22 through 25 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 and fund financial statements. The notes to the financial statements can be found on pages 30 through 59 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Springfield's pension plan and other post- employment benefits. Required supplementary information can be found on pages 60 through 62 of this report.

The combining statements referred to earlier in connection with non-major governmental and proprietary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 63 through 68 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a City's overall financial position. In the case of the City of Springfield, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by $149,778,626 at the close of the most recent fiscal year.

By far the largest portion of the City of Springfield’s net position (71.78%) reflects its investment in capital assets (e.g., land, buildings, equipment) less any related debt used to acquire those assets that is still outstanding. The City of Springfield uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Springfield's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF SPRINGFIELD'S Statement of Net Position (in thousands)

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	$ 15,850	$ 15,245	$ 40,737	$ 39,994	$ 56,587	$ 55,239
Capital assets	48,112	46,531	120,775	110,971	168,887	157,502
Other non-current assets	8,289	9,115	4,816	4,938	13,105	14,053
Total assets	72,251	70,891	166,328	155,903	238,579	226,794
Deferred outflows of resources	991	1,910	1,049	1,995	2,040	3,905
Current liabilities	3,717	3,653	12,829	10,910	16,546	14,563
Long term liabilities	20,503	22,677	47,550	47,320	68,053	69,997
Total liabilities	24,220	26,330	60,379	58,230	84,599	84,560
Deferred inflows of resources	5,409	6,103	832	1,497	6,241	7,600
Net position:						
Net investment in capital assets	33,973	31,863	73,540	64,160	107,513	96,023
Restricted	2,661	1,949	3,188	2,419	5,849	4,368
Unrestricted	6,979	6,556	29,438	31,592	36,417	38,148
Total net position	$ 43,613	$ 40,368	$ 106,166	$ 98,171	$ 149,779	$ 138,539

A portion of the City's net position (3.91%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Springfield is able to report positive balances in all categories of net position, both for government as a whole as well as its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The government's net position increased by $11,289,331 during the current fiscal year.

The following is a summary of financial activities for the City during the fiscal year ended June 30, 2019:

CITY OF SPRINGFIELD'S Statement of Activities (in thousands)

	Governmental activities		Business type activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues						
Charges for services	$ 1,494	$ 1,334	$ 53,993	$ 54,196	$ 55,487	$ 55,530
Operating grants and contributions	596	561	-	-	596	561
Capital grants and contributions	989	815	587	758	1,576	1,573
General revenues:						
Property taxes	4,821	4,664	-	-	4,821	4,664
Other taxes	9,433	9,214	-	-	9,433	9,214
Others	513	368	637	354	1,150	722
Total revenue	17,846	16,956	55,217	55,308	73,063	72,264
Expenses:						
General government	2,513	2,252	-	-	2,513	2,252
Community development	416	446	-	-	416	446
Public safety	6,644	6,326	-	-	6,644	6,326
Highways and streets	2,580	2,509	-	-	2,580	2,509
Culture and recreation	2,461	2,364	-	-	2,461	2,364
Cemeteries	123	136	-	-	123	136
Bond issuance cost	-	106	-	-	-	106
Interest on long term debt	705	510	-	-	705	510
Electric	-	-	26,754	27,073	26,754	27,073
Gas	-	-	8,377	8,370	8,377	8,370
Sewer	-	-	4,005	4,096	4,005	4,096
Water	-	-	5,881	5,374	5,881	5,374
Other business type activities	-	-	1,314	1,182	1,314	1,182
Total functions/programs	15,442	14,649	46,331	46,095	61,773	60,744
Excess (deficiency)	2,404	2,307	8,886	9,213	11,290	11,520
Transfers	891	869	(891)	(869)	-	-
Change in net position	3,295	3,176	7,995	8,344	11,290	11,520
Beginning net position, as previously stated	40,368	38,142	98,171	89,881	138,539	128,023
Prior period adjustments (See Note 17)	(50)	(950)	-	(54)	(50)	(1,004)
Beginning net position, as restated	40,318	37,192	98,171	89,827	138,489	127,019
Ending net position	$ 43,613	$ 40,368	$106,166	$ 98,171	$ 149,779	$ 138,539

Governmental activities – Current period governmental activities increased the City of Springfield's net position by $3,294,500. In the prior year, governmental activities increased net position by $3,176,348.

Business-type activities – Current period business-type activities increased the City of Springfield's net position by $7,994,831. In the prior year, business-type activities increased net position by $8,343,708.

Financial Analysis of the City's Funds

As noted earlier, the City of Springfield 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 expendable resources. Such information is useful in assessing the City of Springfield's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the City of Springfield's governmental funds reported combined ending fund balances of $16,791,901, a decrease of $740,415 in comparison with the prior year. Approximately 46.65% of this total amount ($7,832,852) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is non-spendable ($83,985), restricted ($8,010,555), or, assigned ($864,509). The non-spendable fund balance generally is related to assets that are not expected to be converted to cash. Of the City's total non-spendable balance, $83,985 is made up of amounts spent on inventory and prepaid expenses. Restricted fund balance is made up of amounts that have been restricted as to purpose by enabling legislation. Of the City's total restricted fund, $956,468 is the State Street Aid fund balance and is restricted for road projects. $171,272 is the Drug Fund balance and is restricted to drug enforcement activities. $62,853 is the Forfeited Property Fund balance and is restricted to law enforcement activities. $6,584,865 is restricted for capital improvement projects. Assigned fund balance is made up of balances that are to be used for a specific purpose as defined by the governing body. Of the City's assigned fund balance $864,509 is related to borrowings committed to specific projects in process as well as self-insurance claims.

The general fund is the chief operating fund of the City of Springfield. At the end of the current fiscal year, unassigned fund balance of the general fund was $7,832,852 while total fund balance was $8,292,289. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 46.14% of total general fund expenditures, while total fund balance represents 48.85% of that same amount. The fund balance of the City of Springfield's general fund decreased by $89,317 as a result of the current fiscal year operations and prior period adjustments. See Note 17 on page 57 of this report for additional explanation of the prior period adjustments.

The capital projects fund has a total fund balance of $7,309,019. In general, this fund balance is made up of restricted and assigned fund balances designated for projects in process that are financed with borrowings on notes and bonds. Capital improvements fund decreased by $653,478 as a result of current year operations.

Non-major (other) governmental funds have a fund balance of $1,190,593. The net increase in non-major governmental fund balance during the current year was $2,380.

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

Unrestricted net position of all proprietary funds at the end of the year amounted to $29,438,124. The total increase in net position for all proprietary funds in total was $7,994,831.

General Fund Budgetary Highlights

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the department level within funds. The most significant budgeted fund is the general fund. The increase in total general fund appropriations from the original budget was immaterial during the current fiscal year.

Capital Assets and Debt Administration

Capital assets - The City of Springfield's investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounts to $168,886,782 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, software, infrastructure and construction in progress. The City's investment in capital assets (net of accumulated depreciation) represents an increase of $11,386,200 from the prior year. Governmental capital assets (net of accumulated depreciation) increased by $1,581,800. Business-type capital assets (net of accumulated depreciation) increased by $9,804,400. Both business and governmental capital assets were purchased during the fiscal year ended June 30, 2019. Major capital asset increases during the current fiscal year included the following:

<u>Governmental Activities</u>

* New furniture was purchased for the Administrative Department.
* New computers were purchased for personnel in several departments.
* Upgrades and improvements continued citywide to the IT network.
* A generator was installed at City Hall.
* Security system upgrades and new HVAC unit were installed at the Engineering Department.
* Police Department purchased 8 new patrol vehicles and 8 new in car camera systems.
* Bullet proof vests were purchased for the Police Department.
* A new drug dog was purchased for the Police Department.
* Interior and exterior improvements were made at Fire Stations 1 and 2.
* Fire gear and equipment were purchased for the Fire Department including 10 sets of structural firefighting gear.
* A new zero turn mower was purchased for the Fire Department.
* A concept plan for Bransford Community Center was designed.
* A rotary mower and zero turn mower were purchased for Parks Department.
* The track at MLK, Jr. Park was resurfaced.
* Construction of Phase III Improvements at MLK, Jr. Park including the addition of a splashpad and picnic pavilion were completed.
* A pull behind rough mower was purchased for The Legacy Golf Course.
* Pump station discharge manifold and pump station roof were replaced at The Legacy Golf Course.
* Interior improvements were made and new equipment was purchased for The Legacy Golf Course clubhouse.
* Cart path replacement and renovation and maintenance of bunkers continued at The Legacy Golf Course.
* A new zero turn mower was purchased for the cemetery.
* Pedestrian crosswalk at Memorial Boulevard and Mooreland Drive was completed.
* Engineering and construction for Phase III of the Greenway expansion continued.
* Engineering for the William A. Batson Boulevard resurfacing project continued and construction began.
* Engineering for the William A. Batson Boulevard extension project continued.
* Sidewalk improvements continued.
* An ADA Compliance Transition plan was developed.
* Public Works repaved multiple streets throughout the city.
* A generator was installed at the Public Works facility.
* A hydraulic post driver and puller system, utility tractor, & bush hog were purchased for Street Department.
* An OTC scanner and AC service machine were purchased for Public Works Vehicle Maintenance Department.

Business-Type Activities

- * Work continued on the rehabilitation of the sanitary sewer collection system. Construction began for the Phase 5 Interceptor replacement project and the two Wastewater Collection tanks projects.
- * Design services for the Interceptor Sewer evaluation, rehabilitation and replacement project and Wastewater Treatment Plant improvement project began.
- * A new Sewer main was installed at Memorial Blvd. and Central Ave.
- * Relocated 300 L. F. of 18" water main at Sulfur Fork Creek EQ tank site.
- * Easements were purchased for several projects of the Water/Wastewater Department.
- * The replacement of old water meters continued throughout the water system.
- * Design services for the Betts Road tank repair, Freddie Edwards Road water line, and Fred Perry Road water line, and Old Greenbrier Pike water line projects began.
- * Chemical induction unit, 7 Hach turbidimeters, and ice machine were at the Water Treatment Plant.
- * Safety climbing systems were replaced at York Road, 17th Ave., East Hillcrest, Mt. Denson, and Betts Road water tanks.
- * Fencing was replaced at the Tom Austin/431 and 17th Ave. water tanks.
- * Two tapping machines, leak detector, and 4 submersible electric pumps were purchased for the Water Department.
- * A sport utility vehicle was purchased for Administration of the Water/Wastewater Department.
- * Grit pump, submersible pump, 2 portable multi-gas monitors, and ice machine were replaced at the Wastewater Treatment Plant.
- * A root saw was purchased for the Wastewater Department.
- * The relocation on Industrial Drive began.
- * Natural gas main extensions were completed on Owens Chapel to Roy Cole Road, Owens Chapel to Oregon Road, Cook Road, John Farmer Road, Hill Street, Brandywine, Westbrook and Hill Street.
- * The replacement of gas meters continued and 149 new services were installed.
- * The Gas Department purchased a new crew truck.
- * Volume correctors, leak detection equipment, line locators, boring mole, pipe squeeze off equipment, sensit calibration station and mobile air compressor were purchased for the Gas Department.
- * Building improvements continued at the Gas Department including flooring replacement and an audio/visual system for the conference room.
- * HVAC unit was replaced at the Gas training facility.
- * Electric Department continued retrofitting street light with LED bulbs.
- * Pole replacement project for the transmission line from Sleepy Hollow substation to District substation was completed and transmission line from Springfield to Mt. Denson began.
- * Improvements and repairs to substation control houses were made.
- * LED lighting upgrades and replacement of 2 HVAC units were completed at the Electric Department.
- * Ten trip saver reclosers and tabletop meter test system were purchased for the Electric Department.
- * PILOT program for automatic meter reading continued for the Gas, Electric, and Water/Wastewater departments with new meters and endpoints continuing to be added.
- * Multiple drainage projects were completed across the city.
- * Recycling service began and recycling and refuse carts were purchased for the Sanitation Department.
- * Engineering for the repair of the CSX railroad culvert began for the Storm Water Management Department.
- * New computers were purchased for personnel in several departments.

CITY OF SPRINGFIELD'S Capital Assets (in thousands)

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Capital assets not depreciated						
Land	$ 2,984	$ 2,985	$ 1,547	$ 1,384	$ 4,531	$ 4,369
Construction in progress	1,751	1,088	25,790	25,524	27,541	26,612
Total capital assets not depreciated	4,735	4,073	27,337	26,908	32,072	30,981
Capital assets depreciated						
Buildings	13,022	12,781	154,618	142,792	167,640	155,573
Machinery and equipment	17,483	17,011	11,181	10,685	28,664	27,696
Infrastructure	40,931	38,888	-	-	40,931	38,888
Total	71,436	68,680	165,799	153,477	237,235	222,157
Less accumulated depreciation	(28,059)	(26,222)	(72,361)	(69,414)	(100,420)	(95,636)
Net capital assets depreciated	43,377	42,458	93,438	84,063	136,815	126,521
Net capital assets	$ 48,112	$ 46,531	$ 120,775	$ 110,971	$ 168,887	$ 157,502

Additional information on the City of Springfield's capital assets can be found in Note 6 on page 42-43 of this report.

Long-term debt - At the end of the current fiscal year, the City of Springfield had total debt outstanding of $74,085,539. All of this debt is backed by the full faith and credit of the government.

CITY OF SPRINGFIELD'S Outstanding Debt (in thousands)

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Bonds and notes payable						
Bonds and notes payable	$ 20,068	$ 22,041	$ 48,875	$ 48,944	$ 68,943	$ 70,985
Add: Premium on bonds	739	795	1,135	1,214	1,874	2,009
Capital Leases	152	186	-	6	152	192
Total bonds and notes payable	20,959	23,022	50,010	50,164	70,969	73,186
Other long-term liabilities						
Compensated absences	409	401	262	274	671	675
OPEB	1,483	1,424	963	923	2,446	2,347
Total long-term debt	$ 22,851	$ 24,847	$ 51,235	$ 51,361	$ 74,086	$ 76,208

The City of Springfield's total debt decreased by $2,122,535 (2.79%) during the current fiscal year. The City of Springfield maintains an Aa3 rating from Moody’s Investors Service for its General Obligation debt.

Economic Factors and Next Year's Budget and Rates

The average unemployment rate for the Robertson County area was 2.96% for the current fiscal year. This compares to the average state unemployment rate for the same period of 3.34%. The prior year rate for the Robertson County area was 3.1%

Inflationary trends in the region are comparable to national indices.

Housing starts for this fiscal year were 69 single family homes and 4 multi-family homes as compared to 120 single family homes in the prior fiscal year.

The City's short-term interest rates on operating fund investments with the Local Government Investment Pool increased during fiscal year 2019. Interest rates during the year averaged 2.22% as compared to 1.30% in fiscal year 2018.

During the current fiscal year, unassigned fund balance in the general fund rose to $7,832,852 (an increase of $634,930 from the prior fiscal year). All appropriations lapse at year-end.

All of these factors were considered in preparing the City of Springfield's budget for fiscal year 2020.

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 City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Springfield, City Recorder, P. O. Box 788, 405 North Main Street, Springfield, Tennessee 37172.

City of Springfield, Tennessee
Statement of Net Position
June 30, 2019

	Primary Government		
ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash and Cash Equivalents	$ 9,206,004	$ 33,718,082	$ 42,924,086
Receivables, Net	6,958,302	5,247,809	12,206,111
Internal Balances	(398,716)	398,716	-
Inventory	69,179	744,339	813,518
Prepaid Expenses	14,806	627,992	642,798
Total Current Assets	15,849,575	40,736,938	56,586,513
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	6,820,380	3,348,323	10,168,703
Net Pension Asset	1,469,797	1,467,666	2,937,463
Land and Construction in Progress	4,735,048	27,337,053	32,072,101
Other Capital Assets, Net of Depreciation	43,376,952	93,437,729	136,814,681
Total Noncurrent Assets	56,402,177	125,590,771	181,992,948
Total Assets	72,251,752	166,327,709	238,579,461
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	990,606	1,048,794	2,039,400
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	1,143,580	8,386,666	9,530,246
Unearned Revenue	226,025	-	226,025
Current Portion - Compensated Absences	81,650	52,376	134,026
Current Portion - Notes and Bonds Payable	2,265,885	3,633,003	5,898,888
Customer Deposits	-	757,159	757,159
Total Current Liabilities	3,717,140	12,829,204	16,546,344
Noncurrent Liabilities:			
OPEB Liability	1,483,626	963,319	2,446,945
Compensated Absences	326,602	209,504	536,106
Notes and Bonds Payable	18,693,035	46,376,541	65,069,576
Total Noncurrent Liabilities	20,503,263	47,549,364	68,052,627
Total Liabilities	24,220,403	60,378,568	84,598,971
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	843,038	832,191	1,675,229
Property Taxes Levied for Subsequent Year	4,566,035	-	4,566,035
Total Deferred Inflows of Resources	5,409,073	832,191	6,241,264
NET POSITION			
Net Investment in Capital Assets	33,973,460	73,539,811	107,513,271
Restricted For:			
Drug Fund	171,272	-	171,272
State Street Aid	956,468	-	956,468
Forfeited Property	62,853	-	62,853
Debt Service	-	573,750	573,750
Sanitation Services	-	1,231,457	1,231,457
Other Purposes	1,469,797	1,382,602	2,852,399
Unrestricted	6,979,032	29,438,124	36,417,156
Total Net Position	$ 43,612,882	$ 106,165,744	$ 149,778,626

