

CITY OF SPRINGFIELD, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE YEAR ENDED JUNE 30, 2023

On the cover: View of Downtown Springfield.



Atwater Park Neighborhood - Restoration and Reopening of Atwater Park Fountain.

City of Springfield, Massachusetts

Annual Comprehensive Financial Report

For the Year Ended June 30, 2023



Prepared by:

The Comptroller's Office of the City of Springfield, Massachusetts

CITY OF SPRINGFIELD, MASSACHUSETTS
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YEAR ENDED JUNE 30, 2023

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Introductory Section



Renovations to 19th Century pavilion for trolley passengers designated as historic place in Forest Park.

City of Springfield, Massachusetts
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Demolition of Civic Center Parking Garage for new one to be connected to Mass Mutual Center.

Introductory Section

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THE CITY OF SPRINGFIELD, MASSACHUSETTS

Letter of Transmittal

November 27, 2023

To the Honorable Mayor, Members of the City Council and Citizens of the City of Springfield, Massachusetts:

At the close of each fiscal year, Massachusetts General Law (MGL) requires the City of Springfield to publish a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), and that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Springfield, Massachusetts, for the fiscal year ending June 30, 2023.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP.

The City of Springfield's financial statements have been audited by Powers & Sullivan, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Powers & Sullivan, LLC concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with GAAP. An "unmodified opinion" means that the Auditors have no significant reservation regarding information provided in the financial statements. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Springfield Profile

Springfield is the third largest City in Massachusetts and fourth largest in New England (behind Boston, Providence, and Worcester). The City of Springfield is located along the Connecticut River, 15 miles from Bradley International Airport; 25 miles from

Hartford, CT; 50 miles from Worcester, MA; 80 miles from Albany, NY; 85 miles from Providence, RI; 90 miles from Boston, MA; and 140 miles from New York City. Major and prominent employers in the City include the world headquarters of MassMutual Financial Group – which is located on State Street; MGM Springfield; Baystate Health; Mercy Health System; Big Y Inc. World Class Markets; Peter Pan Bus Lines; Smith & Wesson; CRRC Corporation, and Merriam-Webster.

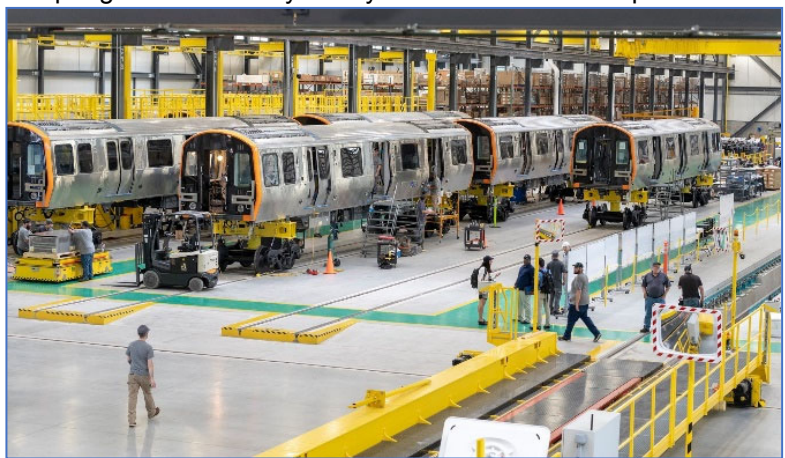
Baystate is currently the City’s largest employer with over 8,000 local employees.



Manufacturing & Commercial Development

Springfield is the regional employment center for Western Massachusetts, with a diverse and balanced mix of financial, manufacturing, commercial and service trade industries. Springfield also serves as the largest manufacturing employer in the region, producing a wide range of precision-manufactured parts, medical devices, automotive/ aerospace components, chemicals, paper and metal products. Approximately 15% of the City of Springfield is zoned for industrial uses; employment in the sector has increased primarily among small and start-up companies, and remains an important sector of Springfield’s economy. Many of these smaller companies view Springfield as a business incubator, to start, grow, and become part of the larger regional supply chain.

The City of Springfield is home to the CRRC Corporation railcar facility, located at 655 Page Boulevard. The \$95 million, 220,000 square foot railcar manufacturing center opened in 2018 at the former Westinghouse site. The plant provides over 300 production jobs, includes test tracks, engineering, and research & development. Currently, CRRC is now fulfilling multiple public contracts from across the country including the



Massachusetts Bay Transit Authority, replacing cars for the entire Red and Orange lines of the system, the first of

which were delivered in 2019. The Page Boulevard facility was the first in North America for CRRC, who is the largest railcar manufacturer in the world. Since building the facility, the company has secured contracts in other transportation markets including Los Angeles and Philadelphia.

The City of Springfield has played host to the headquarters of the Smith & Wesson Corporation since 1852, located at 2100 Roosevelt Ave. Smith & Wesson is a U.S.-based leader in firearm manufacturing and design, delivering a broad portfolio of quality firearms, related products and training to the consumer, law enforcement, and military markets. Smith & Wesson has been a manufacturing anchor institution in the city since its founding in 1856, and continues to invest in the community- through pipeline training programs with local technical schools, to further advance the legacy of precision manufacturing unique to Springfield. Due to potential statewide legislation regarding firearm production, the company has moved its headquarters to Tennessee in 2023, however over 1,000 employees remain at its Springfield facility which will continue in full operation.

Just across from the Smith and Wesson Industrial Park, Big Y Supermarkets completed construction on a new 425,000 square foot, \$46 million distribution center in 2020. The facility serves the company's 70 existing supermarkets and up to 20 new supermarkets. Big Y is one of Springfield' largest employers, with over, 1,013 Springfield based-employees, and with a total workforce of over 11,000 throughout western New England. As part of the company's continued expansion, in November, 2020, Big Y announced over 1,000 additional job openings. Big Y also announced a new smaller footprint downtown Springfield market, the first of its kind in the company, which opened in June, 2023.



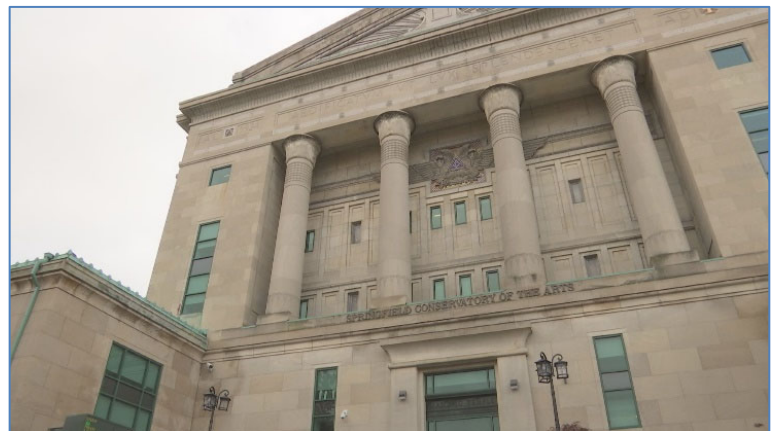
The City of Springfield partners with the Commonwealth of Massachusetts in offering the Economic Development Incentive Program (EDIP) incentives to projects that include significant investment and job creation. The city also was involved in the development of the Housing Development Incentive Program (HDIP), which offers tax credits to developers producing market rate housing in Gateway Cities. One of the most recent projects is Snapland, LLC, a partnership between Snapchef and Loophole Brewing that will bring both culinary job training and a brewery/restaurant to a currently vacant property. Below is a chart that outlines recent investments that occurred under these programs.

<u>Project</u>	<u>Type</u>	<u>Year Certified</u>
Snapland, LLC	TIF	2023
Davenport - 169 Maple Street	HDIP	2023
Duc-Pac Corporation	TIF	2021
Davenport - Willy's Overland Building	HDIP	2019
Big Y Supermarkets	TIF	2019
Silverbrick 122 Chestnut St.	HDIP	2018
CNR MA Corporation	TIF	2015
Falvey Linen Supply Inc & East Springfield Realty LLC	TIF	2015
Silverbrick	HDIP	2015
Amasdave, LLC dba Dave's Truck Repair, Inc.	TIF	2014
Freedom Credit Union	TIF	2014
Kielb Welding Enterprises, Inc. dba Advance Welding	TIF	2014
Latino Food Distributors, Inc. / 90 Meat Outlet, LLC	TIF	2013
Nash Manufacturing & Grinding Services Inc.	STA	2013
Titan Roofing, Inc.	TIF	2013
F. W Webb Company and RAM Construction LLC	TIF	2011
Titeflex Corporation	TIF	2010
Springfield Riverfront Development Corp.	TIF	2002

Education

The City of Springfield is home to four colleges: Springfield College, American International College (AIC), Western New England University and Springfield Technical Community College (STCC), with a combined enrollment of nearly 20,000 students. Cambridge College and UMass (Amherst) each have a downtown center located at Tower Square. In addition, the main campuses of the University of Massachusetts (UMass-Amherst), Amherst College, Hampshire College, Mount Holyoke College, Smith College, Bay Path University, Elms College and Westfield State University are located in nearby communities. The City of Springfield is engaged in an economic and cultural partnership with Hartford, Connecticut, known as New England's Knowledge Corridor, with the second-largest concentration of institutions of higher learning in New England, outside of Boston.

The City of Springfield has also invested heavily in public K-12 education, through major improvements to its school facilities. In 2012, the City inaugurated a new \$115 million facility for the Putnam Vocational Technical High School, now serving over 1,400 students. In 2013, the City completed a \$43.4 million renovation of the Forest Park Middle School which serves over 640 students. In 2015, the City opened the new \$27.9 million, 3 story, 64,400 square feet Elias Brookings Elementary School, as a replacement for the original school, built in 1925, and severely damaged in the June 1, 2011 tornado. In addition to the Brookings project, the Mary Dryden Elementary School lost an entire wing of the building as a result of the 2011 tornado. The MSBA approved the rebuilding of the wing at a cost of approximately \$15 million, and provided 100% eligible cost reimbursement to the City.



In 2019, a new \$32 million science wing was completed at Central High School. Also in 2019, a massive restoration and redevelopment project was completed at the historic Masonic Temple located at 339 State Street, which now houses the Springfield Conservatory of the Arts—a public magnet school offering an arts-infused curriculum for students in grades 6-12. That project won the top award of the 2020 Springfield Preservation Trust preservation awards.

New for 2021, the \$82 million combined Brightwood-Lincoln Elementary School opened in late August, in the city’s North End, and serves over 800 students. And finally, the state has also funded the brand new \$95 million combined Deberry-Homer Street school in the heart of the city at Mason Square, having just opened in August, 2023.

The Springfield Public School system is large and diverse, with approximately 24,000 students, 5,000 employees, across more than 60 schools.



Private schools have also made significant investments in the City of Springfield. The Catholic Diocese of Springfield opened the new Pope Francis Preparatory School- serving 392 students, grades 9-12. This \$54.5 million facility replaced Cathedral High School after it was severely damaged in the 2011 tornado.

Institutions of higher education are also making significant investments in the City of Springfield. In 2018, American International College (AIC) opened its new \$7.5 million Colaccino Center for Health Sciences building and student dormitory along State Street. Springfield Technical Community College (STCC) completed its new \$50 million Campus Center in 2019, converting a historic stable into a state of the art student facility, consolidating both academic services and student life activities under one roof. In 2019, Western New England University completed a \$12.8 million renovation of Sleith Hall, home to its College of Engineering. Springfield College is set to complete its \$46 million Health Sciences Building in fall of 2023.



The City of Springfield is also a leader in early education development, with the recent opening of Educare Springfield located at 100 Hickey Street. In 2020, the \$14.4 million facility opened its doors as one of only 24 such partnerships in the entire country, and the first of its kind in the Commonwealth. Funded by the Buffet Foundation, and in close partnership with Springfield College and the City of Springfield, the 27,000 square feet facility supports 141 children, ages 0-5 years old, by providing early childhood programs for underserved families.



Healthcare & Insurance

Springfield is home to a booming healthcare industry led by Baystate Health and Mercy Medical Group. Baystate Health is a not-for-profit health care organization serving more than 800,000 people in western Massachusetts. They are one of the largest health systems in New England, with nearly 12,000 employees—approximately 8,000 of whom work in Springfield—and an annual budget of over \$2.4 billion. Baystate Medical Center (BMC) on Chestnut Street, is a 713-bed, 57-bassinets, academic medical center, with a medical staff of over 1,300



physicians. Baystate Medical Center Emergency & Trauma Center, also located on Chestnut Street, is the busiest single-site emergency department in Massachusetts and the region’s only Level 1 Trauma Center serving over 120,000 adult and pediatric patients. Baystate Health is Springfield’s largest employer.

In 2014, Baystate completed a \$300 million expansion at its main campus at 759 Chestnut Street, with a new eight story, 600,000 square feet facility. The expansion provided 200 construction jobs, plus permanent employment for 50 doctors and 500 staff members. This investment has also spurred private medical office development in the surrounding neighborhood. Baystate is currently completing the \$208 million final build-out of unfinished space, dubbed the “Hospital of the Future”, set to be finished by end of 2023. The new facility will include 18 new operating rooms, and eight laboratories.

Mercy Medical Center became part of Trinity Health of New England in 2015, one of the largest multi-institutional Catholic health care delivery systems in the nation serving communities in 22 states. Mercy Medical Center, located at 271 Carew Street, is a 182 bed acute care hospital. In 2013, Mercy Medical Center opened new \$20 million, three-story medical office complex at the corner of Carew and Chestnut Street, and in 2014, Mercy Medical Center opened the \$15 million Caritas Cancer Center—a 26,000 square feet expansion that includes new physician offices, laboratory/ pharmacy space and 32 infusion bays. In 2022, Mercy Medical moved forward on a new 16,000 square feet ambulatory care medical office building.

The City of Springfield hosts the world headquarters of Massachusetts Mutual Insurance Company, located at 1295 State Street. MassMutual was founded in Springfield on May 15, 1851. On the 2023 Fortune 500 list of the United States' largest companies, MassMutual is listed at No. 104, with estimated revenue of \$10 billion and assets under management of over \$300 billion. The company has also been named a World's Most Admired Company by Fortune Magazine in 2023. Recent investment by MassMutual in its Springfield headquarters has increased the number of employees from approximately 3,000 to 4,500, and plans have been announced that the company will invest an additional \$50 million over the next five years on renovations and new construction at the Springfield headquarters.



Tourism & Hospitality

Tourism continues to be a cornerstone of the City of Springfield's economic health with anchors like the MassMutual Center, Naismith Memorial Basketball Hall of Fame, Springfield's five world-class museums, MGM Springfield, the Springfield Armory National Historic Site, the success of the Six Flags Amusement Park in nearby Agawam and annual attraction of The Big E in neighboring West Springfield.

The City of Springfield has a storied history, and the Springfield Museums offer access to five world-class galleries, including The Amazing World of Dr. Seuss Museum, which opened in 2017 and celebrates the life and work of Springfield native, Dr. Theodor Geisel. Additional attractions include two Art Museums, the Springfield Science Museum, the Museum of Springfield History, and the Dr. Seuss National Memorial Sculpture Garden, all under a single admission.



Located at the crossroads of New England, MassMutual Center is the region's most diverse meeting and special event venue. The 8,000-seat arena caters to a wide variety of sporting and entertainment events, and is the proud home to the American Hockey League Springfield Thunderbirds. While AHL hockey has been in the city since its inception in 1936, the Thunderbirds first season was in 2016-2017 with new local ownership. The team was rewarded in 2019 with the highest Springfield hockey attendance in 20 years and the city hosted the 2019 AHL All-Star game for the first time in league history as hockey night has again become a popular attraction in Springfield. The team excelled in the 2021-2022 season winning the Eastern Conference Championship and making it to the Calder Cup Finals while notching franchise record average attendance.



The MassMutual Center is owned by the state, governed by the Massachusetts Convention Center Authority (MCCA). The MCCA has been making significant investments in the facility, most notably the recent demolition of the failing Springfield Civic Center parking garage and the groundbreaking of the new \$80 million parking facility that will feature approximately 800 new spaces and ground floor retail space, with an adjacent event plaza. The MCCA is also working on a new South Entrance to the MassMutual Center to help better connect MGM Springfield with the convention and event facility. That is expected to also be complete in 2024.

The Neo-Classical City Hall and Symphony Hall (1909) flank the City's iconic Campanile, a bell and clock tower similar to St. Mark's in Venice, Italy. Bronze bas-reliefs of Springfield's history adorn the front doors. Symphony Hall is home to a Broadway-style theater, children's programming, concerts, internationally recognized speakers, as well as the much-acclaimed Springfield Symphony Orchestra which is the largest professional orchestra in Massachusetts outside of Boston, and has been in existence since 1944. The building also plays host to the annual Basketball Hall of Fame Induction Ceremony, the Springfield Public Forum, and some of the best known performers in the world including Jerry Seinfeld and Bob Dylan in 2023.



In 1891, basketball was invented in Springfield by Dr. James Naismith at Springfield College. The Basketball Hall of Fame Museum highlights the history of basketball and celebrates over 300 inductees, with legendary exhibits and interactive displays. In 2021, a \$25 million renovation was completed, which helped modernize the facility with both structural and display upgrades. Upcoming induction activities include eligible entrants such as the late Kobe Bryant, Tim Duncan and Kevin Garnett.



Established in 1794, Springfield Armory National Historic Site commemorates the critical role of the nation's first armory by preserving and interpreting the world's largest historic US military small arms collection, along with historic archives, buildings, and landscapes. The 57-acre hilltop-site, is within walking distance of Main Street. The Springfield Armory National Historic Site visitor center and museum reopened to the public on July 2, 2021, after being closed for the last 18 months. During that time the National Park Service completed a \$1.6 million upgrade that focused on critical building systems.

MGM Springfield, the largest economic development project in the City's history opened its doors in August, 2018. This \$950 million integrated luxury resort and entertainment destination offers a 240-room four-star hotel, restaurants, gaming floor, movie theater, a bowling alley, and an outdoor public skating rink. Notable attractions also include TAP Sports Bar, Chandler's Steakhouse, Regal Cinemas, ROAR Comedy Club, and the new Wahlburgers. The redevelopment project created 2,000 construction jobs as well as 2,500 permanent jobs after opening.



A key feature that has made MGM Springfield a success is how it has integrated into the existing urban fabric of the City. Rather than building exclusive venues within the complex, MGM Springfield compliments the City's existing venues—Springfield Museums, the MassMutual Center, historic Symphony Hall, and the Basketball Hall of Fame—to share the synergy of the casino with the rest of downtown. MGM Springfield also took over management of the MassMutual Center in 2017, and in 2019 the company took over management of the city owned Symphony Hall, strengthening connections, and streamlining coordination between the City's most popular downtown destinations.

MGM Springfield has managed to attract major events including the Boston Red Sox Winter Weekend, which occurred early in 2020. This multiple night occasion brought thousands of Red Sox fans from across the region to events at both MassMutual and MGM Springfield. Boston Red Sox Winter Weekend had been held for years at Foxwoods Casino in Connecticut. These venues have increased tourism demand, which has sprouted new investment in hospitality amenities, especially in Springfield’s downtown and adjacent neighborhoods. While Covid-19 had significantly impacted MGM Springfield operations, revenues in mid-2022 had returned to levels and even eclipsed those of similar months pre-pandemic. The facility will welcome sports betting in 2023 with a facility that has already been built out in preparation for regulatory approvals.

Opened in 2012, the 208-room La Quinta Inn & Suites represented a public-private partnership worth \$3.5 million and is situated just blocks away from newly reopened Union Station. In 2016, the 87-room, \$4 million Hampton Inn & Suites opened in Springfield’s South End neighborhood. After a \$10 million renovation, the 98-room Holiday Inn Express & Suites held its grand opening in the summer of 2018. 2018 also witnessed the opening of Springfield’s first four-star hotel, a 240-room luxury hotel at MGM Springfield. In 2020, the Tower Square Hotel has made a significant investment to redevelop the property and return the Marriott brand to downtown Springfield with a November, 2022 grand opening.



Hotel Inventory

<i>Hotel</i>	<i>Square Feet</i>	<i>Number of Rooms</i>
<i>Sheraton</i>	<i>375,000</i>	<i>325</i>
<i>Marriot Hotel (2022)</i>	<i>192,000</i>	<i>266</i>
<i>Hilton Garden Inn</i>	<i>82,589</i>	<i>143</i>
<i>Holiday Inn Express</i>	<i>73,575</i>	<i>98</i>
<i>MGM Springfield</i>	<i>2 million (entire development)</i>	<i>240</i>
<i>Hampton Inn & Suites</i>	<i>58,403</i>	<i>87</i>
<i>LaQuinta Inn & Suites</i>	<i>152,488</i>	<i>208</i>
<i>Total</i>		<i>1,367</i>

Source: City of Springfield Economic Development Department

Housing Development

The City updated and released in 2019 a new market rate housing study for downtown Springfield. The report, completed by national expert Zimmerman/Volk associates, showed a strong market interest in downtown housing rental units for market rate tenants. The city was a significant voice in the Gateway Cities movement which has resulted in new tax credits for market rate housing development. New York developers Silverbrick Group purchased the former “Morgan Square Apartments” in the summer of 2014 for \$9 million and have completed a \$6 million renovation of the 265 units, bringing them back to market rate status under the name “Silverbrick Lofts”.

Originally built in 1925, the former Elias Brookings Elementary School was severely damaged in the 2011 tornado. On June 1, 2022 (the anniversary of the tornado) it held its grand reopening ceremony after being re-developed into a 42-unit, mixed-income, apartment complex, representing \$20 million investment.



In 2019, the Silverbrick Group, purchased another downtown building, the former YMCA at 122 Chestnut Street, and completed the renovation of 99 existing units and construction of 15 new units under the name “Silverbrick Square”. Additionally, in 2019, Boston developers Davenport Companies, purchased the long vacant Willy’s Overland Building at 151 Chestnut Street and in 2020, completed the redevelop 60 units of loft apartments. The building is currently fully occupied with a waiting list. These two projects represent over \$20 million of private investment in market rate housing, here in the City of Springfield. Both companies are considering additional projects given strong rental demand.

Located in the McKnight National Historic District, the new Mason Square Apartments II at the former Indian Motorcycle factory is a prime example of historic adaptive reuse. Formerly a 55,000 square foot factory building and adjacent 15,000 square foot firehouse, Mason Square Apartments II was a \$23 million investment that opened in 2020 as a mixed-use office and multifamily community offering 45 units. The company responsible for the development, First Resource, is now under construction at the historic Knox building, a long vacant mill building across the street from Mason Square Apartments II. The Knox building is a \$57 million investment to create 117 new affordable housing units to be complete in 2023.

Additionally, MGM Springfield is partnering with a local developer and the City of Springfield—while contributing \$16 million—for the redevelopment of a \$68 million, 74-unit, residential complex of market rate housing within walking distance to the casino, along the southern edge of historic Court Square, with an anticipated completion date in early-2024. The project, along with planned public space upgrades in Court Square Park, is expected to have a transformative impact in the core of the city’s Downtown .



Transportation & Logistics

Springfield's Union Station re-opened in June 2017, after being shuttered for 44 years. With substantial State and Federal investment, this \$94 million local redevelopment project included restoration of the historic terminal building for rail and bus ticketing and a waiting area, including associated transit retail. In addition, a 26-bay inter-city/regional Pioneer Valley Transit Authority (PVTA) bus terminal and adjacent 377-car parking garage were constructed. Inter-city bus services are now based at Springfield Union Station to better integrate existing travel modes – including Amtrak service, PVTA, Peter Pan and Greyhound Bus Lines—all in one facility, making Union Station is the premier intermodal transit terminal for the region.



In 2018, Union Station welcomed CT Rail, offering frequent commuter rail service from Springfield to Hartford and New Haven, Connecticut. In 2019 the commuter rail was expanded north, with stops in Holyoke, Northampton, and Greenfield. The commuter rail expansion connects and integrates the City better with those neighboring communities. Moreover, the addition has turned Springfield into what is known as the “Knowledge Corridor”, bringing travelers from New York City via commuter and Metro North rail.



In 2021, Amtrak recently announced a 15-year, \$75 billion “corridor vision” plan, which includes new, regular, round-trip service between Boston and Springfield, via Union Station. This proposal builds on the MassDOT State Rail Plan (2018) which studied the issue, and increases the importance of Springfield, as a transportation node for Western New England.

Peter Pan Bus Lines has been a transit icon in the City of Springfield since its founding in 1933. A family run company, Peter Pan Bus Lines is one of the largest privately-owned motor coach companies in the US, operating over 300 busses, and serving more than 100 communities throughout the Northeast corridor, with daily express service, including Boston, New York, Philadelphia, Baltimore and Washington, DC. In 2018, Peter Pan moved its corporate headquarters and bus operations to the newly renovated Union Station in downtown Springfield.



While some transit operations were paused and reduced during the height of the pandemic and months following, much of the transit capacity has returned and continues to rebuild back to previous levels.

The property was named as the location for a new technology investment in 2023. Springfield Technical Community College and a consortium of Western Massachusetts colleges and universities received a \$1.46 million state grant with the backing of the U.S. Rep. Richard E. Neal to establish a Cybersecurity Center of Excellence at Union Station.

The funding will establish a security operations center and cyber range at Union Station. College officials say they hope to have the 6,000-square-foot center open in early 2024.

Technology & Innovation

Eversource has a total of four solar energy sites in the City of Springfield. This part of the company's commitment to reducing greenhouse emissions, and expanding the use of solar power as an energy source for its customers.

In December 2011, Eversource opened its first solar power facility in Springfield at Indian Orchard Business Park. This facility generates 2.32 megawatts of electricity, enough to power 380 homes for a year. In May, 2014 Eversource completed a second solar facility built on the capped landfill at 282 Cottage Street. The facility contains close to 13,000 solar panels and generates 3.9 megawatts of electricity, enough to power 637 homes for a year. In November 2018, Eversource completed a third solar facility at the Smith and Wesson Industrial Park. The facility contains more than 14,000 solar panels and generates 5.62 megawatts of electricity, enough energy to power 922 homes for a year. In June 2018, Eversource completed a fourth solar facility located in East Springfield. The facility contains more than 4,700 solar panels and generates 1.86 megawatts of electricity, which is enough energy to power 305 homes for a year.

Together, these Springfield solar sites can produce a total of 13.69 megawatts of renewable electricity through more than 40,000 solar panels, delivering enough to power approximately 2,000 homes. These four sites represent a substantial investment on the part of the Eversource, the City, and the State in the reduction of greenhouse emissions, and the growth of green technology, here in the City of Springfield.

In February 2013, City of Springfield opened the second data center for the Commonwealth's Information Technology Division to operate as an active back-up to the Massachusetts Information Technology Center (MITC) in Chelsea. This \$110 million investment was built on the site of the former Technical High School on Elliot Street. Receiving LEED Gold Certification, the data center preserved the original façade of the Tech High School, and renovated the interior to support the state's data systems.

In 2019, DevelopSpringfield completed the Springfield Innovation Center, located on Bridge Street in downtown Springfield. The Springfield Innovation Center is home to Valley Venture Mentors, a well-established local entrepreneur, start-up organization. The \$7 million center also welcomed Berkshire Bank as a tenant with a business lending operation, and in 2023 opened the new location of Make-It Springfield – a community maker space that had outgrown its initial location on Worthington Street. Make-It hosts a wide variety of workshops, operates a weekly bike shop, and in 2023 held its first ever fashion show as part of a new Springfield Fashion Week event series.



In 2021, The City of Springfield opened its thirteenth ValleyBike Station at Pynchon Plaza. This collaboration with ValleyBike, Bewegen Technologies, and the City of Springfield represents a direct investment in expanding bike share opportunities, and growing micro-transit options for the first and last mile of travelers. ValleyBike is electrically assisted bike share program connecting Springfield with seven other municipalities along the Pioneer

Valley, representing over 300 bicycles across 66 stations. While a contractor issue prevented bicycles from operating in 2023, the system is expected to reopen in 2024.

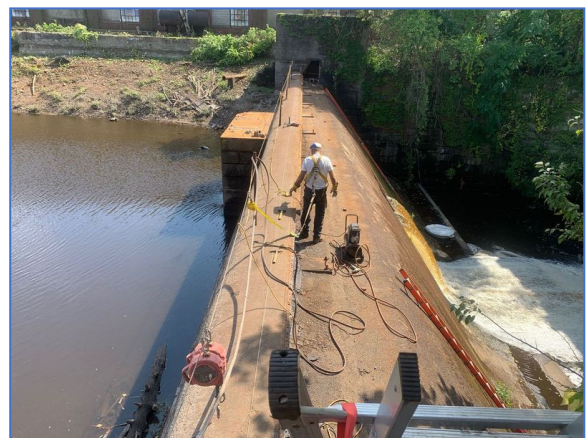
Government Projects

Springfield, in partnership with the State of Massachusetts, continues to invest in capital improvements in its infrastructure. The Six Corners roundabout, located at a busy intersection of Walnut Street, was completed in 2020. This \$4.1 million intersection redesign increased pedestrian and bicycle safety, decrease vehicular accidents, while becoming a focal point of the neighborhood, and received an engineering design award after its completion. The city is now working with local stakeholders on a public art project for the center of the circle.

The Central Street Corridor Improvement Project was completed in the late summer of 2021. This \$3 million renovation and realignment of Central Street, provided much needed roadway improvements, and better accessibility for neighborhood. The Ruth Elizabeth Park located at 468 Walnut Street was completed in the late summer 2021. This park has received \$450,000 worth of investment for redevelopment and expansion, in tandem with the Central Street Corridor Improvement Project, including new pavilion, playground, splash pad, basketball courts, and other neighborhood amenities.



Pynchon Plaza, located at 100 Dwight Street, is directly adjacent to the MassMutual Center. This \$4 million project re-connects Springfield’s Museums and the Main Street Corridor through a renovated park which was completed in fall, 2020. Key features include art installations by prominent local artists, and views of Springfield City Hall and the Campanile. In Winter 2019, the East Forest Park Library, located at 136 Surrey Road, was finally completed after 14 months of construction. This \$9.5 million project established the neighborhood’s first standalone library.



Watershops Pond Dam/ Lake Massasoit Resilience Upgrades, located at 1 Allen Street. This \$2.6 million federally funded project provides vital upgrades to the existing Watershops Pond Dam. The project required a once in a lifetime drawdown of Watershops Pond of affect repairs. The recently completed project was intended to address the dam’s designation as a “high hazard”, as well as enhance neighborhood resilience, increase flood mitigation capacity, restores the natural ecosystems of pond and to reduce the overall flood risk posed to the South End neighborhood.

The Springfield Redevelopment Authority (SRA) has been advancing on several urban renewal fronts, including the acquisition of key distressed properties near MGM Springfield. Properties that ended up in private foreclosure

included the Masonic Block (sometimes called the “Clock Tower Building” at the corner of State and Main), the Colonial Block (at 1139-1155 Main St) and a small office building at 11-21 Stockbridge St. These properties were aquired out of foreclosure by the SRA, and repositioned for redevelopment through a competitive Request for Proposals process.

After receiving qualifications from five experienced private developers, the SRA announced in September, 2023, that it had selected McCaffery Interests, Inc., of Chicago, IL, as the preferred developer for the project. McCaffery has completed major projects in Chicago, Pittsburgh, and Washington, DC and has preliminary plans for these properties for a mixed use residential investment of approximately \$65 million.

The city and the SRA are also working colloaboratively on a new parking structure for the neighborhood around this development to help support the redevelopment and future development needs of this growing area.