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

City of Springfield, Tennessee
Statement of Activities
For the Year Ended June 30, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position of the Primary Government		
Functions/Programs	Expenses	Charges for Servcies	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	$ 2,513,281	$ 365,877	$ 16,444	$ -	$ (2,130,960)	$ -	$ (2,130,960)
Community Development	416,407	-	-	-	(416,407)	-	(416,407)
Public Safety	6,644,326	59,596	2,275	-	(6,582,455)	-	(6,582,455)
Highways and Streets	2,580,197	-	577,344	988,674	(1,014,179)	-	(1,014,179)
Culture and Recreation	2,460,685	1,046,067	-	-	(1,414,618)	-	(1,414,618)
Cemeteries	122,658	22,442	-	-	(100,216)	-	(100,216)
Interest on Long-term Debt	704,926	-	-	-	(704,926)	-	(704,926)
Total Governmental Activities	15,442,480	1,493,982	596,063	988,674	(12,363,761)	-	(12,363,761)
Business-Type Activities							
Electric	26,753,536	27,939,057	-	18,539	-	1,204,060	1,204,060
Gas	8,376,879	8,260,322	-	-	-	(116,557)	(116,557)
Sewer	4,004,820	7,032,613	-	258,753	-	3,286,546	3,286,546
Water	5,881,204	9,183,666	-	309,755	-	3,612,217	3,612,217
Other Business-type Activities	1,313,955	1,576,849	-	-	-	262,894	262,894
Total Functions/Programs	46,330,394	53,992,507	-	587,047	-	8,249,160	8,249,160
Total Primary Government	$ 61,772,874	$ 55,486,489	$ 596,063	$ 1,575,721	(12,363,761)	8,249,160	(4,114,601)
General Revenues							
Property Taxes					4,820,976	-	4,820,976
Payment in Lieu of Tax - TVA					194,683	-	194,683
Payment in Lieu of Tax - Housing Authority					19,893	-	19,893
Income and Excise Taxes					89,366	-	89,366
Sales Tax					7,676,076	-	7,676,076
Alcoholic Beverage Taxes					779,258	-	779,258
Business Taxes					446,023	-	446,023
Miscellaneous Taxes					228,240	-	228,240
Investment Earnings					220,952	607,047	827,999
Gain (Loss) on Disposition of Assets					19,719	29,715	49,434
Miscellaneous					271,984	-	271,984
Transfers					891,091	(891,091)	-
Total General Revenues and Transfers					15,658,261	(254,329)	15,403,932
Change in Net Position					3,294,500	7,994,831	11,289,331
Beginning Net Position, As Previously Stated					40,367,817	98,170,913	138,538,730
Prior Period Adjustments (See Note 17)					(49,435)	-	(49,435)
Beginning Net Position, As Restated					40,318,382	98,170,913	138,489,295
Ending Net Position					$ 43,612,882	$ 106,165,744	$ 149,778,626

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

City of Springfield, Tennessee
Balance Sheet – Governmental Funds
June 30, 2019

	General Fund	Capital Improvements Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 7,427,427	$ 395,100	$ 1,383,477	$ 9,206,004
Receivables, Net:				
Property Taxes	4,759,276	-	-	4,759,276
Intergovernmental	1,540,674	424,597	99,799	2,065,070
Other	133,956	-	-	133,956
Due From Other Funds	453,490	-	-	453,490
Inventory	69,179	-	-	69,179
Restricted Cash and Cash Equivalents	235,097	6,584,865	418	6,820,380
Prepaid Expenses	14,806	-	-	14,806
Total Assets	$ 14,633,905	$ 7,404,562	$ 1,483,694	$ 23,522,161
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 641,044	$ 52,220	$ 16	$ 693,280
Accrued Liabilities	306,288	-	-	306,288
Intergovernmental Payables	25,831	-	-	25,831
Due To Other Funds	559,121	-	293,085	852,206
Unearned Revenue	182,705	43,323	-	226,028
Total Liabilities	1,714,989	95,543	293,101	2,103,633
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues-Property Taxes	60,592	-	-	60,592
Property Taxes Levied for Subsequent Year	4,566,035	-	-	4,566,035
Total Deferred Inflows of Resources	4,626,627	-	-	4,626,627
FUND BALANCES				
Non-Spendable	83,985	-	-	83,985
Restricted	235,097	6,584,865	1,190,593	8,010,555
Assigned	140,355	724,154	-	864,509
Unassigned	7,832,852	-	-	7,832,852
Total Fund Balances	8,292,289	7,309,019	1,190,593	16,791,901
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 14,633,905	$ 7,404,562	$ 1,483,694	$ 23,522,161

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

City of Springfield, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2019

Total fund balances of governmental funds	$ 16,791,901
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Construction-in-progress	1,750,641
Capital assets	74,420,274
Accumulated depreciation	(28,058,913)
Property taxes not collected within 60 days subsequent to the fiscal year end are unavailable in the governmental funds.	60,593
Long-term liabilities and related deferred items are not due and payable in the current period and therefore, are not reported in the governmental fund balance sheet but are reported on the government-wide statement of net position.	
Accrued compensated absences	(408,252)
OPEB liability	(1,483,626)
Bond premium	(739,466)
Bonds and notes payable	(20,219,454)
Net pension asset (liability)	1,469,797
Deferred outflows related to pensions	990,606
Deferred inflows related to pensions	(843,038)
Accrued interest payable is reported in government wide, but not governmental activities.	
Accrued interest	(118,181)
Net position of governmental activities	$ 43,612,882

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

City of Springfield, Tennessee
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General Fund	Capital Improvements Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 12,454,220	$ -	$ -	$ 12,454,220
License and Permits	219,143	-	-	219,143
Fines and Forfeitures	146,734	-	52,176	198,910
Intergovernmental Revenues	1,865,458	988,674	577,344	3,431,476
Charges for Services	1,075,929	-	-	1,075,929
Investment Income	11,943	182,512	26,497	220,952
Rental Income	166,776	-	-	166,776
Miscellaneous Revenues	102,602	2,603	-	105,205
Total Revenues	16,042,805	1,173,789	656,017	17,872,611
EXPENDITURES				
Current:				
General Government	2,244,610	-	-	2,244,610
Community Development	416,407	-	-	416,407
Public Safety	6,426,994	-	-	6,426,994
Highways and Streets	1,856,982	-	-	1,856,982
Cemeteries	119,651	-	-	119,651
Culture and Recreation	2,091,959	-	-	2,091,959
Drug Fund	-	-	11,256	11,256
Debt Service:				
Principal	2,007,808	-	-	2,007,808
Interest	781,712	-	-	781,712
Bond Issuance Cost	-	-	-	-
Capital Outlay	1,029,482	1,875,148	642,381	3,547,011
Total Expenditures	16,975,605	1,875,148	653,637	19,504,390
Revenues Over (Under) Expenditures	(932,800)	(701,359)	2,380	(1,631,779)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(47,881)	-	-	(47,881)
Transfers In	891,091	47,881	-	938,972
Sale of Capital Assets	49,708	-	-	49,708
Total Other Financing Sources (Uses)	892,918	47,881	-	940,799
Net Changes in Fund Balances	(39,882)	(653,478)	2,380	(690,980)
Beginning Fund Balance, As Previously Reported	8,381,606	7,962,497	1,188,213	17,532,316
Prior Period Adjustment, (Note 17)	(49,435)	-	-	(49,435)
Beginning Fund Balance, As Restated	8,332,171	7,962,497	1,188,213	17,482,881
Ending Fund Balance	$ 8,292,289	$ 7,309,019	$ 1,190,593	$ 16,791,901

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

City of Springfield, Tennessee
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances to the Statement of Activities
For the Year Ended June 30, 2019

Net change in fund balances - total governmental funds	$	(690,980)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, however, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets purchased		3,525,261
Depreciation expense		(1,913,473)
Loss on disposition of capital assets		(29,989)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Debt principal repayments		2,007,808
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.		
Property Taxes		(46,444)
Governmental funds report debt premiums, discounts, and similar items as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions or deductions from the long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.		
Amortization of bond premiums/discounts		55,312
Changes in the City's net pension asset, deferred outflows of resources, and deferred inflows of resources related to City's TCRS pension plan for the current year are not reported in the governmental funds but are reported in the Statement of Activities.		432,514
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
(Increase) Decrease in accrued compensated absences		(6,960)
(Increase) Decrease in OPEB liability		(60,023)
(Increase) Decrease in accrued interest		21,474
Change in net position of governmental activities	$	3,294,500

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

City of Springfield, Tennessee
Statement of Net Position - Proprietary Funds
June 30, 2019

	Electric Fund	Gas Fund	Sewer Fund	Water Fund	Non-Major Funds	Total Proprietary Funds
ASSETS						
Current Assets:						
Cash and Cash Equivalents	$ 7,212,422	$ 6,828,126	$ 6,506,660	$ 11,442,618	$ 1,728,256	$ 33,718,082
Receivables (Net of Uncollectibles)	3,272,971	272,336	685,651	867,088	149,763	5,247,809
Due From Other Funds	393,476	46,633	29,007	74,817	22,934	566,867
Prepaid Expenses	-	587,992	20,000	20,000	-	627,992
Inventory	320,055	124,074	25,339	274,871	-	744,339
Total Current Assets	11,198,924	7,859,161	7,266,657	12,679,394	1,900,953	40,905,089
Noncurrent Assets:						
Restricted Cash and Cash Equivalents	242,456	118,876	612,972	1,115,746	1,258,273	3,348,323
Net Pension Asset (Liability)	364,369	321,393	282,635	407,830	91,439	1,467,666
Assets Not Depreciated	1,027,300	764,067	22,696,449	2,146,304	702,933	27,337,053
Assets Net of Accumulated Depreciation	14,114,809	15,231,468	35,774,477	26,921,278	1,395,697	93,437,729
Total Noncurrent Assets	15,748,934	16,435,804	59,366,533	30,591,158	3,448,342	125,590,771
Total Assets	26,947,858	24,294,965	66,633,190	43,270,552	5,349,295	166,495,860
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows Related to Pensions	272,091	252,981	187,067	245,405	91,250	1,048,794
LIABILITIES						
Current Liabilities:						
Accounts Payable	3,970,607	326,149	3,297,530	129,324	39,653	7,763,263
Accrued and Other Liabilities	156,263	62,571	189,117	186,776	28,676	623,403
Compensated Absences-Current	12,796	9,786	7,603	20,670	1,522	52,376
Bonds and Notes Payable-Current	626,426	30,000	1,698,174	1,017,297	261,106	3,633,003
Due To Other Funds	53,637	40,422	25,926	40,001	8,165	168,151
Customer Deposits	368,749	176,430	80,620	131,360	-	757,159
Total Current Liabilities	5,188,478	645,358	5,298,970	1,525,428	339,122	12,997,355
Noncurrent Liabilities:						
OPEB Liability	179,371	231,358	200,153	246,587	105,850	963,319
Compensated Absences-Noncurrent	51,184	39,144	30,410	82,678	6,087	209,504
Notes and Bonds Payable-Noncurrent	706,703	111,404	34,029,886	9,591,690	1,936,858	46,376,541
Total Noncurrent Liabilities	937,258	381,906	34,260,449	9,920,955	2,048,795	47,549,364
Total Liabilities	6,125,736	1,027,264	39,559,419	11,446,383	2,387,917	60,546,719
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows Related to Pensions	208,163	191,892	152,259	213,978	65,899	832,191
NET POSITION						
Net Investment in Capital Assets	13,811,703	15,868,729	23,313,058	19,515,604	1,030,717	73,539,811
Restricted	604,102	425,671	325,415	466,567	1,366,054	3,187,809
Unrestricted	6,470,245	7,034,390	3,470,106	11,873,425	589,958	29,438,124
Total Net Position	$ 20,886,050	$ 23,328,790	$ 27,108,579	$ 31,855,596	$ 2,986,729	$ 106,165,744

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

City of Springfield, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Year Ended June 30, 2019

	Electric Fund	Gas Fund	Sewer Fund	Water Fund	Non-Major Funds	Total Proprietary Funds
OPERATING REVENUES						
Charges for Services	$ 27,644,577	$ 8,075,359	$ 6,884,080	$ 8,820,427	$ 1,562,391	$ 52,986,834
Other Operating Revenue	294,480	184,963	148,533	363,239	14,458	1,005,673
Total Operating Revenues	27,939,057	8,260,322	7,032,613	9,183,666	1,576,849	53,992,507
OPERATING EXPENSES						
Costs of Sales and Services	23,964,097	6,744,115	1,839,237	3,387,458	1,057,356	36,992,263
Administration	1,748,914	922,984	681,594	1,064,980	-	4,418,472
Depreciation	1,010,261	685,966	1,188,913	1,253,190	190,430	4,328,760
Total Operating Expenses	26,723,272	8,353,065	3,709,744	5,705,628	1,247,786	45,739,495
Operating Income	1,215,785	(92,743)	3,322,869	3,478,038	329,063	8,253,012
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	119,423	117,185	112,614	216,688	41,137	607,047
Gain (Loss) on Sale of Fixed Assets	-	9,097	-	11,989	8,629	29,715
Interest and Amortization	(30,264)	(23,814)	(295,076)	(175,576)	(66,169)	(590,899)
Total Non-Operating Revenues (Expenses)	89,159	102,468	(182,462)	53,101	(16,403)	45,863
Income (Loss) Before Contributions/Transfers	1,304,944	9,725	3,140,407	3,531,139	312,660	8,298,875
CONTRIBUTIONS/TRANSFERS						
Capital Contributions - Grants	-	-	58,963	125	-	59,088
Capital Contributions - Developers	18,539	-	199,790	309,630	-	527,959
Transfers Out	(377,306)	(156,183)	(287,770)	(69,832)	-	(891,091)
Total Contributions/Transfers	(358,767)	(156,183)	(29,017)	239,923	-	(304,044)
Change in Net Position	946,177	(146,458)	3,111,390	3,771,062	312,660	7,994,831
Beginning Net Position, As Restated	19,939,873	23,475,248	23,997,189	28,084,534	2,674,069	98,170,913
Ending Net Position	$ 20,886,050	$ 23,328,790	$ 27,108,579	$ 31,855,596	$ 2,986,729	$ 106,165,744

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

City of Springfield, Tennessee
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2019

	Electric Fund	Gas Fund	Sewer Fund	Water Fund	Non-Major Funds	Total Proprietary Funds
Cash Flows from Operating Activities:						
Cash Received From Customers	$ 27,617,897	$ 8,077,438	$ 6,861,789	$ 8,946,324	$ 1,537,896	$ 53,041,344
Cash Payments for Goods and Services	(24,294,348)	(5,980,590)	1,834,806	(2,160,169)	(389,379)	(30,989,680)
Cash Payments for Personnel	(1,257,675)	(1,405,121)	(1,305,231)	(2,005,089)	(575,470)	(6,548,586)
Cash Payments for Interfund Services	(549,952)	(567,901)	(336,279)	(712,716)	(118,615)	(2,285,463)
Other Receipts (Payments)	294,480	184,963	148,533	363,239	14,458	1,005,673
Net Cash Provided By (Used In) Operating Activities	1,810,402	308,789	7,203,618	4,431,589	468,890	14,223,288
Cash Flows from Non-Capital Financing Activities:						
Transfer to Other Funds	(377,306)	(156,183)	(287,770)	(69,832)	-	(891,091)
Interfund Payables	(80,977)	(10,045)	(95,923)	(48,776)	(73,451)	(309,172)
Interfund Receivables	288,939	31,258	73,070	46,848	21,938	462,053
Net Cash Provided By (Used In) Non-Capital Financing Activities	(169,344)	(134,970)	(310,623)	(71,760)	(51,513)	(738,210)
Cash Flows from Capital and Related Financing Activities:						
Sale of Fixed Assets	-	9,097	-	11,989	8,629	29,715
Proceeds from Bonds and Notes	-	-	4,534,708	-	-	4,534,708
Capital Contributions - Grants	-	-	58,963	-	-	58,963
Principal Paid on Bonds and Notes	(261,762)	(1,252,884)	(1,718,231)	(1,126,864)	(244,751)	(4,604,492)
Interest Paid on Bonds and Notes	(33,934)	(28,023)	(346,856)	(210,953)	(73,067)	(692,833)
Acquisition and Construction of Capital Assets	(1,039,570)	(1,007,527)	(10,497,364)	(849,768)	(216,246)	(13,610,475)
Net Cash Provided By (Used In) Capital and Related Financing Activities	(1,335,266)	(2,279,337)	(7,968,780)	(2,175,596)	(525,435)	(14,284,414)
Cash Flows from Investing Activities:						
Interest Received	119,423	117,185	112,614	216,688	41,137	607,047
Net Increase (Decrease) in Cash	425,215	(1,988,333)	(963,171)	2,400,921	(66,920)	(192,288)
Cash and Cash Equivalents, Beginning	7,029,663	8,935,335	8,082,803	10,157,443	3,053,449	37,258,693
Cash and Cash Equivalents, Ending	$ 7,454,878	$ 6,947,002	$ 7,119,632	$ 12,558,364	$ 2,986,529	$ 37,066,405

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

City of Springfield, Tennessee
Statement of Cash Flows - Proprietary Funds (Continued)
For the Year Ended June 30, 2019

	Electric Fund	Gas Fund	Sewer Fund	Water Fund	Non-Major Funds	Total Proprietary Funds
Reconciliation of Operating Income to Net Cash Provided By (Used in) Operating Activities:						
Operating Income (Loss)	$ 1,215,785	$ (92,743)	$ 3,322,869	$ 3,478,038	$ 329,063	$ 8,253,012
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation	1,010,261	685,966	1,188,913	1,253,190	190,430	4,328,760
Change in Assets and Liabilities:						
(Increase) Decrease in Receivable, Net	(72,853)	(9,880)	(44,080)	104,061	(25,488)	(48,240)
(Increase) Decrease in Inventory	(48,839)	4,346	(1,717)	(5,458)	-	(51,668)
(Increase) Decrease in Prepaid Expenses	-	(135,932)	964	1,447	-	(133,521)
(Increase) Decrease in Deferred Outflows	241,544	202,439	184,034	259,287	58,638	945,942
Increase (Decrease) in Accounts Payable	(238,270)	(51,875)	2,800,265	(323,022)	(7,149)	2,179,949
Increase (Decrease) in Customer Deposits	26,339	16,920	14,800	14,030	-	72,089
Increase (Decrease) in Accrued Liabilities	19,341	(450)	(3,182)	22,249	8,121	46,079
Increase (Decrease) in Net Pension Liability	(186,139)	(159,426)	(141,828)	(199,754)	(45,182)	(732,329)
Increase (Decrease) in Deferred Inflows	(169,045)	(144,785)	(128,803)	(181,410)	(41,032)	(665,075)
Increase (Decrease) in OPEB Liability	7,839	9,406	8,701	10,112	4,241	40,299
Increase (Decrease) in Compensated Absences	4,439	(15,197)	2,682	(1,181)	(2,752)	(12,009)
Total Adjustments	594,617	401,532	3,880,749	953,551	139,827	5,970,276
Net Cash Provided By Operating Activities	$ 1,810,402	$ 308,789	$ 7,203,618	$ 4,431,589	$ 468,890	$ 14,223,288
Non-Cash Activities:						
Capital Contributions - Developers	$ -	$ -	$ 199,790	$ 309,755	$ -	$ 509,545
Reconciliation to the Statement of Net Position:						
Cash and Cash Equivalents	$ 7,212,422	$ 6,828,126	$ 6,506,660	$ 11,442,618	$ 1,728,256	$ 33,718,082
Restricted Cash and Cash Equivalents	242,456	118,876	612,972	1,115,746	1,258,273	3,348,323
Total Cash and Cash Equivalents	$ 7,454,878	$ 6,947,002	$ 7,119,632	$ 12,558,364	$ 2,986,529	$ 37,066,405