Financial Overview

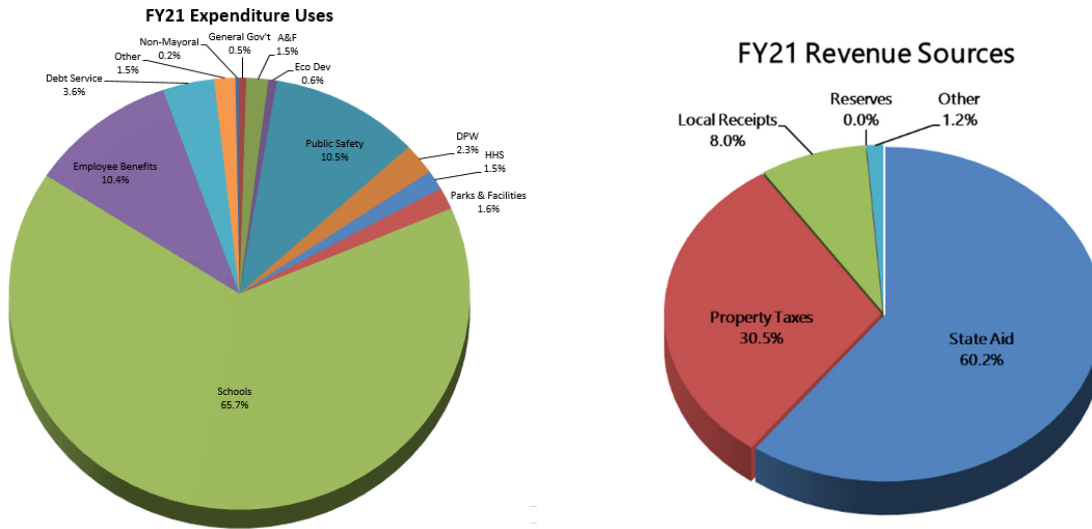
Within 170 days after the annual organization of the City government (which is ordinarily in early January), the Mayor is required to submit a budget of proposed expenditures for the fiscal year beginning on July 1. The City Council may make appropriations for the recommended purposes and may reduce or reject any item. Without a recommendation of the Mayor, the Council may not make any appropriation for a purpose not included in the proposed budget, except by a two-thirds vote in case of a failure of the Mayor to recommend an appropriation for such a purpose within 7 days after a request from the City Council. The Council may not increase any item without the recommendation of the Mayor (except as provided by legislation, subject to local acceptance, under which the school budget or regional school district assessment can be increased upon recommendation of the school committee or regional district school committee and by two-thirds vote of the council, provided that such increase does not cause the total annual budget to exceed property tax limitations). If the Council fails to act on any item of the proposed budget within 45 days, that item takes effect. If the Mayor does not make a timely budget submission, provision is made for preparation of a budget by the Council. Provision is also made for supplementary appropriations upon recommendation of the Mayor.

As a result of an initiative law adopted in November 1980, school committees are no longer autonomous with respect to school expenditures for current purposes. The school budget is limited to the total amount appropriated by the City Council, but the school committee retains full power to allocate the funds appropriated. City department heads are generally required to submit their budget requests to the Mayor in January. This does not apply to the school department, which must submit its requests in time for the Mayor to include them in his submission to the Council. State and county assessments, abatements in excess of overlays, principal and interest not otherwise provided for, and final judgments are included in the tax levy whether or not included in the budget. Revenues are not required to be set forth in the budget but estimated non-tax revenues are taken into account by the assessors in fixing the tax levy.

Fiscal Year 2021

The FY21 Adopted Budget totals \$727.6 million which represents a 5.2% increase over the FY20 Adopted Budget. The FY21 budget development process was complicated by the emergence of the COVID 19 Pandemic. After receiving departmental spending requests, the City initially faced a \$20.9 million budget gap, in line with recent years. However, the City was forced to revisit initial revenue assumptions in light of the pandemic and historic disruption of the US economy, resulting in a \$38.1 million budget gap, about twice the size of gaps in recent years.

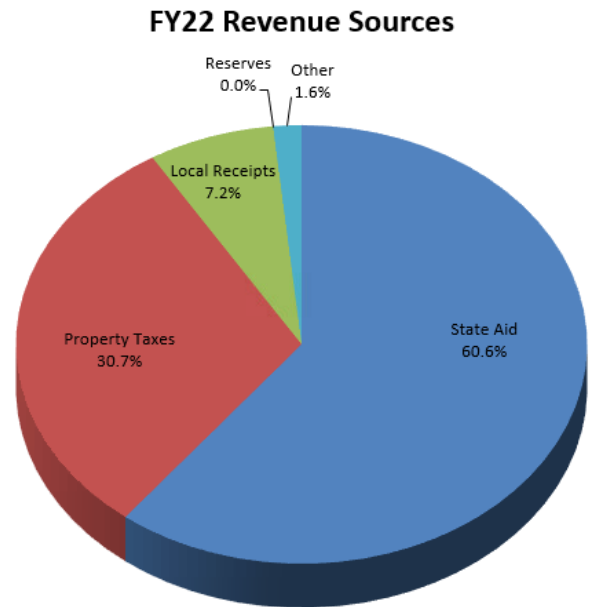
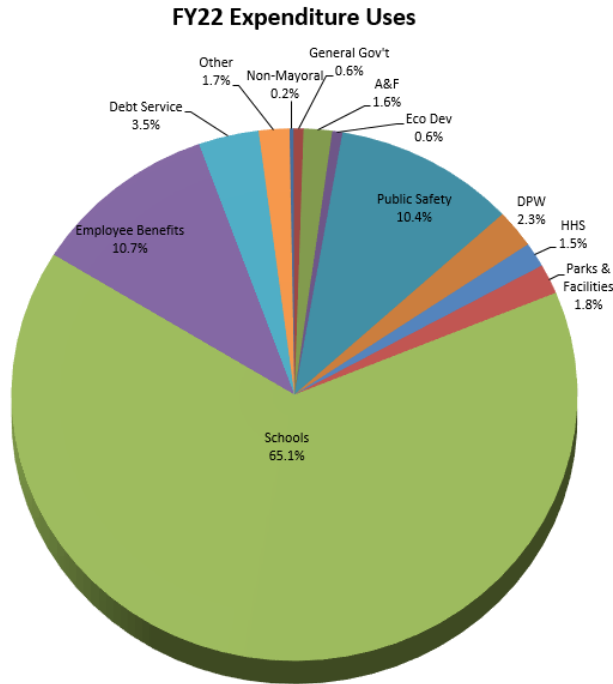
The City closed this gap through strategic expenditure reductions, and offsets to alternate funding sources. The FY21 Adopted Budget is an austerity budget. It fully funds core services, pension obligations, employee benefits, debt service, and all collective bargaining agreements, but includes numerous budget cuts. Growth in the budget was driven by the School Department, which grew by 7.4% in line with estimates for increased funding provided by the PROMISE Act. The City budget grew by 1.2%. This growth was driven by a 9% increase in the City's pension appropriation, and a 4.5% increase in the cost for employee benefits. Excluding these non-discretionary items, the City budget shrunk by \$2.2 million (1.3%). The budget was balanced without the use of stabilization reserves for the sixth consecutive year.



Fiscal Year 2022

The FY22 Adopted Budget totals \$755.7 million which represents a 3.9% increase over the FY21 Adopted Budget. After receiving initial departmental budget requests for FY22, the gap grew from a projected \$14.4 million to a \$21.3 million deficit. This deficit was driven by rising salaries due to collective bargaining agreements, rising costs of benefits, particularly pensions, contractual operating costs, and reduced revenue projections due to COVID-19.

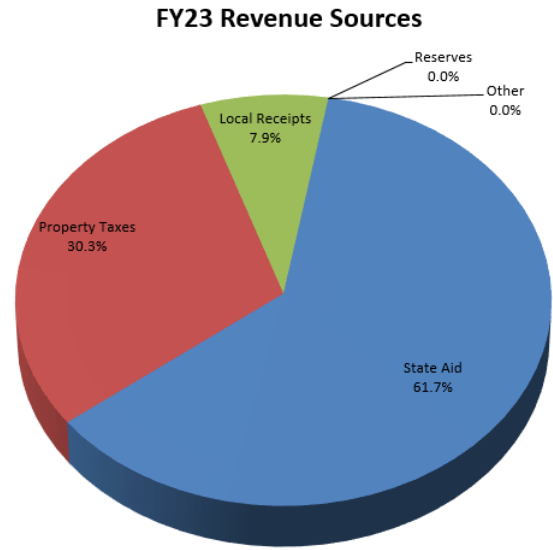
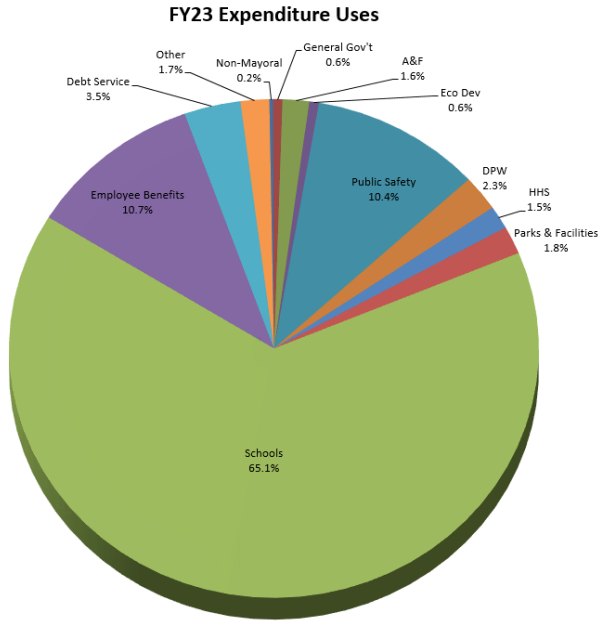
A balanced approach was used to solve the projected budget gap. This approach relied upon spending reductions, revenue maximization (including through the use of federal COVID relief funding), and notably, did not utilize stabilization reserves despite the financial effects of the pandemic. FY22 marks the seventh consecutive year that the City has been able to balance its budget without the use of stabilization reserve funds. This accomplishment is a testament to the administration's management of City finances and the determination of our City to work towards a sustainable future despite the fiscal challenges created by COVID-19. While the economic impact of the pandemic will likely be felt for years to come, Springfield will continue to strategically identify any and all outside funding sources available to us, ensuring that we preserve our limited financial resources.



Fiscal Year 2023

The FY23 Adopted Budget totals \$819.0 million, which represents an 8.4% increase over the FY22 Adopted Budget. For FY23, the projected gap after budget request submissions totaled \$27.4 million.

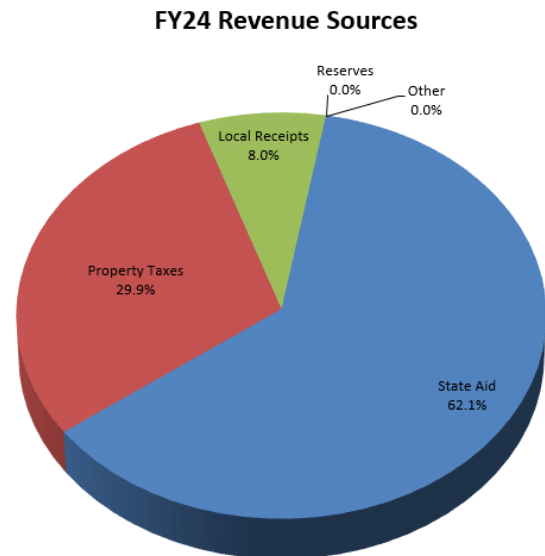
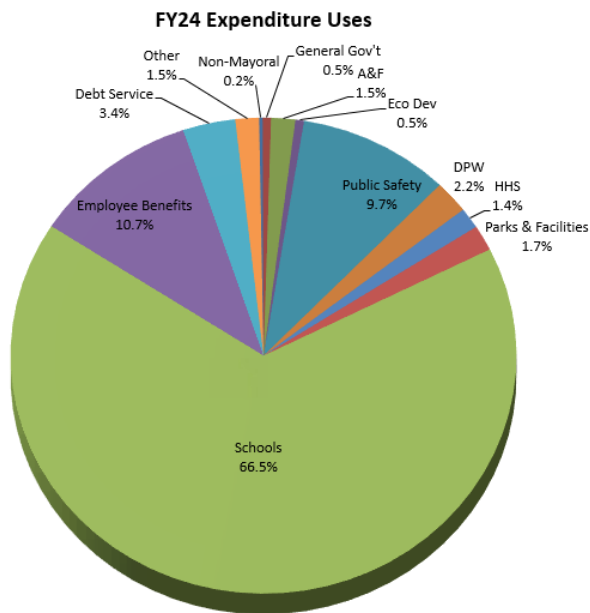
A balanced approach was used to solve the projected budget gap. This approach relied upon spending reductions, revenue maximization to pre-COVID levels, and notably, did not utilize stabilization reserves for the eighth consecutive year. All budget decisions were considered in the context of providing vital programs and services to the City with the intention of avoiding layoffs that would impact services.



Fiscal Year 2024

The FY24 Adopted Budget totals \$877.9 million, which represents an 7.2% increase over the FY23 Adopted Budget. For FY24, the projected gap after budget request submissions totaled \$32.2 million.

A balanced approach was used to solve the projected budget gap. This approach relied on reductions to spending through year over year analysis and revenue maximization because of previous year actuals and projections, and notably, did not utilize stabilization reserves for the ninth consecutive year. All budget decisions were considered in the context of providing vital programs and services to the City with the intention of avoiding layoffs that would impact services.



Long Term Financial Planning

The City's Chief Administrative and Financial Officer and the Office of Management and Budget prepare a Multi-Year Financial Plan (MYFP) each year. This instrument forecasts changes in City revenues and expenditures over the next four years. The MYFP provides a roadmap for the City's financial future, aids in planning for upcoming budgets, and provides stakeholders with information about the upcoming fiscal challenges facing the City.

The MYFP illustrates how decisions today will affect the City's financial future. The development of this document is essential for ensuring that decisions made during the budget making process are sustainable. Projecting out budget gaps in future years also helps frame discussions around dealing with long term fiscal stressors (e.g. the City's unfunded pension liability).

Detailed projections of budget gaps in future years allow policymakers to make hard decisions about how to address issues of long-term fiscal sustainability, even when a particular factor may not affect the City's budget for several years. The MYFP also explores the environment in which the City operates. It analyzes changes in the legislative environment, credit markets, and trends in the local, regional, and national economies that may affect future budgets.

	FISCAL 2023 ADOPTED	FISCAL 2024 ADOPTED	FISCAL 2025 PROJECTED	FISCAL 2026 PROJECTED	FISCAL 2027 PROJECTED
SPENDING ASSUMPTIONS					
Administration and Finance Division	14,973,463	16,061,801	22,624,752	23,127,913	23,601,670
Development Division	4,469,836	4,643,332	4,813,717	4,909,991	5,008,191
General Government Division	4,298,211	4,488,137	4,897,380	4,995,328	5,095,234
Non-Mayoral Division	1,844,374	1,834,320	1,979,459	2,019,049	2,059,430
Health and Human Services Division	11,554,296	12,559,754	12,723,894	12,978,372	13,237,939
Public Safety Division	79,477,369	87,519,598	90,812,057	92,662,799	94,551,596
Public Works Division	18,137,866	19,736,663	18,917,135	19,295,478	19,681,388
Parks & Facilities Division	14,213,639	15,779,915	15,055,254	15,351,011	15,652,684
School Department	544,863,270	587,798,386	610,526,861	634,976,995	660,412,126
Debt	27,535,488	23,034,501	25,217,167	24,778,959	24,368,539
Health Insurance & Fringe	31,136,788	32,837,556	35,268,243	37,545,108	39,975,569
Pensions	56,439,166	61,837,509	67,608,845	73,823,757	80,610,288
Other Spending	10,073,980	9,781,434	11,320,720	11,605,610	11,872,146
Total	819,017,747	877,912,906	921,765,486	958,070,370	996,126,800
REVENUE ASSUMPTIONS					
Property Taxes	245,054,925	257,606,704	265,379,372	272,013,857	278,814,203
Local Receipts	64,952,938	70,038,651	66,007,183	67,894,711	68,026,723
State Aid	505,509,884	545,267,551	565,764,536	586,881,727	608,826,095
Reserves	-	-	-	-	-
Net School Spending	-	-	-	-	-
Certified Free Cash	3,500,000	5,000,000	-	-	-
Casino Revenue	-	-	-	-	-
Total	819,017,747	877,912,906	897,151,091	926,790,295	955,667,021
SURPLUS / (GAP)	-	--	(24,614,395)	(31,280,075)	(40,459,779)

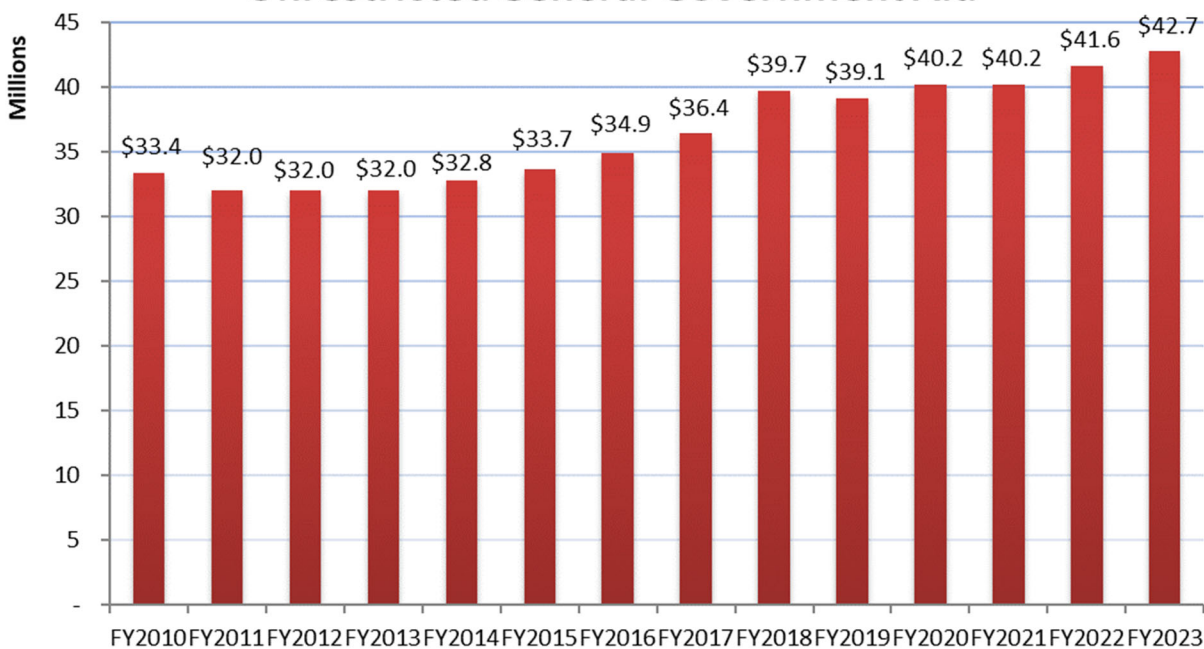
The Office of Management and Budget continually assesses long-term liabilities and the risks of an economic downturn, which helps drive policymaking vis-à-vis current year services.

- **Property Tax Limitations** – From 1996 to 2000 Springfield's tax levy was at its Proposition 2 ½ levy ceiling, limiting the City's ability to increase property taxes. From 2004 on, economic development and rising property values allowed the City to increase the room between its tax levy and the levy ceiling. However, the effects of

the Great Recession once again brought Springfield’s levy ceiling down below prior years’ tax levies. In 2011, Springfield’s assessed values decreased by 2.1 percent. In 2012, values decreased by an additional 1.1 percent. As a result, the City was unable to realize the tax benefits of new growth, or increase the prior year’s tax levy by a full 2.5%, as allowed by Proposition 2 ½. The result was declining revenues, followed by a period of constrained levy growth that lasted for almost a decade. FY17 was the first year that the City’s tax levy was not restricted by the levy ceiling. However, the City was unable to realize the full tax benefits of new growth in FY18 and FY19. In FY21 and FY22, the City was once again able to capture all New Growth in its levy.

- State Aid** – Due to budgetary constraints at the state level in the wake of the Great Recession, Unrestricted General Government Aid (UGGA) to the City fell considerably after FY09. More than a decade on, aid remains below pre-recession levels, even as prices for goods and services have continued to rise. Chapter 70 Aid for education has continued to grow, however, so do education expenses, including the City’s required contribution and non-Net School Spending eligible spending cost for transportation. Because the City’s is reliant on State Aid for just under 60% of its revenues, the City must be particularly attuned to economic stressors that may affect the Commonwealth’s ability to provide these revenues. Due to uncertainty surrounding the FY21 state budget, the City cut estimates for UGGA to 15% below FY20 levels. There was a turnaround in FY23, with UGGA funding levels increasing 5.4% over FY22.

Unrestricted General Government Aid



- Personnel** – Personnel costs represent the City’s largest annual expense. The City manages these costs through strict control mechanisms, such as the Personnel Review Committee (PRC). The PRC reviews every hire, backfill, and promotion prior to filling a vacancy. The PRC frequently implements reorganizations and modernizations of departmental structures as part of its review, as a means of reducing expenses while keeping services intact. Department heads must justify and/or reaffirm the need for every position when a vacancy occurs. OMB analysts provide the PRC with expense projections for every backfill, new position, and promotion, to ensure that departmental funding is adequate to absorb the cost of any spending changes.

CITY TOTAL GF FTEs													
FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
1,419.2	1,396.3	1,284.8	1,194.8	1,215.2	1,288.2	1,324.3	1,356.3	1,372.7	1,435.7	1,448.0	1,448.1	1,475.2	1,480.8

- **Benefits** – Prior to Fiscal Year 2007, the City’s health insurance costs were increasing at a rate of 18% annually. The City became the first community to join the Group Insurance Commission (GIC). The GIC purchases health insurance for 265,000 state employees and retirees and has significant purchasing power. In recent years, the City’s health insurance expenses have increased annually, with a 6.0% increase for FY23. This increase still represents significant budget growth, due to the size of the City’s health insurance appropriation but is far more manageable than the increases experienced before.
- **Retirement** – Retirement benefits for local and state employees are uniform across the Commonwealth. Until July 2009, Chapter 32 of the Massachusetts General Laws required municipalities to fully fund their retirement liability by 2028. The Commonwealth’s Fiscal Year 2010 budget included an extension of this requirement to 2030, and further modifications to 2040 were adopted in FY11. The City must revalue its schedule every 2 years and adjust the schedule accordingly. Springfield’s most recent actuarial valuation estimated the City’s unfunded actuarial accrued liability (UAAL) at \$898.4 million as of January 1, 2022. Our funded status is 35.6%. The City is currently on a schedule to fully fund its pension liability by FY33.
- **Other Post-Employment Benefits** – In addition to providing pension benefits, the City provides health, dental, vision and life insurance to retired employees and their survivors, in accordance with Chapter 32 of the Massachusetts General Laws. The City’s unfunded actuarial accrued OPEB liability is estimated at \$1.25 billion as of June 30, 2023.
- **Debt Service and Capital Needs** – The City has an \$1.0 billion Capital Improvement Plan. This plan identifies major equipment and construction needs over the next five years. Due to deferred maintenance and the number of facilities and parks the City owns, the City has significant capital needs.

Awards & Acknowledgements

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Springfield for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the twelfth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Distinguished Budget Award

The GFOA awarded a Distinguished Budget Presentation Award to the City of Springfield for its budget document for the fiscal year 2023. This was the fifteenth consecutive year the City has received this prestigious award. The GFOA established the Distinguished Budget Award in 1984 to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA’s recommended practices on budgeting and then to recognize individual governments that succeed in achieving that goal. A Budget Presentation Award is valid for a period of one year only. We believe our current FY2024 budget will meet the criteria to be eligible for a sixteenth award.

Acknowledgements

The preparation of both the ACFR and the Annual Budget would not have been possible without the efficient and dedicated services of the City Comptroller’s office and the Office of Management and Budget.

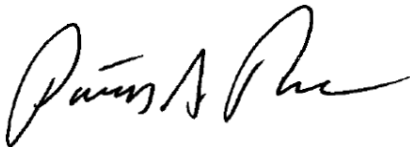
Likewise, we wish to thank every City department, both Management and staff, whose cooperation and assistance made these financial and budget goals possible and contributed to making the annual budget process and annual fiscal year-end close a success.

Credit must also be given to the Mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Springfield’s finances.

I would like to thank former Chief Administrative and Financial Officer (CAFO) Timothy J. Plante for his financial stewardship during his 16 year tenure with the City of Springfield. I wish him all the best in his future endeavors.

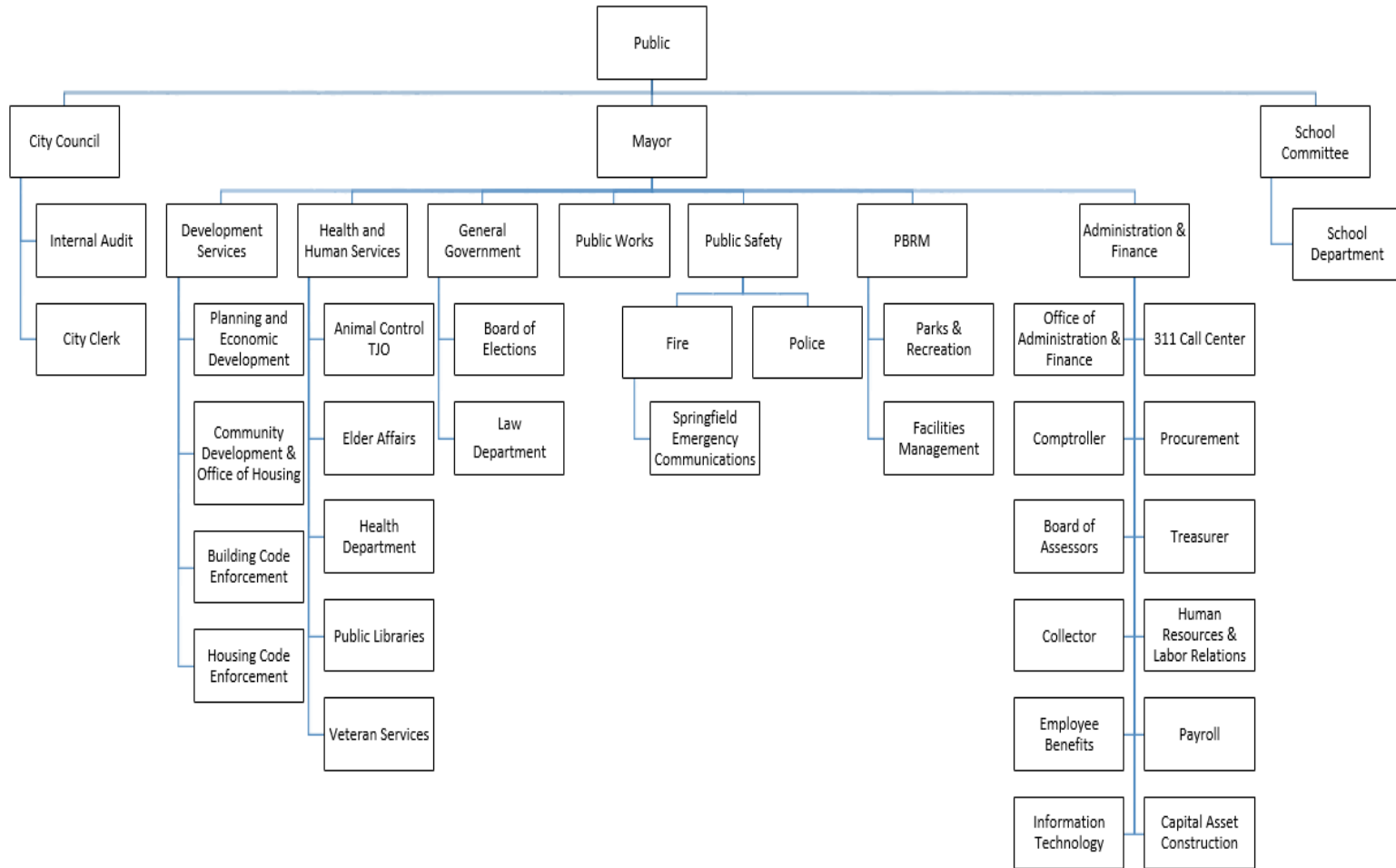
Joanne Raleigh	Acting City Comptroller
Lindsay Hackett	Deputy Chief Administrative & Financial Officer
Antoinette Basile	Sr. Financial Accountant
Beth Gokey	Financial Accountant
Sharolyn Vickers	Financial Accountant
Katie Vegh	Office Manager
Diane Jendrysik	Senior Account Clerk

Respectfully submitted,



Patrick S. Burns
Acting Chief Administrative & Financial Officer

Organizational Chart



Directory of Officials

Fiscal Year 2023

Mayor

Domenic J. Sarno

City Council

Jesse Lederman, At Large (President)

Melvin A. Edwards, Ward 3 (Vice President)

Maria Perez, Ward 1

Michael A. Fenton, Ward 2

Malo Brown, Ward 4

Lavar Click-Bruce, Ward 5

Victor Davila, Ward 6

Timothy C. Allen, Ward 7

Zaida Govan, Ward 8

Justin Hurst, At Large

Kateri Walsh, At Large

Tracye Whitfield, At Large

Sean Curran, At Large

School Committee

Mayor Domenic J. Sarno (Chairman)

LaTonia Monroe-Naylor, At Large (Vice-Chair)

Joesiah I. Gonzalez, District 1

Barbara Gresham, District 2

Denise Hurst, At Large

Attorney Peter Murphy, District 4

Christopher Collins, District 3

Appointed City Executive Branch

Chief Administrative and Financial Officer

Timothy J. Plante

Comptroller

Patrick S. Burns

Deputy Chief Administrative and Financial Officer

Lindsay Hackett

Director of Internal Audit

Yong Ju No

Treasurer/Collector

Stephen J. Lonergan

Chairman of the Board of Assessors

Patrick Greenhalgh

City Clerk

Gladys Oyola-Lopez



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Springfield
Massachusetts**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

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Financial Section



2023 Basketball Hall of Fame Inductees at Springfield Symphony Hall.

City of Springfield, Massachusetts
Annual Comprehensive Financial Report
For the year ended June 30, 2023



The new Deberry-Swan Elementary School in Springfield.

Financial Section

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Independent Auditor's Report

To the Honorable Mayor and the City Council
City of Springfield, Massachusetts

Report on the Audit of the Financial Statements

Opinions

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, Massachusetts (City), as of and for the year ended June 30, 2023 (except for the Springfield Contributory Retirement System which is as of and for the year ended December 31, 2022), and the related notes to the financial statements, which collectively comprise the City of Springfield, Massachusetts' basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Springfield, Massachusetts, as of June 30, 2023 (except for the Springfield Contributory Retirement System which is as of and for the year ended December 31, 2022), and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Springfield Redevelopment Authority, which represents 100% of the assets, net position, and revenues of the discretely presented component unit. We did not audit the financial statements of the Springfield Empowerment Zone Partnership, Inc. and the Springfield Library Foundation, Inc., which are included as blended component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Springfield Redevelopment Authority, the Springfield Empowerment Zone Partnership, Inc., and the Springfield Library Foundation, Inc. are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Springfield Empowerment Zone Partnership, Inc. and the Springfield Library Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2023, 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.



November 27, 2023

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the City of Springfield, Massachusetts, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the City for the year ended June 30, 2023. We encourage readers to consider the information presented in this report.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP). Users of these financial statements (such as investors and rating agencies) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators, and others) can assess the financial condition of one government compared to others.

Governments must adhere to GASB pronouncements in order to issue their financial statements in conformity with GAAP. The users of financial statements also rely on the independent auditor's opinion. If the City's financial statements have significant departures from GAAP the independent auditor may issue a modified opinion or a disclaimer (where no opinion is given). These types of opinions may have an adverse effect on the City's bond rating and our ability to borrow money at favorable interest rates. The financial statements of the primary government have received an unmodified auditor's opinion.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements provide both long-term and short-term information about the City as a whole. The fund financial statements focus on the individual components of the City government, reporting the City's operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the City's accountability. An additional part of the basic financial statements are the notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of finances, in a manner similar to private-sector business.

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

The *statement of activities* presents information showing how the City's net position changed during the most recent 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 periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental

activities include general government, public safety, education, public works, health and welfare, culture and recreation, community preservation, and interest. The business-type activities consist of the City's trash collection activities.