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

City of Springfield, Tennessee
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES				
Taxes				
Property	$ 4,894,000	$ 4,894,000	$ 4,867,420	$ (26,580)
Local Option Sales	6,225,000	6,225,000	6,208,855	(16,145)
Wholesale Beer	660,000	660,000	562,852	(97,148)
Wholesale Liquor	125,000	125,000	173,473	48,473
Business	420,000	420,000	446,023	26,023
Other	206,164	206,164	195,597	(10,567)
Intergovernmental				
Grants	500	24,966	18,719	(6,247)
TVA PILOT	185,000	185,000	194,683	9,683
Housing Authority PILOT	27,000	27,000	19,893	(7,107)
State Sales Tax	1,450,125	1,450,125	1,456,296	6,171
Modern Market Tele Providers Privilege	-	-	545	545
Telecommunications Sales Tax	-	-	10,380	10,380
State Income Tax	98,000	98,000	38,077	(59,923)
State Beer Tax	8,000	8,000	7,611	(389)
Petroleum Special	34,000	34,000	32,643	(1,357)
Mixed Drink Tax	40,000	40,000	35,322	(4,678)
Corporate Excise Tax	58,000	58,000	51,289	(6,711)
License and Permits	138,550	138,550	219,143	80,593
Fines and Forfeitures	148,000	148,000	146,734	(1,266)
Charges for Services	1,082,140	1,082,640	1,075,929	(6,711)
Investment Income	7,000	7,000	11,943	4,943
Rental Income	152,916	152,916	166,776	13,860
Miscellaneous Revenues	126,340	122,947	102,602	(20,345)
Total Revenues	$ 16,085,735	$ 16,107,308	$ 16,042,805	$ (64,503)
EXPENDITURES				
General Government				
Administrative Services:				
Salaries and Benefits	$ 164,929	$ 135,929	$ 128,659	$ 7,270
Management & Operations	7,183	6,183	4,380	1,803
Capital Outlay	4,500	3,052	2,635	417
Total Administrative Services	$ 176,612	$ 145,164	$ 135,674	$ 9,490
City Recorder:				
Salaries and Benefits	$ 94,102	$ 106,280	$ 106,991	$ (711)
Management & Operations	22,793	22,493	12,352	10,141
Capital Outlay	977	977	389	588
Total City Recorder	$ 117,872	$ 129,750	$ 119,732	$ 10,018

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

City of Springfield, Tennessee
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund (Continued)
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual Final	Variance - Favorable (Unfavorable)
General Government (continued)				
Engineering:				
Salaries and Benefits	$ 171,991	$ 176,266	$ 176,353	$ (87)
Management & Operations	64,018	46,743	20,712	26,031
Capital Outlay	23,731	23,731	16,647	7,084
Total Engineering	$ 259,740	$ 246,740	$ 213,712	$ 33,028
Finance:				
Salaries and Benefits	$ 69,552	$ 264,427	$ 142,021	$ 122,406
Management & Operations	64,582	64,582	32,359	32,223
Capital Outlay	11,455	40,226	778	39,448
Total Finance	$ 145,589	$ 369,235	$ 175,158	$ 194,077
Other General:				
Salaries and Benefits	$ 159,125	$ 342,861	$ 321,830	$ 21,031
Management & Operations	1,262,779	1,264,310	1,195,733	68,577
Capital Outlay	159,686	296,302	120,964	175,338
Principal Payments	2,080,934	2,031,212	2,007,808	23,404
Interest Payments	733,257	782,779	781,712	1,067
Total Other General	$ 4,395,781	$ 4,717,464	$ 4,428,047	$ 289,417
Legislative:				
Salaries and Benefits	$ 27,225	$ 27,225	$ 23,623	$ 3,602
Management & Operations	63,887	100,887	79,597	21,290
Total Legislative	$ 91,112	$ 128,112	$ 103,220	$ 24,892
Total General Government	$ 5,186,706	$ 5,736,465	$ 5,175,543	$ 560,922
Community Development:				
Salaries and Benefits	$ 457,087	$ 412,087	$ 377,976	$ 34,111
Management & Operations	100,870	62,185	38,431	23,754
Capital Outlay	17,000	17,000	4,091	12,909
Total Community Development	$ 574,957	$ 491,272	$ 420,498	$ 70,774

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

City of Springfield, Tennessee
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund (Continued)
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual Final	Variance - Favorable (Unfavorable)
Public Safety				
Fire:				
Salaries and Benefits	$ 2,602,959	$ 2,452,284	$ 2,380,752	$ 71,532
Management & Operations	357,675	355,673	324,129	31,544
Capital Outlay	42,000	44,677	41,825	2,852
Total Fire	$ 3,002,634	$ 2,852,634	$ 2,746,706	$ 105,928
Police:				
Salaries and Benefits	$ 3,144,014	$ 3,045,571	$ 2,792,679	$ 252,892
Management & Operations	861,654	852,053	808,802	43,251
Capital Outlay	194,250	330,444	319,983	10,461
Total Police	$ 4,199,918	$ 4,228,068	$ 3,921,464	$ 306,604
Animal Control:				
Salaries and Benefits	$ 106,670	$ 105,596	$ 95,063	$ 10,533
Management & Operations	37,202	38,276	25,569	12,707
Total Animal Control	$ 143,872	$ 143,872	$ 120,632	$ 23,240
Total Public Safety	$ 7,346,424	$ 7,224,574	$ 6,788,802	$ 435,772
Highways and Streets				
Streets:				
Salaries and Benefits	$ 984,228	$ 975,298	$ 941,552	$ 33,746
Management & Operations	798,300	794,155	682,317	111,838
Capital Outlay	257,500	305,575	292,577	12,998
Total Streets	$ 2,040,028	$ 2,075,028	$ 1,916,446	$ 158,582
Vehicle Maintenance:				
Salaries and Benefits	$ 190,029	$ 222,346	$ 209,581	$ 12,765
Management & Operations	40,906	42,371	23,532	18,839
Capital Outlay	7,906	24,457	15,224	9,233
Total Vehicle Maintenance	$ 238,841	$ 289,174	$ 248,337	$ 40,837
Total Highways and Streets	$ 2,278,869	$ 2,364,202	$ 2,164,783	$ 199,419

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

City of Springfield, Tennessee
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund (Continued)
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual Final	Variance - Favorable (Unfavorable)
Cemeteries:				
Salaries and Benefits	$ 137,530	$ 122,080	$ 99,492	$ 22,588
Management & Operations	19,235	22,185	20,159	2,026
Capital Outlay	7,000	7,000	5,999	1,001
Total Cemeteries	$ 163,765	$ 151,265	$ 125,650	$ 25,615
Culture and Recreation				
Golf Course:				
Salaries and Benefits	$ 546,164	$ 518,114	$ 510,787	$ 7,327
Management & Operations	457,127	500,427	478,480	21,947
Capital Outlay	131,000	170,746	169,035	1,711
Total Golf Course	$ 1,134,291	$ 1,189,287	$ 1,158,302	$ 30,985
Recreation-General:				
Salaries and Benefits	$ 820,872	$ 770,837	$ 716,341	$ 54,496
Management & Operations	465,333	458,148	386,351	71,797
Capital Outlay	33,410	41,130	39,335	1,795
Total Recreation-general	$ 1,319,615	$ 1,270,115	$ 1,142,027	$ 128,088
Total Culture and Recreation	$ 2,453,906	$ 2,459,402	$ 2,300,329	$ 159,073
Total Expenditures	$ 18,004,627	$ 18,427,180	$ 16,975,605	$ 1,451,575
Revenues Over (Under) Expenditures	$ (1,918,892)	$ (2,319,872)	$ (932,800)	$ 1,387,072
OTHER FINANCING SOURCES (USES)				
Transfers Out	$ (50,000)	$ (60,000)	$ (47,881)	$ 12,119
Transfers In	872,051	872,051	891,091	19,040
Bond and Note Proceeds	175,000	175,000	-	(175,000)
Sale of General Capital Assets	30,000	30,000	49,708	19,708
Total Other Financing Sources (Uses)	1,027,051	1,017,051	892,918	(124,133)
Net Change in Fund Balance	$ (891,841)	$ (1,302,821)	(39,882)	$ 1,262,939
Beginning Fund Balance, As Previously Reported			8,381,606	
Prior Period Adjustment (Note 17)			(49,435)	
Beginning Fund Balance, As Restated			8,332,171	
Ending Fund Balance			$ 8,292,289	

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Springfield, Tennessee (the City) was incorporated under the laws of the State of Tennessee. The City provides the following services to its citizens, as authorized by its charter: general administrative services, public safety, streets and roadways, health and welfare, culture and recreation, planning and zoning, public improvements, electric, gas, sanitation, storm water, water and sewer utility services.

The accounting and reporting policies of the City conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The most significant of the City's accounting policies are described below:

A. Reporting Entity

Generally accepted accounting principles require that financial statements present the accounts and operations of the government and its component units, entities for which the government is considered to be financially accountable. The basic criterion for including a governmental department, agency, institution, commission, public authority, or other governmental organization in a governmental unit's financial report is the financial accountability over such organization by the governmental unit's elected officials. The manifestations of such financial accountability are financial benefactor or burden, ability to impose its will, and fiscal dependence. As of June 30, 2019 and for the fiscal year then ended, the City had no component units which were required to be included in these financial statements.

B. 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. 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 services.

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

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

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Property taxes, sales taxes, intergovernmental grants, excise taxes, 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 if recognition criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the City.

D. Basis of Presentation

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental and proprietary funds are separately aggregated and reported as non-major funds.

Governmental Fund Types

Governmental fund types are used to account for the City's general government activities. Governmental fund types include the following:

General Fund

The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund is presented as a major fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes (not including major capital projects).

Capital Projects Funds

The capital projects fund is used to account for all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary funds. The Capital Improvements Fund is presented as a major fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary Fund Types

Proprietary fund types are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Proprietary fund types include the following:

Electric Fund
The electric fund is used to account for financial activity related to electric power services provided throughout the City and certain surrounding areas. The electric fund is presented as a major fund.

Gas Fund
The gas fund is used to account for financial activity related to natural gas services provided throughout the City and certain surrounding areas. The gas fund is presented as a major fund.

Sewer Fund
The sewer fund is used to account for financial activity related to sewer services provided throughout the City and certain surrounding areas. The sewer fund is presented as a major fund.

Water Fund
The water fund is used to account for financial activity related to water services provided throughout the City and certain surrounding areas. The water fund is presented as a major fund.

Sanitation Fund
The sanitation fund is used to account for financial activity related to sanitation services provided throughout the City and certain surrounding areas.

Storm Water Fund
The storm water fund is used to account for the costs associated with the management, construction, maintenance, protections, control, regulation, use, and enhancement of storm water systems and programs throughout the City and certain surrounding areas.

E. Receivables

Accounts receivable are reported at unpaid principal balance net of any allowance for uncollectible accounts. The allowance for uncollectible accounts was $340,405 for governmental funds and $1,059 for sanitation fund, $19,407 for water fund, $24,549 for sewer fund, $180,416 for electric and $105,251 for gas fund at June 30, 2019. Bad debts are charged to expense using the allowance method. The bad debt expense for the year ended June 30, 2019 was $45,045 for governmental funds and $30,661 for proprietary funds.

F. Capital Assets

All property, plant and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated property, plant and equipment are reported at the acquisition value at the time of acquisition. Construction period interest on constructed assets is capitalized as a portion of the cost of the asset.

Governmental capital asset values, reported under GASB 34, are based on historical costs. Since the City is a Phase 3 municipality, the valuation of infrastructure includes only infrastructure added after June 30, 2003; retroactive reporting has not been elected.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City adopted a formal asset capitalization policy beginning July 1, 2017. The City’s policy is to capitalize expenditures in excess of $10,000 for infrastructure; $10,000 for building; $5,000 for other improvements; and $1,000 for equipment.

Depreciation is computed on governmental capital assets using the straight-line method over the following estimated useful lives:

Infrastructure	
Roadways	20-50 years
Bridges	50 years
Other Capital Assets	
Improvements	15-50 years
Machinery and Equipment	3-20 years
Buildings	50 years
Vehicles	5 years

Depreciation is provided on the business-type capital assets in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The estimated service lives by type of asset are as follows:

Utility Plant	20-50 years
Improvements	15-50 years
Machinery and Equipment	3-20 years
Vehicles	5 years

G. Property Tax

The City’s property taxes are levied each October 1 on assessed value as of the prior January 1 for all real and business personal property located in the City. Taxes are due and payable on or before December 31. Property taxes attach as an enforceable lien on property as of January 1 of the following year. Property tax revenues are recognized when levied. An allowance is established for delinquent taxes to the extent that their collectability is doubtful.

Under GASB Statement 33, Accounting for Non-Exchange Transactions, property taxes are imposed non-exchange revenue. Assets (accounts receivable) from imposed non-exchange transactions are recorded when the City has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. The assessment date has been designated in the enabling legislation as January 1. Therefore, the City has recorded the succeeding year's receivable and deferred inflows of resources for taxes assessed as of year-end that will not be received until after year-end.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate; are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

I. Long-Term Liabilities and Interest Capitalization

Long-term liabilities consist of bonds, notes, and other indebtedness including liabilities associated with compensated absences, pension, and other post-employment benefits.

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight line method which is not materially different from the interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Interest costs are capitalized as part of the historical cost of acquiring certain assets. To qualify for interest capitalization, assets must require a period of time before they are ready for their intended purpose. Total interest incurred and expensed for the governmental funds for the year ended June 30, 2019 was $760,238. Total interest incurred for the proprietary funds for the year ended June 30, 2019 was $1,347,677. Interest capitalized was $677,585, and interest expense was $670,092 for the year ended June 30, 2019.

J. Restricted and Unrestricted Resources

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Inventories

Proprietary fund inventories of material, supplies and replacement parts are valued using average cost determined by the moving average inventory method. A physical inventory is taken annually.

Inventory items used by the general fund are expensed at the time items are purchased rather than when consumed, except for the golf inventory. Golf inventory record is kept on the same basis as proprietary fund inventory.

L. Unbilled Revenue

As is the general practice in the utility industry, unbilled revenue for services (proprietary funds) from the date of the most recent meter reading to the balance sheet date is not recorded. However, the effect is considered immaterial.

M. Unearned Revenue

When resources are received in advance of charges for services being earned or in advance of any eligibility requirement other than a time requirement being met for government-mandated or voluntary nonexchange transactions (i.e., for intergovernmental revenues), a liability is reported for the unearned revenues.

N. Insurance and Advertising

Insurance and advertising costs are expensed as incurred.

O. Operating and Non-Operating Revenue

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 proprietary funds are charges to customers for sales and services. Operating expenses for proprietary 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.

P. Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased and investments in the local government investment pool funds to be cash and cash equivalents.

Q. Use of Estimates

The City used estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Springfield's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Springfield's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

S. New Pronouncements

Effective for the fiscal year ending June 30, 2018, the City adopted the following provisions of Governmental Accounting Standards Board (GASB):

- GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

- GASB Statement No. 85, Omnibus 2017.

The GASB Statement No. 75 replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB plans, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosures and required supplementary information requirements for defined benefit OPEB plans also are addressed. In this Statement, distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts or are not administered through trusts.

The objective of GASB Statement No. 85 is to address practice issues that have been identified during implementation and application of certain other GASB Statements. GASB No. 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Fund Balance Classification

Beginning with fiscal year 2010-2011, the City implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The classifications used in the governmental fund financial statements are as follows:

I. Non-spendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified Inventories and Prepaid Expenses as non-spendable to indicate that they are not available for appropriation and are not available financial resources.

II. Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified State Street Aid, Drug Fines and Forfeitures as being restricted because their use is restricted by State Statute for street expenditures and police investigation expenditures. Proceeds from sale of land and bonds are restricted for capital improvement projects.

III. Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action (ordinance or resolution) of the Board of Aldermen. The Board of Aldermen is the highest level of decision-making authority for the City. These amounts cannot be used for any other purpose unless the Board of Aldermen removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

IV. Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Aldermen or through the Board of Aldermen delegating this responsibility to the City Manager or City Recorder through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. At June 30, 2019, the City had $140,355 and $724,154 in assigned funds in the general fund and capital improvements fund, respectively.

V. Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Aldermen has provided otherwise in its commitment or assignment actions.

During the fiscal year 2014, the City adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year-end to be at least $2,000,000.

2. CASH AND INVESTMENTS

Statement No. 40, "Deposit and Investment Risk Disclosures", of the Governmental Accounting Standards Board (GASB), states "If a government has no deposit or investment policy that addresses a specific type of risk that it is exposed to, the disclosure should indicate that fact." The City does not have an official deposit and investment policy. Although there is no official deposit and investment policy for the City, in order to provide a safe temporary medium for investment of the City's idle funds, the City invests those idle funds under the provisions of Tennessee Code Annotated 6-56-106. State statutes authorize the City to invest in, among other things: (1) U.S. government securities and obligations guaranteed by the U.S. government, (2) deposit accounts at state and federally chartered banks and savings and loan associations, and (3) the Local Government Investment Pool of the State of Tennessee.

The City has investments in the Local Government Investment Pool (LGIP), which is part of the State Pooled Investment Fund (SPIF). The City has no regulatory oversight for the pool, which is governed by the State of Tennessee Funding Board and is administered by the State Treasurer. Investments in the LGIP are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest or principal. The pool contains investments in certificate of deposits, bank deposits, U.S. Government obligations and commercial paper. The SPIF/LGIP is not registered with the Securities and Exchange Commission (SEC) as an investment company but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, as amended. Accordingly, the pool qualifies as a 2a7-like pool and is reported at amortized cost. State statutes require the State Treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the State Treasurer. There are no other investments held by the City that are required to be reported at fair value as of June 30, 2018.

Investment	Weighted Average Maturity (days)	Reported at Amortized Cost
Local Government Investmnet Pool (LGIP)	1 to 86	$ 39,643,213

GASBS 40 was designed to inform financial statement users about the deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. The City recognizes its deposits and investments may have one or more of the following risks:

1. Credit risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statues limit investments in debt securities to the highest rated category by at least two nationally recognized rating agencies. The City has no policy that would limit its investment choices. As of June 30, 2019, the City's investment in the LGIP was unrated.

2. Concentration of credit risk: A concentration of investments in any one single issuer of debt securities presents a greater risk for loss in the event that the issuer fails on its obligations. The City places no limit on the amount the City may invest in any one issuer. One hundred percent of the City's investments are in the LGIP.

3. Interest rate risk: Interest rate risk is the risk that future changes in prevailing market rates of interest will have an adverse effect on the fair value of debt investments. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, but mitigates the risk by investing only in the LGIP fund.

4. Custodial credit risk: Custodial credit risk is defined as the risk that a government will not be able to recover its deposits, investments or collateral from the bank in the event of bank failure. The City does not have custodial credit risk policy for investments.

2. CASH AND INVESTMENTS (continued)

The Federal Depository Insurance Corporation (FDIC) currently insures the first $250,000 of the City's deposits at each financial institution. State statues require that all deposits with financial institutions be secured by FDIC, by the Tennessee Bank Collateral Pool or by collateral held by the financial institution in the City's name. As of June 30, 2019, the carrying amount of the City's deposits was $53,092,789 and the bank balance of $53,237,190 was categorized as follows:

	Bank Balances
Insured by FDIC	$ 369,518
Insured by Tennessee Bank Collateral Pool	13,224,459
Local Government Investment Pool (LGIP)	39,643,213
Total	$ 53,237,190

3. RELATED ORGANIZATIONS AND JOINT VENTURES

The City of Springfield is part of an association of municipalities that own Tennessee Energy Acquisition Corporation (TEAC). One of the primary purposes of this corporation is to enter into a gas supply agreement with the Municipal Gas Authority of Georgia for the purchase of natural gas at below market prices on a long-term basis. This allows TEAC to enter into agreements with the associated municipalities to supply such gas to the municipalities, perform transportation, provide storage capacity and load management services and to secure the delivery of such gas supplies to the City gate stations for their benefit at below market prices. Gas purchases from TEAC were $5,350,633 for the year ended June 30, 2019. At June 30, 2019, the City had prepaid gas in storage at TEAC of $587,992 and a liability for purchased gas of $285,199.

The Springfield Industrial Development Board (SIDB) is a related organization of the City of Springfield. The city mayor nominates and the board of aldermen confirms the board members, but the City's accountability for the organization does not extend beyond making the appointments. SIDB negotiates tax abatement agreements for the City. During the year ended June 30, 2019, the City did not provide any operating subsidies to SIDB.

The Springfield-Robertson County Municipal Airport (Airport) is jointly owned by Robertson County and the City of Springfield and is operated by the Springfield-Robertson County Joint Airport Board. The board comprises seven members: two are appointed by Robertson County, two are appointed by the City of Springfield, and three members are jointly appointed. The City of Springfield has control over budgeting and financing the joint venture only to the extent of its representation by the appointed board members and is responsible for funding 50 percent of any deficits from operations. The City of Springfield contributed $500,000 to the Airport during the year ended June 30, 2019. There were no payments due at June 30, 2019.

The Stokes Brown Public Library (Library) is jointly owned by Robertson County and the City of Springfield and is operated by the Library Board. The board is comprised of seven members: three are appointed by Robertson County, three are appointed by the City of Springfield, and the final member is jointly appointed. The City of Springfield has control over budgeting and financing the joint venture only to the extent of its representation by the appointed board members and is responsible for funding 50 percent of any deficits from operations. The City of Springfield contributed $409,050 to the Library during the year ended June 30, 2019. There were no payments due at June 30, 2019.

The City of Springfield does not have an equity interest in any of the above-noted joint ventures. Complete financial statements can be obtained from their respective administrative offices at Springfield-Robertson County Municipal Airport, P.O. Box 1125, Springfield, TN 37172, and at Stokes Brown Public Library, 405 White Street, Springfield, TN 37172.

4. COMPENSATED ABSENCES

Vacation Leave:

The full-time employees of the City accrue vacation leave monthly. Vacation leave is accrued upon the completion of each calendar month of service. Vacation leave will begin to accrue as of the first full month of employment, but will only be granted after the satisfactory completion of the probationary period, except when approved by the City Manager for emergency reasons. As the number of years of service increases the number of days' increase for vacation leave. Vacation leave shall be earned as follows:

Employees hired before May 16, 1990 shall earn as follows:

Years of Service	Vacation per Month	Maximum Accrual
1 to 10	1 Day (8 hours)	12 Days
10 to 15	1.5 Days (12 hours)	18 Days
15+	2 Days (16 hours)	24 Days

Employees hired on or after May 16, 1990 shall earn as follows:

Years of Service	Vacation per Month	Maximum Accrual
Up to 1	1/2 Day (4 hours)	6 Days
1 to 10	1 Day (8 hours)	12 Days
10 to 15	1.25 Days (10 hours)	15 Days
15+	1.5 Days (12 hours)	18 Days

The full-time employees completing twenty-five years of continuous service will be credited with a one-time additional twenty-four (24) hours of vacation leave upon the twenty-fifth anniversary of the employment date.

The full-time employees may accumulate and carry forward from one calendar year to the next the maximum number of days specified above. Vacation leave in excess of the maximum number of days specified above may be converted to sick leave if not used by the end of a calendar year.

The regular part-time employees will be allowed to accumulate vacation leave on a proportionate rate based on the amount of time worked. Likewise, a regular part-time employee may carry forward a maximum of one year's accrued vacation leave.

Sick Leave:

Sick leave pay will be granted to all full-time employees at the rate of eight (8) hours for each month of service with no maximum cap. The part-time employees will be allowed to accumulate sick leave on a proportionate rate based on the amount of time worked. Sick leave shall accrue as of the first full month of employment but will only be granted after the satisfactory completion of probationary period, except when approved by the City Manager for emergency reasons.

The City has two plans for sick leave: Plan A and B. Employees of the City at May 15, 1990 were allowed to choose either plan. Employees hired after May 15, 1990 automatically fall under Plan B.

Plan A - The City allows employees to accumulate sick leave with pay at the rate of one (1) working day for each full calendar month of service completed up to an unused maximum of 120 days. Upon normal retirement employees will be compensated for one-half of their accumulated sick leave days.

4. COMPENSATED ABSENCES (continued)

Plan B - The City allows unused accumulated sick leave to be counted as creditable service in computing retirement benefits. Each 20 days of sick leave accumulated is equal to one month of creditable service towards retirement. Under this plan, there is no limit to the number of days which can be accumulated.

Employees leaving the City employment for any reason other than retirement will not be compensated for any balance of sick leave not taken.

As of June 30, 2019, the compensated absences liability was $670,132.

5. RISK MANAGEMENT AND SELF-INSURANCE PROGRAM

The City is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City has elected to obtain various insurance policies to transfer risks to a commercial insurance company either directly or through the Tennessee Municipal League Pool. Insurance settlements have not been in excess of insurance coverage in any of the prior three years. Insurance settlements for various property damages during the year ended June 30, 2019 were approximately $4,800 and are included in miscellaneous revenues on the financial statements.

The Tennessee Municipal League Risk Management Pool was begun in 1979 when an Interlocal Cooperation Agreement was signed and Tennessee local governmental entities became the owners of their own alternative insurance program. The purpose of this liability pool was to provide affordable, dependable liability coverage for entities such as the City. The pool is not an insurance company but is a cooperative risk sharing arrangement. Participating members pay a premium, receive coverage, and make claims against coverage. A portion of the premium is used to purchase reinsurance to cover losses that exceed the pool's loss fund. Legally, the members can be assessed for losses exceeding pool loss funds available and reinsurance policy limits but this circumstance is not expected to occur due to the financial management of the pool.

Until January 1, 2014, employee health benefits (medical and pharmacy) were covered by a commercial insurance policy purchased by the City, with no risk of loss retained by the City. Effective January 1, 2014, the City is self-insured with respect to employee health benefits. However, an excess liability policy (stop-loss policy) for employee health benefits has been purchased. All funds of the City participate in the self-insurance program.

Self-insurance program liabilities are reported when it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Estimated insurance claims payable at June 30, 2019, including incurred but not reported claims, amounting to $92,570 and $115,928 in the governmental funds and the proprietary funds, respectively. In addition, reinsurance recoverable on unpaid claims were deducted from the liability for unpaid claims. Following is a summary of the changes in claims liability for the Self Insurance Program for the fiscal year ended June 30, 2019:

Year	Beginning of Fiscal-Year Liability	Current-Year Claims & Change in Estimates	Claim Payments	Balance at Fiscal-Year End
2013-2014	$ -	$ 1,789,582	$ 1,020,767	$ 768,815
2014-2015	$ 768,815	$ 2,480,144	$ 2,512,186	$ 736,773
2015-2016	$ 736,773	$ 2,561,216	$ 2,449,701	$ 848,288
2016-2017	$ 848,288	$ 1,743,008	$ 2,485,626	$ 105,670
2017-2018	$ 105,670	$ 2,375,231	$ 2,319,322	$ 161,579
2018-2019	$ 161,579	$ 3,515,009	$ 3,468,090	$ 208,498

6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019:

	Balance 6/30/2018	Additions	Deletions	Balance 6/30/2019
Governmental Assets:				
Capital Assets not Depreciated:				
Land	$ 2,984,407	$ -	$ -	$ 2,984,407
Construction in Progress	1,088,239	1,032,890	(370,488)	1,750,641
Total Capital Assets not Depreciated	4,072,646	1,032,890	(370,488)	4,735,048
Capital Assets Depreciated:				
Buildings	12,781,292	240,551	-	13,021,843
Machinery and Equipment	17,010,578	540,208	(67,872)	17,482,914
Infrastructure	38,887,597	2,082,103	(38,592)	40,931,108
Total	68,679,467	2,862,862	(106,464)	71,435,865
Less Accumulated Depreciation	(26,221,913)	(1,913,473)	76,473	(28,058,913)
Net Capital Assets Depreciated	42,457,554	949,389	(29,991)	43,376,952
Net Governmental Assets	46,530,200	1,982,279	(400,479)	48,112,000
Business-Type Activities:				
Capital Assets not Depreciated:				
Land	1,383,580	163,625	-	1,547,205
Construction in Progress	25,523,528	14,279,636	(14,013,316)	25,789,848
Total Capital Assets not Depreciated	26,907,108	14,443,261	(14,013,316)	27,337,053
Capital Assets Depreciated:				
Utility Plant/Building	142,792,190	12,944,055	(1,117,975)	154,618,270
Equipment	10,684,875	562,427	(66,363)	11,180,939
Total	153,477,065	13,506,482	(1,184,338)	165,799,209
Less Accumulated Depreciation	(69,413,791)	(4,328,760)	1,381,071	(72,361,480)
Net Capital Assets Depreciated	84,063,274	9,177,722	196,733	93,437,729
Net Business-Type Assets	110,970,382	23,620,983	(13,816,583)	120,774,782
Net Capital Assets	$ 157,500,582	$ 25,603,262	$ (14,217,062)	$ 168,886,782

6. CAPITAL ASSETS (continued)

Depreciation expense related to governmental activities was charged to the following functions for June 30, 2019:

General Government	$ 203,113
Public Safety	423,793
Highways, Streets, and Roadways	769,331
Public Works	105,088
Vehicle Maintenance	7,712
Cemetery	6,651
Parks and Recreation	191,085
Golf	206,700
Total	$ 1,913,473

7. LONG-TERM DEBT

The following is a summary of changes to long-term liabilities during the year ended June 30, 2019. The compensated absences liability and outstanding notes and bonds attributable to the governmental activities will be liquidated primarily by the General Fund. Interest requirements for variable rate debt are calculated using the interest rate effective at the end of the reporting year. Variable interest rates are based upon the federal prime rate.

	Balance 6/30/2018	Added	Paid	Balance 6/30/2019	Due Within One year
Governmental Activities:					
Bonds and Notes Payable	$ 22,041,031	$ -	$ 1,973,333	$ 20,067,698	$ 2,114,130
Add: Premium on Bonds	794,778	-	55,312	739,466	-
Capital Leases	186,228	-	34,474	151,754	151,754
Total Bonds and Notes Payable	23,022,037	-	2,063,119	20,958,918	2,265,884
OPEB	1,423,603	60,023	-	1,483,626	-
Compensated Absences	401,293	6,959	-	408,252	81,650
Total Governmental Activities	$ 24,846,933	$ 66,982	$ 2,063,119	$ 22,850,796	$ 2,347,534
Business-Type Activities:					
Bonds and Notes Payable	$ 48,944,346	$ 4,534,708	$ 4,604,492	$ 48,874,562	$ 3,633,003
Add: Premium on Bonds	1,214,172	-	79,190	1,134,982	-
Capital Leases	5,714	-	5,714	-	-
Total Bonds and Notes Payable	50,164,232	4,534,708	4,689,396	50,009,544	3,633,003
OPEB	923,020	40,299	-	963,319	-
Compensated Absences	273,889	-	12,009	261,880	52,376
Total Business-Type Activities	51,361,141	4,575,007	4,701,405	51,234,743	3,685,379
Total Governmental and Business-Type Activities	$ 76,208,074	$ 4,641,989	$ 6,764,524	$ 74,085,539	$ 6,032,913

7. LONG-TERM DEBT (continued)

Governmental long-term debt at June 30, 2019 consists of the following obligations:

Issue	Original Amount Issued	Fiscal Year Maturity Date	Interest Rate	Principal Outstanding 6/30/2019
General Obligation Bonds-Governmental:				
General Obligation Bond, Series 1981 (Berkadia)	$ 652,500	2020	5%	$ 35,000
General Obligation Bond, Series 2009A (US Bank)	3,000,000	2030	2-4.20%	1,975,000
Total General Obligation Bonds-Governmental				2,010,000
General Obligation Notes-Governmental:				
Capital Outlay Note, Series 2011 (Commerce Union)	177,000	2020	4.14%	19,667
Capital Outlay Note, Series 2012 (Farmers Bank)	680,000	2022	4.87%	204,000
Total General Obligation Notes-Governmental				223,667
Jointly Issued General Obligation Debt-Governmental:				
General Obligation Refunding Bond, Series 2008 (US Bank)	11,950,000	2022	2-4.20%	579,133
General Obligation Bond, Series 2009 (US Bank)	8,770,000	2025	2-4%	1,710,506
General Obligation Bond, Series 2010 (US Bank)	5,260,000	2027	2-4%	1,724,351
GO Refunding and Public Impv Bond, Series 2012 (US Bank)	9,255,000	2033	2-3%	1,897,341
GO Public Improvements Bond, Series 2013 (US Bank)	11,225,000	2033	2-4.50%	1,105,000
GO Public Improvements Bond, Series 2014 (US Bank)	18,485,000	2039	2-5%	1,186,773
Capital Outlay Note, Series 2014-B (US Bank)	607,253	2022	2.59%	45,433
Capital Outlay Note, Series 2015 (US Bank)	1,831,000	2021	1.24-2.79%	173,805
Capital Outlay Note, Series 2016	1,240,000	2023	1.75%	414,900
GO Public Improvements Bond, Series 2016 (US Bank)	6,030,000	2036	2-3%	1,060,000
2017 CO Note Payable (Comm. Union)	1,750,000	2023	1.24-1.79%	451,789
GO Public Improvements Bond, Series 2018 (US Bank)	7,785,000	2038	3-5%	7,485,000
Total Jointly Issued General Obligation Debt-Governmental				17,834,031
Capital Leases-Governmental:				
PNC Equipment Finance - Golf Carts	250,800	2020	3.95%	150,115
PNC Equipment Finance - Golf Utility Vehicle	8,202	2020	3.95%	1,639
Total Capital Leases-Governmental				151,754
Total Governmental Long-Term Debt				20,219,452
Add: Premiums				739,466
Less: Current Portion				(2,265,885)
Net Governmental Long-Term Debt				$ 18,693,033

7. LONG-TERM DEBT (continued)

Proprietary long-term debt at June 30, 2019 consists of the following obligations:

Issue	Original Amount Issued	Maturity Date	Interest Rate	Principal Outstanding 6/30/2019
General Obligation Bonds-Proprietary:				
Jointly Issued General Obligation Debt-Proprietary:				
General Obligation Refunding Bond, Series 2008 (US Bank)	11,950,000	2022	2-4.20%	665,867
General Obligation and Tax Bond, Series 2009 (US Bank)	8,770,000	2025	2-4%	939,494
General Obligation and Taxbond, Series 2010 (US Bank)	5,260,000	2027	2-4%	1,310,649
GO Refunding and Public Impv Bond, Series 2012 (US Bank)	9,255,000	2033	2-3%	4,397,658
GO Public Improvements Bond, Series 2013 (US Bank)	11,225,000	2033	2-4.50%	7,545,001
GO Public Improvements Bond, Series 2014 (US Bank)	18,485,000	2039	2-5%	15,063,227
Capital Outlay Note, Series 2014-B (US Bank)	607,253	2022	2.59%	189,721
Capital Outlay Note, Series 2015 (US Bank)	1,831,000	2021	1.24-2.79%	352,195
GO Public Improvements Bond, Series 2016 (US Bank)	6,030,000	2036	2-3%	4,575,000
Capital Outlay Note, Series 2016	1,240,000	2023	1.75%	164,400
2017 CO Note Payable (Comm. Union)	1,750,000	2023	1.24-1.79%	634,476
GO Public Improvements Bond, Series 2018 (US Bank)	1,770,000	2038	3-5%	1,685,000
Total Jointly Issued General Obligation Debt-Proprietary				37,522,688
State Loans:				
TN State Funding Loan (SRF 94-069)	1,607,000	2020	2.84%	46,688
TN State Funding Loan (SRF 16-360)	19,250,000	2043	1.35%	6,283,425
TN State Funding Loan (SRF 19-422)	26,500,000	2038	1.30%	4,534,708
Total State Loans				10,864,821
TVA Conservation Loan				487,053
Total Proprietary Long-Term Debt				48,874,562
Add: Premiums				1,134,982
Less: Current Portion				(3,633,003)
Net Proprietary Long-Term Debt				$ 46,376,541

7. LONG-TERM DEBT (continued)

Below is a condensed schedule of maturities for long-term debt and obligations at June 30, 2019. Utility plant assets and net revenues are pledged as collateral for the respective bond issues outstanding. A sinking fund is required only for bonds in the water department for payment of the outstanding principal and interest. The City has a continuing disclosure requirement on some of its bonds to provide an annual report, audited financial statements and certain other information to Municipal Securities Rulemaking Board (MSRB). Outstanding governmental notes and bonds are secured by the full faith and credit and taxing powers of the City.