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

The City reports the General fund and the COVID-19 grant funds as major funds, they are presented separately in the governmental fund financial statements. The remaining non-major 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.

Proprietary funds. The City maintains two types of proprietary funds.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its trash activities. The trash enterprise fund is not intended to be self-supporting and required a substantial subsidy from the general fund of \$6.2 million in 2023 and \$7.0 million in 2022.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. The City uses this fund to account for risk financing activities related to self-insured dental and eye care services, the fully insured health care plan, and a motor pool for gas and auto supplies operated by the Department of Public Works.

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

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial Highlights

- The City's government-wide assets and deferred outflows of resources were less than its liabilities and deferred inflows of resources at the close of 2023 by \$1.4 billion and \$11.4 million for governmental activities and business-type activities, respectively. These deficit balances are the result of the City's net liabilities for pensions and other postemployment benefits in the amounts of \$811.6 million and \$1.2 billion, respectively.
- At the close of the current year, the City's general fund reported an ending fund balance of \$201.6 million, an increase of \$1.5 million over the prior year. Total fund balance represents 23.3% of total general fund expenditures. Of the total, \$139.2 million is unassigned and available for appropriation at the City's discretion. The remaining portions of the general fund balance, \$62.4 million, are restricted and assigned to school funding, required reserves, and carryover encumbrances.
- During fiscal year 2023, the City incurred \$81.4 million of expenditures related to the COVID-19 Pandemic which were funded by State and Federal grants. The City has received approximately \$152.5 million of COVID-19 related grants in 2023 and 2022, \$71.0 million of which has been recorded as unearned revenue at June 30, 2023, until spending plans are finalized. The City has been awarded a total of approximately \$258 million of COVID-19 related grant funding.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Key components of the City's activities are presented on the following pages.

Governmental Activities

	2023	2022
Assets:		
Current assets.....	\$ 476,003,850	\$ 523,023,545
Noncurrent assets (excluding capital).....	14,180,884	13,343,329
Capital assets, nondepreciable.....	105,841,964	59,944,667
Capital assets, net of accumulated depreciation.....	686,803,237	689,071,055
Total assets.....	1,282,829,935	1,285,382,596
Deferred outflows of resources.....	201,046,337	227,675,180
Liabilities:		
Current liabilities (excluding debt).....	158,845,046	175,262,414
Noncurrent liabilities (excluding debt).....	2,062,541,456	2,006,506,119
Current debt.....	31,578,153	28,910,467
Noncurrent debt.....	275,505,094	294,125,193
Total liabilities.....	2,528,469,749	2,504,804,193
Deferred inflows of resources.....	392,052,712	458,150,972
Net position:		
Net investment in capital assets.....	516,822,747	485,000,570
Restricted.....	53,936,779	54,378,717
Unrestricted.....	(2,007,405,715)	(1,989,276,676)
Total net position.....	\$ (1,436,646,189)	\$ (1,449,897,389)

Governmental net position of \$516.8 million reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, and right-to-use buildings and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position of \$53.9 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* resulted in a \$2.0 billion deficit mainly relating to the cumulative effect of recording \$806.7 million of net pension liability and \$1.2 billion of net other postemployment benefit (OPEB) liability through June 30, 2023.

Net position increased by \$13.3 million in 2023 as compared to an increase of \$25.7 million in 2022. The change over the prior year is primarily the result of capital assets funded through the issuance of prior year debt, and a decrease in long-term debt and lease obligations of \$22.2 million, which were reduced by a \$23.2 million increase in the net OPEB liability and related deferred inflows and outflows of resources.

	<u>2023</u>	<u>2022</u>
Program Revenues:		
Charges for services.....	\$ 44,156,968	\$ 42,828,286
Operating grants and contributions.....	716,530,094	638,545,473
Capital grants and contributions.....	25,706,205	30,692,054
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	238,379,470	238,325,558
Tax and other liens.....	1,296,775	852,887
Motor vehicle and other excise taxes.....	11,696,066	12,217,187
Hotel/motel, meals and cannabis local option taxes.....	5,967,757	4,736,602
Community preservation tax.....	2,188,572	1,898,337
Penalties and interest on taxes.....	1,728,695	17,899,759
Payments in lieu of taxes.....	282,619	50,828
Chapter 121A - excise payments in lieu of taxes.....	17,520,063	15,706,092
Grants and contributions not restricted to specific programs.....	44,411,397	41,963,546
Unrestricted investment income.....	6,066,345	5,083,234
Total revenues.....	<u>1,115,931,026</u>	<u>1,050,799,843</u>
Expenses:		
General government.....	83,188,567	69,103,544
Public safety.....	158,256,121	139,174,958
Education.....	776,835,965	727,898,551
Public works.....	26,215,550	32,201,887
Health and welfare.....	10,733,991	11,039,317
Culture and recreation.....	27,582,352	27,233,880
Community preservation.....	752,273	1,412,572
Interest.....	12,949,414	10,121,479
Total expenses.....	<u>1,096,514,233</u>	<u>1,018,186,188</u>
Excess (Deficiency) before transfers.....	19,416,793	32,613,655
Transfers.....	<u>(6,165,593)</u>	<u>(6,958,139)</u>
Change in net position.....	13,251,200	25,655,516
Net position, beginning of year.....	<u>(1,449,897,389)</u>	<u>(1,475,552,905)</u>
Net position, end of year.....	<u><u>\$ (1,436,646,189)</u></u>	<u><u>\$ (1,449,897,389)</u></u>

Financial notes related to governmental activities:

- Charges for services represent 4% of governmental activities resources, which is consistent with the prior year. The City can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the City are included in this category.
- Operating and capital grants and contributions accounted for 66% of the governmental activities resources. Most of these resources apply to education operations. These resources offset costs within the school department in addition to their general fund operating budget.

- Property and excise type taxes are a significant revenue source for the City’s governmental activities. They comprised 25% of current resources.
- Other revenues comprised a total of 5% of the governmental activity’s resources. Other revenues consist mainly of unrestricted grants and contributions and investment income earned on the City’s deposits.
- Education is by far the largest governmental activity of the City. Approximately \$777 million in expenses were recorded in 2023. After accounting for \$683 million in program revenues, an additional \$94 million in taxes and other revenues were needed to cover its 2023 operating expenses. Approximately \$54.7 million of MTRS pension contribution made by the Commonwealth of Massachusetts on-behalf of Springfield teachers has been recorded as an expense and operating grant revenue.
- Public safety, general government, and culture and recreation were the second, third, and fourth largest activities of the City. Approximately \$139.8 million, \$21.7 million, and \$20.4 million, for public safety, general government, and culture and recreation, respectively, of taxes and other revenues were needed to cover their 2023 operating expenses.

Business-type Activities

Business-type activities decreased the City’s net position by \$130,000 during 2023. These activities consist of the Trash enterprise fund.

	2023	2022
Assets:		
Current assets.....	\$ 3,413,405	\$ 3,919,898
Deferred outflows of resources.....	1,330,337	1,528,011
Liabilities:		
Current liabilities (excluding debt).....	119,177	625,834
Noncurrent liabilities (excluding debt).....	13,366,763	13,023,318
Total liabilities.....	13,485,940	13,649,152
Deferred inflows of resources.....	2,639,200	3,049,939
Net position:		
Unrestricted.....	\$ <u>(11,381,398)</u>	\$ <u>(11,251,182)</u>

Trash fund business-type activities assets and deferred outflows of resources were less than liabilities and deferred inflows by \$11.4 million at the close of 2023. The general fund subsidized the activities in the amount of \$6.2 million and \$7.0 million in 2023 and 2022, respectively.

The increase in trash fund expenses relates to the change in the net OPEB liability and the related deferrals. During 2022, there was a significant decrease in the net OPEB liability, which decreased the expense by \$2.1 million, while in 2023, the net impact was a \$159,000 increase in expense. Operating expenses were consistent.

	<u>2023</u>	<u>2022</u>
Program Revenues:		
Charges for services.....	\$ 5,416,607	\$ 5,219,113
Expenses:		
Trash.....	<u>11,712,416</u>	<u>9,397,126</u>
Excess (Deficiency) before transfers.....	(6,295,809)	(4,178,013)
Transfers.....	<u>6,165,593</u>	<u>6,958,139</u>
Change in net position.....	(130,216)	2,780,126
Net position, beginning of year.....	<u>(11,251,182)</u>	<u>(14,031,308)</u>
Net position, end of year.....	\$ <u>(11,381,398)</u>	\$ <u>(11,251,182)</u>

Financial Analysis of the Government's Funds

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

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

As of the end of the current year, governmental funds reported combined ending fund balances of \$303.9 million, a decrease of \$34.6 million from the prior year. The overall decrease is primarily due to expenditures of long-term debt issued in 2022, within the capital project nonmajor funds. This decrease was slightly reduced by the results of operations in the general fund and from investment earnings in the major Covid-19 grant fund.

General Fund

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was \$139.2 million, while total fund balance was \$201.6 million. 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 approximately 16.0% of total general fund expenditures, while total fund balance represents approximately 23.3% of that same amount. The general fund increased by \$1.5 million from the prior year, primarily from excess interest earnings in the general fund and stabilization funds.

COVID-19 Grant Fund

The COVID-19 grant fund is a special revenue fund used to account for the reimbursable expenditures related to the COVID-19 pandemic. The fund expended \$81.4 million largely on salaries and wages, merit pay, supplies, building improvements and professional services. The City received an additional \$60.9 million of grant funds during the year and at year end \$71.0 million was recorded as unearned revenue. The fund also earned \$1.4 million of investment income during the year.

General Fund Budgetary Highlights

The City of Springfield adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. The final budget included \$916.1 million of appropriations and included the use of free cash of \$66.3 million.

The original budget was increased \$13.4 million (2%) mainly for public safety and educational expenditures, and approximately \$46.0 million for transfers out to stabilization funds, capital project and debt service funds, and OPEB.

Actual revenues were greater than budgeted revenues by \$2.5 million mainly from departmental receipts exceeding budget by \$3.5 million, and investment income exceeded budget by \$3.4 million. Actual expenditures, including carryovers, were less than budgeted amounts by \$13.9 million. The City carried over \$53.9 million in appropriations to 2024, the majority of which related to the school department.

Capital Asset and Debt Administration

During 2023, the City made \$17.7 million of scheduled principal payments on long-term debt, and did not issue any new long-term debt. Outstanding long-term debt of the general government, as of June 30, 2023, totaled approximately \$231.1 million, including unamortized premiums of \$11.6 million.

The City entered into leases totaling \$8.8 million during fiscal year 2023 for computers and a copy center. The City recorded the associated right to use assets.

Major capital assets are funded for the most part by the issuance of long-term debt or grant reimbursements. The City capitalized a total of \$109.2 million of expenditures during 2023. These expenditures were incurred for numerous City-wide projects including school building improvements across the school district, the Deberry Elementary school, road improvements and paving, and various vehicles and machinery and equipment for public safety and public works purposes. The right to use assets were included in the current year additions.

Please refer to notes 4, 6, 7, and 8 to the financial statements for further discussion of the major capital asset and debt activity.

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 Chief Administrative and Financial Officer or the City Comptroller at 36 Court Street, Springfield, MA 01103.

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Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Springfield Redevelopment Authority
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 357,124,336	\$ 1,820,793	\$ 358,945,129	\$ 2,248,629
Restricted cash and cash equivalents.....	-	-	-	2,239,818
Investments.....	74,411,383	-	74,411,383	-
Beneficial interest in trusts.....	10,153,627	-	10,153,627	-
Receivables, net of allowance for uncollectibles:				
Real estate and personal property taxes.....	6,150,335	-	6,150,335	-
Tax liens.....	2,128,822	271,666	2,400,488	-
Community preservation fund surtax.....	2,959	-	2,959	-
Motor vehicle excise taxes.....	2,398,100	-	2,398,100	-
User charges.....	-	1,320,946	1,320,946	-
Departmental and other.....	3,072,502	-	3,072,502	-
Intergovernmental.....	17,544,680	-	17,544,680	251,382
Community preservation state share.....	392,000	-	392,000	-
Loans.....	612,000	-	612,000	-
Leases.....	-	-	-	800,089
Tax foreclosures.....	1,882,309	-	1,882,309	-
Working capital deposit.....	100,000	-	100,000	-
Other assets.....	30,797	-	30,797	144,956
Total current assets.....	476,003,850	3,413,405	479,417,255	5,684,874
NONCURRENT:				
Restricted Investments held by custodian.....	12,691,526	-	12,691,526	-
Receivables, net of allowance for uncollectibles:				
Intergovernmental.....	84,330	-	84,330	-
Loans.....	1,405,028	-	1,405,028	-
Leases.....	-	-	-	8,592,910
Capital assets, nondepreciable.....	105,841,964	-	105,841,964	1,733,917
Capital assets, net of accumulated depreciation.....	686,803,237	-	686,803,237	80,359,305
Total noncurrent assets.....	806,826,085	-	806,826,085	90,686,132
TOTAL ASSETS.....	1,282,829,935	3,413,405	1,286,243,340	96,371,006
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions.....	59,831,866	361,158	60,193,024	-
Deferred outflows related to other postemployment benefits.....	141,214,471	969,179	142,183,650	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	201,046,337	1,330,337	202,376,674	-
LIABILITIES				
CURRENT:				
Warrants payable.....	16,558,445	49,736	16,608,181	206,227
Accrued unemployment liability.....	139,000	-	139,000	-
Accrued payroll.....	32,821,447	69,441	32,890,888	-
Health claims payable.....	183,234	-	183,234	-
Tax refunds payable.....	9,711,160	-	9,711,160	-
Due to granting agencies.....	612,000	-	612,000	-
Accrued interest.....	2,399,111	-	2,399,111	-
Other liabilities.....	8,869,542	-	8,869,542	255,463
Unearned revenue.....	71,011,588	-	71,011,588	-
Claims and judgments.....	2,732,500	-	2,732,500	-
Right to use lease liability.....	10,750,987	-	10,750,987	-
Landfill closure.....	30,000	-	30,000	-
Compensated absences.....	12,530,019	-	12,530,019	-
Workers' compensation.....	1,247,000	-	1,247,000	-
Notes payable.....	6,267,949	-	6,267,949	851,208
Long-term debt payable.....	14,559,217	-	14,559,217	-
Total current liabilities.....	190,423,199	119,177	190,542,376	1,312,898

(Continued)

STATEMENT OF NET POSITION

JUNE 30, 2023

	<i>Primary Government</i>			<i>Component Unit</i>
	Governmental Activities	Business-type Activities	Total	Springfield Redevelopment Authority
LIABILITIES CONTINUED				
NONCURRENT:				
Due to granting agencies.....	990,000	-	990,000	-
Right to use lease liability.....	58,963,634	-	58,963,634	-
Landfill closure.....	1,650,000	-	1,650,000	-
Compensated absences.....	12,181,234	-	12,181,234	-
Workers' compensation.....	2,910,000	-	2,910,000	-
Net pension liability.....	806,722,360	4,869,552	811,591,912	-
Net other postemployment benefits liability.....	1,238,087,862	8,497,211	1,246,585,073	-
Notes payable.....	-	-	-	180,000
Long-term debt payable.....	216,541,460	-	216,541,460	-
Total noncurrent liabilities.....	2,338,046,550	13,366,763	2,351,413,313	180,000
TOTAL LIABILITIES.....	2,528,469,749	13,485,940	2,541,955,689	1,492,898
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to beneficial interests.....	5,913,413	-	5,913,413	-
Deferred inflows related to leases.....	-	-	-	9,392,999
Deferred inflows related to pensions.....	13,229,368	79,855	13,309,223	-
Deferred inflows related to other postemployment benefits.....	372,909,931	2,559,345	375,469,276	-
TOTAL DEFERRED INFLOWS OF RESOURCES.....	392,052,712	2,639,200	394,691,912	9,392,999
NET POSITION				
Net investment in capital assets.....	516,822,747	-	516,822,747	81,242,014
Restricted for:				
Chapter 656 reserve.....	8,565,926	-	8,565,926	-
Debt service.....	12,691,526	-	12,691,526	-
Loans.....	415,028	-	415,028	-
Permanent funds:				
Expendable.....	10,565,735	-	10,565,735	-
Nonexpendable.....	4,240,214	-	4,240,214	-
Gifts and grants.....	8,274,502	-	8,274,502	1,009,709
Community preservation.....	9,183,848	-	9,183,848	-
Unrestricted.....	(2,007,405,715)	(11,381,398)	(2,018,787,113)	3,233,386
TOTAL NET POSITION.....	\$ (1,436,646,189)	\$ (11,381,398)	\$ (1,448,027,587)	\$ 85,485,109

(Concluded)

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 83,188,567	\$ 12,748,447	\$ 48,477,305	\$ 293,636	\$ (21,669,179)
Public safety.....	158,256,121	13,077,776	5,420,657	-	(139,757,688)
Education.....	776,835,965	13,031,908	650,883,175	18,843,498	(94,077,384)
Public works.....	26,215,550	273,225	616,210	6,569,071	(18,757,044)
Health and welfare.....	10,733,991	1,503,706	5,561,053	-	(3,669,232)
Culture and recreation.....	27,582,352	3,520,906	3,657,939	-	(20,403,507)
Community preservation.....	752,273	1,000	538,180	-	(213,093)
Interest.....	12,949,414	-	1,375,575	-	(11,573,839)
Total Governmental Activities.....	1,096,514,233	44,156,968	716,530,094	25,706,205	(310,120,966)
<i>Business-Type Activities:</i>					
Trash.....	11,712,416	5,416,607	-	-	(6,295,809)
Total Primary Government.....	\$ 1,108,226,649	\$ 49,573,575	\$ 716,530,094	\$ 25,706,205	\$ (316,416,775)
Component Unit:					
Springfield Redevelopment Authority.....	\$ 7,852,458	\$ 5,427,750	\$ 1,657,023	\$ -	\$ (767,685)

(Continued)

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Springfield Redevelopment Authority
Changes in net position:				
Net (expense) revenue from previous page.....	\$ (310,120,966)	\$ (6,295,809)	\$ (316,416,775)	\$ (767,685)
<i>General revenues:</i>				
Real estate and personal property taxes, net of tax refunds payable.....	238,379,470	-	238,379,470	-
Tax and other liens.....	1,296,775	-	1,296,775	-
Motor vehicle and other excise taxes.....	11,696,066	-	11,696,066	-
Hotel/motel, meals and cannabis local option taxes.....	5,967,757	-	5,967,757	-
Community preservation tax.....	2,188,572	-	2,188,572	-
Penalties and interest on taxes.....	1,728,695	-	1,728,695	-
Payments in lieu of taxes.....	282,619	-	282,619	-
Chapter 121A - excise payments in lieu of taxes.....	17,520,063	-	17,520,063	-
Grants and contributions not restricted to specific programs.....	44,411,397	-	44,411,397	-
Unrestricted investment income.....	6,066,345	-	6,066,345	37,931
<i>Transfers, net</i>	(6,165,593)	6,165,593	-	-
Total general revenues and transfers.....	<u>323,372,166</u>	<u>6,165,593</u>	<u>329,537,759</u>	<u>37,931</u>
Change in net position.....	13,251,200	(130,216)	13,120,984	(729,754)
<i>Net position:</i>				
Beginning of year.....	(1,449,897,389)	(11,251,182)	(1,461,148,571)	86,214,863
End of year.....	\$ <u>(1,436,646,189)</u>	\$ <u>(11,381,398)</u>	\$ <u>(1,448,027,587)</u>	\$ <u>85,485,109</u>

(Concluded)

See notes to basic financial statements.

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2023

	General	COVID-19 Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents.....	\$ 170,473,479	\$ 75,030,619	\$ 94,660,971	\$ 340,165,069
Investments.....	66,783,412	-	7,627,971	74,411,383
Beneficial interest in trusts.....	-	-	10,153,627	10,153,627
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	6,150,335	-	-	6,150,335
Tax liens.....	2,114,930	-	13,892	2,128,822
Community preservation fund surtax.....	-	-	2,959	2,959
Motor vehicle excise taxes.....	2,398,100	-	-	2,398,100
Departmental and other.....	1,700,132	-	1,319,553	3,019,685
Intergovernmental - other.....	1,016,913	-	16,612,097	17,629,010
Community preservation state share.....	-	-	392,000	392,000
Loans.....	-	-	2,017,028	2,017,028
Tax foreclosures.....	1,882,309	-	-	1,882,309
Due from other funds.....	3,639,574	-	-	3,639,574
Working capital deposit.....	100,000	-	-	100,000
Other assets.....	-	-	30,797	30,797
Restricted assets:				
Investments held by custodian.....	-	-	12,691,526	12,691,526
TOTAL ASSETS.....	\$ 256,259,184	\$ 75,030,619	\$ 145,522,421	\$ 476,812,224
LIABILITIES				
Warrants payable.....	\$ 2,276,022	\$ 1,080,619	\$ 13,201,804	\$ 16,558,445
Accrued unemployment liability.....	40,000	-	-	40,000
Accrued payroll.....	26,368,590	1,330,545	2,138,198	29,837,333
Tax refunds payable.....	9,707,341	-	3,819	9,711,160
Due to other funds.....	-	-	3,639,574	3,639,574
Due to granting agencies.....	-	-	1,602,000	1,602,000
Other liabilities.....	3,181,877	-	5,687,665	8,869,542
Unearned revenue.....	-	71,011,588	-	71,011,588
Notes payable.....	-	-	6,267,949	6,267,949
TOTAL LIABILITIES.....	41,573,830	73,422,752	32,541,009	147,537,591
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue.....	13,082,314	-	6,337,579	19,419,893
Beneficial interest in trusts.....	-	-	5,913,413	5,913,413
TOTAL DEFERRED INFLOWS OF RESOURCES.....	13,082,314	-	12,250,992	25,333,306
FUND BALANCES				
Nonspendable.....	-	-	4,240,214	4,240,214
Restricted.....	57,979,650	1,607,867	97,210,074	156,797,591
Assigned.....	4,438,326	-	-	4,438,326
Unassigned.....	139,185,064	-	(719,868)	138,465,196
TOTAL FUND BALANCES.....	201,603,040	1,607,867	100,730,420	303,941,327
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 256,259,184	\$ 75,030,619	\$ 145,522,421	\$ 476,812,224

See notes to basic financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION**

JUNE 30, 2023

Total governmental fund balances.....	\$	303,941,327
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		792,645,201
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		19,419,893
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not reported.....		(185,092,962)
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....		13,844,736
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(2,399,111)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Long-term debt payable.....		(231,100,677)
Net pension liability.....		(806,722,360)
Net other postemployment benefits liability.....		(1,238,087,862)
Landfill closure.....		(1,680,000)
Accrued unemployment liability.....		(99,000)
Claims and judgments.....		(2,732,500)
Right to use lease liabilities.....		(69,714,621)
Workers' compensation.....		(4,157,000)
Compensated absences.....		(24,711,253)
Net effect of reporting long-term liabilities.....		<u>(2,379,005,273)</u>
Net position of governmental activities.....	\$	<u>(1,436,646,189)</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

	General	COVID-19 Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ 238,347,187	\$ -	\$ -	\$ 238,347,187
Tax liens.....	1,008,824	-	4,748	1,013,572
Motor vehicle and other excise taxes.....	12,102,591	-	-	12,102,591
Hotel/motel, meals and cannabis local option taxes.....	5,967,757	-	-	5,967,757
Charges for services.....	8,031,358	-	2,040,523	10,071,881
Penalties and interest on taxes.....	1,722,963	-	5,732	1,728,695
Payments in lieu of taxes.....	282,619	-	-	282,619
Chapter 121A - excise payments in lieu of taxes.....	17,520,063	-	-	17,520,063
Licenses and permits.....	7,878,535	-	-	7,878,535
Fines and forfeitures.....	2,102,178	-	17,200	2,119,378
Intergovernmental - state aid.....	502,138,499	-	-	502,138,499
Intergovernmental - Teachers Retirement.....	54,725,607	-	-	54,725,607
Intergovernmental - other.....	-	81,442,695	133,634,789	215,077,484
Departmental and other.....	13,800,825	-	15,721,819	29,522,644
Community preservation taxes.....	-	-	2,191,518	2,191,518
Contributions and donations.....	-	-	8,085,216	8,085,216
Investment income/(loss).....	6,177,633	1,403,613	(1,623,933)	5,957,313
TOTAL REVENUES.....	871,806,639	82,846,308	160,077,612	1,114,730,559
EXPENDITURES:				
Current:				
General government.....	29,738,790	15,994,033	27,178,489	72,911,312
Public safety.....	89,470,575	1,359,708	15,582,220	106,412,503
Education.....	524,015,587	64,061,296	135,250,214	723,327,097
Public works.....	10,785,674	17,850	15,517,113	26,320,637
Health and welfare.....	3,079,735	9,808	5,488,506	8,578,049
Culture and recreation.....	14,723,354	-	5,068,702	19,792,056
Community preservation.....	-	-	1,007,862	1,007,862
Pension benefits - non school.....	56,373,791	-	-	56,373,791
Pension benefits - Teachers Retirement.....	54,725,607	-	-	54,725,607
Employee fringe benefits - non school.....	35,353,687	-	-	35,353,687
Claims and judgments.....	575,455	-	-	575,455
State and county charges.....	3,853,123	-	-	3,853,123
Debt service:				
Principal.....	17,675,000	-	-	17,675,000
Interest.....	9,033,577	-	-	9,033,577
Principal payments on right to use leases.....	11,972,435	-	-	11,972,435
Interest payments on right to use leases.....	4,027,329	-	-	4,027,329
TOTAL EXPENDITURES.....	865,403,719	81,442,695	205,093,106	1,151,939,520
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	6,402,920	1,403,613	(45,015,494)	(37,208,961)
OTHER FINANCING SOURCES (USES):				
Lease financing.....	8,802,648	-	-	8,802,648
Transfers in.....	237,000	-	7,759,118	7,996,118
Transfers out.....	(13,924,711)	-	(237,000)	(14,161,711)
TOTAL OTHER FINANCING SOURCES (USES).....	(4,885,063)	-	7,522,118	2,637,055
NET CHANGE IN FUND BALANCES.....	1,517,857	1,403,613	(37,493,376)	(34,571,906)
FUND BALANCES AT BEGINNING OF YEAR.....	200,085,183	204,254	138,223,796	338,513,233
FUND BALANCES AT END OF YEAR.....	\$ 201,603,040	\$ 1,607,867	\$ 100,730,420	\$ 303,941,327

See notes to basic financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds.....		\$ (34,571,906)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay.....	109,233,399	
Depreciation expense.....	<u>(65,603,920)</u>	
Net effect of reporting capital assets.....		43,629,479
<p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....</p>		
		(284,140)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.</p>		
Principal payments on right to use leases.....	11,972,435	
Right to use lease financing.....	(8,802,648)	
Net amortization of premium from issuance of debt.....	1,375,575	
Debt service principal payments.....	<u>17,675,000</u>	
Net effect of reporting long-term debt.....		22,220,362
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....	(227,485)	
Net change in unemployment liability accrual.....	(52,000)	
Net change in accrued interest on long-term debt.....	111,492	
Net change in deferred outflow/(inflow) of resources related to pensions.....	71,683,933	
Net change in net pension liability.....	(66,888,219)	
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits.....	(32,001,915)	
Net change in net other postemployment benefits liability.....	8,786,998	
Net change in workers' compensation liability.....	<u>673,000</u>	
Net effect of recording long-term liabilities.....		(17,914,196)
The net activity of internal service funds is reported with Governmental Activities.....		<u>171,601</u>
Change in net position of governmental activities.....		\$ <u><u>13,251,200</u></u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2023

	Business-type Activities - Trash Enterprise Fund	Governmental Activities - Internal Service Fund
	<u>Fund</u>	<u>Fund</u>
ASSETS		
CURRENT:		
Cash and cash equivalents.....	\$ 1,820,793	\$ 16,959,267
Receivables:		
User charges.....	1,320,946	-
Liens - user charges.....	271,666	-
Departmental and other.....	-	52,817
	<u>3,413,405</u>	<u>17,012,084</u>
TOTAL ASSETS.....		
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions.....	361,158	-
Deferred outflows related to other postemployment benefits.....	969,179	-
	<u>1,330,337</u>	<u>-</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....		
LIABILITIES		
CURRENT:		
Warrants payable.....	49,736	-
Accrued payroll and withholdings.....	69,441	2,984,114
Health claims payable.....	-	183,234
	<u>119,177</u>	<u>3,167,348</u>
Total current liabilities.....		
NONCURRENT:		
Net pension liability.....	4,869,552	-
Net other postemployment benefits liability.....	8,497,211	-
	<u>13,366,763</u>	<u>-</u>
Total noncurrent liabilities.....		
TOTAL LIABILITIES.....	<u>13,485,940</u>	<u>3,167,348</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions.....	79,855	-
Deferred inflows related to other postemployment benefits.....	2,559,345	-
	<u>2,639,200</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES.....		
NET POSITION		
Unrestricted.....	\$ <u>(11,381,398)</u>	\$ <u>13,844,736</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

	Business-type Activities - Trash Enterprise Fund	Governmental Activities - Internal Service Fund
OPERATING REVENUES:		
Charges for services.....	\$ 5,416,607	\$ 1,877,084
Employee contributions.....	-	24,867,383
Employer contributions.....	-	77,137,851
TOTAL OPERATING REVENUES	5,416,607	103,882,318
OPERATING EXPENSES:		
Cost of services and administration.....	11,712,416	2,026,442
Employee benefits.....	-	101,793,307
TOTAL OPERATING EXPENSES.....	11,712,416	103,819,749
OPERATING INCOME (LOSS).....	(6,295,809)	62,569
NONOPERATING REVENUES (EXPENSES):		
Investment income.....	-	109,032
INCOME (LOSS) BEFORE TRANSFERS.....	(6,295,809)	171,601
TRANSFERS:		
Transfers in.....	6,165,593	-
CHANGE IN NET POSITION.....	(130,216)	171,601
NET POSITION AT BEGINNING OF YEAR.....	(11,251,182)	13,673,135
NET POSITION AT END OF YEAR.....	\$ (11,381,398)	\$ 13,844,736

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023

	Business-type Activities - Trash Enterprise Fund	Governmental Activities - Internal Service Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Receipts from customers and users.....	\$ 5,269,916	\$ 25,010,644
Receipts from interfund services provided.....	-	78,998,546
Payments to vendors.....	(8,839,991)	-
Payments to employees.....	(3,248,702)	-
Payments for interfund services used.....	-	(103,820,139)
NET CASH FROM OPERATING ACTIVITIES.....	(6,818,777)	189,051
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>		
Transfers in.....	6,165,593	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Investment income.....	-	109,032
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(653,184)	298,083
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	2,473,977	16,661,184
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 1,820,793	\$ 16,959,267
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>		
<u>FROM OPERATING ACTIVITIES:</u>		
Operating income (loss).....	\$ (6,295,809)	\$ 62,569
Adjustments to reconcile operating income to net cash from operating activities:		
Deferred (outflows)/inflows related to pensions.....	(432,700)	-
Deferred (outflows)/inflows related to other postemployment benefits.....	219,635	-
Changes in assets and liabilities:		
Liens - user charges.....	(50,586)	-
User charges.....	(96,105)	-
Departmental and other.....	-	(16,389)
Warrants payable.....	(465,594)	-
Accrued payroll.....	(41,063)	143,261
Health claims payable.....	-	(390)
Net pension liability.....	403,752	-
Net other postemployment benefits liability.....	(60,307)	-
Total adjustments.....	(522,968)	126,482
NET CASH FROM OPERATING ACTIVITIES.....	\$ (6,818,777)	\$ 189,051

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2023

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Fund
ASSETS		
Cash and cash equivalents.....	\$ 12,107,255	\$ 292,816
Investments:		
Investments in Pension Reserve Investment Trust.....	506,686,468	-
Corporate bonds.....	1,494,640	-
Equity securities.....	1,152,479	-
Fixed income mutual funds.....	747,819	-
Alternative investments.....	60,719	-
Receivables, net of allowance for uncollectibles:		
Member make-up payments and other.....	197,954	-
TOTAL ASSETS.....	522,447,334	292,816
LIABILITIES		
Warrants payable.....	20,153	-
NET POSITION		
Restricted for pensions.....	509,425,522	-
Restricted for other postemployment benefits.....	13,001,659	-
Held in trust for other purposes.....	-	292,816
TOTAL NET POSITION.....	522,427,181	292,816

(1) The Pension Trust Fund is as of December 31, 2022.