State revolving loan fund is secured by the City's user fees, charges and or ad valorem taxes. In addition, the City pledged and assigned its Unobligated State-Shared Taxes in an amount equal to the maximum annual debt service requirements under the loan agreement.

Fiscal Year Ended June 30	Principal Due	Interest Due
2020	$ 5,898,887	$ 2,146,459
2021	4,788,839	2,017,148
2022	5,581,017	2,007,290
2023	5,299,324	1,837,496
2024	4,899,180	1,685,538
2025-2029	18,571,952	5,391,883
2030-2034	13,232,440	2,692,771
2035-2039	9,629,024	911,353
2040-2044	1,193,349	33,348
Total Long-Term Debt	$ 69,094,012	$ 18,723,287

8. PENSION PLAN

Plan description: Employees of Springfield are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/Retirement.

Benefits provided: Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

8. PENSION PLAN (CONT'D)

Member and beneficiary annuitants are entitled to automatic cost-of-living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees covered by benefit terms: At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	91
Inactive employees entitled to but not yet receiving benefits	167
Active employees	229
Total	487

Contributions: Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. Springfield makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2019, the employer contributions for Springfield were $1,237,375 based on a rate of 10.41% percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Springfield's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Springfield's net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions: The total pension liability as of June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of pension investment expenses, including inflation
Cost-of-Living Adjustment	2.25 percent

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

8. PENSION PLAN (CONT'D)

Changes of assumptions: In 2017, the following assumptions were changed: decreased inflation rate from 3% to 2.50%; decreased the investment rate of return from 7.50% to 7.25%; decreased the cost-of-living adjustment from 2.50% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to an average of 4%; and modified mortality assumptions.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates 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 by adding expected inflation of 2.5%. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. equity	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real estate	4.32%	10%
Short-term securities	0.00%	1%
		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount rate: The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Springfield will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive 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.

8. PENSION PLAN (CONT'D)

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Balance at 6/30/17	$ 41,164,486	$ 42,661,155	$ (1,496,669)
Changes for the year:			
Service cost	871,131	-	871,131
Interest	3,002,305	-	3,002,305
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(579,142)	-	(579,142)
Change of assumptions	-	-	-
Contributions- employer	-	1,216,920	(1,216,920)
Contributions- employees	-	823	(823)
Net investment income	-	3,538,932	(3,538,932)
Benefit payments, including refunds of employee contributions	(1,249,035)	(1,249,035)	-
Administrative expense	-	(21,587)	21,587
Net changes	2,045,259	3,486,053	(1,440,794)
Balance at 6/30/18	$ 43,209,745	$ 46,147,208	$ (2,937,463)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate:

The following presents the net pension liability (asset) of Springfield calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Springfield's net pension liability (asset)	$ 2,989,409	$ (2,937,463)	$ (7,875,723)

Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense: For the year ended June 30, 2019, Springfield recognized pension expense of $353,400.

8. PENSION PLAN (CONT'D)

Deferred outflows of resources and deferred inflows of resources: For the year ended June 30, 2019, Springfield reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 55,390	$ 1,477,826
Change in assumptions	746,636	-
Net difference between projected and actual earnings on pension plan investments	-	197,403
Contributions subsequent to the measurement date of June 30, 2018	1,237,374	-
	$ 2,039,400	$ 1,675,229

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2018," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year Ended June 30	Amount Reported
2020	$ 108,506
2021	$ (210,208)
2022	$ (571,924)
2023	$ (96,291)
2024	$ (20,556)
Thereafter	$ (82,730)

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Payable to the Pension Plan

At June 30, 2019, Springfield reported a payable of $0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2019.

8. PENSION PLAN (CONT'D)

TARGET BENEFIT PENSION PLAN

The City has another pension plan, Springfield Department of Utilities Employees' Target Benefit Pension Plan & Trust, which is a defined contribution plan administered by the City. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees were eligible to participate in the plan after one year of service and having attained age 25. Since 1985, participation is closed into this plan for new employees. Benefit terms, including contribution requirements, for the Plan are established and may be amended by City's Board of Aldermen. The City's Board of Aldermen also has the authority to establish and amend requirements for the City to pay pensions as the benefits come due.

Mandatory employee contributions are $1.25 per month for each $10 of assumed normal retirement benefit and shall not exceed fifty percent of the employer contributions. Voluntary employee contributions shall not exceed ten percent of employee compensation. Total employee contributions for the current fiscal year were $1,904. Employer contributions are equal to the level funding amount necessary to fund the participant's target benefit. The target benefit is calculated on the basis of a life annuity with ten years certain. The amount of required and actual employer contributions for the current fiscal year was $4,778. No pension plan changes occurred during the year that affected the required contribution to be made by the City or its employees.

The "vested percentage" in an employee account is determined under the following schedule and is based on vesting years of service. The employees will always, however, be 100% vested at retirement age.

Vesting Schedule

Years of Service	Percentage	Years of Service	Percentage	Years of Service	Percentage
0-1	0%	5	33.0%	10	66.0%
1	6.6%	6	39.6%	11	72.6%
2	13.2%	7	46.2%	12	79.2%
3	19.8%	8	52.8%	13	85.8%
4	26.4%	9	59.4%	14	92.4%
				15	100.0%

Regardless of these vesting schedules, the employee is always 100% vested in all amounts he/she contributed to the Plan.

Forfeitures are created when participants terminate employment before becoming entitled to their full benefits under the Plan. These forfeited amounts are used to reduce the employer's contributions to the Plan and or are used to pay a portion of Plan's administrative expenses. There were no forfeitures during the current fiscal year. The City had no liability to the plan at June 30, 2019.

9. OTHER POST EMPLOYMENT BENEFITS

The City accounts for other post-employment benefits in accordance with GASB No. 75, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions ("OPEB"), effective for fiscal years beginning after June 15, 2017. Prior to this date, the City accounted for postemployment benefits other than pensions in accordance with GASB No. 45. GASB No. 75 establishes standards for recognizing and measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources and OPEB expense for employers who participate in a trusted or non-trusted single-employer, agent multiple-employer or cost-sharing multiple-employer plan.

Plan Description – The City of Springfield's Retired Employees' Benefit Plan (the "Plan) is a single-employer defined benefit medical and life insurance plan administered by the City of Springfield. Benefit provisions are established and amended by the Board of Aldermen. The Plan is self-insured with respect to medical benefits and financed on a pay-as-you-go basis. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4. The Plan does not issue a publicly available financial report that includes financial statements and required supplementary information.

Benefits Provided – The Plan provides medical and life insurance benefits to eligible retirees. Retirees are able to obtain medical insurance at the City group rates for their spouse and eligible children also. Eligible employees include employees age sixty with five years of service or thirty years of service without regard to age. Estimated medical claims liabilities of the Plan are used to establish premium rates for the plan members. Plan members pay eighty-five percent of the medical premium rates established. Effective July 1, 2017, plan members age fifty-five with twenty years of service at retirement will pay fifty percent of the medical premium rates established. The City pays 100 percent of the life insurance premiums ($5,000 policy).

Employees Covered by Benefit Terms – At June 30, 2018, the date of the valuation, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	12
Active employees	206
Total	218

Contributions – The City pays the cost of medical and life insurance benefits, less the portion paid by the retiree, as those premiums come due each year. During the fiscal year ended June 30, 2019, the City paid $104,154 for retiree premiums.

Actuarial Assumptions and Other Inputs – The total OPEB liability was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019:

Inflation	3.00 percent
Salary increases	3.50 percent, average, including inflation
Discount rate	3.88 percent, net of investment expenses, including inflation
Healthcare cost trend rate	4.50 percent, net of investment expenses, including inflation
Retirees' share of benefit-related costs	Either 85% or 50% of the monthly contribution is paid by retiree for medical coverage depending on eligibility conditions. No retiree contribution for life insurance coverage.

9. OTHER POST EMPLOYMENT BENEFITS (continued)

A discount rate of 3.88% (0.88% real rate of return plus 3% inflation) was applied in the measurement of the total OPEB liability. The discount rate is based on the index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (Bond Buyer GO Bond 20 Index).

Mortality rates were based on the RPH-2014 Total Mortality Table with Projection MP-2017 for Males or Females, as appropriate. The termination rates and retirement rates were developed from the assumption used in the 2017 actuarial report for the TCRS retirement plan covering local government participants.

No changes were made in the actuarial assumptions since the rolled forward projections are based on the assumptions shown in the June 30, 2018 valuation report. The data used in the roll forward of the June 30, 2018 valuation results remain unchanged from that used in the June 30, 2018 actuarial valuation report. The data reflects the plan census as of June 30, 2018. Since the June 30, 2018 valuation results were rolled forward there are no liability gains or losses for the projection period. There were no significant changes made in the plan eligibility or plan provisions since the June 30, 2018 actuarial valuation.

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.88%) or 1-percentage-point higher (4.88%) than the current discount rate:

	1% Decrease (2.88%)	Current Discount Rate (3.88%)	1% Increase (4.88%)
Total OPEB liability	$ 2,657,012	$ 2,446,945	$ 2,253,765

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.50%) or 1-percentage-point higher (5.50%) than the current healthcare cost trend rates:

	1% Decrease (3.50%)	Current Healthcare Cost Trend (4.50%)	1% Increase (5.50%)
Total OPEB liability	$ 2,187,165	$ 2,446,945	$ 2,753,523

Total OPEB Liability – June 30, 2018 is the actuarial valuation date upon which the total OPEB liability is based. The result was rolled forward using the standard actuarial techniques to the measurement date of June 30, 2019. This procedure was used to determine the total OPEB liability as of June 30, 2019, as shown in the following table:

	Total OPEB Liability
Total OPEB liability at 7/1/18	$ 2,346,623
Changes for the year:	
Service cost	115,447
Interest	89,029
Benefit payments	(104,154)
Net changes	100,322
Total OPEB liability at 6/30/19	$ 2,446,945

9. OTHER POST EMPLOYMENT BENEFITS (continued)

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2019, the City recognized OPEB expense of $100,321 (total OPEB expense $204,475 minus benefits paid $104,154). At June 30, 2019, the City reported zero deferred outflows of resources and deferred inflows of resources related to OPEB.

10. COMMITMENTS, CONCENTRATIONS, AND CONTINGENCIES

A. Litigation

Various claims and lawsuits are pending against the City. In the opinion of the City's management and attorney, the potential loss on all claims and lawsuits will not have a material adverse effect on the City's financial position. Accordingly, no provisions for any liability have been made in the financial statements.

B. Unemployment

The City is self-insured relative to unemployment compensation claims. The City reimburses the State for claims paid. At June 30, 2019, there were no significant unemployment claims against the City.

C. Major Suppliers

The electric fund purchases 100% of its power from the Tennessee Valley Authority. The gas fund's primary supplier is the Tennessee Energy Acquisition Corporation ("TEAC"), a related party (see note 4).

D. Contracts

The City maintains various contracts with providers and as a provider in relation to its utility services. The City has contractual commitments for various construction projects totaling $17 million as of June 30, 2019. These contracts will be paid in the future as work is performed. Payments will be made mostly with bond proceeds.

Financial instruments that potentially subject the City to significant concentrations of credit risk consist principally of cash and accounts receivable. The City maintains cash with federally insured financial institutions or with members of the state bank collateral pool and limits the amount of credit exposure to any one institution by requiring collateral.

With respect to accounts receivable, credit risk is dispersed across a large number of customers who are geographically concentrated in the Springfield, Tennessee service area. The City performs an initial credit evaluation for new customers or obtains a security deposit, when applicable.

In September, 2012, the City of Springfield (Wastewater Department) entered into an Administrative Order on Consent (AOC) with the Environmental Protection Agency Region 4 (EPA). The purpose of the AOC was to perform and document extensive work to remediate and prevent future violations of the Clean Water Act caused by sanitary sewer overflows. The Remediation Plan was presented to EPA on August 20, 2014, and the Remediation Date was August 20, 2017.

The City of Springfield has performed significant work and spent millions of dollars to date. A request was made to EPA to grant an extension to the AOC based on the additional work that needs to be done. We estimate spending an additional $15.9 million to complete the remaining tasks required in the AOC. EPA agreed to extend the Remediation Date by two (2) more years until August 20, 2019. In August 2019, EPA agreed to further extend the Remediation Date until May 20, 2021. We expect all tasks to be completed within deadlines provided by EPA Region 4.

11. INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2019, was as follows:

	Due From							
Due To	General	Water	Sewer	Electric	Gas	Non-Major Governmental	Non-Major Enterprise	Total
General Fund	$ -	$ 40,001	$ 25,926	$ 45,870	$ 40,422	$ 293,085	$ 8,186	$ 453,490
Water Fund	74,822	-	-	(5)	-	-	-	74,817
Sewer Fund	29,007	-	-	-	-	-	-	29,007
Electric Fund	393,497	-	-	-	-	-	(21)	393,476
Gas Fund	46,633	-	-	-	-	-	-	46,633
Non-Major Enterprise	15,162	-	-	7,772	-	-	-	22,934
Total	$ 559,121	$ 40,001	$ 25,926	$ 53,637	$ 40,422	$ 293,085	$ 8,165	$ 1,020,357

Balances result from the time lag between the 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 for the year ended June 30, 2019, consisted of the following:

	Transfers From					
Transfers To	General	Water	Sewer	Electric	Gas	Total
General Fund	$ -	$ 69,832	$ 287,770	$ 377,306	$ 156,183	$ 891,091
Capital Improvements	47,881	-	-	-	-	47,881
Total	$ 47,881	$ 69,832	$ 287,770	$ 377,306	$ 156,183	$ 938,972

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.

12. RESTRICTED ASSETS

Restricted assets in proprietary funds represent cash, cash equivalents and investments for capital improvement projects; as required by the bond covenants to be set aside for the retirement of bond obligations; and for other purposes like net pension obligations. Restricted assets in sanitation fund are restricted as required by state statues to establish and maintain solid waste collection and disposal services. Restricted assets in governmental funds represent cash, cash equivalents and investments for capital improvement projects and as required by state statues for street expenditures and police investigation expenditures.

13. BUDGETARY INFORMATION

A. Budget Basis

Budgets for the General Fund, Capital Projects Funds and Special Revenue Funds are adopted on the modified accrual basis consistent with generally accepted accounting principles (GAAP).

B. Budgetary Information

Listed below are the City's procedures for establishing budgetary data:

1. The City Manager submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. The budget is legally enacted through passage of ordinance.

The City Manager may authorize transfer of budget amounts within a department; however, any revisions that increase the total budgeted expenditures of any department must be approved by the Mayor and Board of Aldermen. Expenditures may not legally exceed budgeted appropriations at the department level without approval from the Mayor and Board of Aldermen.

Legally adopted budgets for all departments serve as a management control device. Budgets are adopted on a basis consistent with generally accepted accounting principles using the modified accrual basis of accounting for all governmental funds.

It should be noted that none of the departments incurred departmental expenditures in excess of total budgeted appropriations during the fiscal year 2018-2019.

Since encumbrance accounting is not used by the City, unexpended appropriations of governmental funds automatically lapse at the end of the fiscal year.

Certain administrative and general costs of General Government departments support the functions of both the general government and proprietary funds. The City budgets the costs of operating these departments without considering the impact of reimbursements from the supported proprietary funds. Management has attempted to more accurately depict the operating results of these departments by reducing budget and actual allocations by the reimbursements received from the proprietary funds (which are not legally required to adopt an operating budget). The basis for these allocations is the total expenditure within that department.

14. FUTURE ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued statements that will become effective in subsequent fiscal years. The statements address: GASBS 83 – Certain Asset Retirement Obligations; GASBS 87 – Leases; and GASBS 89 – Accounting for Interest Cost Incurred before the End of a Construction Period.

The City is currently evaluating the effects that these statements will have on its financial statements for subsequent fiscal years.

15. CHANGE IN PRESENTATION

Certain items from the prior year have been reclassified to conform to current year presentation.

16. LEASES

Capital Leases

The City is the lessee of equipment under two capital leases expiring in March 2020. The assets and liabilities under these capital leases are recorded at the present value of the future minimum lease payments. The assets are depreciated over their estimated useful life.

Property held under capital leases, which is included in capital assets, is as follows:

	Governmental	Total
Machinery and Equipment	$ 259,002	$ 259,002
Less: Accumulated Depreciation	(139,182)	(139,182)
Total	$ 119,820	$ 119,820

The remaining minimum future lease payments under capital leases, which are included in notes and bonds payable, are:

Year Ending June 30,	Interest	Principal	Total Payments
2020	4,555	151,754	156,309
	$ 4,555	$ 151,754	156,309
Less: Amount Representing Interest			(4,555)
Present Value of Net Minimum Lease Payments			151,754
Less: Current Portion			(151,754)
Capital Leases - Long-Term Portion			$ -

Amortization of leased equipment under capital assets is included with depreciation expense.

17. PRIOR PERIOD ADJUSTMENTS

In prior years, the City overestimated state shared revenue receivables. Therefore, a prior period adjustment was made to decrease the receivable, which resulted in a decrease in beginning fund balance/net position on the governmental fund financial statements (general fund) and government-wide governmental activities by $49,435. The effect of this transaction on prior years would have been a decrease in the change in fund balance/net position for general fund financials/government-wide governmental activities by $49,435. Summary of prior period adjustments as of June 30, 2019 were as follows:

	Govt-Wide Governmental	Fund Financials General Fund
Beginning Net Position/Fund Balance, As Previously Stated	$ 40,367,816	$ 8,381,606
State shared revenue receivables	(49,435)	(49,435)
Beginning Net Position/Fund Balance, As Restated	$ 40,318,381	$ 8,332,171

18. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

Effective for the fiscal year ending June 30, 2014, the City adopted the provisions of Governmental Accounting Standards Board (GASB), *Statement No. 65, Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources (expenses or expenditures) or inflows of resources (revenues), certain items that were previously reported as assets and liabilities.