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2023

	Pension and Other Employee Benefit Trust Funds (1)	Private Purpose Trust Fund
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 99,899,370	\$ -
Employer contributions for other postemployment benefit payments.....	33,669,549	-
Member contributions.....	18,699,386	-
Transfers from other systems.....	570,570	-
3(8)c contributions from other systems.....	972,429	-
State COLA reimbursements.....	332,479	-
Member makeup payments and redeposits.....	132,469	-
Reimbursement of 91A overearnings.....	78,103	-
Other receipts.....	42,949	-
Total contributions.....	154,397,304	-
Net investment income (loss):		
Investment income (loss).....	16,460,956	15,681
Net change in fair value of investments.....	(74,198,775)	-
Less: investment expense.....	(2,569,194)	-
Net investment income (loss).....	(60,307,013)	15,681
TOTAL ADDITIONS.....	94,090,291	15,681
DEDUCTIONS:		
Administration.....	892,877	-
Transfers to other systems.....	1,722,900	-
3(8)c transfer to other systems.....	2,732,827	-
Retirement benefits and refunds.....	89,979,545	-
Other postemployment benefit payments.....	33,669,549	-
Educational scholarships.....	-	35,522
TOTAL DEDUCTIONS.....	128,997,698	35,522
NET INCREASE (DECREASE) IN NET POSITION.....	(34,907,407)	(19,841)
NET POSITION AT BEGINNING OF YEAR.....	557,334,588	312,657
NET POSITION AT END OF YEAR.....	\$ 522,427,181	\$ 292,816

(1) The Pension Trust Fund is for the year ended December 31, 2022.

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the City of Springfield, Massachusetts (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant City accounting policies are described herein.

A. Reporting Entity

The City is a municipal corporation governed by its Massachusetts Plan A charter, by which voters elect a "strong" Mayor with broad powers to supervise City departments and to appoint their managers. A thirteen-member City Council, consisting of five members elected at large and one from each of the eight wards serves as a representative legislature.

For financial reporting purposes, the City has included all funds, organizations, agencies, boards, commissions and institutions. The City has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the City (the primary government) and its component units. Four entities have been included as component units in the reporting entity because of the significance of their operational and financial relationships.

Blended Component Units – Blended component units are entities that are legally separate from the City, but in management's professional judgment should be included in the reporting entity because, due to their close relationship with the City, their exclusion would render the financial statements misleading or incomplete. The City has included the following blended component units because they provide services entirely, or almost entirely, to the City of Springfield.

- (1) The Springfield Empowerment Zone Partnership, Inc. is a Massachusetts not-for-profit corporation. The Partnership is a groundbreaking voluntary partnership of the Springfield Public Schools, the Massachusetts Department of Elementary and Secondary Education, and the Springfield Education Association aimed at rapidly improving outcomes for a majority of Springfield's middle school students.

The Partnership oversees the planning, budgeting, and day-to-day operations of certain schools of the Springfield Public School System and is driving school improvement by empowering the Schools' principals and their teams. The Schools' personnel remain employees of the School System and funding is provided by the School System.

- (2) The Springfield Library Foundation, Inc. is a not-for-profit organization which is responsible for custody and investment of Springfield City Library's Trust funds and endowments. It manages and disburses investment earnings and contributions for the benefit of the Springfield City Library System.

Blended Component Unit Presented as a Fiduciary Fund – The following component unit is presented as a Fiduciary Fund of the primary government due to the nature and significance of the relationship between the City and the component unit.

- (3) The Springfield Contributory Retirement System (the System) was established to provide retirement benefits to City employees, the Springfield Housing Authority employees, the Springfield Water and Sewer Commission employees, and their beneficiaries. The System is governed by a five-member

board comprised of the City Comptroller (ex-officio), two members elected by the System's membership, one member appointed by the System's four other Board members, and one member appointed by the City's Mayor. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements.

Discretely Presented Component Unit – Discretely presented component units are entities that are legally separate from the City, but are financially accountable to the City, or whose relationships with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The City has included the following Discretely Presented Component Unit because it is fiscally dependent on the City and the nature and significance of their relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete:

- (4) The Springfield Redevelopment Authority (SRA) was chartered by the Commonwealth of Massachusetts in 1960 and is governed by Chapter 121B of the Massachusetts General Laws. The Authority was formed to conduct Springfield urban renewal projects and to redevelop its downtown. The SRA is governed by a five-member board, of which four members are appointed by the Mayor. The City periodically provides financial support to the SRA when needed.

Related Organizations

Water and Sewer Commission

The Mayor has the responsibility, with the approval of the City Council, to appoint the three-member Board of Commissioners for the Springfield Water and Sewer Commission, Inc., however, the City's accountability for this organization does not extend beyond making these appointments.

Springfield Museums Corporation

The Springfield Museums Corporation (SMC) is a private nonprofit education association which holds and cares for collections of many different kinds of materials, objects and artifacts, makes them accessible and promotes their use for educational, recreational, and informational purposes by the residents of Greater Springfield and Western New England. The Corporation receives a significant portion of its operating income through a lease with the City of Springfield, whereby the City operates general library services using a building owned by the Corporation as its central library building.

Availability of Financial Information for Component Units

The Springfield Empowerment Zone Partnership, Inc. issues a separately audited financial statement. That report may be obtained by contacting the Partnership located at 1500 Main Street, P.O. Box 15331, Springfield, MA 01103.

The Springfield Library Foundation, Inc. issues a separately audited financial statement. That report may be obtained by contacting the Foundation located at 220 State Street, Springfield, MA 01103.

The Retirement System issues a separately audited financial statement. That report may be obtained by contacting the System located at 70 Tapley Street, Springfield, MA 01104, or via the internet at <http://www.springfieldretirement.com>.

The Springfield Redevelopment Authority issues a separate audited financial report. That report may be obtained by contacting the SRA located at 70 Tapley Street, Springfield, MA 01104.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units.

Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds 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. Nonmajor funds are aggregated and displayed in a single column.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Internal service funds and fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal 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.

The statement of activities demonstrates the degree to which the direct expenses of a particular 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 the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when the related fund 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions for leases are reported as other financing sources.

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *COVID-19 grants fund* is a special revenue fund. It is used to account for the grant funds and expenditures incurred due to the COVID-19 Pandemic.

The nonmajor governmental funds consist of other special revenue, capital projects, debt service, and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than permanent funds, debt service, or capital projects.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

The *permanent fund* is used to account for and report financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following proprietary funds are reported:

The *trash enterprise fund* is used to account for the City's trash collection and disposal activities.

The *internal service fund* is used to account for the financing of services provided by one department to other departments or governmental units. This fund is used to account for risk financing activities related to the remaining self-insured dental and eye care services, the fully insured health care plan, and a motor pool for gas and auto supplies operated by the Department of Public Works.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

The *pension and other employee benefit trust fund* is used to account for the activities of the Retirement System and the City's defined benefit healthcare plan, which accumulate resources to provide pension and OPEB benefits to eligible retirees and their beneficiaries.

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and

trustee policies only allow the trustees to authorize spending of the realized investment earnings. The City's educational scholarship trusts are accounted for in this fund.

D. Cash and Investments

Government-Wide and Fund Financial Statements

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

Investments are carried at fair value. The fair values were determined by the closing price for those securities traded on national stock exchanges and at an average bid-and-asked quotation for those securities traded in the over-the-counter market.

E. Fair Value Measurements

The City reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the City's financial instruments, see Note 2.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st, and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate tax liens are processed on delinquent properties and are recorded as receivables in the year they are processed. Real estate receivables that are secured via the tax lien process are considered more likely to be collected. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Personal property taxes cannot be secured through the lien process. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Motor Vehicle Excise

Motor vehicle excise taxes are assessed annually for each vehicle registered in the City and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Intergovernmental

The City has entered into a school construction grant program, which is administered by the Massachusetts School Building Authority (MSBA), which is an agency of the Commonwealth of Massachusetts. Under the terms of the program, the MSBA establishes a maximum reimbursement amount, stated as a percentage of total eligible constructions costs, that the City can expect to receive over the life of the grant. The City receives grant reimbursements over time as construction costs are incurred subject to the City submitted reimbursement requests to the MSBA.

The City also participates in various federal and state grants for operating and capital purposes. These grants are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred, and all other grant requirements are met. These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Departmental and Other

Departmental and loan receivables are recorded as receivables in the year the revenue is earned. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

G. Inventories

Government-Wide and Fund Financial Statements

Inventories are recorded as expenditures/expenses at the time of purchase. Such inventories are not material in total to the government-wide and fund based financial statements, and therefore are not reported.

H. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, including land, construction in process, land improvements, buildings and improvements, machinery and equipment, and infrastructure, are reported in the applicable governmental or business-type activity column of the government-wide financial statements, and in the proprietary fund financial statements, where applicable. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Intangible Right-to-use leased assets are recorded at the net present value of non-cancellable lease payments at inception. Donated capital assets (including works of art) and assets acquired under a service concession agreement are recorded at acquisition value.

All purchases and construction costs in excess of \$50,000 are capitalized at the date of acquisition or construction with expected useful lives of greater than one year. Capital assets (excluding land and construction in process) are depreciated on a straight-line basis. The estimated useful lives of capital assets being depreciated are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Buildings.....	40
Buildings and improvements.....	20
Right-to-use leased buildings.....	20 - 40
Machinery and equipment.....	5 - 10
Right-to-use leased machinery and equipment...	5 - 10
Vehicles.....	5 - 10
Infrastructure.....	40 - 100

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the year of the purchase.

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has reported deferred outflows of resources related to OPEB and pensions in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has reported deferred inflows of resources related to beneficial interests, leases, OPEB and pensions in this category.

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents assets that have been recorded in the governmental fund financial statements, but the revenue is not available and so will not be recognized as an inflow of resources (revenue) until it becomes available. The City has recorded unavailable revenue and beneficial interests in trusts as deferred inflows of resources in the governmental funds balance sheet.

J. Unearned and Unavailable Revenue

Unearned revenue at the government-wide and fund financial statement level represents resources that have been received, but not yet earned.

Fund Financial Statements

Unavailable revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting, i.e., receivables that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

K. Net Position Flow Assumption

Government-Wide Financial Statements (Net Position)

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

L. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as "internal balances".

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

M. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

Government-Wide Financial Statements

Transfers between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers, net".

Fund Financial Statements

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in and transfers out.

N. Net Position and Fund Equity*Government-Wide Financial Statements (Net Position)*

Net position is reported as restricted when amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position reported as "net investment in capital assets" includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets. Outstanding debt related to future reimbursements from the state's school building program is not considered to be capital related debt.

Net position has been "restricted for" the following:

"Chapter 656 Reserve"; An Act relative to reorganization of the financial management structure of the City of Springfield" requires the City to raise an amount equal to 1% of the prior year's gross amounts to be raised. The City may reduce this amount by any funds remaining in the reserve from the prior year. Expenditures may be made for extraordinary and unforeseen expenses as determined by the Mayor with the approval of the City Council.

"Debt service" represents required sinking fund payment and the accumulation of funds for the retirement of long-term debt.

“Loans” represents the City’s Community Development outstanding loans receivable balances, net of the amounts due back to granting agencies.

“Permanent funds – expendable” represents the amount of realized and unrealized investment earnings of donor restricted trusts. The donor restrictions and trustee policies only allow the trustees to approve spending of the realized investment earnings that support governmental programs.

“Permanent Funds – nonexpendable” represents the endowment portion of donor restricted trusts that support governmental programs.

“Grants and gifts” represents amounts held for school and other grants, as well as gift funds.

“Community preservation” represents amounts held for uses restricted by law for community preservation purposes.

Fund Financial Statements (Fund Balances)

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. A City Council vote to approve a Council Order submitted by the Mayor is the highest level of decision-making authority that can commit funds for a specific purpose. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a Council Order vote is taken to rescind the commitment.

“Assigned” fund balance includes amounts that are constrained by the City’s intent to be used for specific purposes but are neither restricted nor committed. The City’s comptroller is authorized to assign fund balance. Funds are assigned when the City has an obligation to purchase goods or services from the current years’ appropriation. Assignments generally only exist temporarily. Additional action does not have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount.

Sometimes the City will fund outlays for a particular purpose from different components of fund balance. In order to calculate the amounts to report as restricted, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. When different components of fund balance can be used for the same purpose, it is the City’s policy to consider restricted fund balance to have been depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

O. Long-term Debt

Government-Wide and Proprietary Fund Financial Statements

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

P. Intangible Right-to-Use Lease Liabilities

Government-Wide and Proprietary Fund Financial Statements

Intangible Right-to-Use Lease liabilities are reported at the present value of their future minimum lease payments. Lease payments are reported as reductions of the lease liability and as interest expense during the lease term.

Governmental Fund Financial Statements

The present value of the future minimum lease payments are reported within the governmental funds as other financing sources and a capital expenditure. Lease payments are reported as debt service expenditures.

Q. 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 both the Springfield Contributory Retirement System and the Massachusetts Teachers Retirement System and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they have been reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

R. Investment Income

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

S. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies.

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Compensated absences are reported in the governmental funds only if they have matured as a result of employee resignations or retirements. Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

T. Fund Deficits

There is a deficit in the Parks capital project fund relating to the use of short-term debt to fund current year expenditures. The deficit will be funded with long-term debt in a subsequent year.

U. Use of Estimates*Government-Wide and Fund Financial Statements*

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

V. Total Column*Government-Wide Financial Statements*

The total column presented on the government-wide financial statements represents consolidated financial information.

Fund Financial Statements

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

NOTE 2 – CASH AND INVESTMENTS

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and cash equivalents". The deposits and investments of the trust funds are held separately from those of other funds.

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (the Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

MMDT maintains a cash portfolio. The cash portfolio had a weighted average maturity of 33 days.

The Retirement System participates in the Pension Reserve Investment Trust (PRIT), which meets the criteria of an external investment pool. PRIT is administered by the Pension Reserves Investment Management Board, which was established by the Treasurer of the Commonwealth of Massachusetts who serves as Trustee. PRIT is administered by the Pension Reserves Investment Management Board (PRIM). The fair value of the position in the PRIT is the same as the value of the PRIT shares.

The PRIT fund, as a pool, invests in various products including, but not limited to, money market mutual funds, equities, pooled foreign and domestic fixed income and equity funds, United States government sponsored enterprises and Treasury notes, real estate, and commodities. The underlying components of PRIT's fixed income portfolio had an effective weighted duration rate ranging from 1.98 to 14.64 years. There is no credit quality rating for the fund.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for mitigating custodial credit risk is to utilize institutions that are financially sound and stable. To meet this goal the City uses the Veribanc Rating Service. The City's policy allows for deposits at institutions rated green by Veribanc. If the rating drops to yellow, the policy is to consider moving funds from the banking institution that are not collateralized or covered by another form of depositors' insurance. If the rating drops to red, all deposits should be immediately collateralized or covered by some form of depositors' insurance or be removed from the banking institution.

At year-end, the carrying amount of deposits totaled \$294,296,730 and the bank balance totaled \$307,764,492. Of the bank balance, \$3,970,013 was covered by Federal Depository Insurance, \$240,633,573 was covered by the Depositors Insurance Fund, \$61,017,938 was collateralized, and \$2,142,968 was exposed to custodial credit risk because it was uninsured and uncollateralized.

At December 31, 2022, the carrying amount of deposits for the Retirement System totaled \$2,500,534 and the bank balance totaled \$2,511,783, which was covered by Federal Depository Insurance and the Depositors Insurance Fund.

Investments

As of June 30, 2023, the City had the following investments:

<u>Investment Type</u>	<u>Fair value</u>	<u>Maturities</u>			
		<u>Under 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>Over 10 Years</u>
<u>Debt securities:</u>					
U.S. treasury bonds.....	\$ 66,783,412	\$ 66,783,412	\$ -	\$ -	\$ -
Corporate bonds.....	1,494,640	186,732	284,191	894,599	129,118
Private debt obligation*.....	12,691,526	-	12,691,526	-	-
Total debt securities.....	80,969,578	\$ 66,970,144	\$ 12,975,717	\$ 894,599	\$ 129,118
<u>Other investments:</u>					
Equity securities.....	8,780,450				
Fixed income mutual funds.....	747,819				
Money market mutual funds.....	1,089,888				
MMDT - Cash portfolio.....	73,458,048				
Total investments.....	\$ 165,045,783				

*The private debt obligation is held by a custodian and is related to the bond sinking fund that was formed to provide a guaranteed rate of 3.42% as discussed further in Note 8.

As of June 30, 2023, the City’s investments in debt securities had the following ratings:

<u>Quality Rating</u>	<u>Corporate Bonds</u>	<u>Private Debt Obligation</u>	<u>Total</u>
A-.....	\$ 389,196	\$ -	\$ 389,196
BBB.....	627,237	-	627,237
BBB+.....	478,207	-	478,207
Not Rated.....	-	12,691,526	12,691,526
Total.....	\$ 1,494,640	\$ 12,691,526	\$ 14,186,166

As of December 31, 2022, the Retirement System had the following investments:

<u>Investment Type</u>	<u>Fair value</u>
Pension Reserve Investment Trust (PRIT).....	\$ 506,686,468
Alternative investments.....	60,719
Total investments.....	\$ 506,747,187

Custodial Credit Risk – Investments

For investments, this is the risk that, in the event of a failure by the counterparty, the City will not be able to recover the value of its investments or collateral security that are in the possession of an outside party.

The City's policy is to review the financial institution's financial statements and the background of the Advisor. The intent of this qualification is to limit the City's exposure to only those institutions with a proven financial strength, capital adequacy of the firm, and overall affirmative reputation in the municipal industry. Further, all securities not held directly by the City, will be held in the City's name and tax identification number by a third-party custodian approved by the Treasurer and evidenced by safekeeping receipts showing individual CUSIP numbers for each security.

Of the Retirement System's total investments of \$506,747,187, there was custodial credit risk exposure of \$60,719 in alternative investments because the related securities are uninsured, unregistered and held by the counterparty.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy is to manage interest rate risk by managing duration in the accounts.

Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to meet its obligations. The City's policy to manage credit risk includes investment in United States Treasury and United States Government Agency obligations without limit. In regard to other investments, the City will only purchase investment grade securities with a high concentration in securities rated A or better. The City may invest in the Massachusetts Municipal Depository Trust (MMDT) with no limit to the amount of funds placed in the fund.

Concentration Credit Risk

The City will minimize concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Fair Value Measurement

The City holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the City's mission, the City determines that the disclosures related to these investments only need to be disaggregated by major type. The City chooses a tabular format for disclosing the levels within the fair value hierarchy.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following table presents financial assets at June 30, 2023, that the City measures fair value on a recurring basis, by level, within the fair value hierarchy:

Investment Type	June 30, 2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. treasury bonds.....	\$ 66,783,412	\$ 66,783,412	\$ -	\$ -
Corporate bonds.....	1,494,640	1,494,640	-	-
Private debt obligation.....	12,691,526	-	12,691,526	-
Total debt securities.....	80,969,578	68,278,052	12,691,526	-
<u>Other investments:</u>				
Equity securities.....	8,780,450	8,780,450	-	-
Fixed income mutual funds.....	747,819	747,819	-	-
Money market mutual funds.....	1,089,888	1,089,888	-	-
Total other investments.....	10,618,157	10,618,157	-	-
Total investments measured at fair value.....	91,587,735	\$ 78,896,209	\$ 12,691,526	\$ -
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	73,458,048			
Total investments.....	\$ 165,045,783			

U.S. treasury bonds, corporate bonds, equity securities, fixed income, and money market mutual funds are classified in Level 1 of the fair value hierarchy using prices quoted in active markets for those securities. Private debt obligations classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

The investment in MMDT is comprised of a cash portfolio. The cash portfolio is valued at amortized cost. Under the amortized cost method, an investment is valued initially at its cost and adjusted for the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost and the amount payable at its maturity. If amortized cost is determined not to approximate fair value, the value of the portfolio securities will be determined under procedures established by the Advisor.

The Retirement System holds significant amounts of investments that are measured at fair value on a recurring basis. Because investing is a key part of the System’s activities, the System shows greater disaggregation in its disclosures.

The Retirement System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Retirement System has the following recurring fair value measurements as of December 31, 2022:

Investment Type	December 31, 2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
Alternative investments.....	\$ 60,719	\$ -	\$ -	\$ 60,719
Investments measured at net asset value:				
Pension Reserve Investment Trust (PRIT).....	506,686,468			
Total investments.....	\$ 506,747,187			

Alternative investments consist of investments in limited partnerships that are classified in Level 3. These investments are valued at market value using the net asset value per share as provided by the Partnerships.

PRIT investments are valued using the net asset value method. The System does not have the ability to control any of the investment decisions relative to its funds in PRIT.

NOTE 3 – RECEIVABLES

At June 30, 2023, receivables for the individual major and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, were as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Real estate and personal property taxes.....	\$ 13,410,335	\$ (7,260,000)	\$ 6,150,335
Tax liens.....	4,243,722	(2,114,900)	2,128,822
Community preservation fund surtax.....	2,959	-	2,959
Motor vehicle excise taxes.....	9,516,100	(7,118,000)	2,398,100
Departmental and other.....	3,082,885	(63,200)	3,019,685
Intergovernmental.....	17,629,010	-	17,629,010
Community preservation state share.....	392,000	-	392,000
Loans.....	2,017,028	-	2,017,028
Total.....	\$ 50,294,039	\$ (16,556,100)	\$ 33,737,939

The internal service fund had \$52,817 of departmental and other receivables at June 30, 2023.

At June 30, 2023, receivables for the trash enterprise fund were as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Trash user charges.....	\$ 1,320,946	\$ -	\$ 1,320,946
Trash liens - user charges.....	271,666	-	271,666
Total.....	<u>\$ 1,592,612</u>	<u>\$ -</u>	<u>\$ 1,592,612</u>

Governmental funds report *unavailable revenue of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	General Fund	Other Governmental Funds	Total
<u>Receivable type:</u>			
Real estate and personal property taxes.....	\$ 4,986,843	\$ -	\$ 4,986,843
Tax liens.....	2,114,930	13,892	2,128,822
Community preservation fund surtax.....	-	2,959	2,959
Motor vehicle and other excise taxes.....	2,398,100	-	2,398,100
Departmental and other.....	1,700,132	1,046,897	2,747,029
Intergovernmental - highway improvements.....	-	4,430,086	4,430,086
Intergovernmental - other.....	-	31,216	31,216
Community preservation state share.....	-	392,000	392,000
Loans.....	-	420,529	420,529
<u>Other asset type:</u>			
Tax foreclosures.....	1,882,309	-	1,882,309
Total.....	<u>\$ 13,082,314</u>	<u>\$ 6,337,579</u>	<u>\$ 19,419,893</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 29,612,990	\$ -	\$ -	\$ 29,612,990
Construction in progress.....	30,331,677	45,897,297	-	76,228,974
Total capital assets not being depreciated.....	59,944,667	45,897,297	-	105,841,964
<u>Capital assets being depreciated:</u>				
Land improvements.....	84,516,459	4,904,091	-	89,420,550
Buildings and improvements.....	814,369,316	24,928,746	-	839,298,062
Right-to-use leased buildings.....	66,102,797	189,000	-	66,291,797
Machinery and equipment.....	57,027,198	14,930,706	-	71,957,904
Right-to-use leased machinery and equipment.....	22,965,182	8,613,648	-	31,578,830
Infrastructure.....	474,326,570	9,769,911	-	484,096,481
Total capital assets being depreciated.....	1,519,307,522	63,336,102	-	1,582,643,624
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(45,864,831)	(3,993,724)	-	(49,858,555)
Buildings and improvements.....	(367,660,273)	(32,474,197)	-	(400,134,470)
Right-to-use leased buildings.....	(2,809,656)	(5,638,212)	-	(8,447,868)
Machinery and equipment.....	(30,639,205)	(12,889,270)	-	(43,528,475)
Right-to-use leased machinery and equipment.....	(11,287,839)	(1,116,618)	-	(12,404,457)
Infrastructure.....	(371,974,663)	(9,491,899)	-	(381,466,562)
Total accumulated depreciation.....	(830,236,467)	(65,603,920)	-	(895,840,387)
Total capital assets being depreciated, net.....	689,071,055	(2,267,818)	-	686,803,237
Total governmental activities capital assets, net.....	\$ 749,015,722	\$ 43,629,479	\$ -	\$ 792,645,201

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

Governmental Activities:	
General government.....	\$ 4,474,664
Public safety.....	4,868,356
Education.....	39,533,260
Public works.....	11,122,136
Health and welfare.....	626,364
Culture and recreation.....	4,979,140
Total depreciation expense - governmental activities.....	\$ 65,603,920

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables at June 30, 2023, consisted of \$3,639,574 in balances due to the general fund from the school lunch, highway improvements, and school federal grants nonmajor governmental funds, representing interfund borrowings for cash flow purposes which will be repaid by future grant proceeds.

Interfund transfers for the year ended June 30, 2023, are summarized as follows:

Transfers Out:	Transfers In:				Total
	General fund	Nonmajor governmental funds	Trash Enterprise fund		
General fund.....	\$ -	\$ 7,759,118	\$ 6,165,593	\$ 13,924,711	(1)
Nonmajor governmental funds.....	237,000	-	-	237,000	(2)
Total.....	\$ 237,000	\$ 7,759,118	\$ 6,165,593	\$ 14,161,711	

- (1) Represents budgeted transfers from the general fund to various nonmajor funds for capital projects and future debt service, and to the Trash enterprise fund for the City’s subsidized portion.
- (2) Represents MSBA reimbursements for costs paid from the general fund.

NOTE 6 – LEASES

Leases

The City has entered into lease agreements to finance the right-to-use buildings, machinery and equipment for public safety, public works, general governmental, and the school department. The lease agreements have been recorded at the present value of their future minimum lease payments using various imputed interest rates as of the inception date or at the beginning of the year of implementation of GASB Statement No. 87 for previously reported operating leases.

The following identifies the balance of right-to-use assets recorded under lease agreements along with the related accumulated depreciation:

Asset:	Governmental Activities
Machinery and equipment.....	\$ 31,578,830
Buildings.....	66,291,797
Less: accumulated depreciation...	<u>(20,852,325)</u>
Total.....	\$ <u>77,018,302</u>

Future minimum lease payments consist of the following at June 30:

Years ending June 30:	Governmental Activities		
	Principal	Interest	Total
2024.....	\$ 10,750,987	\$ 1,995,344	\$ 12,746,331
2025.....	8,710,599	1,685,644	10,396,243
2026.....	7,448,350	1,430,834	8,879,184
2027.....	4,900,945	1,214,657	6,115,602
2028.....	4,669,900	1,073,234	5,743,134
2029.....	4,723,122	932,458	5,655,580
2030.....	4,622,828	792,134	5,414,962
2031.....	4,151,493	659,889	4,811,382
2032.....	2,939,745	551,911	3,491,656
2033.....	3,029,160	462,496	3,491,656
2034.....	3,120,863	370,361	3,491,224
2035.....	1,113,678	304,177	1,417,855
2036.....	829,993	274,645	1,104,638
2037.....	855,238	249,400	1,104,638
2038.....	881,250	223,387	1,104,637
2039.....	908,055	196,583	1,104,638
2040.....	935,674	168,963	1,104,637
2041.....	964,133	140,504	1,104,637
2042.....	993,458	111,179	1,104,637
2043.....	1,023,675	80,962	1,104,637
2044.....	1,054,811	49,826	1,104,637
2045.....	1,086,664	17,743	1,104,407
Total minimum lease payments.....	\$ <u>69,714,621</u>	\$ <u>12,986,331</u>	\$ <u>82,700,952</u>

NOTE 7 – SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue, State and Federal aid, or tax anticipation notes (RANS, SAANS, FAANS, or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund.

Details related to the short-term debt activity for the year ended June 30, 2023, were as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2022	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2023
Governmental Funds:							
BAN	Public Safety CAD/RMS System Implementation.....	5.00%	06/07/24	\$ -	\$ 1,467,949	\$ -	\$ 1,467,949
BAN	Duggan Park.....	5.00%	06/07/24	-	4,000,000	-	4,000,000
BAN	Walker Grandstand.....	5.00%	06/07/24	-	100,000	-	100,000
BAN	Greenleaf Park.....	5.00%	06/07/24	-	200,000	-	200,000
BAN	Municipal Roofs.....	5.00%	06/07/24	-	500,000	-	500,000
Total Governmental Funds.....				\$ -	\$ 6,267,949	\$ -	\$ 6,267,949

NOTE 8 – LONG-TERM DEBT

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." In addition, however, debt may be authorized in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

Details related to the City’s outstanding general obligation indebtedness at June 30, 2023, and the debt service requirements are as follows:

Long-Term Debt Schedule – Governmental Activities

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023
State Qualified New Money Bonds, dated April 15, 2009.....	2024	\$ 19,500,000	2.0 - 4.0	\$ 75,000
State Qualified General Obligation School Bonds, dated June 24, 2010.....	2027	17,864,000	6.00	17,864,000
Advance Refunding Bonds, dated December 12, 2012.....	2024	26,355,000	2.5 - 4.0	2,205,000
State Qualified Bonds, Series A, dated February 12, 2015.....	2035	49,262,000	2.0 - 4.0	30,095,000
State Qualified Refunding Bonds, Series C, dated February 12, 2015.....	2027	18,245,000	2.0 - 4.0	6,880,000
General Obligation Bonds, dated February 23, 2017.....	2037	44,305,000	3.0 - 5.0	33,660,000
State Qualified Refunding/General Obligation Bonds, dated March 7, 2017.	2037	27,080,000	3.0 - 5.0	2,880,000
State Qualified/General Obligation Bonds, dated March 28, 2019.....	2049	27,935,000	3.0 - 5.0	25,485,000
State Qualified/General Obligation Bonds, dated November 19, 2020.....	2041	39,475,000	2.0 - 5.0	39,430,000
State Qualified/General Obligation Bonds, dated March 10, 2022.....	2052	61,045,000	4.0 - 5.0	60,975,000
Total General Obligation Bonds Payable.....				219,549,000
Add: Unamortized premium on bonds.....				11,551,677
Total Long-Term Debt Payable, net.....				\$ <u>231,100,677</u>

The long-term debt outstanding at June 30, 2023, relate to the following projects:

Purpose	Amount
Public education.....	\$ 135,059,450
City-wide non-school buildings.....	32,526,800
Parks and recreation.....	6,423,850
Infrastructure.....	24,650,930
Equipment and other.....	20,887,970
Total long-term debt outstanding.....	\$ <u>219,549,000</u>

Debt service requirements for principal and interest for long-term debt payable in future years are as follows:

Year	Principal	Interest	Total
2024.....	\$ 13,320,000	\$ 8,537,589	\$ 21,857,589
2025.....	12,465,000	7,994,568	20,459,568
2026.....	12,465,000	7,416,841	19,881,841
2027.....	30,394,000	6,839,414	37,233,414
2028.....	10,855,000	5,222,549	16,077,549
2029.....	11,120,000	4,748,124	15,868,124
2030.....	10,350,000	4,279,924	14,629,924
2031.....	10,415,000	3,875,501	14,290,501
2032.....	10,335,000	3,485,201	13,820,201
2033.....	10,580,000	3,098,548	13,678,548
2034.....	10,345,000	2,762,248	13,107,248
2035.....	10,005,000	2,439,825	12,444,825
2036.....	8,080,000	2,155,727	10,235,727
2037.....	7,665,000	1,897,244	9,562,244
2038.....	5,165,000	1,656,280	6,821,280
2039.....	5,340,000	1,499,013	6,839,013
2040.....	5,500,000	1,334,539	6,834,539
2041.....	5,675,000	1,157,400	6,832,400
2042.....	3,055,000	1,007,742	4,062,742
2043.....	2,575,000	885,544	3,460,544
2044.....	2,665,000	795,556	3,460,556
2045.....	2,760,000	702,380	3,462,380
2046.....	2,840,000	610,406	3,450,406
2047.....	2,930,000	515,780	3,445,780
2048.....	3,030,000	418,156	3,448,156
2049.....	2,980,000	315,950	3,295,950
2050.....	2,170,000	215,800	2,385,800
2051.....	2,245,000	145,274	2,390,274
2052.....	2,225,000	72,312	2,297,312
Total.....	\$ <u>219,549,000</u>	\$ <u>76,085,435</u>	\$ <u>295,634,435</u>

Qualified School Construction

On June 24, 2010, the City issued \$17,864,000 of State Qualified General Obligation School Bonds at a 6.00% interest rate, maturing June 1, 2027 with mandatory sinking fund installments payable annually on December 1, 2010, through December 1, 2026. The Bonds were underwritten on a negotiated basis by Wells Fargo Securities. The Bonds were designated as Qualified School Construction Bonds under the provisions of the American Recovery and Reinvestment Act of 2009 ("ARRA"). The Bonds are federally taxable and will receive a cash subsidy from the United States Department of the Treasury of 5.41% of the interest payable on the Bonds, which is equal to the amount of the applicable tax credit rate established on the sale date of the Bonds.