In addition to assets, the statement of financial position/balance sheet 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 position or fund balance that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has only one item that qualifies for reporting in this category. It is the deferred outflows related to pensions reported in the government-wide and proprietary fund statement of net position. A deferred outflow resulted from the difference in expected and actual experience; changes in assumptions; the difference in the projected and actual investment earnings; and contributions to the pension plan from the City subsequent to the measurement date of the beginning net pension liability and before the end of the City's reporting period. Also see note 8 for deferred outflows related to pensions.

In addition to liabilities, the statement of financial position/balance sheet 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 position or fund balance that applies to a future period and so will not be recognized as revenue until that time. The City has three items that meet this criterion. First, under a modified accrual basis of accounting, unavailable revenue is reported only in the governmental funds balance sheet (general fund) as deferred inflows of resources. Second, resources associated with imposed non-exchange revenue transactions are reported as a receivable before the period for which property taxes are levied. Accordingly, property taxes levied for subsequent year is reported in the governmental funds balance sheet (general fund) and government-wide statement of net position as deferred inflows of resources. Third, the deferred inflows related to pensions are recorded due to the difference in expected and actual experience, and the difference in the projected and actual investment earnings. Also see note 8 for deferred inflows related to pensions.

A deferred outflow of resources has a positive effect on net position/fund balance, similar to assets, and a deferred inflow of resources has a negative effect on net position/fund balance, similar to liabilities.

19. TAX ABATEMENT AGREEMENTS

The City currently offers one type of tax abatement program: Industrial Bond Program, payments-in-lieu-of-taxes (PILOTS). Pursuant to Tennessee Code Annotated (TCA) 7-53-305, the Board of Mayor and Alderman of the City of Springfield, Tennessee, has duly adopted a resolution, delegating to the Springfield Industrial Development Board (SIDB) the authority to negotiate and accept payments in lieu of ad valorem taxes from any qualified business; provided that such payments are deemed to be in the furtherance of the City/SIDB’s public purpose. These tax abatement agreements have the stated purpose of increasing business activity and employment in the region.

This program offers tax abatements for a specified period in exchange for benefits received by the City due to an increase in real and personal property investments, as well as the creation of jobs. To be eligible for a tax reduction, any qualified business must either relocate into the City or expand business within the City. Qualified businesses will be eligible for abatement of all or a portion of real and/or personal property taxes dependent on the dollar amount of the investment and the number and average wage of jobs created. For agreements entered into till 2014, there were no provisions for recapturing abated taxes if certain terms of the agreement are not met. For agreements entered into since 2014, SIDB can adjust abatement agreements if capital investment, jobs and wages do not meet the terms of the original PILOT agreement. Some PILOTs may include commitments made by the City such as roadway improvements, water and sewer improvements, or public safety, among others.

19. TAX ABATEMENT AGREEMENTS (continued)

SIDB has entered into various tax abatement agreements that have reduced property tax revenues for the City. The amount of the abatement is automatically deducted from the property owner's tax bill. During the year ended June 30, 2019, there were eight PILOT agreements in force with tax abatements totaling $97,184.

City of Springfield, Tennessee
Required Supplementary Information
June 30, 2019

A. **Pension Plan Information**

1. Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS for the Fiscal Year Ending June 30, 2019 (Year Shown Below is Measurement Date)

	2014	2015	2016	2017	2018
Total pension liability					
Service cost	$ 766,303	$ 728,516	$ 777,841	$ 842,035	$ 871,131
Interest	2,446,913	2,562,125	2,687,895	2,883,436	3,002,305
Changes in benefit terms	-	-	144,788	-	-
Differences between actual & expected experience	(743,517)	(622,677)	96,934	(610,037)	(579,142)
Change of assumptions	-	-	-	1,045,290	-
Benefit payments, including refunds of employee contributions	(839,625)	(951,863)	(1,128,853)	(1,200,025)	(1,249,035)
Net change in total pension liability	1,630,074	1,716,101	2,578,605	2,960,699	2,045,259
Total pension liability-beginning	32,279,007	33,909,081	35,625,182	38,203,787	41,164,486
Total pension liability-ending (a)	$ 33,909,081	$ 35,625,182	$ 38,203,787	$ 41,164,486	$ 43,209,745
Plan fiduciary net position					
Contributions-employer	$ 1,219,600	$ 1,159,343	$ 1,234,794	$ 1,191,336	$ 1,216,920
Contributions-employee	3,632	2,334	3,690	803	823
Net investment income	5,092,053	1,110,393	989,578	4,343,534	3,538,932
Benefit payments, including refunds of employee contributions	(839,625)	(951,863)	(1,128,853)	(1,200,025)	(1,249,035)
Administrative expense	(10,043)	(11,348)	(16,909)	(19,237)	(21,587)
Net change in plan fiduciary net position	5,465,617	1,308,859	1,082,300	4,316,411	3,486,053
Plan fiduciary net position-beginning	30,487,967	35,953,584	37,262,444	38,344,744	42,661,155
Plan fiduciary net position-ending (b)	$ 35,953,584	$ 37,262,443	$ 38,344,744	$ 42,661,155	$ 46,147,208
Net Pension Liability (asset)-ending (a) – (b)	$ (2,044,503)	$ (1,637,261)	$ (140,957)	$ (1,496,669)	$ (2,937,463)
Plan fiduciary net position as a percentage of total pension liability	106.03%	104.60%	100.37%	103.64%	106.80%
Covered payroll	$ 10,831,270	$ 10,597,281	$ 11,286,970	$ 11,394,264	$ 11,689,918
Net pension liability (asset) as a percentage of covered payroll	-18.88%	-15.45%	-1.25%	-13.14%	-25.13%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Changes in assumptions: In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth, and mortality improvements.

2. Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS for Fiscal Year Ending June 30,

	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	$ 1,219,600	$ 1,159,343	$ 1,234,794	$ 1,191,336	$ 1,216,920	$ 1,237,374
Contributions in relation to the actuarially determined contribution	1,219,600	1,159,343	1,234,794	1,191,336	1,216,920	1,237,374
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 10,831,270	$ 10,597,281	$ 11,286,970	$ 11,394,264	$ 11,689,918	$ 11,833,019
Contributions as a percentage of covered payroll	11.26%	10.94%	10.94%	10.46%	10.41%	10.41%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Notes to the Schedule Relating to the Actuarially Determined Contribution

Valuation Date: Actuarially determined contribution rates for fiscal year 2019 were calculated based on the June 30, 2018 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.50 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4%
Investment Rate of Return	7.25 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.25 percent

Changes of assumptions: In 2017, the following assumptions were changed: decreased inflation rate from 3% to 2.50%; decreased the investment rate of return from 7.50% to 7.25%; decreased the cost-of-living adjustment from 2.50% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to an average of 4%; and modified mortality assumptions.

B. Other Post-Employment Benefits (OPEB)

1. Changes in Total OPEB Liability and Related Ratios

	2018	2019
Total OPEB liability		
Service cost	$ 111,135	$ 115,447
Interest	89,593	89,029
Changes in benefit terms	-	-
Differences between actual & expected experience	-	-
Change of assumptions	-	-
Benefit payments	(104,154)	(104,154)
Net change in total OPEB liability	96,574	100,322
Total OPEB liability-beginning	2,250,049	2,346,623
Total OPEB liability-ending	$ 2,346,623	$ 2,446,945

GASB 75 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 75. The information in this schedule is not required to be presented retroactively prior to the implementation date. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Notes to the schedule –

Plan assets – No assets are accumulated in a trust that meets all of the following criteria of GASBS No. 75, paragraph 4, to pay benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

Changes in assumptions: No changes were made in the actuarial assumptions since the rolled forward projections are based on the assumptions shown in the June 30, 2018 valuation report.

Methods and assumptions: The valuation and measurement date was June 30, 2018 and June 30, 2019, respectively.

Actuarial cost method	Entry age normal - level percentage of projected salary
Inflation	3.00 percent
Salary increases	3.50 percent, average, including inflation
Discount rate	3.88 percent, net of investment expense, including inflation
Healthcare cost trend rate	4.50 percent, net of investment expense, including inflation
Mortality	RPH-2014 Total Mortality Table with Projection MP-2017
Retirees' share of benefit-related costs	Either 85% or 50% of the monthly contribution is paid by retiree for medical coverage depending on eligibility conditions. No retiree contribution for life insurance coverage.

City of Springfield, Tennessee
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

	Non-Major Governmental Funds			
	State Street Aid	Drug Fund	Forfeited Property	Total Special Revenue Funds
ASSETS				
Cash and Cash Equivalents	$ 1,136,352	$ 184,272	$ 62,853	$ 1,383,477
Intergovernmental Receivables	99,799	-	-	99,799
Restricted Cash and Cash Equivalents	418	-	-	418
Total Assets	$ 1,236,569	$ 184,272	$ 62,853	$ 1,483,694
LIABILITIES				
Accounts Payable	$ 16	$ -	$ -	$ 16
Due To Other Funds	280,085	13,000	-	293,085
Total Liabilities	280,101	13,000	-	293,101
FUND BALANCES				
Non-Spendable	-	-	-	-
Restricted	956,468	171,272	62,853	1,190,593
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	956,468	171,272	62,853	1,190,593
Total Liabilities and Fund Balances	$ 1,236,569	$ 184,272	$ 62,853	$ 1,483,694

City of Springfield, Tennessee
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds
For the Year Ended June 30, 2019

	Non-Major Governmental Funds			
	State Street Aid	Drug Fund	Forfeited Property	Total Special Revenue Funds
REVENUES				
Gasoline Tax	$ 577,344	$ -	$ -	$ 577,344
Fines and Forfeitures	-	52,176	-	52,176
Other Income	-	-	-	-
Investment Income	21,789	3,331	1,377	26,497
Total Revenue	599,133	55,507	1,377	656,017
EXPENDITURES				
Program Costs	-	11,256	-	11,256
Capital Outlay	629,381	13,000	-	642,381
Total Expenditures	629,381	24,256	-	653,637
Net Change in Fund Balances	(30,248)	31,251	1,377	2,380
Beginning Fund Balance	986,716	140,021	61,476	1,188,213
Ending Fund Balance	$ 956,468	$ 171,272	$ 62,853	$ 1,190,593

City of Springfield, Tennessee
Combining Statement of Net Position
Non-Major Proprietary Funds
June 30, 2019

	Sanitation	Storm Water	Total Non-Major Proprietary Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 1,133,080	$ 595,176	$ 1,728,256
Receivables (Net of Uncollectibles)	111,242	38,521	149,763
Due From Other Funds	20,132	2,802	22,934
Total Current Assets	1,264,454	636,499	1,900,953
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	12,396	1,245,877	1,258,273
Net Pension Asset (Liability)	85,064	6,375	91,439
Assets Not Depreciated	21,185	681,748	702,933
Assets Net of Accumulated Depreciation	605,433	790,264	1,395,697
Total Noncurrent Assets	724,078	2,724,264	3,448,342
Total Assets	1,988,532	3,360,763	5,349,295
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	88,367	2,883	91,250
LIABILITIES			
Current Liabilities:			
Accounts Payable	7,689	31,964	39,653
Accrued and Other Liabilities	20,608	8,068	28,676
Compensated Absences-Current	1,522	-	1,522
Bonds and Notes Payable-Current	186,106	75,000	261,106
Due To Other Funds	8,165	-	8,165
Total Current Liabilities	224,090	115,032	339,122
Noncurrent Liabilities:			
OPEB Liability	98,537	7,313	105,850
Compensated Absences-Noncurrent	6,087	-	6,087
Notes and Bonds Payable-Noncurrent	308,787	1,628,071	1,936,858
Total Noncurrent Liabilities	413,411	1,635,384	2,048,795
Total Liabilities	637,501	1,750,416	2,387,917
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	63,820	2,079	65,899
NET POSITION			
Net Investment in Capital Assets	144,121	886,596	1,030,717
Restricted	1,231,457	134,597	1,366,054
Unrestricted	-	589,958	589,958
Total Net Position	$ 1,375,578	$ 1,611,151	$ 2,986,729

City of Springfield, Tennessee
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Non-Major Proprietary Funds
For the Year Ended June 30, 2019

	Sanitation	Storm Water	Total Non-Major Proprietary Funds
OPERATING REVENUES			
Charges for Services	$ 1,158,322	$ 404,069	$ 1,562,391
Other Operating Revenue	12,653	1,805	14,458
Total Operating Revenues	1,170,975	405,874	1,576,849
OPERATING EXPENSES			
Costs of Sales and Services	916,938	140,418	1,057,356
Depreciation	134,669	55,761	190,430
Total Operating Expenses	1,051,607	196,179	1,247,786
Operating Income	119,368	209,695	329,063
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	12,567	28,570	41,137
Sale of Fixed Assets	8,629	-	8,629
Interest and Amortization	(13,170)	(52,999)	(66,169)
Total Non-Operating Revenues (Expenses)	8,026	(24,429)	(16,403)
Change in Net Position	127,394	185,266	312,660
Beginning Net Position	1,248,184	1,425,885	2,674,069
Ending Net Position	$ 1,375,578	$ 1,611,151	$ 2,986,729

City of Springfield, Tennessee
Combining Statement of Cash Flows
Non-Major Proprietary Funds
For the Year Ended June 30, 2019

	Sanitation	Storm Water	Total Non-Major Proprietary Funds
Cash Flows from Operating Activities:			
Cash Received From Customers	$ 1,132,835	$ 405,061	$ 1,537,896
Cash Payments for Goods and Services	(266,979)	(122,400)	(389,379)
Cash Payments for Personnel	(549,824)	(25,646)	(575,470)
Interfund Payments	(118,615)	-	(118,615)
Other Receipts (Payments)	12,653	1,805	14,458
Net Cash Provided By (Used In) Operating Activities	210,070	258,820	468,890
Cash Flows from Non-Capital Financing Activities:			
Interfund Payables	(73,721)	270	(73,451)
Interfund Receivables	21,057	881	21,938
Net Cash Provided By (Used In) Non-Capital Financing Activities	(52,664)	1,151	(51,513)
Cash Flows from Capital and Related Financing Activities:			
Sale of Fixed Assets	8,629	-	8,629
Principal Paid on Bonds and Notes	(169,751)	(75,000)	(244,751)
Interest Paid on Long-term Debt	(14,154)	(58,913)	(73,067)
Acquisition and Construction of Capital Assets	(46,515)	(169,731)	(216,246)
Net Cash Provided (Used) by Capital and Related Financing Activities	(221,791)	(303,644)	(525,435)
Cash Flows from Investing Activities:			
Interest Received	12,567	28,570	41,137
Net Increase (Decrease) in Cash	(51,818)	(15,102)	(66,920)
Cash and Cash Equivalents, Beginning	1,197,294	1,856,155	3,053,449
Cash and Cash Equivalents, Ending	$ 1,145,476	$ 1,841,053	$ 2,986,529

City of Springfield, Tennessee
Combining Statement of Cash Flows (Continued)
Non-Major Proprietary Funds
For the Year Ended June 30, 2019

	Sanitation	Storm Water	Total Non-Major Proprietary Funds
Reconciliation of Operating Income to Net Cash Provided By (Used in) Operating Activities:			
Operating Income (Loss)	$ 119,368	$ 209,695	$ 329,063
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	134,669	55,761	190,430
Change in Assets and Liabilities:			
(Increase) Decrease in Receivable, Net	(26,017)	529	(25,488)
(Increase) Decrease in Deferred Outflows	53,860	4,778	58,638
Increase (Decrease) in Accounts Payable	(746)	(6,403)	(7,149)
Increase (Decrease) in Accrued Liabilities	7,159	962	8,121
Increase (Decrease) in Net Pension Liability	(41,501)	(3,681)	(45,182)
Increase (Decrease) in Deferred Inflows	(37,690)	(3,342)	(41,032)
Increase (Decrease) in OPEB Liability	3,720	521	4,241
Increase (Decrease) in Compensated Absences	(2,752)	-	(2,752)
Total Adjustments	90,702	49,125	139,827
Net Cash Provided By (Used in) Operating Activities	$ 210,070	$ 258,820	$ 468,890
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:			
Cash and Cash Equivalents	$ 1,133,080	$ 595,176	$ 1,728,256
Restricted Cash and Cash Equivalents	12,396	1,245,877	1,258,273
Total Cash and Cash Equivalents	$ 1,145,476	$ 1,841,053	$ 2,986,529

City of Springfield, Tennessee
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Funds
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual Amounts	Variance - Favorable (Unfavorable)
STATE STREET AID -				
REVENUES:				
Gasoline and Motor Fuel Tax	$ 540,000	$ 540,000	$ 311,293	$ (228,707)
Gas 1989 Tax	-	-	49,660	49,660
Gas 3 Cent Tax	-	-	92,016	92,016
IMPROVE Act Tax Increase	-	-	124,375	124,375
Investment Income	-	-	21,789	21,789
Total Revenues	540,000	540,000	599,133	59,133
EXPENDITURES:				
Capital Outlay	825,000	825,000	629,381	195,619
Total Expenditures	825,000	825,000	629,381	195,619
Net Change in Fund Balance	$ (285,000)	$ (285,000)	(30,248)	$ 254,752
Beginning Fund Balance			986,716	
Ending Fund Balance			$ 956,468	
DRUG ENFORCEMENT -				
REVENUES:				
Fine and Forfeitures	$ 10,000	$ 10,000	$ 52,176	$ 42,176
Investment Income	-	-	3,331	3,331
Total Revenues	10,000	10,000	55,507	45,507
EXPENDITURES:				
Drug Program Costs	132,264	132,264	11,256	121,008
Capital Outlay	20,000	20,000	13,000	7,000
Total Expenditures	152,264	152,264	24,256	128,008
Net Change in Fund Balances	$ (142,264)	$ (142,264)	31,251	$ 173,515
Beginning Fund Balance			140,021	
Ending Fund Balance			$ 171,272	
FORFEITED PROPERTY -				
REVENUES:				
Fines and Forfeitures	$ -	$ -	$ -	$ -
Investment Income	-	-	1,377	1,377
Total Revenues	-	-	1,377	1,377
EXPENDITURES:				
Capital Outlay	61,393	61,393	-	61,393
Total Expenditures	61,393	61,393	-	61,393
Net Change in Fund Balances	$ (61,393)	$ (61,393)	1,377	$ 62,770
Beginning Fund Balance			61,476	
Ending Fund Balance			$ 62,853	

City of Springfield, Tennessee
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Improvement Fund
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual Amounts	Variance - Favorable (Unfavorable)
REVENUES				
Grant Revenues	$ 2,420,000	$ 2,420,000	$ 988,674	$ (1,431,326)
Other Revenues	10,040	10,040	2,603	(7,437)
Investment Income	-	-	182,512	182,512
Total Revenues	2,430,040	2,430,040	1,173,789	(1,256,251)
EXPENDITURES				
Bond Issuance Cost	57,000	57,000	-	57,000
Capital Outlay	8,147,000	8,382,267	1,875,148	6,507,119
Total Expenditures	8,204,000	8,439,267	1,875,148	6,564,119
Excess of Revenues Over (Under) Expenditures	(5,773,960)	(6,009,227)	(701,359)	5,307,868
OTHER FINANCING SOURCES (USES)				
Transfers In	50,000	50,000	47,881	(2,119)
Bond Proceeds	3,857,000	3,857,000	-	(3,857,000)
Total Other Financing Sources (Uses)	3,907,000	3,907,000	47,881	(3,859,119)
Net Change in Fund Balances	$ (1,866,960)	$ (2,102,227)	(653,478)	$ 1,448,749
Beginning Fund Balance			7,962,497	
Ending Fund Balance			$ 7,309,019	

City of Springfield, Tennessee
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019

CFDA Number	Program Name	Grant Number	Grantor/Pass-Through Agency	Amount Earned or Expended	Passed Through to Subrecipients
Federal Awards					
14.228	Community Development Block Grant - Sewer System Improvements	12879	HUD/TDECD	$ 58,963	$ -
16.607	Vest Grant	BUBX13068557	USDOJ	2,275	-
20.205	Pedestrian/Bicycle Greenway	140112	USDOT/TDOT	901,306	-
20.205	Extension of William Batson Pkwy	170132	USDOT/TDOT	67,222	-
20.205	Resurfacing of William Batson Pkwy	160103	USDOT/TDOT	20,146	-
	Highway Planning & Construction	Total CFDA 20.205		988,674	-
20.600	Safe Streets 2018	Z18THS298	USDOT/TDOT	5,513	-
20.600	Community-Based Traffic SafetyEnforcement and Education	Z19THS268	USDOT/TDOT	10,931	-
		Total CFDA 20.600		16,444	-
66.458	Capitalization Grants for Clean Water State Revolving Fund	SRF 19-422	EPA/TDEC	3,206,034	-
		Total Federal Awards		4,272,390	-
State Awards					
66.458	Capitalization Grants for Clean Water State Revolving Fund	SRF 19-422	EPA/TDEC	1,328,674	-
		Total State Awards		1,328,674	-
		Total Federal and State Awards		$ 5,601,064	$ -

Note A: The Schedule of Expenditures of Federal and State Awards was prepared using the accrual basis of accounting.