On July 15, 2010, the City entered into an Investment Repurchase Agreement with Bayerische Landesbank wherein the City agreed to deposit \$776,911 annually on December 1, 2010, through December 1, 2026, into a sinking fund held by Wells Fargo Bank, National Association, acting as custodian and trustee for the agreement between the City and Bayerische Landesbank; the City's annual deposit of \$776,911 will be invested by

Bayerische Landesbank, and at termination of the agreement on June 1, 2027, \$17,864,000 will be made available to the City to retire the maturing Bonds. The City’s annual deposits are fully collateralized with either cash, obligations of the United States of America (i.e., treasury securities), Government National Mortgage Association securities (GNMAs), or Small Business Administration securities (SBAs); and the resulting fixed interest rate the City will earn over the life of the investment agreement is guaranteed at 3.42%. The use of the repurchase agreement reduced the City’s net borrowing cost to approximately 0.9509%. At June 30, 2023, the Bond Sinking Fund has a balance of \$12,691,526, which is classified as a restricted asset in the City’s debt service fund. The interest subsidy received by the City amounted to approximately \$966,442 in 2023. The City expects to receive future interest subsidies totaling approximately \$3.8 million over the life of the bonds.

Authorized and Unissued Debt

The City is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2023, the City has \$939.4 million of authorized and unissued debt for various City-wide projects. Included in this amount is \$755 million of Pension Obligation Bonds that the City authorized in 2022 that may be rescinded.

Changes in Long-term Liabilities

During the year ended June 30, 2023, the following changes occurred in long-term liabilities:

	Beginning Balance	Long-term Debt Issued	Long-term Debt Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
General obligation bonds payable.....	\$ 237,224,000	\$ -	\$ (17,675,000)	\$ -	\$ -	\$ 219,549,000	\$ 13,320,000
Add: Unamortized premium on bonds.....	12,927,252	-	(1,375,575)	-	-	11,551,677	1,239,217
Total long-term debt payable.....	250,151,252	-	(19,050,575)	-	-	231,100,677	14,559,217
Right to use lease liability.....	72,884,408	-	-	8,802,648	(11,972,435)	69,714,621	10,750,987
Landfill closure.....	1,680,000	-	-	700,000	(700,000)	1,680,000	30,000
Compensated absences.....	24,483,768	-	-	11,720,135	(11,492,650)	24,711,253	12,530,019
Workers' compensation.....	4,830,000	-	-	776,000	(1,449,000)	4,157,000	1,247,000
Net pension liability.....	739,834,141	-	-	131,116,858	(64,228,639)	806,722,360	-
Net OPEB liability.....	1,246,874,860	-	-	31,390,220	(40,177,218)	1,238,087,862	-
Total governmental activity long-term liabilities.....	\$ 2,340,738,429	\$ -	\$ (19,050,575)	\$ 184,505,861	\$ (130,019,942)	\$ 2,376,173,773	\$ 39,117,223
Business-Type Activities:							
Net pension liability.....	\$ 4,465,800	\$ -	\$ -	\$ 791,450	\$ (387,698)	\$ 4,869,552	\$ -
Net OPEB liability.....	8,557,518	-	-	215,436	(275,743)	8,497,211	-
Total business-type activity long-term liabilities.....	\$ 13,023,318	\$ -	\$ -	\$ 1,006,886	\$ (663,441)	\$ 13,366,763	\$ -

The governmental activities liabilities will be liquidated by the general fund. The business-type liabilities will be liquidated by the Trash enterprise fund.

NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The City has adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the City's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision-making authority. The City's highest level of decision-making is the Mayor and the City Council.
- Assigned: fund balances that contain self-imposed constraints of the City to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

Massachusetts General Law Ch.40 Section 5B allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the City Council.

The City has five stabilization funds that can be used for any general or capital purpose upon City Council approval. At June 30, 2023, the balance of the stabilization funds was \$87.9 million. These balances have been reported in the general fund as unassigned fund balance.

The City has classified its fund balances with the following hierarchy:

	General	COVID-19 grants	Nonmajor governmental funds	Total Governmental Funds
Fund Balances:				
Nonspendable:				
Permanent fund.....	\$ -	\$ -	\$ 4,240,214	\$ 4,240,214
Restricted for:				
Education.....	49,413,724	-	-	49,413,724
MGL Chapter 656.....	8,565,926	-	-	8,565,926
COVID-19 grants.....	-	1,607,867	-	1,607,867
Utility/telephone.....	-	-	1,667,676	1,667,676
Receipts reserved.....	-	-	282,691	282,691
Community preservation act.....	-	-	8,774,997	8,774,997
School lunch.....	-	-	1,654,383	1,654,383
Revolving.....	-	-	3,428,032	3,428,032
Federal grants school.....	-	-	44,084	44,084
Federal grants city.....	-	-	1,564,630	1,564,630
State grants school.....	-	-	2,619,664	2,619,664
State grants city.....	-	-	3,594,379	3,594,379
Promise fund.....	-	-	3,471,831	3,471,831
Springfield Empowerment Zone Partnership, Inc.....	-	-	1,416,878	1,416,878
Other special revenue fund.....	-	-	20,177,884	20,177,884
School capital projects.....	-	-	9,744,876	9,744,876
Public buildings.....	-	-	841,972	841,972
Equipment.....	-	-	13,103,166	13,103,166
Public works.....	-	-	963,656	963,656
Other capital projects.....	-	-	34,724	34,724
Bond sinking fund.....	-	-	12,691,526	12,691,526
Debt service reserve.....	-	-	567,290	567,290
Governmental trust.....	-	-	2,323,764	2,323,764
Springfield Library Foundation, Inc.....	-	-	8,241,971	8,241,971
Assigned to:				
General government.....	2,457,285	-	-	2,457,285
Public safety.....	1,094,047	-	-	1,094,047
Public works.....	268,728	-	-	268,728
Health and human services.....	30,122	-	-	30,122
Culture and recreation.....	489,064	-	-	489,064
State assessments.....	69,530	-	-	69,530
Unemployment.....	29,550	-	-	29,550
Unassigned.....	139,185,064	-	(719,868)	138,465,196
Total Fund Balances.....	\$ 201,603,040	\$ 1,607,867	\$ 100,730,420	\$ 303,941,327

NOTE 10 – LANDFILL CLOSURE AND POST-CLOSURE CARE

State and Federal laws and regulations require the City to construct a final capping system on the Bondi's Island and Armory Street landfill sites as they stop accepting waste, and to perform certain maintenance and monitoring functions post-closure. The City closed the Armory Street landfill in 2010 and is currently implementing a post-closure monitoring plan. The City of Springfield does not have any closure projects at the Bondi's Island site. There will only be maintenance, repair and post closure costs moving forward. A third party is now required to perform all expansion and capping projects moving forward. The anticipated closure date for Bondi's Island is now 2030. To date, the City has expended approximately \$9.8 million for both sites and has recorded an estimated liability of \$1.7 million for maintenance, repair and post closure cost at both sites. Actual costs may be higher due to inflation, deflation, changes in technology or changes in regulations.

NOTE 11 – RISK FINANCING

The City is self-insured in most areas of risk including general liability, property, casualty, workers’ compensation, unemployment, and certain employee health care claims. The City’s legal liabilities are capped per M.G.L., Chapter 258 which limits the liability to a maximum of \$100,000 per claim in all matters except actions relating to federal/civil rights, eminent domain, and breach of contract.

The City established a Self-Insured Stabilization fund to set aside amounts to be used by the law department to settle certain claims and judgments issues as they arise.

The City is self-insured for its dental and eye care insurance, workers’ compensation insurance, and unemployment insurance activities. In January 2007, the City began purchasing fully insured health insurance through the Commonwealth’s Group Insurance Commission (GIC). These fully insured health insurance activities are accounted for in the internal service fund where revenues are recorded when earned and expenses are recorded when the liability is incurred. The City contracts out the administration of the dental and eye care and the workers’ compensation activities. The unemployment claims are administered by the City. Claims are funded on a pay-as-you-go basis from annual appropriations. The amount of claim settlements for insured products has not exceeded insurance coverage in any of the previous three years.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many factors. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claims settlement trends and other economic and social factors.

(a) *Dental and Eye Care Insurance*

The estimate of Incurred but Not Reported (IBNR) claims based on an estimate of claims incurred but unpaid at year-end. At June 30, 2023, the liability for dental and eye care insurance claims totaled approximately \$183,000. This liability is the best estimate based on available information. Changes in the reported liability since July 1, 2021, are as follows:

	Balance at Beginning of Year		Current Year Claims and Changes in Estimate		Claims Payments		Balance at Year-End
2022.....	\$ 180,252	\$	4,399,160	\$	(4,395,788)	\$	183,624
2023.....	183,624		4,396,056		(4,396,446)		183,234

(b) *Workers’ Compensation*

The estimated future workers’ compensation liability is based on history and injury type. At June 30, 2023, the amount of the estimated liability for workers’ compensation claims totaled approximately \$4,157,000.

Changes in the reported liability since July 1, 2021 are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End	Current Portion
2022.....	\$ 5,329,000	\$ 3,550,000	\$ (4,049,000)	\$ 4,830,000	\$ 1,449,000
2023.....	4,830,000	3,494,000	(4,167,000)	4,157,000	1,247,000

The liability for unemployment claims at June 30, 2023 is based on known claims reported to the Massachusetts Division of Unemployment Assistance and the future liability at year-end was estimated to be approximately \$139,000.

NOTE 12 – PENSION PLAN

Plan Descriptions

The City is a member of the Springfield Contributory Retirement System (the System), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 3 member units. The System is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System is a component unit and is reported as a pension and other employee benefit trust fund in the fiduciary fund financial statements. The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth of Massachusetts’ Public Employee Retirement Administration Commission (PERAC). That report may be obtained by contacting the System located at 70 Tapley Street, Springfield, MA 01104, or via the internet at <http://www.springfieldretirement.com>.

The City is a member of the Massachusetts Teachers’ Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth’s reporting entity and the audited financial report may be obtained by visiting <https://www.macomptroller.org/gasb-68-reports/>.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the City to the MTRS. Therefore, the City is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the City does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer’s covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2022. The City’s portion of the collective pension expense, contributed by the Commonwealth, of \$54,725,607 is reported in the general fund as intergovernmental revenue and employee benefits in the current fiscal year. The portion of the Commonwealth’s collective net pension liability associated with the City is \$665,278,007 as of the measurement date.

Benefits Provided

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Springfield Contributory Retirement Board and are borne by the System.

There have been no changes in benefit terms as of December 31, 2022.

At December 31, 2022, the System's membership consists of the following:

Active members.....	3,468
Inactive members.....	1,144
Retirees and beneficiaries currently receiving benefits.....	<u>2,833</u>
 Total.....	 <u>7,445</u>

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the System a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The total member units' contribution for the year ended December 31, 2022, was \$93,115,958, or 52.67% of covered payroll, an amount that is actuarially determined that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City's proportionate share of the required contribution was \$82,320,015, which was the same as its actual contribution for the year ended June 30, 2023.

Pension Liabilities

The components of the net pension liability of the participating member units at December 31, 2022, were as follows:

Total pension liability.....	\$	1,428,010,000
Total pension plan's fiduciary net position.....		<u>(509,425,522)</u>
Total net pension liability.....	\$	<u>918,584,478</u>
The pension plan's fiduciary net position as a percentage of the total pension liability.....		35.67%

At June 30, 2023, the City reported a liability of \$811,591,912 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. Accordingly, procedures were used to update the total pension liability to the measurement date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. At December 31, 2022, the City's proportion was 88.35%, which was an increase of 0.09% from its proportion measured at December 31, 2021.

Additional information regarding changes in the net pension liability can be found in the *Required Supplementary Information* section of these financial statements.

Pension Expense

For the year ended June 30, 2023, the City recognized pension expense of \$77,495,353. At June 30, 2023, the City reported deferred outflows of resources related to pensions of \$60,193,024 and deferred inflows of resources related to pensions of \$13,309,223 as follows:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 5,614,798	\$ (12,047,741)	\$ (6,432,943)
Difference between projected and actual earnings, net.....	31,855,476	-	31,855,476
Changes in assumptions.....	20,278,655	-	20,278,655
Changes in proportion and proportionate share of contributions.....	<u>2,444,095</u>	<u>(1,261,482)</u>	<u>1,182,613</u>
Total deferred outflows/(inflows) of resources.....	\$ <u>60,193,024</u>	\$ <u>(13,309,223)</u>	\$ <u>46,883,801</u>

The City’s deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2024.....	\$ 9,214,137
2025.....	11,242,087
2026.....	8,490,627
2027.....	<u>17,936,950</u>
Total deferred outflows/(inflows) of resources.....	\$ <u>46,883,801</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions applied to all periods included in the measurement that was updated to December 31, 2022:

Valuation date.....	January 1, 2022.
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method.....	Total payments increase 9.2% per year until FY32 with a final amortization payment in FY33.
Remaining amortization period.....	10 years from July 1, 2023.
Asset valuation method.....	Fair value for GASB 67/68. For funding purposes, gains and losses each year are recognized over 5 years.
Investment rate of return.....	7.00%, net of pension plan investment expense, including inflation.
Discount rate.....	7.00%.
Inflation rate.....	2.50%
Projected salary increases.....	Select and ultimate by job group; ultimate rates 4.25% for Group 1 and 4.75% for Group 4.
Cost of living adjustments.....	3% of the first \$13,000 of retirement income.
Mortality rates.....	Pre-retirement rates reflect the RP-2014 Blue Collar Employees table projected generationally with Scale MP-2020 (gender distinct). Post-retirement rates reflect the RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2020 (gender distinct). For disabled retirees, the rates reflect the RP-2014 Blue Collar Healthy Annuitant table set forward 1 year projected generationally with Scale MP-2020 (gender distinct).

Investment Policy

The System's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

The investment return assumption is a long-term assumption and is based on capital market expectations by asset class, historical returns, and professional judgment. The market expectations analysis used a building-block approach which included expected returns by asset class and target asset allocation. The 30 year expected returns are shown on a geometric return basis.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equities.....	21.20%	7.10%
International equities.....	12.20%	6.90%
Emerging international equities.....	4.70%	9.60%
Hedged equities.....	8.60%	6.60%
Core fixed income.....	13.80%	4.13%
Value added fixed income.....	7.00%	7.80%
Private equity.....	17.70%	10.20%
Real estate.....	11.20%	5.70%
Timberland.....	3.20%	6.60%
Portfolio completion.....	0.40%	6.50%
Total.....	<u>100.00%</u>	

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -10.75%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability remained the same at 7.00% as of December 31, 2022 and December 31, 2021. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
The City's proportionate share of the net pension liability.....	\$ 945,503,767	\$ 811,591,912	\$ 698,072,725
SCRS total net pension liability.....	\$ 1,070,150,000	\$ 918,584,478	\$ 790,100,000

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The City maintains a single employer defined benefit healthcare plan (the Plan). The plan provides lifetime medical, dental, and vision benefits for eligible retirees and their spouses. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the Plan. The plan provides the benefits by participating in the Commonwealth of Massachusetts’ Group Insurance Commission (GIC). Medical, prescription drugs, dental and vision benefits are provided to all eligible retirees through a variety of plans offered by the GIC. Benefit provisions are negotiated between the City and the unions representing City employees and are renegotiated each bargaining period. The plan does not issue a publicly available financial report.

Funding Policy

Contribution requirements are also negotiated between the City and union representatives. Retired plan members and beneficiaries currently receiving benefits are required to contribute 25% of the cost of benefits provided depending on the plan they choose. The City is required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits. The City contributed approximately \$40.5 million during 2023 towards these benefits, including a pre-funding contribution of \$6,783,412 as discussed below. Administrative costs of the Plan are assumed to be included in the fully insured premium rates. The City’s average contribution rate was 11.08% of covered-employee payroll.

The Commonwealth of Massachusetts passed special legislation that has allowed the City to establish the postemployment benefit trust fund and to enable the City to raise taxes necessary to pre-fund its OPEB liabilities. During 2023, the City pre-funded future OPEB liabilities in the amount of \$6,783,412 by contributing funds to the OPEB Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Fund financial statements. As of June 30, 2023, the net position of the OPEB trust fund totaled \$13,001,659.

Measurement Date

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021.

Employees Covered by Benefit Terms

The following table represents the Plan's membership at July 1, 2021:

Active employees.....	5,680
Retired employees (including vested terminations).....	<u>3,933</u>
Total.....	<u><u>9,613</u></u>

Components of OPEB Liability

The following table represents the components of the Plan's OPEB liability as of June 30, 2023:

Total OPEB liability.....	\$ 1,259,586,732
Less: OPEB plan's fiduciary net position.....	<u>(13,001,659)</u>
Net OPEB liability.....	<u><u>\$ 1,246,585,073</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	1.03%

Significant Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2023:

Valuation date.....	July 1, 2021
Actuarial cost method.....	Entry Age Normal as a level percentage of payroll.
Asset valuation method.....	Fair Value of Assets as of the reporting date.
Nominal investment rate of return.....	3.33%.
Single equivalent discount rate.....	4.00%, previously 3.77%. An average of 20-year bond indices (S&P Municipal Bond 20 Year High Grade Rate Index 4.13%, and Fidelity GA AA 20 Years 3.86%) as of June 30, 2023.
Inflation.....	Not specifically assumed.

Salary increases.....	3.0% annually as of June 30, 2022 and for future periods.
Healthcare cost trend rate.....	Year 1 trend: 7.0%. Ultimate trend: July 1, 2033 and later, 4.5%. Grading per year: 0.25%.
Mortality.....	Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 1.15%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Assets in the OPEB Trust are currently invested in an equity/fixed income portfolio.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.00% as of June 30, 2023 and 3.77% June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan’s funding policy. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be insufficient to make all projected benefit payments to current plan members. Therefore, a yield or index rate for 20 year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher, which was based on the average of the S&P Municipal Bond 20 – Year High Grade Index, and Fidelity Go AA – 20 years, as of June 30, 2023, was applied.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the net other postemployment benefit liability and service cost, calculated using the discount rate of 4.00%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00%) or 1-percentage-point higher (5.00%) than the current rate.

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Net OPEB liability.....	\$ 1,512,980,638	\$ 1,246,585,073	\$ 1,044,043,278

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend

The following table presents the net other postemployment benefit liability and service cost, calculated using the current healthcare trend rate, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Net OPEB liability.....	\$ 1,020,154,802	\$ 1,246,585,073	\$ 1,549,814,852

Summary of Significant Accounting Policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year or less, which are reported at cost.

Changes in the Net OPEB Liability

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a) - (b)</u>
Balances at June 30, 2022.....	\$ 1,261,553,965	\$ 6,121,587	\$ 1,255,432,378
Changes for the year:			
Service cost.....	37,066,906	-	37,066,906
Interest.....	49,788,768	-	49,788,768
Changes of assumptions.....	(55,153,358)	-	(55,153,358)
Benefit payments.....	(33,669,549)	(33,669,549)	-
Contributions from employer.....	-	40,452,961	(40,452,961)
Net investment income (loss).....	-	96,660	(96,660)
Net change.....	<u>(1,967,233)</u>	<u>6,880,072</u>	<u>(8,847,305)</u>
Balances at June 30, 2023.....	\$ <u>1,259,586,732</u>	\$ <u>13,001,659</u>	\$ <u>1,246,585,073</u>

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2023, the City recognized OPEB expense of \$63.8 million. At June 30, 2023, the City reported the following deferred outflows and deferred inflows of resources related to OPEB:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between projected and actual earnings, net....	\$ 350,079	\$ -	\$ 350,079
Changes in assumptions.....	141,833,571	(375,469,276)	(233,635,705)
Total deferred outflows/(inflows) of resources.....	\$ 142,183,650	\$ (375,469,276)	\$ (233,285,626)

The City’s deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

<u>Year ended June 30:</u>	
2024.....	\$ (22,746,329)
2025.....	(22,746,329)
2026.....	(36,695,866)
2027.....	(49,154,528)
2028.....	(65,990,093)
2029.....	(32,830,592)
2030.....	(3,121,889)
Total.....	\$ (233,285,626)

Changes of Assumptions:

- The discount rate was increased from 3.77% to 4.00%.

Changes in Plan Provisions:

- None.

NOTE 14 – FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

GAAP requires that all Pension and Other Employee Trust Funds be combined and presented in one column in the Fiduciary Funds financial statements and that the individual financial statements for each trust fund plan are reported in the notes to the financial statements. Provided below are the individual financial statements for the pension and OPEB plans that are included in the Fiduciary Funds as Pension and Other Employee Benefit Trust Funds.

	Pension Trust Fund (as of December 31, 2022)	Other Postemployment Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
ASSETS			
Cash and cash equivalents.....	\$ 2,500,534	\$ 9,606,721	\$ 12,107,255
Investments:			
Investments in Pension Reserve Investment Trust.....	506,686,468	-	506,686,468
Corporate bonds.....	-	1,494,640	1,494,640
Equity securities.....	-	1,152,479	1,152,479
Fixed income mutual funds.....	-	747,819	747,819
Alternative investments.....	60,719	-	60,719
Receivables, net of allowance for uncollectibles:			
Member make-up payments and other.....	197,954	-	197,954
TOTAL ASSETS.....	509,445,675	13,001,659	522,447,334
LIABILITIES			
Warrants payable.....	20,153	-	20,153
NET POSITION			
Restricted for pensions.....	509,425,522	-	509,425,522
Restricted for other postemployment benefits.....	-	13,001,659	13,001,659
TOTAL NET POSITION.....	\$ 509,425,522	\$ 13,001,659	\$ 522,427,181

	Pension Trust Fund (as of December 31, 2022)	Other Postemployment Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
ADDITIONS:			
Contributions:			
Employer contributions.....	\$ 93,115,958	\$ 6,783,412	\$ 99,899,370
Employer contributions for other postemployment benefit payments.....	-	33,669,549	33,669,549
Member contributions.....	18,699,386	-	18,699,386
Transfers from other systems.....	570,570	-	570,570
3(8)c contributions from other systems.....	972,429	-	972,429
State COLA reimbursements.....	332,479	-	332,479
Member makeup payments and redeposits.....	132,469	-	132,469
Other receipts.....	42,949	-	42,949
Reimbursement of 91A overearnings.....	78,103	-	78,103
Total contributions.....	113,944,343	40,452,961	154,397,304
Net investment income:			
Investment income (loss).....	16,364,296	96,660	16,460,956
Net change in fair value of investments.....	(74,198,775)	-	(74,198,775)
Less: investment expense.....	(2,569,194)	-	(2,569,194)
Net investment income (loss).....	(60,403,673)	96,660	(60,307,013)
TOTAL ADDITIONS.....	53,540,670	40,549,621	94,090,291
DEDUCTIONS:			
Administration.....	892,877	-	892,877
Transfers to other systems.....	1,722,900	-	1,722,900
3(8)c transfer to other systems.....	2,732,827	-	2,732,827
Retirement benefits and refunds.....	89,979,545	-	89,979,545
Other postemployment benefit payments.....	-	33,669,549	33,669,549
TOTAL DEDUCTIONS.....	95,328,149	33,669,549	128,997,698
NET INCREASE (DECREASE) IN NET POSITION.....	(41,787,479)	6,880,072	(34,907,407)
NET POSITION AT BEGINNING OF YEAR.....	551,213,001	6,121,587	557,334,588
NET POSITION AT END OF YEAR.....	\$ 509,425,522	\$ 13,001,659	\$ 522,427,181

NOTE 15 – TAX INCREMENT FINANCING AGREEMENTS

The City enters into tax increment financing (TIF) agreements with local businesses under Chapter 40, Section 59 of the Massachusetts General Laws. Under this section of the law, localities may grant property tax exemptions of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The exemptions may be granted to any business located within or promising to relocate to the City. Currently there are 5 agreements in place, of which 2 that extend out until 2027, 2 that extend out until 2029, and 1 that extends out until 2031. These all represent new construction and permanent job opportunities within the City. For the fiscal year ended 2023, the City exempted property taxes totaling \$1.27 million under these agreements.

The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 16 – HOST COMMUNITY AGREEMENT

The City entered into a Host Community Agreement (the Agreement) with MGM Springfield Redevelopment, LLC (MGM) a subsidiary of MGM Resorts International on May 14, 2013, for the development of a mixed-use entertainment complex, which opened its doors in August of 2018. The project consisted of a resort casino, a four-star hotel, retail space, restaurants and lounges, meeting and convention space, parking, and residential space. Under the Agreement, MGM is required to make substantial payments to the City. Upfront and advance payments totaled over \$15 million and annual payments to be made upon opening of the facility total over \$25 million.

Upfront Payments

The upfront payments of approximately \$15.2 million include Direct Community Impact payments for police, fire, schools, and various infrastructure requirements; a Community Development Grant; Surrounding Community Impact payments, Chapter 121A advances, Riverfront Park Improvement payments, and an MGM Pavilion at the Franconia Municipal Golf Course.

Massachusetts General Laws Chapter 121A authorizes the creation of single-purpose, project-specific, for-profit companies for undertaking commercial projects in areas which are considered to be decadent, substandard, or blighted. Chapter 121A sets forth the procedures for negotiating an alternative tax payment which benefits a municipality by: (1) creating agreed upon tax payments for a period of years, (2) eliminating the uncertainty and expense associated with the property tax assessment process, (3) allowing the municipality to use the full amount of tax prepayments without regard to possible abatement claims, and (4) allowing the municipality to receive advance payments on dates certain during the development and construction of the project.

Projected Annual Payments

Projected annual payments range from approximately \$20 million, net of advances in the first seven years, to approximately \$27 million after 15 years of operation. These payments to the City consist of Annual Community Impact payments, Annual Community Development grants, Annual Chapter 121A payments (fixed and variable), Annual Surrounding Community payments, and Annual Funding for Union Station.

The City collected total revenue of approximately \$21.8 million in fiscal year 2023 under this Agreement, not including \$500,000 provided to Union Station directly.

NOTE 17 – COMMITMENTS

The City has various commitments related to construction projects which will be funded through long-term debt totaling approximately \$184.4 million. At June 30, 2023 the City is also committed to fund approximately \$53.9 million of carryover articles and encumbrances.

Museum Services Agreement

With the approval of Special Legislation (Chapter 54 of the Acts of 2008) in March of 2008, the City entered into an agreement with the Springfield Museums Corporation (SMC) where the City has agreed to pay SMC \$1,320,000 per year for a minimum of 25 years. SMA has agreed to provide certain museum services to residents and visitors of the City and to transfer its branch libraries and their contents to the City under individual lease agreements. The 4 branch libraries and their respective contents are being leased to the City for the same 25-year term for the sum of \$1 each per year. The City can extend this agreement with successive 5-year options at terms to be mutually agreed upon.

Waste Services Agreement

In May of 2019 Covanta of Springfield, LLC assigned their contract to Community Eco Springfield, LLC under the same terms and conditions of the amended and restated Waste Service Agreement with the City, and in addition, entered into a corporate guarantee with the City agreeing to be liable for up to \$750,000 in damages per fiscal year. In April of 2022, Community Eco Springfield, LLC, filed for bankruptcy. In April of 2022 the City entered into a Bridge Disposal Agreement with F&G Recycling, LLC, the entity that purchased the solid waste facility from Community Eco Springfield, LLC. The “Bridge Agreement” expires in August 2023 and the City pays \$97 per ton for solid waste disposal, an increase of \$20 per ton +/-, as the tipping fee was \$77 for FY22. The tipping fee for FY23 is estimated to be \$82 per ton, so Covanta will be responsible for the difference between the \$97 / ton and the \$82+/- per ton. The \$20 per ton increase is paid by Covanta of Springfield, LLC as part of their corporate guarantee entered into in May of 2019. The City costs for the new Agreement should remain at approximately \$3.5 million.

Springfield Redevelopment Authority – Union Station

The Springfield Redevelopment Authority completed the historic restoration of the Union Station Intermodal Transportation Center and the construction of a 377-space on-site parking garage in 2017. The City has a significant public interest in the operation of this property, to increase public access to multiple forms of transportation, and to promote economic development within the surrounding business community in Springfield and the greater Western Massachusetts region. The City has entered into a contract with the Springfield Redevelopment Authority to provide funding for the sole purpose of any expenses, cost or actions for the successful operation of the Property. This agreement is renewed on a yearly basis after both sides mutually revise the funding amount and is subject to appropriation. The City of Springfield provided direct funding totaling \$1.47 million during fiscal year 2023 for the operation of Union Station.

NOTE 18 – CONTINGENCIES

Litigation

Various lawsuits, claims and proceedings have been or may be instituted or asserted against the City of Springfield, including those pertaining to potential negligent supervision in the schools, use of excessive force by police officers, motor vehicle accidents, eminent domain cases, premise liability cases, civil rights/discrimination cases, and labor and employment case matters. While the amounts claimed may be substantial, the ultimate liability cannot be determined because of the considerable uncertainties that exist. Therefore, it is possible that there could be material negative outcomes affected by certain contingencies existing as of June 30, 2023. However, management believes that the disposition of matters that are pending or asserted will not have a materially adverse effect on the financial statements.

A legal reserve has been recorded in the City’s financial statements of approximately \$2.8 million to cover other on-going matters that are expected to be settled in the near future.

Federal Grants

The City participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* through June 30, 2023, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

NOTE 19 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 27, 2023, which is the date the financial statements were available to be issued.

NOTE 20 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2023, the following GASB pronouncements were implemented:

- GASB Statement #91, *Conduit Debt Obligations*. This pronouncement did not impact the annual comprehensive financial report.
- GASB Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This pronouncement did not impact the annual comprehensive financial report.
- GASB Statement #96, *Subscription-Based Information Technology Arrangements*. This pronouncement did not impact the annual comprehensive financial report.
- GASB Statement #99, *Omnibus 2022*. This pronouncement did not impact the annual comprehensive financial report.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #100, *Accounting Changes and Error Corrections*, which is required to be implemented in 2024.
- The GASB issued Statement #101, *Compensated Absences*, which is required to be implemented in 2025.

Management is currently assessing the impact the implementation of these pronouncements will have on the annual comprehensive financial report.

Required Supplementary Information

General Fund Budgetary Comparison Schedule

The General Fund is the general operating fund of the City. It is used to account for the entire City's financial resources, except those required to be accounted for in another fund.

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
REVENUES:					
Real estate and Personnel property taxes, net of tax refunds.....	\$ 245,054,925	\$ 241,091,907	\$ 238,353,714	\$ -	\$ (2,738,193)
Tax liens.....	-	-	1,008,824	-	1,008,824
Motor vehicle and other excise taxes.....	13,000,000	11,500,000	12,102,591	-	602,591
Hotel/motel, meals and cannabis local option taxes.....	3,318,790	3,447,232	5,318,291	-	1,871,059
Charges for services.....	6,645,277	7,650,242	8,031,449	-	381,207
Penalties and interest on taxes.....	1,726,000	1,726,000	1,722,963	-	(3,037)
Payments in lieu of taxes.....	380,000	80,534	282,619	-	202,085
Chapter 121A - excise payments in lieu of taxes.....	16,169,948	15,619,948	17,520,063	-	1,900,115
Licenses and permits.....	7,561,100	7,561,100	7,878,535	-	317,435
Fines and forfeitures.....	2,698,183	2,398,183	2,102,178	-	(296,005)
Intergovernmental - state aid.....	505,489,884	509,835,405	502,138,499	-	(7,696,906)
Departmental and other.....	11,207,199	10,307,199	13,800,734	-	3,493,535
Investment income.....	2,266,442	2,266,442	5,681,585	-	3,415,143
TOTAL REVENUES.....	815,517,748	813,484,192	815,942,045	-	2,457,853
EXPENDITURES:					
Current:					
GENERAL GOVERNMENT					
City Council					
Personnel Services.....	456,997	457,006	456,485	-	521
Expenditures.....	20,143	19,268	5,626	847	12,795
Total City Council.....	477,140	476,274	462,111	847	13,316
Mayor					
Personnel Services.....	661,273	661,273	631,194	-	30,079
Expenditures.....	20,789	20,789	9,790	1,900	9,099
Total Mayor.....	682,062	682,062	640,984	1,900	39,178
Finance					
Expenditures.....	2,609,783	3,452,106	3,443,546	8,560	-
Office of Management and Budget					
Personnel Services.....	1,062,592	1,062,592	919,339	-	143,253
Expenditures.....	203,488	209,723	147,244	36,517	25,962
Total Office of Management and Budget.....	1,266,080	1,272,315	1,066,583	36,517	169,215
311 Call Center					
Personnel Services.....	474,852	474,852	415,724	-	59,128
Expenditures.....	52,453	52,453	50,938	330	1,185
Total 311 Call Center.....	527,305	527,305	466,662	330	60,313
Comptroller					
Personnel Services.....	581,787	531,787	505,994	-	25,793
Expenditures.....	7,348	7,347	5,146	435	1,766
Total Comptroller.....	589,135	539,134	511,140	435	27,559
Internal Audit					
Personnel Services.....	308,717	308,717	302,664	-	6,053
Expenditures.....	226,743	226,669	206,026	-	20,643
Total Internal Audit.....	535,460	535,386	508,690	-	26,696
Office of Procurement					
Personnel Services.....	516,221	516,221	440,498	-	75,723
Expenditures.....	109,220	163,973	119,378	42,902	1,693
Total Office of Procurement.....	625,441	680,194	559,876	42,902	77,416
Board of Assessors					
Personnel Services.....	869,742	869,742	866,413	-	3,329
Expenditures.....	317,258	317,258	216,009	29,204	72,045
Total Board of Assessors.....	1,187,000	1,187,000	1,082,422	29,204	75,374
Treasurer					
Personnel Services.....	555,232	555,232	482,684	-	72,548
Expenditures.....	1,617,807	1,090,811	536,832	445,946	108,033
Total Treasurer.....	2,173,039	1,646,043	1,019,516	445,946	180,581

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Collector					
Personnel Services.....	388,167	388,167	329,122	-	59,045
Expenditures.....	207,649	192,049	133,704	8,379	49,966
Total Collector.....	595,816	580,216	462,826	8,379	109,011
Law					
Personnel Services.....	2,495,706	2,495,706	2,147,307	-	348,399
Expenditures.....	846,825	2,306,824	2,044,068	108,838	153,918
Total Law.....	3,342,531	4,802,530	4,191,375	108,838	502,317
Department of Humans Resources & Labor Relations					
Personnel Services.....	733,567	745,341	738,483	-	6,858
Expenditures.....	547,967	528,611	462,462	21,360	44,789
Total Department of Humans Resources & Labor Relations.....	1,281,534	1,273,952	1,200,945	21,360	51,647
Employee Benefits Department					
Personnel Services.....	413,359	363,359	302,789	-	60,570
Expenditures.....	16,896	16,897	7,564	1,502	7,831
Total Employee Benefits Department.....	430,255	380,256	310,353	1,502	68,401
Payroll					
Expenditures.....	322,466	322,466	322,466	-	-
Information Technology					
Personnel Services.....	1,159,342	1,084,342	1,049,461	-	34,881
Expenditures.....	2,754,399	2,734,465	2,629,722	84,498	20,245
Capital.....	20,884	20,800	13,131	6,514	1,155
Total Information Technology.....	3,934,625	3,839,607	3,692,314	91,012	56,281
City Clerk					
Personnel Services.....	788,844	788,844	599,758	-	189,086
Expenditures.....	71,620	94,834	85,285	8,741	808
Total City Clerk.....	860,464	883,678	685,043	8,741	189,894
Board of Election Commission					
Personnel Services.....	421,188	429,188	415,487	-	13,701
Expenditures.....	197,005	196,824	192,367	2,359	2,098
Total Board of Election Commission.....	618,193	626,012	607,854	2,359	15,799
Planning					
Personnel Services.....	978,503	928,503	812,991	-	115,512
Expenditures.....	503,831	484,953	432,959	44,999	6,995
Total Planning.....	1,482,334	1,413,456	1,245,950	44,999	122,507
Facilities Management					
Personnel Services.....	1,458,839	1,383,839	1,298,234	-	85,605
Expenditures.....	3,034,105	3,077,202	2,975,554	80,019	21,629
Total Facilities Management.....	4,492,944	4,461,041	4,273,788	80,019	107,234
Capital Asset Construction					
Personnel Services.....	453,069	453,069	452,055	-	1,014
Expenditures.....	85,027	85,028	51,190	2,255	31,583
Total Capital Asset Construction.....	538,096	538,097	503,245	2,255	32,597
Provisions for Uncompensated Absences					
Expenditures.....	(850,000)	-	-	-	-
Reserve for Contingencies					
Expenditures.....	250,000	6,790	-	-	6,790
Parking Contract					
Expenditures.....	1,546,982	1,546,982	1,071,553	475,429	-
Pay-As-You-Go Capital					
Capital.....	5,207,333	3,634,559	2,499,089	1,045,751	89,719
TOTAL GENERAL GOVERNMENT.....	34,726,018	35,307,461	30,828,331	2,457,285	2,021,845

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
PUBLIC SAFETY					
Police					
Personnel Services.....	47,004,353	52,760,845	52,235,791	-	525,054
Expenditures.....	4,922,447	5,503,316	4,538,788	908,438	56,090
Capital.....	404,143	401,320	367,256	26,827	7,237
Total Police.....	52,330,943	58,665,481	57,141,835	935,265	588,381
Fire					
Personnel Services.....	23,230,057	26,336,467	26,188,204	-	148,263
Expenditures.....	2,377,514	2,416,813	2,299,551	66,598	50,664
Capital.....	7,500	7,500	7,500	-	-
Total Fire.....	25,615,071	28,760,780	28,495,255	66,598	198,927
Building - Code Enforcement					
Personnel Services.....	1,835,858	1,785,858	1,769,581	-	16,277
Expenditures.....	54,115	60,979	58,145	592	2,242
Total Building - Code Enforcement.....	1,889,973	1,846,837	1,827,726	592	18,519
Housing - Code Enforcement					
Personnel Services.....	935,865	885,865	810,267	-	75,598
Expenditures.....	258,470	215,356	152,275	47,906	15,175
Total Housing - Code Enforcement.....	1,194,335	1,101,221	962,542	47,906	90,773
Centralized Dispatch					
Personnel Services.....	2,030,679	2,030,679	1,856,623	-	174,056
Expenditures.....	147,664	147,615	138,978	5,850	2,787
Total Centralized Dispatch.....	2,178,343	2,178,294	1,995,601	5,850	176,843
TJ O'Connor Animal Control					
Personnel Services.....	761,335	795,060	791,165	-	3,895
Expenditures.....	859,391	854,298	800,142	37,836	16,320
Total TJ O'Connor Animal Control.....	1,620,726	1,649,358	1,591,307	37,836	20,215
TOTAL PUBLIC SAFETY.....	84,829,391	94,201,971	92,014,266	1,094,047	1,093,658
EDUCATION					
School Department.....	577,697,619	580,989,215	525,410,408	49,413,724	6,165,083
PUBLIC WORKS					
Personnel Services.....	5,055,255	4,885,255	4,590,247	2,425	292,583
Expenditures.....	7,045,961	7,089,077	6,723,409	266,303	99,365
TOTAL PUBLIC WORKS.....	12,101,216	11,974,332	11,313,656	268,728	391,948
HEALTH & HUMAN SERVICES					
Health & Human Services					
Personnel Services.....	1,839,773	1,664,773	1,386,755	-	278,018
Expenditures.....	452,760	447,419	412,538	27,360	7,521
Total Health & Human Services.....	2,292,533	2,112,192	1,799,293	27,360	285,539
Department of Elder Affairs					
Personnel Services.....	444,913	444,913	394,146	-	50,767
Expenditures.....	119,005	215,675	212,721	2,708	246
Total Department of Elder Affairs.....	563,918	660,588	606,867	2,708	51,013
Veterans Services					
Personnel Services.....	385,308	385,308	361,300	-	24,008
Expenditures.....	1,293,110	1,293,110	880,620	54	412,436
Total Veterans Services.....	1,678,418	1,678,418	1,241,920	54	436,444
TOTAL HEALTH & HUMAN SERVICES.....	4,534,869	4,451,198	3,648,080	30,122	772,996
CULTURE & RECREATION					
Library					
Personnel Services.....	3,796,925	3,796,925	3,710,978	-	85,947
Expenditures.....	1,667,612	1,650,504	1,600,732	32,000	17,772
Capital.....	35,668	35,000	34,885	-	115
Total Library.....	5,500,205	5,482,429	5,346,595	32,000	103,834

(Continued)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Museum					
Expenditures.....	1,320,000	1,320,000	1,320,000	-	-
Parks					
Personnel Services.....	5,887,582	5,812,582	5,292,789	-	519,793
Expenditures.....	4,440,529	4,874,876	4,412,161	457,064	5,651
Total Parks.....	10,328,111	10,687,458	9,704,950	457,064	525,444
TOTAL CULTURE & RECREATION.....	17,148,316	17,489,887	16,371,545	489,064	629,278
OTHER					
Debt Service					
Expenditures.....	27,535,489	27,535,489	27,485,488	-	50,001
State Assessments					
Expenditures.....	3,993,578	4,040,132	3,853,123	69,530	117,479
Contribution Retirement Pension					
Expenditures.....	56,361,604	56,398,149	56,362,460	-	35,689
Non-Contributory Pensions					
Expenditures.....	77,562	77,562	11,331	-	66,231
Unemployment					
Expenditures.....	160,080	130,625	101,075	29,550	-
Workers Compensation Indemnity					
Expenditures.....	528,156	528,156	321,566	-	206,590
Workers Compensation Medical Claims					
Expenditures.....	1,301,417	1,301,417	1,083,794	-	217,623
Health Insurance - Non School					
Expenditures.....	27,417,902	27,389,616	25,372,375	-	2,017,241
Medicare - Employer Match					
Expenditures.....	1,797,519	1,797,519	1,677,465	-	120,054
TOTAL EXPENDITURES.....	850,210,736	863,612,729	795,854,963	53,852,050	13,905,716
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(34,692,988)	(50,128,537)	20,087,082	(53,852,050)	16,363,569
OTHER FINANCING SOURCES (USES):					
Use of prior year reserves.....	37,358,581	36,317,112	-	-	(36,317,112)
Use of free cash to fund transfers out.....	-	56,334,117	-	-	(56,334,117)
Use of free cash to reduce tax rate.....	3,500,000	10,000,000	-	-	(10,000,000)
Transfers in.....	-	-	237,000	-	237,000
Transfers out.....	(6,165,593)	(52,522,692)	(52,522,692)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	34,692,988	50,128,537	(52,285,692)	-	(102,414,229)
NET CHANGE IN FUND BALANCE.....	-	-	(32,198,610)	(53,852,050)	(86,050,660)
BUDGETARY FUND BALANCE, Beginning of year.....	145,884,085	145,884,085	145,884,085	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 145,884,085	\$ 145,884,085	\$ 113,685,475	\$ (53,852,050)	\$ (86,050,660)

See notes to required supplementary information.

(Concluded)

Pension Plan Schedules – Retirement System

The Pension Plan's Schedule of Changes in the Net Pension Liability presents multi-year trend information on the net pension liability and related ratios.

The Pension Plan's Schedule of Contributions presents multi-year trend information on the required and actual contributions to the pension plan and related ratios.

The Pension Plan's Schedule of Investment Return presents multi-year trend information on the money-weighted investment return on retirement assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS
SPRINGFIELD CONTRIBUTORY RETIREMENT SYSTEM**

	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017
Total pension liability:				
Service cost.....	\$ 17,151,000	\$ 17,923,000	\$ 22,097,000	\$ 23,091,000
Interest.....	77,538,000	79,578,000	84,605,000	87,036,000
Differences between expected and actual experience.....	-	12,434,000	-	(11,096,000)
Changes in assumptions.....	-	54,000,000	-	35,400,000
Benefit payments.....	(68,031,686)	(71,092,314)	(74,245,640)	(77,594,360)
Net change in total pension liability.....	26,657,314	92,842,686	32,456,360	56,836,640
Total pension liability - beginning.....	1,001,475,000	1,028,132,314	1,120,975,000	1,153,431,360
Total pension liability - ending (a).....	<u>\$ 1,028,132,314</u>	<u>\$ 1,120,975,000</u>	<u>\$ 1,153,431,360</u>	<u>\$ 1,210,268,000</u>
Plan fiduciary net position:				
Member contributions.....	\$ 12,150,386	\$ 13,184,024	\$ 14,098,033	\$ 14,658,679
Employer contributions.....	45,805,630	47,710,101	50,572,700	57,652,878
Net investment income (loss).....	20,681,621	1,890,211	20,912,155	50,175,997
Other receipts.....	-	785,488	295,507	121,215
Retirement benefits and refunds, net.....	(68,031,686)	(71,092,314)	(74,245,640)	(77,594,360)
Administrative expenses.....	(751,843)	(722,933)	(830,694)	(796,923)
Net increase (decrease) in fiduciary net position.....	9,854,108	(8,245,423)	10,802,061	44,217,486
Fiduciary net position - beginning of year.....	286,552,206	296,406,314	288,160,891	298,962,952
Fiduciary net position - end of year (b).....	<u>\$ 296,406,314</u>	<u>\$ 288,160,891</u>	<u>\$ 298,962,952</u>	<u>\$ 343,180,438</u>
Net pension liability - ending (a)-(b).....	<u>\$ 731,726,000</u>	<u>\$ 832,814,109</u>	<u>\$ 854,468,408</u>	<u>\$ 867,087,562</u>
Plan fiduciary net position as a percentage of the total pension liability.....	28.83%	25.71%	25.92%	28.36%
Covered payroll.....	\$ 139,681,000	\$ 152,161,000	\$ 153,683,000	\$ 154,471,000
Net pension liability as a percentage of covered payroll.....	523.86%	547.32%	555.99%	561.33%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
\$	23,719,000	\$ 24,786,000	\$ 26,681,000	\$ 27,882,000	\$ 28,534,000
	88,350,000	90,693,000	94,486,000	97,005,000	96,411,000
	-	21,761,000	-	(21,212,000)	-
	-	22,900,000	-	25,300,000	-
	<u>(80,146,000)</u>	<u>(82,779,000)</u>	<u>(85,961,000)</u>	<u>(89,261,000)</u>	<u>(91,407,000)</u>
	31,923,000	77,361,000	35,206,000	39,714,000	33,538,000
	<u>1,210,268,000</u>	<u>1,242,191,000</u>	<u>1,319,552,000</u>	<u>1,354,758,000</u>	<u>1,394,472,000</u>
\$	<u>1,242,191,000</u>	<u>1,319,552,000</u>	<u>1,354,758,000</u>	<u>1,394,472,000</u>	<u>1,428,010,000</u>
\$	15,900,608	\$ 17,994,472	\$ 17,584,061	\$ 18,172,821	\$ 17,757,628
	67,724,281	72,757,453	78,087,018	85,271,024	93,115,958
	(7,964,337)	53,965,336	42,855,655	87,294,912	(60,403,673)
	889	151	1,188	14,319	42,949
	(80,163,472)	(82,778,694)	(85,960,540)	(89,261,394)	(91,407,464)
	<u>(824,545)</u>	<u>(880,489)</u>	<u>(881,842)</u>	<u>(876,312)</u>	<u>(892,877)</u>
	(5,326,576)	61,058,229	51,685,540	100,615,370	(41,787,479)
	<u>343,180,438</u>	<u>337,853,862</u>	<u>398,912,091</u>	<u>450,597,631</u>	<u>551,213,001</u>
\$	<u>337,853,862</u>	<u>398,912,091</u>	<u>450,597,631</u>	<u>551,213,001</u>	<u>509,425,522</u>
\$	<u>904,337,138</u>	<u>920,639,909</u>	<u>904,160,369</u>	<u>843,258,999</u>	<u>918,584,478</u>
	27.20%	30.23%	33.26%	39.53%	35.67%
\$	155,243,000	\$ 171,720,000	\$ 173,437,000	\$ 176,787,000	\$ 176,787,000
	582.53%	536.13%	521.32%	476.99%	519.60%

SCHEDULE OF CONTRIBUTIONS
SPRINGFIELD CONTRIBUTORY RETIREMENT SYSTEM

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
December 31, 2022.....	\$ 93,115,958	\$ (93,115,958)	\$ -	\$ 176,787,000	52.67%
December 31, 2021.....	85,271,024	(85,271,024)	-	176,787,000	48.23%
December 31, 2020.....	78,087,018	(78,087,018)	-	173,437,000	45.02%
December 31, 2019.....	71,639,466	(72,757,453)	(1,117,987)	171,720,000	42.37%
December 31, 2018.....	65,724,281	(67,724,281)	(2,000,000)	155,243,000	43.62%
December 31, 2017.....	57,652,878	(57,652,878)	-	154,471,000	37.32%
December 31, 2016.....	50,572,700	(50,572,700)	-	153,683,000	32.91%
December 31, 2015.....	47,710,100	(47,710,100)	-	152,161,000	31.36%
December 31, 2014.....	45,009,537	(45,009,537)	-	139,681,000	32.22%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
SPRINGFIELD CONTRIBUTORY RETIREMENT SYSTEM

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
December 31, 2022.....	-10.75%
December 31, 2021.....	19.41%
December 31, 2020.....	11.46%
December 31, 2019.....	15.78%
December 31, 2018.....	-2.33%
December 31, 2017.....	17.04%
December 31, 2016.....	7.45%
December 31, 2015.....	0.58%
December 31, 2014.....	7.24%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Pension Plan Schedules – City

The Schedule of the City's Proportionate Share of the Net Pension Liability presents multi-year trend information on the City's net pension liability and related ratios.

The Schedule of City's Contributions presents multi-year trend information on the City's required and actual contributions to the pension plan and related ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers Contributory Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the City along with related ratios.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
SPRINGFIELD CONTRIBUTORY RETIREMENT SYSTEM**

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2022.....	88.35%	\$ 811,591,912	\$ 156,195,650	519.60%	35.67%
December 31, 2021.....	88.26%	744,299,941	156,040,497	476.99%	39.53%
December 31, 2020.....	88.48%	800,049,243	151,947,000	526.53%	33.26%
December 31, 2019.....	88.41%	813,906,113	151,888,565	535.86%	30.23%
December 31, 2018.....	87.92%	795,125,634	135,857,606	585.26%	27.20%
December 31, 2017.....	87.70%	760,463,014	135,475,917	561.33%	28.36%
December 31, 2016.....	87.61%	748,584,423	138,289,911	541.32%	25.92%
December 31, 2015.....	86.97%	724,300,735	132,334,843	547.32%	25.71%
December 31, 2014.....	86.94%	636,164,105	121,438,952	523.86%	28.83%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF THE CITY'S CONTRIBUTIONS
SPRINGFIELD CONTRIBUTORY RETIREMENT SYSTEM

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2023.....	\$ 82,320,015	\$ (82,320,015)	\$ -	\$ 156,351,846	52.65%
June 30, 2022.....	75,320,210	(75,320,210)	-	156,196,537	48.22%
June 30, 2021.....	69,134,904	(69,134,904)	-	152,098,947	45.45%
June 30, 2020.....	63,366,036	(63,366,036)	-	152,040,454	41.68%
June 30, 2019.....	57,804,659	(60,922,646)	(3,117,987)	135,993,464	44.80%
June 30, 2018.....	50,563,384	(50,563,384)	-	135,471,094	37.32%
June 30, 2017.....	44,305,834	(44,305,834)	-	138,298,374	32.04%
June 30, 2016.....	41,493,606	(41,493,606)	-	132,328,300	31.36%
June 30, 2015.....	39,131,385	(39,131,385)	-	121,441,306	32.22%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE SPECIAL FUNDING AMOUNTS
OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

Year	Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2023.....	\$ 665,278,007	\$ 54,725,607	57.75%
2022.....	556,076,871	44,622,853	62.03%
2021.....	694,397,343	85,768,020	50.67%
2020.....	613,926,010	74,449,184	53.95%
2019.....	581,660,954	58,942,915	54.84%
2018.....	594,362,737	62,035,369	54.25%
2017.....	555,999,756	56,715,620	52.73%
2016.....	534,192,073	43,327,731	55.38%
2015.....	430,067,023	29,878,820	61.64%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

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Other Postemployment Benefit Plan Schedules

The Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered-employee payroll.

The Schedule of the City's Contributions presents multi-year trend information on the City's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF CHANGES IN THE
CITY'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2017	June 30, 2018	June 30, 2019
Total OPEB Liability			
Service cost.....	\$ 21,293,075	\$ 18,688,914	\$ 20,831,520
Interest.....	46,678,450	40,969,637	40,567,984
Changes of assumptions.....	-	-	111,439,575
Benefit payments.....	<u>(25,000,273)</u>	<u>(34,268,374)</u>	<u>(31,660,697)</u>
Net change in total OPEB liability.....	42,971,252	25,390,177	141,178,382
Total OPEB liability - beginning.....	<u>1,144,673,971</u>	<u>1,187,645,223</u>	<u>1,213,035,400</u>
Total OPEB liability - ending (a).....	<u>\$ 1,187,645,223</u>	<u>\$ 1,213,035,400</u>	<u>\$ 1,354,213,782</u>
Plan fiduciary net position			
Employer contributions.....	\$ 494,794	\$ 644,079	\$ 745,325
Employer contributions for OPEB payments.....	25,000,273	34,268,374	31,660,697
Net investment income (loss).....	1,455	13,005	41,995
Benefit payments.....	<u>(25,000,273)</u>	<u>(34,268,374)</u>	<u>(31,660,697)</u>
Net change in plan fiduciary net position.....	496,249	657,084	787,320
Plan fiduciary net position - beginning of year.....	<u>480,991</u>	<u>977,240</u>	<u>1,634,324</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 977,240</u>	<u>\$ 1,634,324</u>	<u>\$ 2,421,644</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 1,186,667,983</u>	<u>\$ 1,211,401,076</u>	<u>\$ 1,351,792,138</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	0.08%	0.13%	0.18%
Covered-employee payroll.....	\$ 277,466,376	\$ 279,686,107	\$ 281,923,596
Net OPEB liability as a percentage of covered-employee payroll.....	427.68%	433.13%	479.49%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for
which information is available.

See notes to required supplementary information.

	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
\$	38,877,498	\$ 44,693,982	\$ 38,439,824	\$ 37,066,906
	32,645,775	30,561,841	61,366,665	49,788,768
	85,218,777	123,666,366	(448,689,569)	(55,153,358)
	<u>(32,544,441)</u>	<u>(32,244,628)</u>	<u>(34,651,907)</u>	<u>(33,669,549)</u>
	124,197,609	166,677,561	(383,534,987)	(1,967,233)
	<u>1,354,213,782</u>	<u>1,478,411,391</u>	<u>1,645,088,952</u>	<u>1,261,553,965</u>
\$	<u>1,478,411,391</u>	<u>\$ 1,645,088,952</u>	<u>\$ 1,261,553,965</u>	<u>\$ 1,259,586,732</u>
\$	313,559	\$ 734,699	\$ 2,763,193	\$ 6,783,412
	32,544,441	32,244,628	34,651,907	33,669,549
	24,142	76,678	(212,328)	96,660
	<u>(32,544,441)</u>	<u>(32,244,628)</u>	<u>(34,651,907)</u>	<u>(33,669,549)</u>
	337,701	811,377	2,550,865	6,880,072
	<u>2,421,644</u>	<u>2,759,345</u>	<u>3,570,722</u>	<u>6,121,587</u>
\$	<u>2,759,345</u>	<u>\$ 3,570,722</u>	<u>\$ 6,121,587</u>	<u>\$ 13,001,659</u>
\$	<u>1,475,652,046</u>	<u>\$ 1,641,518,230</u>	<u>\$ 1,255,432,378</u>	<u>\$ 1,246,585,073</u>
	0.19%	0.22%	0.49%	1.03%
\$	284,178,985	\$ 336,148,366	\$ 361,439,411	\$ 365,053,805
	519.27%	488.33%	347.34%	341.48%

**SCHEDULE OF THE CITY'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
June 30, 2023.....	\$ 109,668,744	\$ (40,452,961)	\$ 69,215,783	\$ 365,053,805	11.08%
June 30, 2022.....	106,424,257	(37,415,100)	69,009,157	361,439,411	10.35%
June 30, 2021.....	111,399,902	(32,979,327)	78,420,575	336,148,366	9.81%
June 30, 2020.....	106,890,298	(32,858,000)	74,032,298	284,178,985	11.56%
June 30, 2019.....	70,644,140	(31,660,697)	38,983,443	281,923,596	11.23%
June 30, 2018.....	59,645,546	(32,406,022)	27,239,524	279,686,107	11.59%
June 30, 2017.....	67,971,525	(25,495,067)	42,476,458	277,466,376	9.19%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Year	Annual money-weighted rate of return, net of investment expense
June 30, 2023.....	1.15%
June 30, 2022.....	-5.95%
June 30, 2021.....	2.78%
June 30, 2020.....	1.00%
June 30, 2019.....	N/A
June 30, 2018.....	N/A
June 30, 2017.....	N/A

(N/A) - The assets of the OPEB Trust Fund were invested in money market funds and certificates of deposit only until the City began to invest the funds during fiscal year 2020.

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITYA. Budgetary Information

Municipal Law requires the adoption of a balanced budget that is approved by the Mayor and the City Council (the “Council”). The Mayor presents an annual budget to the Council, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses.

Supplementary appropriations are made upon recommendation of the Mayor and approval of the Council.

The majority of the City’s appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year’s original budget.

Generally, expenditures may not exceed the legal level of spending authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds majority vote of the Council and written approval from the Massachusetts Department of Revenue.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2023 approved budget authorized approximately \$856.4 million in appropriations and other amounts to be raised. During the year the appropriations increased by \$59.8 million due to an increase in the use of free cash of \$62.8 million to fund pay-go capital, transfers out for stabilization, OPEB and capital, and an additional \$6.5 million to reduce the tax rate. The City Comptroller’s office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2023, is presented below:

Net change in fund balance - budgetary basis.....	\$	(32,198,610)
<u>Perspective differences:</u>		
Activity of the stabilization fund recorded in the general fund for GAAP.....		33,736,994
<u>Basis of accounting differences:</u>		
Net change in recording 60 day receipts.....		(6,527)
Net change in recording accrued expenditures.....		(14,000)
Recognition of revenue for on-behalf payments.....		54,725,607
Recognition of expenditures for on-behalf payments.....		<u>(54,725,607)</u>
Net change in fund balance - GAAP basis.....	\$	<u>1,517,857</u>

NOTE B – PENSION PLAN***Pension Plan Schedules – Retirement System*****A. Schedule of Changes in the Net Pension Liability and Related Ratios**

The Schedule of Changes in the Net Pension Liability and Related Ratios includes the detailed changes in the systems total pension liability, changes in the systems net position, and the ending net pension liability. It also demonstrates the System's net position as a percentage of the total pension liability and the net pension liability as a percentage of covered payroll.

B. Schedule of Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The total appropriations are payable on July 1 and January 1. Employers may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual employer contributions may be less than the "total appropriation". The pension fund appropriations are allocated amongst employers based on covered payroll.

C. Schedule of Investment Returns

The money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money-weighted rate of return calculation are determined monthly.

Pension Plan Schedules - City**A. Schedule of the City's Proportionate Share of the Net Pension Liability**

The Schedule of the City's Proportionate Share of the Net Pension Liability details the City's allocated percentage of the net pension liability (asset), the City's proportionate share of the net pension liability, and the City's covered employee payroll. It also demonstrates the City's net position as a percentage of the City's pension liability and the City's net pension liability as a percentage of the City's covered payroll.

B. Schedule of City's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The City's appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The City's appropriations are payable on July 1 and January 1. The City may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual City contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the City based on covered payroll.

C. Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding

situation. Since the City does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the City; the portion of the collective pension expense as both revenue and pension expense recognized by the City; and the System's fiduciary net position as a percentage of the total liability.

D. Changes of Assumptions – None.

E. Changes in Plan Provisions – None.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The City administers a single employer defined benefit healthcare plan (the “Other Postemployment Benefit Plan”). The plan provides lifetime medical, dental, and vision benefits for eligible retirees and their spouses through the City's participation in the Commonwealth of Massachusetts' Group Insurance Commission (GIC), which covers both active and retired members. Each participating municipality is assessed for the governmental share of health and life insurance premiums paid on behalf of its teacher retirees by the state.

The Other Postemployment Benefit Plan

The Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the City's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

Schedule of the City's Contributions

The Schedule of the City's Contributions includes the City's annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered employee payroll. The City is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered payroll. Actuarially contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Methods and assumptions used to determine contribution rates are as follows on the next page.

Valuation date.....	July 1, 2021
Actuarial cost method.....	Entry Age Normal as a level percentage of payroll.
Asset valuation method.....	Fair Value of Assets as of the reporting date.
Nominal investment rate of return.....	3.33%.
Single equivalent discount rate.....	4.00%, previously 3.77%. An average of 20-year bond indices (S&P Municipal Bond 20 Year High Grade Rate Index 4.13%, and Fidelity GA AA 20 Years 3.86%) as of June 30, 2023.
Inflation.....	Not specifically assumed.
Salary increases.....	3.0% annually as of June 30, 2022 and for future periods.
Healthcare cost trend rate.....	Year 1 trend: 7.0%. Ultimate trend: July 1, 2033 and later, 4.5%. Grading per year: 0.25%.
Mortality.....	Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

Schedule of Investment Returns

The Schedule of Investment Returns includes the money-weighted investment return on the Plan’s other postemployment assets, net of investment expense.

Changes of Assumptions – The discount rate was increased from 3.77% to 4.00%.

Changes in Plan Provisions – None.

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Combining Fund Statements

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenue sources that are restricted by law or administrative action to expenditures for specific purposes.

Utility/Telephone Fund – This fund accounts for the accumulation of funds used to offset the City’s utility and telephone expenses.

Receipts Reserved Fund – This fund accounts for specific receipts identified by the Commonwealth that are to be held until appropriated.

Community Preservation Act Fund – This fund accounts for the acquisition, creation, preservation, or rehabilitation of areas of open space, historical preservation, affordable housing and recreation. Funding is provided primarily by a property tax surcharge of 1.5%, along with matching state funds.

School Lunch Fund – This fund accounts for the school cafeteria activities and is funded by user fees and grants.

Highway Improvements Fund – This fund is used to account for roadway improvements for which expenditures are reimbursed 100% by the Commonwealth.

Revolving Fund – This fund accounts for self-supporting programs sponsored by the City.

Federal Grants School Fund – This fund is used to account for grant funds received from the federal government which are designated for specific school related programs.