Note B: At June 30, 2019, there was an outstanding balance of $4,534,708, $6,283,425 and $46,688 on state revolving fund loans 19-422, 16-360 and 94-069, respectively. Payments during the current fiscal year were $0, 220,224 and $60,744 on SRF 19-422, 16-360 and 94-069, respectively.

Note C: The City has not elected to use the 10% minimis indirect cost rate as allowed under the Uniform Guidance.

USDOJ	United States Department of Justice	TDECD	Tennessee Department of Economic and Community Development
USDOT	United States Department of Transportation	TDOT	Tennessee Department of Transportation
EPA	United States Environmental Protection Agency	TDEC	Tennessee Department of Environment and Conservation
HUD	United States Housing and Urban Development		

City of Springfield, Tennessee
Schedule of Future Long-Term Debt Principal and Interest Requirements
Governmental Activities (Unaudited)
June 30, 2019

GOVERNMENTAL ACTIVITIES

Fiscal Year Ended June 30,	Industrial Park General Obligation 1981		Commerce Union Bank $177,000	
	Principal	Interest	Principal	Interest
2020	$ 35,000	$ 1,750	$ 19,666	$ 827
Total	$ 35,000	$ 1,750	$ 19,666	$ 827

GOVERNMENTAL ACTIVITIES

Fiscal Year Ended June 30,	The Farmers Bank $680,000		PNC Capital Lease $250,800		PNC Capital Lease $8,202	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	$ 68,000	$ 9,953	$ 150,115	$ 4,528	$ 1,639	$ 27
2021	68,000	6,611	-	-	-	-
2022	68,000	3,312	-	-	-	-
Total	$ 204,000	$ 19,876	$ 150,115	$ 4,528	$ 1,639	$ 27

City of Springfield, Tennessee
Schedule of Future Long-Term Debt Principal and Interest Requirements
Business Type Activities (Continued) (Unaudited)
June 30, 2019

GOVERNMENTAL ACTIVITIES

Fiscal Year Ended June 30,	General Obligation Bond Series 2009A		Total Governmental Activities	
	Principal	Interest	Principal	Interest
2020	$ 145,000	$ 75,800	$ 419,420	$ 92,885
2021	150,000	70,450	218,000	77,061
2022	160,000	64,638	228,000	67,950
2023	165,000	58,544	165,000	58,544
2024	170,000	52,050	170,000	52,050
2025	180,000	45,050	180,000	45,050
2026	185,000	37,750	185,000	37,750
2027	195,000	30,150	195,000	30,150
2028	200,000	22,050	200,000	22,050
2029	210,000	13,440	210,000	13,440
2030	215,000	4,515	215,000	4,515
Total	$ 1,975,000	$ 474,437	$ 2,385,420	$ 501,445

Electric Fund

Fiscal Year Ended June 30,	TVA Conservation Loan		Total	
	Principal	Interest	Principal	Interest
2020	$ 487,053	-	$ 487,053	-
	$ 487,053	$ -	$ 487,053	$ -

City of Springfield, Tennessee
Schedule of Future Long-Term Debt Principal and Interest Requirements
Business Type Activities (Continued) (Unaudited)
June 30, 2019

Sewer Fund

Fiscal Year	TN State Funding Board		TN State Revolving Fund		TN State Revolving Fund			
Ended	$1,607,000		$6,503,649		$4,534,708		Total	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	$ 46,688	$ 558	$ 223,212	$ 83,448	$ -	$ 154,623	$ 269,900	$ 238,629
2021	-	-	226,248	80,412	-	209,657	$ 226,248	$ 290,069
2022	-	-	229,320	77,340	1,167,852	358,332	$ 1,397,172	$ 435,672
2023	-	-	232,428	74,232	1,183,128	342,120	$ 1,415,556	$ 416,352
2024	-	-	235,584	71,076	1,198,596	325,692	$ 1,434,180	$ 396,768
2025	-	-	238,788	67,872	985,132	309,060	$ 1,223,920	$ 376,932
2026	-	-	242,028	64,632	-	-	$ 242,028	$ 64,632
2027	-	-	245,316	61,344	-	-	$ 245,316	$ 61,344
2028	-	-	248,652	58,008	-	-	$ 248,652	$ 58,008
2029	-	-	252,036	54,624	-	-	$ 252,036	$ 54,624
2030	-	-	255,456	51,204	-	-	$ 255,456	$ 51,204
2031	-	-	258,924	47,736	-	-	$ 258,924	$ 47,736
2032	-	-	262,440	44,220	-	-	$ 262,440	$ 44,220
2033	-	-	266,004	40,656	-	-	$ 266,004	$ 40,656
2034	-	-	269,616	37,044	-	-	$ 269,616	$ 37,044
2035	-	-	273,276	33,384	-	-	$ 273,276	$ 33,384
2036	-	-	276,996	29,664	-	-	$ 276,996	$ 29,664
2037	-	-	280,752	25,908	-	-	$ 280,752	$ 25,908
2038	-	-	284,568	22,092	-	-	$ 284,568	$ 22,092
2039	-	-	288,432	18,228	-	-	$ 288,432	$ 18,228
2040	-	-	292,356	14,304	-	-	$ 292,356	$ 14,304
2041	-	-	296,328	10,332	-	-	$ 296,328	$ 10,332
2042	-	-	300,348	6,312	-	-	$ 300,348	$ 6,312
2043	-	-	304,317	2,400	-	-	$ 304,317	$ 2,400
Total	$ 46,688	$ 558	$ 6,283,425	$ 1,076,472	$ 4,534,708	$ 1,699,484	$10,864,821	$ 2,776,514

City of Springfield, Tennessee
Schedule of Future Long-Term Debt Principal and Interest Requirements
Business Type Activities (Continued) (Unaudited)
June 30, 2019

Fiscal Year	Storm Water Improvement Bonds 2012			
Ended	$975,000		Total	
June 30,	Principal	Interest	Principal	Interest
2020	$ 45,000	$ 20,463	$ 45,000	$ 20,463
2021	45,000	19,113	45,000	19,113
2022	45,000	17,763	45,000	17,763
2023	50,000	16,413	50,000	16,413
2024	50,000	15,413	50,000	15,413
2025	50,000	14,413	50,000	14,413
2026	50,000	13,350	50,000	13,350
2027	50,000	11,850	50,000	11,850
2028	55,000	10,350	55,000	10,350
2029	55,000	8,700	55,000	8,700
2030	55,000	7,050	55,000	7,050
2031	60,000	5,400	60,000	5,400
2032	60,000	3,600	60,000	3,600
2033	60,000	1,800	60,000	1,800
Total	$ 730,000	$ 165,678	$ 730,000	$ 165,678

City of Springfield, Tennessee
Schedule of Future Long-Term Debt Principal and Interest Requirements
Jointly Issued Debt (Continued) (Unaudited)
June 30, 2019

Fiscal Year Ended	Deutsche Bank 2010 $5,260,000		Refunding Bonds 2009 $8,770,000		Refunding Bonds 2008 11,950,000		US Bank $607,253	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	$ 320,000	$ 126,356	$ 430,000	$ 97,400	$ 630,000	$ 37,494	$ 76,900	$ 6,091
2021	335,000	101,900	465,000	79,500	380,000	17,294	78,300	4,099
2022	350,000	88,200	500,000	60,200	235,000	4,846	79,953	2,071
2023	370,000	73,800	535,000	39,500	-	-	-	-
2024	385,000	58,700	350,000	21,800	-	-	-	-
2025	405,000	42,900	370,000	7,400	-	-	-	-
2026	425,000	26,300	-	-	-	-	-	-
2027	445,000	8,900	-	-	-	-	-	-
Total	$ 3,035,000	$ 527,056	$ 2,650,000	$ 305,800	$ 1,245,000	$ 59,634	$ 235,153	$ 12,261

City of Springfield, Tennessee
Schedule of Future Long-Term Debt Principal and Interest Requirements
Jointly Issued Debt (Continued) (Unaudited)
June 30, 2019

Fiscal Year	Refunding Bonds 2012		GO Bonds 2013		GO Capital Outlay 2015		GO Bonds 2014		Capital Outlay 2017	
Ended	$9,255,000		$11,225,000		$1,831,000		$18,485,000		$1,750,000	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	$ 495,000	$ 151,150	$ 505,000	$ 268,525	$ 336,000	$ 13,298	$ 610,000	$ 567,775	$ 345,914	$ 17,154
2021	505,000	136,300	510,000	258,425	190,000	5,301	620,000	537,275	356,291	12,172
2022	525,000	121,150	525,000	248,225	-	-	635,000	506,275	189,192	6,685
2023	540,000	105,400	555,000	232,475	-	-	650,000	474,525	194,868	3,488
2024	550,000	94,600	565,000	215,825	-	-	665,000	442,025	-	-
2025	560,000	83,600	580,000	190,400	-	-	685,000	415,425	-	-
2026	570,000	71,700	600,000	173,000	-	-	705,000	399,156	-	-
2027	590,000	54,600	630,000	155,000	-	-	725,000	381,531	-	-
2028	605,000	36,900	645,000	136,100	-	-	750,000	359,781	-	-
2029	625,000	18,750	665,000	115,944	-	-	775,000	337,281	-	-
2030	-	-	680,000	95,163	-	-	800,000	314,031	-	-
2031	-	-	705,000	73,913	-	-	830,000	290,031	-	-
2032	-	-	735,000	50,119	-	-	855,000	264,093	-	-
2033	-	-	750,000	25,313	-	-	885,000	237,375	-	-
2034	-	-	-	-	-	-	920,000	208,613	-	-
2035	-	-	-	-	-	-	950,000	178,712	-	-
2036	-	-	-	-	-	-	990,000	146,650	-	-
2037	-	-	-	-	-	-	1,025,000	112,000	-	-
2038	-	-	-	-	-	-	1,065,000	76,125	-	-
2039	-	-	-	-	-	-	1,110,000	38,850	-	-
Total	$ 5,565,000	$ 874,150	$ 8,650,000	$ 2,238,427	$ 526,000	$ 18,599	$ 16,250,000	$ 6,287,529	$ 1,086,265	$ 39,500

City of Springfield, Tennessee
Schedule of Future Long-Term Debt Principal and Interest Requirements
Jointly Issued Debt (Continued) (Unaudited)
June 30, 2019

Fiscal Year	GO Bonds 2016		Capital Outlay 2016		GO Bonds 2018		Total		Total	
Ended	$6,030,000		$1,240,000		$9,555,000		Joint Debt		Long-Term Debt	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	$ 280,000	$ 136,513	$ 228,700	$ 10,132	$ 420,000	$ 362,594	4,677,514	1,794,482	5,898,887	2,146,459
2021	285,000	130,913	125,000	6,132	450,000	341,594	4,299,591	1,630,905	4,788,839	2,017,148
2022	290,000	125,213	111,700	3,946	470,000	319,094	3,910,845	1,485,905	5,581,017	2,007,290
2023	295,000	119,413	113,900	1,992	415,000	295,594	3,668,768	1,346,187	5,299,324	1,837,496
2024	300,000	113,513	-	-	430,000	274,844	3,245,000	1,221,307	4,899,180	1,685,538
2025	305,000	107,513	-	-	395,000	253,344	3,300,000	1,100,582	4,753,920	1,536,977
2026	310,000	101,413	-	-	425,000	233,594	3,035,000	1,005,163	3,512,028	1,120,895
2027	320,000	95,213	-	-	445,000	220,844	3,155,000	916,088	3,645,316	1,019,432
2028	325,000	88,013	-	-	465,000	198,594	2,790,000	819,388	3,293,652	909,796
2029	335,000	80,700	-	-	450,000	175,344	2,850,000	728,019	3,367,036	804,783
2030	340,000	72,325	-	-	465,000	157,344	2,285,000	638,863	2,810,456	701,632
2031	350,000	63,825	-	-	485,000	138,744	2,370,000	566,513	2,688,924	619,649
2032	360,000	54,200	-	-	505,000	124,194	2,455,000	492,606	2,777,440	540,426
2033	370,000	44,300	-	-	520,000	109,044	2,525,000	416,032	2,851,004	458,488
2034	380,000	34,125	-	-	535,000	92,794	1,835,000	335,532	2,104,616	372,576
2035	390,000	22,725	-	-	545,000	76,075	1,885,000	277,512	2,158,276	310,896
2036	400,000	12,000	-	-	560,000	58,363	1,950,000	217,013	2,226,996	246,677
2037	-	-	-	-	585,000	40,163	1,610,000	152,163	1,890,752	178,071
2038	-	-	-	-	605,000	20,414	1,670,000	96,539	1,954,568	118,631
2039	-	-	-	-	-	-	1,110,000	38,850	1,398,432	57,078
2040	-	-	-	-	-	-	-	-	292,356	14,304
2041	-	-	-	-	-	-	-	-	296,328	10,332
2042	-	-	-	-	-	-	-	-	300,348	6,312
2043	-	-	-	-	-	-	-	-	304,317	2,400
Total	$ 5,635,000	$ 1,401,917	$ 579,300	$ 22,202	$ 9,170,000	$ 3,492,575	$ 54,626,718	$ 15,279,650	$ 69,094,012	$ 18,723,287

City of Springfield, Tennessee
Utility Rates and Customers - Sewer Fund (Unaudited)
June 30, 2019

Consumption (Gallons)

Residential	City Rate	County Rate
First 2,000	36.94 (minimum bill)	55.41 (minimum bill)
2,001-5,000	11.72 per 1,000	17.58 per 1,000
5,001-20,000	10.13 per 1,000	15.20 per 1,000
20,001-10000	8.61 per 1,000	12.92 per 1,000
Over 100,000	7.03 per 1,000	10.54 per 1,000

Commercial	City Rate Small	City Rate Large	County Rate Small	County Rate Large
First 2,000	56.71 (minimum bill)	94.44	85.06 (minimum bill)	141.66
2,000-5,000	11.72 per 1,000	10.19	17.58 per 1,000	15.28
5,001-20,000	10.13 per 1,000	8.81	15.20 per 1,000	13.21
20,001-10000	8.61 per 1,000	7.49	12.92 per 1,000	11.24
Over 100,000	7.03 per 1,000	6.11	10.54 per 1,000	9.17

Industrial	City Rate	County Rate
First 2,000	376.96 (minimum bill)	565.44 (minimum bill)
2,000-5,000	11.72 per 1,000	17.58 per 1,000
5,001-20,000	10.13 per 1,000	15.20 per 1,000
20,001-10000	8.61 per 1,000	12.92 per 1,000
Over 100,000	7.03 per 1,000	10.54 per 1,000

Installation

6"-Service: $700.00

All others are at actual costs.