Federal Grants City Fund – This fund is used to account for grant funds received from the federal government which are designated for specific non-school related programs.

State Grants School Fund – This fund is used to account for grant funds received from the Commonwealth which are designated for specific school related programs.

State Grants City Fund – This fund is used to account for grant funds received from the Commonwealth which are designated for specific non-school related programs.

Promise Fund – This fund is used to account for the accumulation of resources to provide Springfield students financial aid counseling for post-secondary education.

Springfield Empowerment Zone Partnership, Inc – This fund is used to account for operations of a voluntary Partnership that was formed to oversee the planning, budgeting, and day-to-day operations of certain Middle Schools within the Springfield Public School System.

Other – This fund accounts for all other legally established special revenues where the funds are spent on governmental purposes.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources to be used for the acquisition, construction or improvement of major capital facilities and equipment (other than those financed by enterprise funds). Such resources are derived principally from proceeds of general obligation bonds and grants. The capital projects funds are grouped into the following categories:

School Capital Projects Fund – This fund is used to account for ongoing school construction projects.

Public Buildings Fund – This fund is used to account for the construction and renovation of various non-school buildings.

Parks Fund – This fund is used to account for the acquisition, construction, and improvement of various City owned parks.

Equipment Fund – This fund is used to account for the acquisition of capital equipment that is not funded by operating budgets.

Public Works Fund – This fund is used to account for roadway, drainage and landfill improvements that are not funded by the Highway Improvements special revenue fund.

Other Fund – This fund accounts for all other legally established capital projects where the funds are spent on governmental purposes.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general obligation long-term debt principal and interest.

Bond Sinking Fund – This fund is used to account for the accumulation of funds for the future payment related to the City's state qualified general obligation school bonds.

Debt Service Reserve Fund – This fund is used to account for the accumulation of resources for the payment of general obligation long-term debt principal and interest.

PERMANENT FUNDS

Permanent Funds are used to account for the resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs.

Governmental Trusts Fund – This fund accounts for contributions where both principal and investment earnings may be spent to support the government.

Springfield Library Foundation, Inc. – This fund is used to account for Library Trust funds and Endowment funds that benefit the Springfield City Library System.

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2023

	Special Revenue Funds						
	Utility/ Telephone	Receipts Reserved	Community Preservation Act	School Lunch	Highway Improvements	Revolving	Federal Grants School
ASSETS							
Cash and cash equivalents.....	\$ 1,839,337	\$ 282,691	\$ 8,793,558	\$ -	\$ -	\$ 3,614,044	\$ -
Investments.....	-	-	-	-	-	-	-
Beneficial Interest in trusts.....	-	-	-	-	-	-	-
Receivables, net of uncollectibles:							
Tax liens.....	-	-	13,892	-	-	-	-
Community preservation fund surtax.....	-	-	2,959	-	-	-	-
Departmental and other.....	-	-	-	-	-	1,039,259	-
Intergovernmental.....	-	-	-	4,594,367	5,656,855	-	3,862,147
Community preservation state share.....	-	-	392,000	-	-	-	-
Loans.....	-	-	-	-	-	-	-
Other assets.....	-	-	-	-	-	-	-
Restricted assets:							
Investments held by custodian.....	-	-	-	-	-	-	-
TOTAL ASSETS.....	<u>\$ 1,839,337</u>	<u>\$ 282,691</u>	<u>\$ 9,202,409</u>	<u>\$ 4,594,367</u>	<u>\$ 5,656,855</u>	<u>\$ 4,653,303</u>	<u>\$ 3,862,147</u>
LIABILITIES							
Warrants payable.....	\$ 168,587	\$ -	\$ 14,742	\$ 2,558,353	\$ 91,171	\$ 15,926	\$ 77,429
Accrued payroll.....	3,074	-	-	18,885	675	169,563	1,598,729
Tax refunds payable.....	-	-	3,819	-	-	-	-
Due to other funds.....	-	-	-	362,746	1,134,923	-	2,141,905
Due to granting agencies.....	-	-	-	-	-	-	-
Other liabilities.....	-	-	-	-	-	523	-
Notes payable.....	-	-	-	-	-	-	-
TOTAL LIABILITIES.....	<u>171,661</u>	<u>-</u>	<u>18,561</u>	<u>2,939,984</u>	<u>1,226,769</u>	<u>186,012</u>	<u>3,818,063</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue.....	-	-	408,851	-	4,430,086	1,039,259	-
Beneficial interest in trusts.....	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES..	<u>-</u>	<u>-</u>	<u>408,851</u>	<u>-</u>	<u>4,430,086</u>	<u>1,039,259</u>	<u>-</u>
FUND BALANCES							
Nonspendable.....	-	-	-	-	-	-	-
Restricted.....	1,667,676	282,691	8,774,997	1,654,383	-	3,428,032	44,084
Unassigned.....	-	-	-	-	-	-	-
TOTAL FUND BALANCES.....	<u>1,667,676</u>	<u>282,691</u>	<u>8,774,997</u>	<u>1,654,383</u>	<u>-</u>	<u>3,428,032</u>	<u>44,084</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	<u>\$ 1,839,337</u>	<u>\$ 282,691</u>	<u>\$ 9,202,409</u>	<u>\$ 4,594,367</u>	<u>\$ 5,656,855</u>	<u>\$ 4,653,303</u>	<u>\$ 3,862,147</u>

Special Revenue Funds						
Federal Grants City	State Grants School	State Grants City	Promise Fund	Springfield Empowerment Zone Partnership	Other	Subtotal
\$ 2,212,237	\$ 3,130,447	\$ 3,784,950	\$ 3,487,913	\$ 1,233,818	\$ 25,789,849	\$ 54,168,844
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	13,892
-	-	-	-	-	-	2,959
-	-	-	-	266,801	13,493	1,319,553
31,216	-	-	-	401,830	-	14,546,415
-	-	-	-	-	-	392,000
2,017,028	-	-	-	-	-	2,017,028
-	-	-	-	30,797	-	30,797
-	-	-	-	-	-	-
<u>\$ 4,260,481</u>	<u>\$ 3,130,447</u>	<u>\$ 3,784,950</u>	<u>\$ 3,487,913</u>	<u>\$ 1,933,246</u>	<u>\$ 25,803,342</u>	<u>\$ 72,491,488</u>
\$ 591,366	\$ 371,102	\$ 156,809	\$ -	\$ 309,435	\$ 30,604	\$ 4,385,524
50,740	139,681	33,762	16,082	-	107,007	2,138,198
-	-	-	-	-	-	3,819
-	-	-	-	-	-	3,639,574
1,602,000	-	-	-	-	-	1,602,000
-	-	-	-	206,933	5,480,209	5,687,665
-	-	-	-	-	-	-
<u>2,244,106</u>	<u>510,783</u>	<u>190,571</u>	<u>16,082</u>	<u>516,368</u>	<u>5,617,820</u>	<u>17,456,780</u>
451,745	-	-	-	-	7,638	6,337,579
-	-	-	-	-	-	-
<u>451,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,638</u>	<u>6,337,579</u>
-	-	-	-	-	-	-
1,564,630	2,619,664	3,594,379	3,471,831	1,416,878	20,177,884	48,697,129
-	-	-	-	-	-	-
<u>1,564,630</u>	<u>2,619,664</u>	<u>3,594,379</u>	<u>3,471,831</u>	<u>1,416,878</u>	<u>20,177,884</u>	<u>48,697,129</u>
<u>\$ 4,260,481</u>	<u>\$ 3,130,447</u>	<u>\$ 3,784,950</u>	<u>\$ 3,487,913</u>	<u>\$ 1,933,246</u>	<u>\$ 25,803,342</u>	<u>\$ 72,491,488</u>

(continued)

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2023

	Capital Project Funds						
	School Capital Projects	Public Buildings	Parks	Equipment	Public Works	Other	Subtotal
ASSETS							
Cash and cash equivalents.....	\$ 16,176,043	\$ 1,348,035	\$ 3,580,132	\$ 14,872,428	\$ 963,656	\$ 34,724	\$ 36,975,018
Investments.....	-	-	-	-	-	-	-
Beneficial Interest in trusts.....	-	-	-	-	-	-	-
Receivables, net of uncollectibles:							
Tax liens.....	-	-	-	-	-	-	-
Community preservation fund surtax.....	-	-	-	-	-	-	-
Departmental and other.....	-	-	-	-	-	-	-
Intergovernmental - other.....	2,065,682	-	-	-	-	-	2,065,682
Community preservation state share.....	-	-	-	-	-	-	-
Loans.....	-	-	-	-	-	-	-
Other assets.....	-	-	-	-	-	-	-
Restricted assets:							
Investments held by custodian.....	-	-	-	-	-	-	-
TOTAL ASSETS.....	\$ 18,241,725	\$ 1,348,035	\$ 3,580,132	\$ 14,872,428	\$ 963,656	\$ 34,724	\$ 39,040,700
LIABILITIES							
Warrants payable.....	\$ 8,496,849	\$ 6,063	\$ -	\$ 301,313	\$ -	\$ -	\$ 8,804,225
Accrued payroll.....	-	-	-	-	-	-	-
Tax refunds payable.....	-	-	-	-	-	-	-
Due to other funds.....	-	-	-	-	-	-	-
Due to granting agencies.....	-	-	-	-	-	-	-
Other liabilities.....	-	-	-	-	-	-	-
Notes payable.....	-	500,000	4,300,000	1,467,949	-	-	6,267,949
TOTAL LIABILITIES.....	8,496,849	506,063	4,300,000	1,769,262	-	-	15,072,174
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue.....	-	-	-	-	-	-	-
Beneficial interest in trusts.....	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES..	-	-	-	-	-	-	-
FUND BALANCES							
Nonspendable.....	-	-	-	-	-	-	-
Restricted.....	9,744,876	841,972	-	13,103,166	963,656	34,724	24,688,394
Unassigned.....	-	-	(719,868)	-	-	-	(719,868)
TOTAL FUND BALANCES.....	9,744,876	841,972	(719,868)	13,103,166	963,656	34,724	23,968,526
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 18,241,725	\$ 1,348,035	\$ 3,580,132	\$ 14,872,428	\$ 963,656	\$ 34,724	\$ 39,040,700

Debt Service Funds			Permanent Funds			Total
Bond Sinking Fund	Debt Service Reserve	Subtotal	Governmental Trusts	Springfield Library Foundation	Subtotal	Nonmajor Governmental Funds
\$ -	\$ 567,290	\$ 567,290	\$ 2,325,154	\$ 624,665	\$ 2,949,819	\$ 94,660,971
-	-	-	-	7,627,971	7,627,971	7,627,971
-	-	-	5,913,413	4,240,214	10,153,627	10,153,627
-	-	-	-	-	-	13,892
-	-	-	-	-	-	2,959
-	-	-	-	-	-	1,319,553
-	-	-	-	-	-	16,612,097
-	-	-	-	-	-	392,000
-	-	-	-	-	-	2,017,028
-	-	-	-	-	-	30,797
<u>12,691,526</u>	<u>-</u>	<u>12,691,526</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,691,526</u>
<u>\$ 12,691,526</u>	<u>\$ 567,290</u>	<u>\$ 13,258,816</u>	<u>\$ 8,238,567</u>	<u>\$ 12,492,850</u>	<u>\$ 20,731,417</u>	<u>\$ 145,522,421</u>
\$ -	\$ -	\$ -	\$ 1,390	\$ 10,665	\$ 12,055	\$ 13,201,804
-	-	-	-	-	-	2,138,198
-	-	-	-	-	-	3,819
-	-	-	-	-	-	3,639,574
-	-	-	-	-	-	1,602,000
-	-	-	-	-	-	5,687,665
-	-	-	-	-	-	6,267,949
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,390</u>	<u>10,665</u>	<u>12,055</u>	<u>32,541,009</u>
-	-	-	-	-	-	6,337,579
-	-	-	5,913,413	-	5,913,413	5,913,413
-	-	-	5,913,413	-	5,913,413	12,250,992
-	-	-	-	4,240,214	4,240,214	4,240,214
12,691,526	567,290	13,258,816	2,323,764	8,241,971	10,565,735	97,210,074
-	-	-	-	-	-	(719,868)
<u>12,691,526</u>	<u>567,290</u>	<u>13,258,816</u>	<u>2,323,764</u>	<u>12,482,185</u>	<u>14,805,949</u>	<u>100,730,420</u>
<u>\$ 12,691,526</u>	<u>\$ 567,290</u>	<u>\$ 13,258,816</u>	<u>\$ 8,238,567</u>	<u>\$ 12,492,850</u>	<u>\$ 20,731,417</u>	<u>\$ 145,522,421</u>

(concluded)

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

YEAR ENDED JUNE 30, 2023

	Special Revenue Funds						
	Utility/ Telephone	Receipts Reserved	Community Preservation Act	School Lunch	Highway Improvements	Revolving	Federal Grants School
REVENUES:							
Tax liens.....	\$ -	\$ -	\$ 4,748	\$ -	\$ -	\$ -	\$ -
Charges for services.....	-	-	-	1,007,500	-	564,224	-
Penalties and interest on taxes.....	-	-	5,732	-	-	-	-
Fines and forfeitures.....	-	-	-	-	-	-	-
Intergovernmental - other.....	-	-	733,180	28,339,568	5,536,798	237,978	37,633,779
Departmental and other.....	410,405	-	-	583,593	-	8,888,248	-
Community preservation taxes.....	-	-	2,191,518	-	-	-	-
Contributions and donations.....	-	-	-	-	-	-	-
Investment income (loss).....	-	-	122,082	8,964	1,039	1,666	-
TOTAL REVENUES.....	410,405	-	3,057,260	29,939,625	5,537,837	9,692,116	37,633,779
EXPENDITURES:							
Current:							
General government.....	120,457	32,316	-	-	-	14,878	-
Public safety.....	-	-	-	-	-	8,226,492	-
Education.....	-	-	-	30,602,999	-	1,124,695	40,345,346
Public works.....	-	-	-	-	5,537,837	-	-
Health and welfare.....	-	-	-	-	-	-	-
Culture and recreation.....	-	-	-	-	-	84,591	-
Community preservation.....	-	-	1,007,862	-	-	-	-
TOTAL EXPENDITURES.....	120,457	32,316	1,007,862	30,602,999	5,537,837	9,450,656	40,345,346
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	289,948	(32,316)	2,049,398	(663,374)	-	241,460	(2,711,567)
OTHER FINANCING SOURCES (USES):							
Transfers in.....	-	-	-	-	-	-	-
Transfers out.....	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	289,948	(32,316)	2,049,398	(663,374)	-	241,460	(2,711,567)
FUND BALANCES AT BEGINNING OF YEAR.....	1,377,728	315,007	6,725,599	2,317,757	-	3,186,572	2,755,651
FUND BALANCES AT END OF YEAR.....	\$ 1,667,676	\$ 282,691	\$ 8,774,997	\$ 1,654,383	\$ -	\$ 3,428,032	\$ 44,084

Special Revenue Funds						
Federal Grants City	State Grants School	State Grants City	Promise Fund	Springfield Empowerment Zone Partnership	Other	Subtotal
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,748
-	-	-	-	-	218,226	1,789,950
-	-	-	-	-	-	5,732
-	-	-	-	-	17,200	17,200
23,239,810	8,850,396	9,329,904	-	799,088	-	114,700,501
567,515	-	825,713	-	2,816,514	1,579,989	15,671,977
-	-	-	-	-	-	2,191,518
-	-	-	-	-	5,681,455	5,681,455
2,357	-	163	53,455	-	-	189,726
<u>23,809,682</u>	<u>8,850,396</u>	<u>10,155,780</u>	<u>53,455</u>	<u>3,615,602</u>	<u>7,496,870</u>	<u>140,252,807</u>
18,911,567	-	3,278,075	-	-	52,058	22,409,351
262,811	-	4,381,501	-	-	718,574	13,589,378
-	8,242,800	-	529,821	3,693,146	2,629,618	87,168,425
484,549	-	682,411	-	-	-	6,704,797
4,067,386	-	1,408,963	-	-	12,157	5,488,506
433,292	-	1,167,046	-	-	410,104	2,095,033
-	-	-	-	-	-	1,007,862
<u>24,159,605</u>	<u>8,242,800</u>	<u>10,917,996</u>	<u>529,821</u>	<u>3,693,146</u>	<u>3,822,511</u>	<u>138,463,352</u>
<u>(349,923)</u>	<u>607,596</u>	<u>(762,216)</u>	<u>(476,366)</u>	<u>(77,544)</u>	<u>3,674,359</u>	<u>1,789,455</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(349,923)	607,596	(762,216)	(476,366)	(77,544)	3,674,359	1,789,455
<u>1,914,553</u>	<u>2,012,068</u>	<u>4,356,595</u>	<u>3,948,197</u>	<u>1,494,422</u>	<u>16,503,525</u>	<u>46,907,674</u>
<u>\$ 1,564,630</u>	<u>\$ 2,619,664</u>	<u>\$ 3,594,379</u>	<u>\$ 3,471,831</u>	<u>\$ 1,416,878</u>	<u>\$ 20,177,884</u>	<u>\$ 48,697,129</u>

(continued)

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

YEAR ENDED JUNE 30, 2023

	Capital Project Funds						Subtotal
	School Capital Projects	Public Buildings	Parks	Equipment	Public Works	Other	
REVENUES:							
Tax liens.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services.....	-	-	-	-	-	-	-
Penalties and interest on taxes.....	-	-	-	-	-	-	-
Fines and forfeitures.....	-	-	-	-	-	-	-
Intergovernmental - other.....	18,843,498	-	-	90,790	-	-	18,934,288
Departmental and other.....	-	-	-	-	-	-	-
Community preservation taxes.....	-	-	-	-	-	-	-
Contributions and donations.....	-	100,000	-	-	-	-	100,000
Investment income (loss).....	-	-	-	-	-	-	-
TOTAL REVENUES.....	18,843,498	100,000	-	90,790	-	-	19,034,288
EXPENDITURES:							
Current:							
General government.....	-	737,768	-	4,031,370	-	-	4,769,138
Public safety.....	-	-	-	1,992,842	-	-	1,992,842
Education.....	48,081,789	-	-	-	-	-	48,081,789
Public works.....	-	-	-	5,500,332	3,311,984	-	8,812,316
Health and welfare.....	-	-	-	-	-	-	-
Culture and recreation.....	-	-	1,815,320	-	-	-	1,815,320
Community preservation.....	-	-	-	-	-	-	-
TOTAL EXPENDITURES.....	48,081,789	737,768	1,815,320	11,524,544	3,311,984	-	65,471,405
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(29,238,291)	(637,768)	(1,815,320)	(11,433,754)	(3,311,984)	-	(46,437,117)
OTHER FINANCING SOURCES (USES):							
Transfers in.....	-	-	-	6,982,207	-	-	6,982,207
Transfers out.....	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	-	-	6,982,207	-	-	6,982,207
NET CHANGE IN FUND BALANCES.....	(29,238,291)	(637,768)	(1,815,320)	(4,451,547)	(3,311,984)	-	(39,454,910)
FUND BALANCES AT BEGINNING OF YEAR.....	38,983,167	1,479,740	1,095,452	17,554,713	4,275,640	34,724	63,423,436
FUND BALANCES AT END OF YEAR.....	\$ 9,744,876	\$ 841,972	\$ (719,868)	\$ 13,103,166	\$ 963,656	\$ 34,724	\$ 23,968,526

Debt Service Funds			Permanent Fund			Total Nonmajor Governmental Funds
Bond Sinking Fund	Debt Service Reserve	Subtotal	Governmental Trusts	Springfield Library Foundation	Subtotal	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,748
-	-	-	250,573	-	250,573	2,040,523
-	-	-	-	-	-	5,732
-	-	-	-	-	-	17,200
-	-	-	-	-	-	133,634,789
-	46,842	46,842	3,000	-	3,000	15,721,819
-	-	-	-	-	-	2,191,518
-	-	-	303,953	1,999,808	2,303,761	8,085,216
410,121	-	410,121	(20,645)	(2,203,135)	(2,223,780)	(1,623,933)
<u>410,121</u>	<u>46,842</u>	<u>456,963</u>	<u>536,881</u>	<u>(203,327)</u>	<u>333,554</u>	<u>160,077,612</u>
-	-	-	-	-	-	27,178,489
-	-	-	-	-	-	15,582,220
-	-	-	-	-	-	135,250,214
-	-	-	-	-	-	15,517,113
-	-	-	-	-	-	5,488,506
-	-	-	518,213	640,136	1,158,349	5,068,702
-	-	-	-	-	-	1,007,862
-	-	-	518,213	640,136	1,158,349	205,093,106
410,121	46,842	456,963	18,668	(843,463)	(824,795)	(45,015,494)
776,911	-	776,911	-	-	-	7,759,118
-	(237,000)	(237,000)	-	-	-	(237,000)
776,911	(237,000)	539,911	-	-	-	7,522,118
1,187,032	(190,158)	996,874	18,668	(843,463)	(824,795)	(37,493,376)
11,504,494	757,448	12,261,942	2,305,096	13,325,648	15,630,744	138,223,796
<u>\$ 12,691,526</u>	<u>\$ 567,290</u>	<u>\$ 13,258,816</u>	<u>\$ 2,323,764</u>	<u>\$ 12,482,185</u>	<u>\$ 14,805,949</u>	<u>\$ 100,730,420</u>

(concluded)

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost reimbursement basis.

Public Works Shared Services Fund – This fund is used to account for the inter-department services provided by the department of public works for the maintenance of vehicles and other services.

Health Insurance Fund – This fund is used to account for the payment of health and other employee benefit programs.

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

JUNE 30, 2023

	Public Works Shared Services	Health Insurance	Total Internal Service Funds
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 708,144	\$ 16,251,123	\$ 16,959,267
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	-	52,817	52,817
Total current assets.....	<u>708,144</u>	<u>16,303,940</u>	<u>17,012,084</u>
LIABILITIES			
CURRENT:			
Accrued withholdings.....	-	2,984,114	2,984,114
Health claims payable.....	-	183,234	183,234
Total current liabilities.....	<u>-</u>	<u>3,167,348</u>	<u>3,167,348</u>
NET POSITION			
Unrestricted.....	<u>\$ 708,144</u>	<u>\$ 13,136,592</u>	<u>\$ 13,844,736</u>

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2023

	Public Works Shared Services	Health Insurance	Total Internal Service Funds
OPERATING REVENUES:			
Employee contributions.....	\$ -	\$ 24,867,383	\$ 24,867,383
Employer contributions.....	-	77,137,851	77,137,851
Charges for services.....	1,877,084	-	1,877,084
TOTAL OPERATING REVENUES	1,877,084	102,005,234	103,882,318
OPERATING EXPENSES:			
Cost of services and administration.....	2,026,442	-	2,026,442
Employee benefits.....	-	101,793,307	101,793,307
TOTAL OPERATING EXPENSES.....	2,026,442	101,793,307	103,819,749
OPERATING INCOME.....	(149,358)	211,927	62,569
NONOPERATING REVENUES (EXPENSES):			
Investment income.....	-	109,032	109,032
CHANGE IN NET POSITION.....	(149,358)	320,959	171,601
NET POSITION AT BEGINNING OF YEAR.....	857,502	12,815,633	13,673,135
NET POSITION AT END OF YEAR.....	\$ 708,144	\$ 13,136,592	\$ 13,844,736

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023

	Public Works Shared Services	Health Insurance	Total Internal Service Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Receipts from member employees.....	\$ -	\$ 25,010,644	\$ 25,010,644
Receipts from interfund services provided.....	1,877,084	77,121,462	78,998,546
Payments for interfund services used.....	<u>(2,026,442)</u>	<u>(101,793,697)</u>	<u>(103,820,139)</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>(149,358)</u>	<u>338,409</u>	<u>189,051</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Investment income.....	<u>-</u>	<u>109,032</u>	<u>109,032</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(149,358)	447,441	298,083
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	<u>857,502</u>	<u>15,803,682</u>	<u>16,661,184</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	<u>\$ 708,144</u>	<u>\$ 16,251,123</u>	<u>\$ 16,959,267</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>			
<u>FROM OPERATING ACTIVITIES:</u>			
Operating income (loss).....	\$ (149,358)	\$ 211,927	\$ 62,569
Adjustments to reconcile operating income to net cash from operating activities:			
Changes in assets and liabilities:			
Departmental and other.....	-	(16,389)	(16,389)
Accrued withholdings.....	-	143,261	143,261
Health claims payable.....	<u>-</u>	<u>(390)</u>	<u>(390)</u>
Total adjustments.....	<u>-</u>	<u>126,482</u>	<u>126,482</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ (149,358)</u>	<u>\$ 338,409</u>	<u>\$ 189,051</u>

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Statistical Section

Statistical tables differ from financial statements since they usually cover more than one fiscal year and may present non-accounting data. The following tables reflect social and economic data, financial trends, and fiscal capacity.



2023 Springfield Puerto Rican Parade.

City of Springfield, Massachusetts
Annual Comprehensive Financial Report
For the year ended June 30, 2023



One Financial Plaza's Live Music Wednesday's Lunchtime Summer 2023 Concert Series.

Statistical Section

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

Financial Trends

- These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

- These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

- These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

- These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

- These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the audited financial reports for the relevant year.

Net Position By Component

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets.....	\$ 449,486,707	\$ 469,947,179	\$ 464,426,535	\$ 445,205,624	\$ 451,296,767	\$ 453,567,266	\$ 465,175,420	\$ 471,520,333	\$ 485,000,570	\$ 516,822,747
Restricted.....	12,596,529	12,985,477	18,121,346	22,574,550	28,917,393	42,834,599	44,837,932	51,724,162	54,378,717	53,936,779
Unrestricted.....	(715,949,993)	(775,988,856)	(838,399,784)	(1,754,845,827)	(1,797,948,992)	(1,855,187,558)	(1,921,977,185)	(1,998,797,400)	(1,989,276,676)	(2,007,405,715)
Total governmental activities net position.....	\$ (253,866,757)	\$ (293,056,200)	\$ (355,851,903)	\$ (1,287,065,653)	\$ (1,317,734,832)	\$ (1,358,785,693)	\$ (1,411,963,833)	\$ (1,475,552,905)	\$ (1,449,897,389)	\$ (1,436,646,189)
Business-type activities										
Net investment in capital assets.....	\$ 1,316,726	\$ 1,159,638	\$ 874,405	\$ 677,297	\$ 429,067	\$ 234,906	\$ 28,564	\$ 9,521	\$ -	\$ -
Unrestricted.....	(355,950)	(494,302)	(1,240,585)	(11,571,871)	(12,090,844)	(13,053,289)	(13,858,702)	(14,040,829)	(11,251,182)	(11,381,398)
Total business-type activities net position.....	\$ 960,776	\$ 665,336	\$ (366,180)	\$ (10,894,574)	\$ (11,661,777)	\$ (12,818,383)	\$ (13,830,138)	\$ (14,031,308)	\$ (11,251,182)	\$ (11,381,398)
Primary government										
Net investment in capital assets.....	\$ 450,803,433	\$ 471,106,817	\$ 465,300,940	\$ 445,882,921	\$ 451,725,834	\$ 453,802,172	\$ 465,203,984	\$ 471,529,854	\$ 485,000,570	\$ 516,822,747
Restricted.....	12,596,529	12,985,477	18,121,346	22,574,550	28,917,393	42,834,599	44,837,932	51,724,162	54,378,717	53,936,779
Unrestricted.....	(716,305,943)	(776,483,158)	(839,640,369)	(1,766,417,698)	(1,810,039,836)	(1,868,240,847)	(1,935,835,887)	(2,012,838,229)	(2,000,527,858)	(2,018,787,113)
Total primary government net position.....	\$ (252,905,981)	\$ (292,390,864)	\$ (356,218,083)	\$ (1,297,960,227)	\$ (1,329,396,609)	\$ (1,371,604,076)	\$ (1,425,793,971)	\$ (1,489,584,213)	\$ (1,461,148,571)	\$ (1,448,027,587)

The City implemented GASB Statements #68 and #71 in 2015 which required the net pension liability to be recorded for the first time. This also required the revision of the ending net position in 2014.
The City implemented GASB Statement #75 in 2018 which required the net OPEB liability to be recorded for the first time. This also required the revision of the ending net position in 2017.
The City included two blended component units in 2019 for the first time. Beginning net position was restated to reflect the inclusion.
The City implemented GASB Statement #84 in 2021 which required the reclassification of funds from the fiduciary statements, to governmental activities.