Tap Fees

All connections: $300.00

Number of Customers - 6,941

City of Springfield, Tennessee
Utility Rates and Customers – Gas Fund (Unaudited)
June 30, 2019

Residential	City Rate	County Rate
First 600 cubic feet	4.00 minimum	6.00 minimum
Over 600 cubic feet	0.5221 per 100 cubic feet	0.7401 per 100 cubic feet
Commerical service		
First 600 cubic feet	5.00 minimum	7.50 minimum
Over 600 cubic feet	0.5691 per 100 cubic feet	0.8081 per 100 cubic feet
Large Commercial and Industrial		
Schedule III	200.00 minimum	
	0.4501 per 100 cubic feet	
Schedule IV	200.00 minimum	
	0.4501 per 100 cubic feet	
Schedule V	200.00 minimum	
	0.4152 per 100 cubic feet	
Schedule VI	200.00 minimum	
	0.5691 per 100 cubic feet	

Number of Customers- 7,965

City of Springfield, Tennessee
Utility Rates and Customers – Electric Fund (Unaudited)
June 30, 2019

Residential	
Customer Charge (minimum)	13.87
Energy Charge (per KWH)	0.09112
Commercial and Industrial	
General Power	
Customer Charge (minimum)	25.32
GSA 1 (Codes 40 and 45)	
Energy Charge (per KWH)	0.09982
GSA 2 (Code 50) - Demand 51 - 1,000 KW	
Customer Charge (minimum)	98.31
Demand 51- 1,000 KW	15.12
Energy Charge (per KWH)	
First 15,000 KWH	0.09969
Additional KWH	0.05985
GSA 3 (Code 54 & 55) - Demand 1,001-5,000 KW	
Customer Charge (minimum)	250.00
Demand	
0-1,000 KW	14.41
1,001-5,000 KW	13.46
Energy Charge (per KWH)	0.06452
Code 5 VPI-MSB Part 2 - Demand 5,000-15,000 KWH	
Customer Charge (minimum)	1,500.00
Admin Charge	350.00
Demand	
5,000-15,000 KW	10.24
Transition	0.0745
Outdoor Lighting	
Energy Charge (per KWH)	0.07149

Number of Customers - 8,404

City of Springfield, Tennessee
Utility Rates and Customers – Water Fund (Unaudited)
June 30, 2019

Consumption (Gallons)

	City Rate		County Rate	
Residential				
First 2,000	18.42 (minimum bill)		27.61 (minimum bill)	
2,001-5,000	7.02 per 1,000		10.54 per 1,000	
5,001-20,000	5.98 per 1,000		8.98 per 1,000	
20,001-10000	4.90 per 1,000		7.36 per 1,000	
Over 100,000	4.20 per 1,000		6.30 per 1,000	
Commercial	Small	Large	Small	Large
First 2,000	28.24 (minimum bill)	42.46	42.37 (minimum bill)	63.68
2,000-5,000	7.02 per 1,000	7.02	10.54 per 1,000	10.54
5,001-20,000	5.98 per 1,000	5.98	8.98 per 1,000	8.98
20,001-10000	4.90 per 1,000	4.90	7.36 per 1,000	7.36
Over 100,000	4.20 per 1,000	4.20	6.30 per 1,000	6.30
Industrial				
First 2,000	64.93 (minimum bill)		97.40 (minimum bill)	
2,000-5,000	7.02 per 1,000		10.54 per 1,000	
5,001-20,000	5.98 per 1,000		8.98 per 1,000	
20,001-10000	4.90 per 1,000		7.36 per 1,000	
Over 100,000	4.20 per 1,000		6.30 per 1,000	
Other Sales				
Pleasant View Utility	4.32 per 1,000			
East Montgomery Utility	4.32 per 1,000			
City of Greenbrier	4.32 per 1,000			
White House Utility	4.32 per 1,000			

Installation

3/4"- Service: $700.00 short-side / $900.00 long-side

Larger Service: $1,000.00 per inch diameter plus actual main extension costs.

Tap Fees

All connections: $300.00

Capacity Fees

Each new equivalent single family dwelling connection: $750.00.

Fire Hydrant

6" Line: $1,500.00

Sprinklers

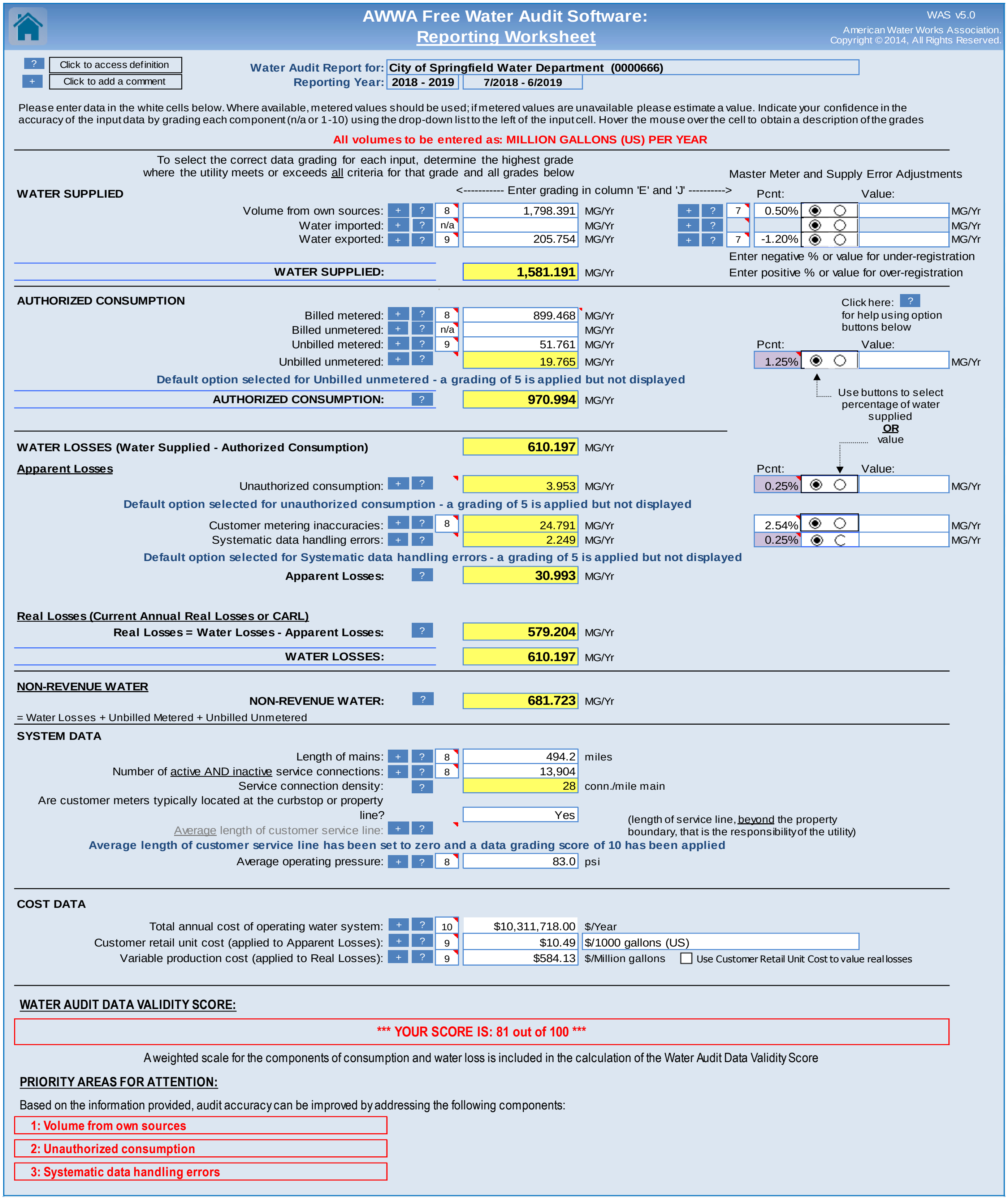
6" Sprinkler (Unmetered): $1,500.00 short-side / $1,500.00 plus actual main extension costs for long-side

8" Sprinkler (Unmetered): $2,000.00 short-side / $1,500.00 plus actual main extension costs for long-side

Number of Customers- 12,862

City of Springfield, Tennessee
AWWA Water Schedule (Unaudited)
June 30, 2019

AWWA WATER SCHEDULE



AWWA Free Water Audit Software:
Reporting Worksheet

WAS v5.0
American Water Works Association.
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? Click to access definition
\+ Click to add a comment

Water Audit Report for: City of Springfield Water Department (0000666)
Reporting Year: 2018 - 2019 | 7/2018 - 6/2019

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below

Master Meter and Supply Error Adjustments

WATER SUPPLIED

<----------- Enter grading in column 'E' and 'J' ---------->

					Pcnt:		Value:	
Volume from own sources:	8	1,798.391	MG/Yr	7	0.50%	● ○		MG/Yr
Water imported:	n/a		MG/Yr			● ○		MG/Yr
Water exported:	9	205.754	MG/Yr	7	-1.20%	● ○		MG/Yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

WATER SUPPLIED: 1,581.191 MG/Yr

AUTHORIZED CONSUMPTION

Click here: ? for help using option buttons below

				Pcnt:		Value:	
Billed metered:	8	899.468	MG/Yr				
Billed unmetered:	n/a		MG/Yr				
Unbilled metered:	9	51.761	MG/Yr				
Unbilled unmetered:		19.765	MG/Yr	1.25%	● ○		MG/Yr

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

Use buttons to select percentage of water supplied
OR
value

AUTHORIZED CONSUMPTION: ? 970.994 MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption) 610.197 MG/Yr

Apparent Losses

				Pcnt:		Value:	
Unauthorized consumption:		3.953	MG/Yr	0.25%	● ○		MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies:	8	24.791	MG/Yr	2.54%	● ○		MG/Yr
Systematic data handling errors:		2.249	MG/Yr	0.25%	● ○		MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses: ? 30.993 MG/Yr

Real Losses (Current Annual Real Losses or CARL)
Real Losses = Water Losses - Apparent Losses: ? 579.204 MG/Yr

WATER LOSSES: 610.197 MG/Yr

NON-REVENUE WATER
NON-REVENUE WATER: ? 681.723 MG/Yr
= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	8	494.2	miles
Number of active AND inactive service connections:	8	13,904	
Service connection density:		28	conn./mile main
Are customer meters typically located at the curbstop or property line?		Yes	
Average length of customer service line:			(length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure:	8	83.0	psi

COST DATA

Total annual cost of operating water system:	10	$10,311,718.00	$/Year
Customer retail unit cost (applied to Apparent Losses):	9	$10.49	$/1000 gallons (US)
Variable production cost (applied to Real Losses):	9	$584.13	$/Million gallons ☐ Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 81 out of 100 *****

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

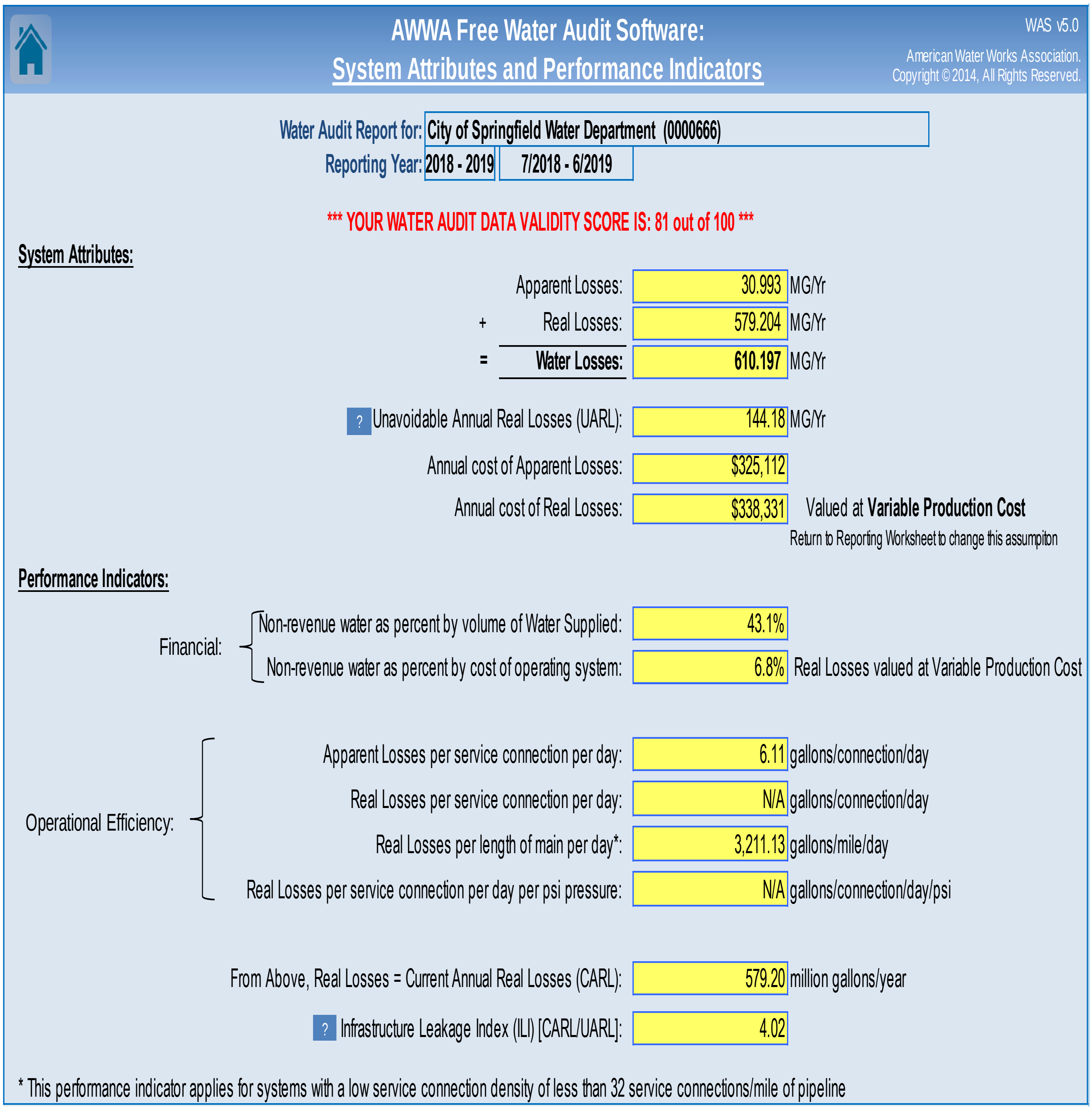
PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Volume from own sources
2: Unauthorized consumption
3: Systematic data handling errors

City of Springfield, Tennessee
AWWA Water Schedule (Continued) (Unaudited)
June 30, 2019

AWWA WATER SCHEDULE (Continued)



AWWA Free Water Audit Software:

System Attributes and Performance Indicators

American Water Works Association.
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Water Audit Report for: City of Springfield Water Department (0000666)

Reporting Year: 2018 - 2019 7/2018 - 6/2019

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 81 out of 100 ***

System Attributes:

Apparent Losses:	30.993	MG/Yr
+ Real Losses:	579.204	MG/Yr
= **Water Losses:**	**610.197**	MG/Yr
? Unavoidable Annual Real Losses (UARL):	144.18	MG/Yr
Annual cost of Apparent Losses:	$325,112	
Annual cost of Real Losses:	$338,331	Valued at **Variable Production Cost**

Return to Reporting Worksheet to change this assumpiton

Performance Indicators:

Financial:	Non-revenue water as percent by volume of Water Supplied:	43.1%	
	Non-revenue water as percent by cost of operating system:	6.8%	Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	6.11	gallons/connection/day
	Real Losses per service connection per day:	N/A	gallons/connection/day
	Real Losses per length of main per day*:	3,211.13	gallons/mile/day
	Real Losses per service connection per day per psi pressure:	N/A	gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	579.20	million gallons/year
	? Infrastructure Leakage Index (ILI) [CARL/UARL]:	4.02	

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

City of Springfield, Tennessee
Other Supplemental Information (Unaudited)
June 30, 2019

1. PROPERTY TAX RATES AND ASSESSMENT FOR THE LAST TEN YEARS

Year of Levy	Tax Rate Per $100	Total Assessed Value
2018	1.072	429,223,566
2017	1.20	372,447,779
2016	1.20	387,604,093
2015	1.20	385,045,891
2014	1.20	377,147,404
2013	1.06	360,511,390
2012	0.89	358,915,003
2011	0.89	351,858,877
2010	0.83	356,612,901
2009	0.83	352,523,312

2. CHANGES IN PROPERTY TAXES RECEIVABLE

Tax Year	Gross Property Taxes Receivable June 30, 2018	Property Tax Levied	Anticipated Current Year Levy	Collections/ Adjustments	Allowance for Uncollectibles	Net Property Taxes Receivable June 30, 2019
2019 (accrued)	$ -	$ -	$ 4,566,035	$ -	$ -	$ 4,566,035
2018	-	4,601,277	-	(4,472,984)	(45,045)	83,248
2017	139,480	-	-	(108,648)	(30,832)	-
2016	64,141	-	-	(24,736)	(39,405)	-
2015	60,391	-	-	(13,489)	(45,078)	1,824
2014	76,171	-	-	(29,332)	(44,149)	2,690
2013	83,961	-	-	(12,265)	(37,318)	34,378
2012	78,074	-	-	(18,025)	(31,243)	28,806
2011	71,161	-	-	(4,325)	(30,601)	36,235
2010	36,684	-	-	(1,637)	(28,987)	6,060
2009 & prior	22,477	-	-	(14,730)	(7,747)	-
Totals	$ 632,540	$ 4,601,277	$ 4,566,035	$ (4,700,171)	$ (340,405)	$ 4,759,276

Note: Delinquent property taxes for 2017 and prior years have been turned over to collections.

THURMAN CAMPBELL GROUP, PLC
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Board of Aldermen
City of Springfield
Springfield, TN

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Springfield, Tennessee (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 2, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thurman Campbell Group, PLC

Clarksville, Tennessee
December 2, 2019

THURMAN CAMPBELL GROUP, PLC
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Kentucky Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Board of Aldermen
City of Springfield
Springfield, Tennessee

Report on Compliance for Each Major Federal Program

We have audited the City of Springfield, Tennessee's (the City's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the City, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Thurman Campbell Group, PLC

Clarksville, Tennessee
December 2, 2019

City of Springfield, Tennessee
Schedule of Prior Year Findings and Responses
June 30, 2019

There were no prior year findings reported.

City of Springfield, Tennessee
Schedule of Findings and Questioned Costs
June 30, 2019

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City of Springfield, Tennessee were prepared in accordance with GAAP.

2. No significant deficiencies or material weaknesses relating to the audit of the financial statements were reported in the Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards.

3. No instances of noncompliance material to the financial statements of the City of Springfield, Tennessee which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.

4. No significant deficiencies or material weaknesses in internal control over compliance relating to the major federal award programs were reported in the Independent Auditor's Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance.

5. The auditor's report on compliance for the major federal award programs for the City of Springfield, Tennessee expresses an unmodified opinion on all major federal programs.

6. The audit disclosed no audit findings which are required to be reported under 2 CFR section 200.516(a).

7. The programs tested as major were United States Department of Transportation/Tennessee Department of Transportation, Highway Planning & Construction, CFDA 20.205; and United States Environmental Protection Agency/Tennessee Department of Environment and Conservation, Capitalization Grants for Clean Water State Revolving Fund, CFDA 66.458.

8. The dollar threshold used for distinguishing between Type A and Type B programs was $750,000.

9. The City of Springfield, Tennessee did not qualify as a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

There are no findings.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

There are no findings.