Changes in Net Position

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government.....	\$ 48,796,742	\$ 56,103,956	\$ 58,886,621	\$ 56,754,950	\$ 64,029,962	\$ 61,419,676	\$ 61,778,574	\$ 75,172,917	\$ 69,973,832	\$ 83,188,567
Public safety.....	110,564,124	122,391,784	133,631,995	140,789,834	142,997,932	146,872,970	154,425,921	155,016,151	139,174,958	158,256,121
Education.....	520,281,758	529,212,400	547,408,081	570,421,173	593,925,177	641,468,216	700,572,773	724,703,211	727,898,551	776,835,965
Public works.....	30,653,951	32,948,659	30,294,896	30,622,701	29,922,956	26,130,344	23,714,493	28,688,583	31,331,599	26,215,550
Health and welfare.....	10,108,674	10,951,993	9,823,540	9,672,059	9,807,050	10,442,078	10,523,157	11,411,075	11,039,317	10,733,991
Culture and recreation.....	21,915,878	22,587,575	21,575,179	26,372,799	22,476,657	25,589,218	28,793,958	28,828,098	27,233,880	27,582,352
Community preservation.....	-	-	-	-	3,393	18,924	223,167	556,541	1,412,572	752,273
Community development - Union Station.....	-	-	2,904,953	202,630	-	-	-	-	-	-
Storm damage - October 2011 snow storm.....	52,408	-	-	-	-	-	-	-	-	-
Interest.....	9,221,794	7,852,070	8,540,037	8,255,720	7,826,283	7,520,565	7,617,704	7,550,297	10,121,479	12,949,414
Claims and judgments.....	1,000,000	-	-	-	-	-	-	-	-	-
Total government activities expenses.....	752,595,329	781,748,437	813,065,302	843,090,866	870,989,410	919,481,991	987,649,747	1,031,826,873	1,018,186,188	1,096,514,233
Business-type activities:										
Trash.....	8,480,177	8,594,111	9,352,645	9,097,729	8,964,408	9,392,373	10,375,827	10,700,964	9,397,126	11,712,416
Total primary government expenses.....	\$ 761,075,506	\$ 790,342,548	\$ 822,417,947	\$ 852,188,595	\$ 879,953,818	\$ 928,874,364	\$ 998,025,574	\$ 1,042,527,837	\$ 1,027,583,314	\$ 1,108,226,649
Program Revenues										
Governmental activities:										
Education charges for services.....	\$ 7,325,322	\$ 6,541,388	\$ 7,366,602	\$ 8,421,563	\$ 6,601,784	\$ 7,592,779	\$ 7,944,807	\$ 7,621,571	\$ 12,272,707	\$ 13,031,908
Public safety charges for services.....	9,993,470	10,199,759	11,421,926	16,548,101	14,451,499	11,743,629	10,757,578	10,421,607	11,808,065	13,077,776
Other charges for services.....	18,881,666	17,728,851	16,133,345	14,381,032	15,865,133	17,385,563	17,540,979	14,676,719	18,747,284	18,047,284
Operating grants and contributions.....	456,798,724	435,396,915	466,735,558	488,898,185	521,696,484	525,688,387	570,049,758	611,483,242	638,545,473	716,530,094
Capital grant and contributions.....	41,100,524	47,911,551	14,989,533	7,759,281	19,492,790	17,681,277	38,581,375	22,552,817	30,692,054	25,706,205
Total government activities program revenues.....	534,099,706	517,778,464	516,646,964	536,008,162	578,107,690	580,091,635	644,874,497	666,755,956	712,065,813	786,393,267
Business-type activities:										
Charges for services - Trash.....	4,457,622	4,207,837	4,278,954	4,370,792	4,605,046	4,627,901	4,126,453	4,809,617	5,219,113	5,416,607
Total primary government program revenues.....	\$ 538,557,328	\$ 521,986,301	\$ 520,925,918	\$ 540,378,954	\$ 582,712,736	\$ 584,719,536	\$ 649,000,950	\$ 671,565,573	\$ 717,284,926	\$ 791,809,874
Net (Expense)/Revenue										
Governmental activities.....	\$ (217,115,692)	\$ (263,969,973)	\$ (296,418,338)	\$ (307,082,704)	\$ (292,881,720)	\$ (339,390,356)	\$ (342,775,250)	\$ (365,070,917)	\$ (306,120,375)	\$ (310,120,966)
Business-type activities.....	(4,022,555)	(4,386,274)	(5,073,691)	(9,097,729)	(4,359,362)	(4,764,472)	(6,249,374)	(5,891,347)	(4,178,013)	(6,295,809)
Total primary government net expense.....	\$ (221,138,247)	\$ (268,356,247)	\$ (301,492,029)	\$ (316,180,433)	\$ (297,241,082)	\$ (344,154,828)	\$ (349,024,624)	\$ (370,962,264)	\$ (310,298,388)	\$ (316,416,775)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 168,561,581	\$ 172,273,135	\$ 174,690,242	\$ 184,532,180	\$ 194,314,236	\$ 210,195,184	\$ 215,579,027	\$ 226,000,932	\$ 238,325,558	\$ 238,379,470
Tax liens.....	7,482,943	2,224,967	2,108,728	2,204,912	1,358,855	2,634,247	785,941	1,100,617	852,887	1,296,775
Motor vehicle and other excise taxes.....	9,042,640	9,989,321	10,328,923	11,554,971	12,380,477	12,145,528	12,379,352	12,411,029	12,217,187	11,696,066
Hotel/motel, meals and cannabis local option taxes.....	2,834,063	2,873,138	3,068,266	3,121,958	2,928,085	3,815,655	3,733,486	2,551,877	4,736,602	5,967,757
Community preservation tax.....	-	-	-	-	1,341,677	1,422,684	1,561,303	1,763,664	1,898,337	2,188,572
Penalties and interest on taxes.....	1,831,584	1,865,149	1,587,998	1,355,037	1,420,044	1,601,084	1,340,627	1,708,144	17,899,759	1,728,695
Payments in lieu of taxes.....	2,133,729	2,553,962	1,489,346	2,109,803	486,485	261,621	314,867	381,835	50,828	282,619
Chapter 121A - excise payments in lieu of taxes.....	1,379,931	1,701,796	7,598,317	6,592,119	9,677,652	15,812,516	13,593,858	17,613,938	15,706,092	17,520,063
Grants and contributions not restricted to specific programs.....	32,849,552	33,726,234	34,843,018	36,440,603	37,992,614	39,485,253	40,547,726	40,511,400	41,963,546	44,411,397
Unrestricted investment income.....	567,353	754,978	889,345	2,338,896	3,770,273	5,669,398	3,866,067	3,128,586	5,083,234	6,066,345
Miscellaneous.....	-	303,704	582,428	19,282	134,302	30,974	36,799	-	-	-
Transfers.....	(4,532,450)	(4,090,834)	(4,042,175)	(3,286,181)	(3,592,159)	(3,607,866)	(5,237,619)	(5,690,177)	(6,958,139)	(6,165,593)
Extraordinary Items: Tornado reimbursements.....	1,155,928	1,062,077	1,186,382	-	-	-	-	-	-	-
Tornado expense.....	(1,173,848)	(457,097)	(908,183)	-	-	-	-	-	-	-
Total governmental activities.....	222,133,006	224,780,530	233,622,635	246,983,580	262,212,541	289,466,278	288,501,434	301,481,845	331,775,891	323,372,166
Business-type activities:										
Transfers.....	4,532,450	4,090,834	4,042,175	3,286,181	3,592,159	3,607,866	5,237,619	5,690,177	6,958,139	6,165,593
Total primary government.....	\$ 226,665,456	\$ 228,871,364	\$ 237,664,810	\$ 250,269,761	\$ 265,804,700	\$ 293,074,144	\$ 293,739,053	\$ 307,172,022	\$ 338,734,030	\$ 329,537,759
Changes in Net Position										
Governmental activities.....	\$ 3,637,383	\$ (39,189,443)	\$ (62,795,703)	\$ (60,099,124)	\$ (30,669,179)	\$ (49,924,078)	\$ (54,273,816)	\$ (63,589,072)	\$ 25,655,516	\$ 13,251,200
Business-type activities.....	509,895	(295,440)	(1,031,516)	(5,811,548)	(767,203)	(1,156,606)	(1,011,755)	(201,170)	2,780,126	(130,216)
Total primary government.....	\$ 4,147,278	\$ (39,484,883)	\$ (63,827,219)	\$ (65,910,672)	\$ (31,436,382)	\$ (51,080,684)	\$ (55,285,571)	\$ (63,790,242)	\$ 28,435,642	\$ 13,120,984

Source: Audited Financial Statements

Fund Balances, Governmental Funds

Last Ten Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Restricted.....	\$ 39,126,795	\$ 24,083,457	\$ 22,187,043	\$ 25,080,609	\$ 28,589,952	\$ 24,765,911	\$ 31,311,035	\$ 35,896,215	\$ 40,729,876	\$ 57,979,650
Assigned.....	1,450,068	1,870,366	1,957,909	2,178,880	2,834,008	2,484,812	2,839,547	2,996,538	4,524,234	4,438,326
Unassigned.....	<u>64,077,847</u>	<u>58,627,885</u>	<u>59,492,923</u>	<u>67,643,909</u>	<u>74,308,283</u>	<u>73,632,740</u>	<u>82,415,405</u>	<u>99,684,688</u>	<u>154,831,073</u>	<u>139,185,064</u>
Total general fund.....	<u>\$ 104,654,710</u>	<u>\$ 84,581,708</u>	<u>\$ 83,637,875</u>	<u>\$ 94,903,398</u>	<u>\$ 105,732,243</u>	<u>\$ 100,883,463</u>	<u>\$ 116,565,987</u>	<u>\$ 138,577,441</u>	<u>\$ 200,085,183</u>	<u>\$ 201,603,040</u>
All Other Governmental Funds										
Nonspendable.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,114,650	\$ 2,985,227	\$ 3,465,047	\$ 4,285,709	\$ 4,240,214
Restricted.....	34,671,623	49,335,423	47,074,372	68,750,902	56,456,334	66,139,194	64,136,980	80,617,372	134,142,341	98,817,941
Unassigned.....	<u>(30,414,896)</u>	<u>(6,151,930)</u>	<u>(12,505,677)</u>	<u>(4,480,679)</u>	<u>(542,547)</u>	<u>(357,015)</u>	<u>(2,681,299)</u>	<u>(2,335,953)</u>	<u>-</u>	<u>(719,868)</u>
Total all other governmental funds.....	<u>\$ 4,256,727</u>	<u>\$ 43,183,493</u>	<u>\$ 34,568,695</u>	<u>\$ 64,270,223</u>	<u>\$ 55,913,787</u>	<u>\$ 68,896,829</u>	<u>\$ 64,440,908</u>	<u>\$ 81,746,466</u>	<u>\$ 138,428,050</u>	<u>\$ 102,338,287</u>

Source: Audited Financial Statements

The City included two blended component units in 2019 for the first time. Beginning fund balance was restated.

The City implemented GASB Statement #84 in 2021 which required the reclassification of funds from the fiduciary statements, to governmental funds.

Changes in Fund Balances, Governmental Funds

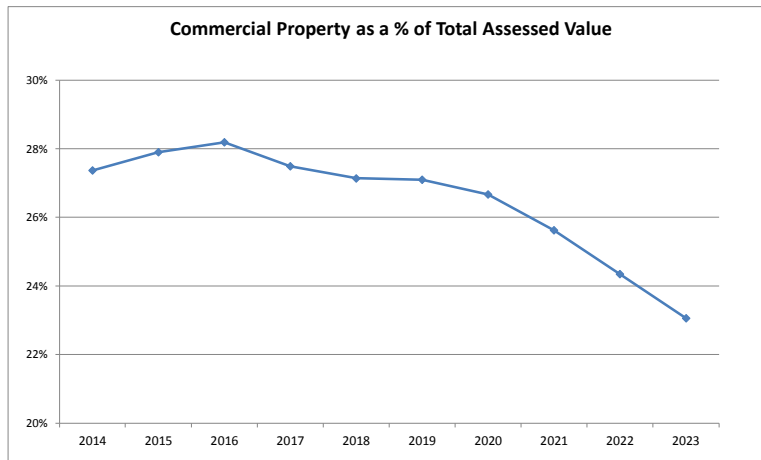
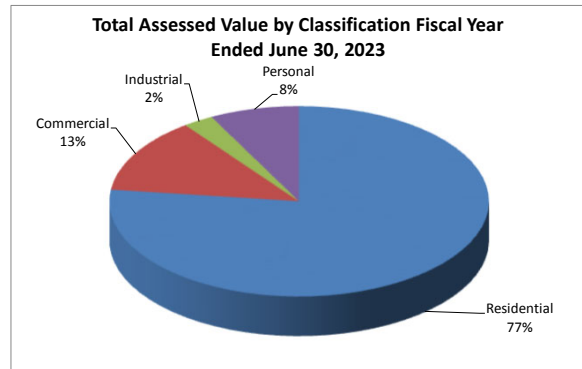
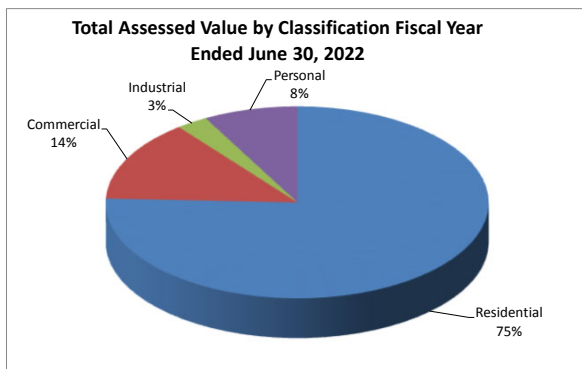
	Last Ten Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 166,418,136	\$ 170,978,385	\$ 173,395,907	\$ 185,168,180	\$ 193,425,844	\$ 198,785,518	\$ 210,605,876	\$ 222,928,733	\$ 262,014,088	\$ 238,347,187
Tax liens	2,870,817	2,141,570	2,679,712	1,950,676	1,927,627	2,035,836	1,842,934	1,210,294	956,507	1,013,572
Motor vehicle and other excise taxes.....	9,687,138	9,984,739	10,857,876	11,500,953	12,209,050	12,520,438	11,959,131	13,016,643	11,544,529	12,102,591
Hotel/motel, meals and cannabis local option taxes.....	2,834,063	2,873,138	3,068,266	3,121,958	2,928,085	3,815,655	3,733,486	2,551,877	4,736,602	5,967,757
Charges for services.....	2,974,605	2,313,984	2,294,736	7,518,828	8,915,699	6,064,583	6,551,778	5,926,827	10,756,508	10,071,881
Penalties and interest on taxes.....	1,831,584	1,865,149	1,587,998	1,355,037	1,420,044	1,601,084	1,340,627	1,708,144	17,899,759	1,728,695
Payments in lieu of taxes.....	2,133,729	2,553,962	1,489,346	2,109,803	486,485	261,621	314,867	381,835	50,828	282,619
Chapter 121A - excise payments in lieu of taxes.....	1,379,931	1,701,796	7,598,317	6,592,119	9,677,652	15,812,516	13,593,858	17,613,938	15,706,092	17,520,063
Licenses and permits.....	5,067,083	5,092,038	5,254,833	9,848,333	9,155,769	7,375,290	6,833,780	6,404,752	7,682,603	7,878,535
Fines and forfeitures.....	6,610,517	6,610,269	6,114,371	6,022,846	6,128,654	6,476,114	5,009,542	2,053,521	2,323,857	2,119,378
Intergovernmental.....	539,741,990	526,259,893	523,412,996	558,008,572	572,062,037	572,087,780	635,457,756	666,968,188	701,918,238	771,941,590
Departmental and other.....	20,723,615	19,662,232	20,204,321	14,761,964	13,771,948	17,444,775	20,676,905	19,708,575	24,051,689	29,522,644
Community preservation taxes.....	-	-	-	-	1,310,997	1,409,325	1,580,028	1,750,684	1,916,834	2,191,518
Contributions and donations.....	2,080,938	1,866,126	1,358,925	2,562,236	3,333,510	8,824,984	6,364,155	5,830,368	5,206,206	8,085,216
Investment income.....	643,624	858,604	1,123,769	2,512,286	3,729,154	5,615,689	3,814,464	3,065,860	5,026,537	5,957,313
Total Revenue.....	764,997,770	754,761,885	760,441,373	813,033,791	840,482,555	860,131,208	929,679,187	971,120,239	1,071,790,877	1,114,730,559
Expenditures:										
General government.....	39,055,405	48,693,300	42,492,632	39,234,061	50,359,323	44,688,598	44,682,954	53,716,645	62,278,173	72,911,312
Public safety.....	72,769,400	74,984,290	78,559,713	87,103,294	87,321,397	91,156,686	90,292,830	93,673,878	114,227,513	106,412,503
Education.....	530,592,608	520,513,226	511,925,956	522,451,597	506,515,388	530,056,968	559,582,517	577,069,829	669,480,861	723,327,097
Public works.....	15,574,080	23,991,761	18,022,917	18,424,180	18,357,110	23,578,533	16,211,991	20,985,185	23,602,169	26,320,637
Health and welfare.....	8,857,462	9,875,082	8,437,344	16,280,025	12,373,330	9,465,225	8,265,970	8,938,496	14,308,063	8,578,049
Culture and recreation.....	15,486,583	19,898,451	17,929,366	23,026,697	17,184,731	30,071,095	26,528,119	22,246,459	31,630,045	19,792,056
Community preservation.....	-	-	-	-	3,393	392,142	489,972	716,541	1,567,692	1,007,862
Community development - union station.....	-	-	2,904,953	202,630	-	-	-	-	-	-
Pension benefits.....	25,558,597	26,749,744	28,319,804	30,296,628	96,513,552	101,499,245	117,833,228	133,124,740	96,180,025	111,099,398
Employee fringe benefits - non school.....	23,479,125	23,850,929	26,140,555	26,601,670	26,952,291	27,008,331	26,670,347	28,273,246	30,781,786	35,353,687
Claims and judgments.....	-	-	-	1,279,448	-	-	-	6,982,377	175,521	575,455
Storm damage.....	52,408	-	-	-	-	-	-	-	-	-
State and county charges.....	3,099,037	3,143,173	3,219,435	3,514,020	3,611,175	3,682,772	3,730,691	3,828,099	3,881,338	3,853,123
Debt service.....	-	-	-	-	-	-	-	-	-	-
Payment of callable debt prior to maturity.....	-	-	-	48,495,000	-	-	-	-	-	-
Principal.....	28,024,556	26,232,047	25,196,997	24,326,002	18,445,000	19,110,000	18,945,000	17,940,000	17,320,000	17,675,000
Interest.....	11,037,794	9,562,549	10,023,853	9,193,046	8,087,968	7,475,024	7,826,092	7,111,245	7,976,920	9,033,577
Debt service related to leases.....	-	-	-	-	-	-	-	-	13,223,491	15,999,764
Total Expenditures.....	773,587,055	787,494,552	773,173,525	850,428,298	845,724,658	888,184,619	921,059,711	974,606,740	1,086,633,597	1,151,939,520
Excess of revenues over (under) expenditures.....	(8,589,285)	(32,732,667)	(12,732,152)	(37,394,507)	(5,242,103)	(28,053,411)	8,619,476	(3,486,501)	(14,842,720)	(37,208,961)
Other Financing Sources (Uses)										
Issuance of long-term debt.....	-	50,543,000	-	47,420,000	-	27,935,000	-	39,475,000	61,045,000	-
Premium from issuance of debt.....	-	2,779,251	-	3,220,816	-	1,953,039	-	3,325,471	5,117,783	-
Issuance of refunding debt.....	-	18,245,000	25,185,000	23,965,000	-	-	-	-	-	-
Premium from issuance of refunding debt.....	-	2,295,402	1,979,298	2,619,224	-	-	-	-	-	-
Payments to refunded bond escrow agent.....	-	(20,540,402)	(27,164,298)	-	-	-	-	-	-	-
Lease financing.....	2,258,001	1,750,034	6,937,497	4,422,699	11,306,671	1,034,283	6,749,070	5,693,219	73,827,402	8,802,648
Transfers in.....	4,687,753	3,866,216	6,899,344	3,119,481	1,241,026	4,513,977	3,632,346	4,221,585	12,885,298	7,996,118
Transfers out.....	(9,220,203)	(7,957,050)	(10,941,519)	(6,405,662)	(4,833,185)	(6,121,843)	(8,869,965)	(9,911,762)	(19,843,437)	(14,161,711)
Total other financing sources (uses).....	(2,274,449)	50,981,451	2,895,322	78,361,558	7,714,512	27,314,456	1,511,451	42,803,513	133,032,046	2,637,055
Extraordinary Item - Intergovernmental tornado revenue.....	1,155,928	1,062,077	1,186,382	-	-	-	-	-	-	-
Extraordinary Item - Tornado relief expenditures.....	(1,173,848)	(457,097)	(908,183)	-	-	-	-	-	-	-
Net change in fund balance.....	\$ (10,881,654)	\$ 18,853,764	\$ (9,558,631)	\$ 40,967,051	\$ 2,472,409	\$ (738,955)	\$ 10,130,927	\$ 39,317,012	\$ 118,189,326	\$ (34,571,906)
Debt service as a percentage of noncapital expenditures.....	5.50%	4.97%	4.78%	10.17%	3.36%	3.20%	3.12%	2.77%	4.04%	4.10%

(1) Debt service in 2017 includes \$22.6 million of a state grant to complete a current refunding of the same amount.
Source: Audited Financial Statements

Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates

Last Ten Years

Year	Assessed and Actual Values and Tax Rates								Total City Value
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total CIP Value	CIP Tax Rate	Total Direct Rate (1)	
2014	\$5,025,199,000	\$19.71	\$1,064,979,700	\$162,566,500	\$665,647,970	\$1,893,194,170	\$39.04	\$25.00	\$6,918,393,170
2015	\$5,079,607,100	\$19.67	\$1,156,136,600	\$168,230,700	\$640,954,110	\$1,965,321,410	\$39.04	\$25.07	\$7,044,928,510
2016	\$5,225,634,600	\$19.66	\$1,200,394,800	\$171,773,800	\$678,618,930	\$2,050,787,530	\$38.60	\$25.00	\$7,276,422,130
2017	\$5,553,040,400	\$19.66	\$1,210,558,400	\$174,399,800	\$719,957,490	\$2,104,915,690	\$39.07	\$25.00	\$7,657,956,090
2018	\$5,780,377,200	\$19.68	\$1,206,763,700	\$215,259,800	\$730,855,150	\$2,152,878,650	\$39.28	\$25.00	\$7,933,255,850
2019	\$5,987,324,700	\$19.68	\$1,250,878,800	\$232,031,300	\$742,412,040	\$2,225,322,140	\$39.30	\$25.00	\$8,212,646,840
2020	\$6,402,194,493	\$19.53	\$1,293,996,307	\$242,375,100	\$791,535,670	\$2,327,907,077	\$39.23	\$24.78	\$8,730,101,570
2021	\$7,018,786,800	\$18.90	\$1,365,682,200	\$258,826,000	\$792,918,510	\$2,417,426,710	\$39.23	\$24.11	\$9,436,213,510
2022	\$7,563,612,002	\$18.82	\$1,369,511,798	\$266,750,900	\$797,030,870	\$2,433,293,568	\$39.04	\$23.74	\$9,996,905,570
2023	\$8,675,183,438	\$17.05	\$1,443,635,062	\$294,050,400	\$861,859,550	\$2,599,545,012	\$36.40	\$21.51	\$11,274,728,450



(1) The direct rate is the weighted average of the residential and CIP rates.
 Source: Assessor's Department, City of Springfield
 All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

Note: Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the City. The primary limitation is that the tax levy cannot exceed 2 1/2 percent of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls and for certain substantial valuation increases other than as part of a general revaluation. The secondary limit may be exceeded in any year by a majority vote of the voters, however it cannot exceed the primary limitation.

Principal Taxpayers
Current Year and Nine Years Ago

Name	Nature of Business	2023			2014		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
NSTAR Electric Company	Utility	\$ 378,230,170	1	3.8%	\$ 274,493,350	1	4.0%
EVERSOURCE Energy	Utility	207,612,000	2	2.1%	105,338,480	2	1.5%
Massachusetts Mutual Life Insurance	Insurance	59,782,800	3	0.6%	83,845,200	3	1.2%
CNR Springfield LLC	Industrial	58,665,500	4	0.6%	-	-	-
BC Colonial Estates LLC	Residential	56,418,260	5	0.6%	-	-	-
Chesnut Park Preservation LP	Residential	52,422,600	6	0.5%	-	-	-
Solutia Inc	Industrial	46,036,600	7	0.5%	30,099,500	6	0.4%
Springfield Gardens LP	Residential	41,723,200	8	0.4%	-	-	-
Masspower LLC	Energy	36,400,000	9	0.4%	34,000,000	5	0.5%
D Amour Gerald E. & Charles L. & Donald H.	Office/Warehouse	35,182,600	10	0.4%	-	-	-
Verizon New England	Utility	-	-	-	43,279,310	4	0.6%
Hubbard Real Estate	Real Estate	-	-	-	24,069,500	7	0.3%
Springfield Center 1 Associates	Retail	-	-	-	23,730,800	8	0.3%
Comcast of Massachusetts II Inc	Utility	-	-	-	23,566,480	9	0.3%
Eastfield Associates	Retail	-	-	-	21,702,400	10	0.3%
Totals		\$ 972,473,730		9.7%	\$ 664,125,020		9.6%

Source: Board of Assessors

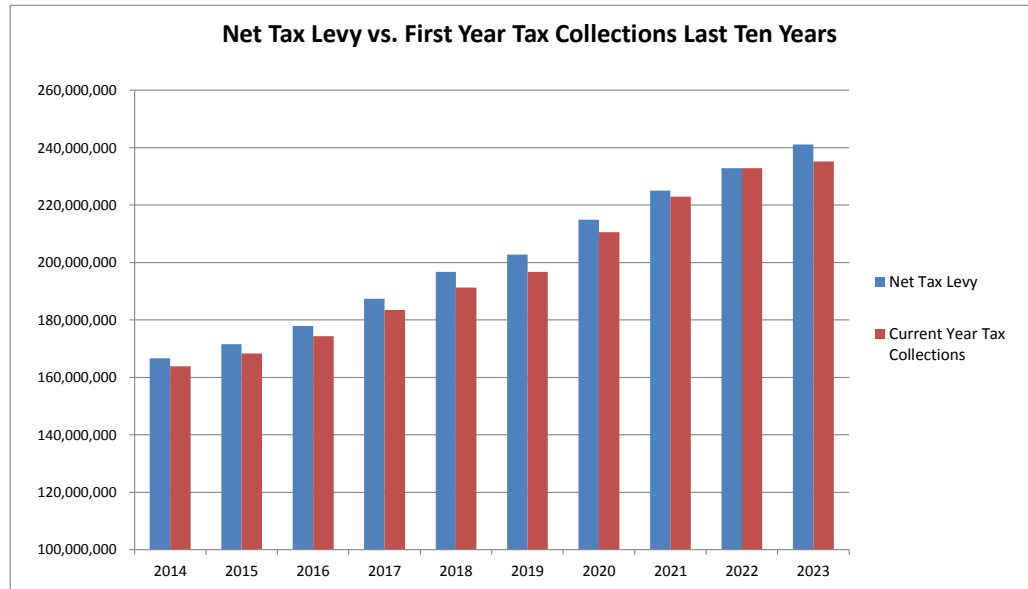
Property Tax Levies and Collections
Last Ten Years

Year	Total Tax Levy	Less Original Reserve for Abatements & Exemptions ⁽¹⁾	Net Tax Levy	Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy
2014	\$172,956,973	\$6,311,481	\$166,645,492	\$163,856,603	98.3%	\$5,256,723	\$169,113,326	101.5%
2015	\$176,111,383	\$4,530,488	\$171,580,895	\$168,297,970	98.1%	\$5,233,979	\$173,531,949	101.1%
2016	\$181,896,375	\$3,985,822	\$177,910,553	\$174,310,774	98.0%	\$4,419,469	\$178,730,243	100.5%
2017	\$191,411,830	\$3,976,196	\$187,435,634	\$183,443,510	97.9%	\$4,867,391	\$188,310,901	100.5%
2018	\$198,322,897	\$1,587,452	\$196,735,445	\$191,240,248	97.2%	\$4,701,732	\$195,941,980	99.6%
2019	\$205,285,710	\$2,496,067	\$202,789,643	\$196,697,047	97.0%	\$5,262,970	\$201,960,017	99.6%
2020	\$216,358,652	\$1,452,129	\$214,906,523	\$210,605,876	98.0%	\$7,000,539	\$217,606,415	101.3%
2021	\$227,490,720	\$2,467,899	\$225,022,821	\$222,928,733	99.1%	\$5,925,136	\$228,853,869	101.7%
2022	\$237,342,959	\$4,492,326	\$232,850,633	\$232,850,633	100.0%	\$3,121,035	\$235,971,668	101.3%
2023	\$242,535,316	\$1,443,409	\$241,091,907	\$235,226,152	97.6%	\$0	\$235,226,152	97.6%

(1) The City is required by state regulation to estimate a reserve for potential tax abatements and exemptions to produce a balance budget where the Net Levy is the budgeted collections.

(2) If the actual abatements and exemptions are lower than the reserve, the actual collections can exceed the net levy and percentage can exceed 100%.

Source: Board of Assessors, Official Statements



Ratios of Outstanding Debt by Type

Last Ten Years

Year	Governmental Activities		Business-type Activities	Total Debt Outstanding	Percentage of Personal Income	U. S. Census Population	Debt Per Capita
	General Obligation Bonds ⁽¹⁾	Leases	Leases				
2014	\$ 207,900,886	\$ 2,518,281	\$ 922,672	\$ 211,341,839	7.46%	153,060	\$ 1,375
2015	\$ 233,711,751	\$ 3,042,599	\$ 1,300,663	\$ 238,055,013	8.40%	153,991	\$ 1,537
2016	\$ 208,019,602	\$ 7,246,084	\$ 767,034	\$ 216,032,720	7.56%	153,703	\$ 1,401
2017	\$ 211,478,676	\$ 8,059,058	\$ 402,071	\$ 219,939,805	10.42%	154,204	\$ 1,424
2018	\$ 190,710,550	\$ 14,436,227	\$ 202,552	\$ 205,349,329	9.29%	154,341	\$ 1,329
2019	\$ 199,540,726	\$ 9,580,247	\$ -	\$ 209,120,973	9.14%	153,060	\$ 1,366
2020	\$ 179,004,121	\$ 10,825,287	\$ -	\$ 189,829,408	8.22%	155,472	\$ 1,221
2021	\$ 202,646,276	\$ 10,351,432	\$ -	\$ 212,997,708	6.02%	155,929	\$ 1,366
2022	\$ 250,151,252	\$ 72,884,408	\$ -	\$ 323,035,660	9.36%	154,789	\$ 2,087
2023	\$ 231,100,677	\$ 69,714,621	\$ -	\$ 300,815,298	8.43%	154,064	\$ 1,953

(1) This is the general bonded debt of the governmental activities, net of original issuance discounts and premiums.

Source: Audited Financial Statements, U. S. Census

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Years

Year	General Obligation Bonds ⁽²⁾	Less Amounts Available ⁽¹⁾	Total	Percentage of Assessed Value	Debt Per Capita
2014	\$ 207,900,886	\$ (3,328,112)	\$ 204,572,774	2.96%	\$ 1,375
2015	\$ 233,711,751	\$ (4,233,103)	\$ 229,478,648	3.26%	\$ 1,537
2016	\$ 208,019,602	\$ (5,169,309)	\$ 202,850,293	2.79%	\$ 1,401
2017	\$ 211,478,676	\$ (6,137,807)	\$ 205,340,869	2.68%	\$ 1,424
2018	\$ 190,710,550	\$ (7,139,451)	\$ 183,571,099	2.31%	\$ 1,329
2019	\$ 199,540,726	\$ (8,175,653)	\$ 191,365,073	2.33%	\$ 1,366
2020	\$ 179,004,121	\$ (9,247,881)	\$ 169,756,240	1.94%	\$ 1,221
2021	\$ 202,646,276	\$ (10,357,076)	\$ 192,289,200	2.04%	\$ 1,366
2022	\$ 250,151,252	\$ (11,504,494)	\$ 238,646,758	2.39%	\$ 2,087
2023	\$ 231,100,677	\$ (12,691,526)	\$ 218,409,151	1.94%	\$ 1,953

(1) Amounts available are restricted resources from the City's Bond Sinking Fund.

(2) This is the general bonded debt of the governmental activities, net of original issuance discounts and premiums.

Source: Audited Financial Statements, U. S. Census

Direct and Overlapping Governmental Activities Debt

As of June 30, 2023

<u>Overlapping Entity</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ⁽¹⁾</u>	<u>Share of Overlapping Debt</u>
Pioneer Valley Regional Transit Authority..... \$	14,500,000	38.60%	\$ 5,597,000
Direct debt:			
Right-to-use lease liability.....	69,714,621		69,714,621
Bonds payable.....	<u>231,100,677</u>		<u>231,100,677</u>
City direct debt.....	<u>300,815,298</u>		<u>300,815,298</u>
Total direct and overlapping debt..... \$	<u><u>315,315,298</u></u>		\$ <u><u>306,412,298</u></u>

(1) Estimated share based on debt service only.

Source: Official Statements, City Records

Note: Overlapping governments are those that coincide, at least in part, with the geographic area of the City. This schedule calculates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Computation of Legal Debt Margin

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Equalized Valuation.....	\$ 7,077,664,000	\$ 7,077,664,000	\$ 7,471,065,400	\$ 7,471,065,400	\$ 8,016,915,700	\$ 8,016,915,700	\$ 9,014,599,000	\$ 9,014,599,000	\$ 10,938,898,100	\$ 10,938,898,100
Debt Limit - 5% of Equalized Valuation...	\$ 353,883,200	\$ 353,883,200	\$ 373,553,270	\$ 373,553,270	\$ 400,845,785	\$ 400,845,785	\$ 450,729,950	\$ 450,729,950	\$ 546,944,905	\$ 546,944,905
Less:										
Outstanding debt applicable to limit.....	115,761,191	126,650,226	115,438,560	134,896,135	126,653,100	141,991,147	130,939,400	117,222,400	119,941,900	109,554,000
Authorized and unissued debt applicable to limit.....	158,676,403	129,577,399	188,064,302	156,043,558	184,214,915	120,667,264	132,040,287	132,040,287	142,496,509	184,356,822
Legal debt margin.....	\$ 76,887,766	\$ 97,655,575	\$ 70,050,408	\$ 82,613,577	\$ 89,977,770	\$ 138,187,374	\$ 187,750,263	\$ 201,467,263	\$ 284,506,496	\$ 253,034,083
Total debt applicable to the limit as a percentage of debt limit.....	77.55%	72.40%	81.25%	36.11%	31.60%	35.42%	29.05%	26.01%	21.93%	20.03%

Source: Audited Financial Statements; Statement of Indebtedness

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2014	153,581	\$2,010,532,000	\$18,509	32.0	25,826	10.5%
2015	153,552	\$2,047,862,000	\$18,135	32.0	25,536	8.4%
2016	153,703	\$2,084,349,000	\$18,435	32.4	25,633	8.3%
2017	154,204	\$2,109,884,000	\$18,133	32.4	25,629	8.7%
2018	154,341	\$2,210,367,000	\$14,334	32.6	25,034	4.4%
2019	153,060	\$2,288,247,000	\$14,950	32.2	25,361	6.2%
2020	155,472	\$2,309,536,560	\$14,855	32.9	25,007	15.4%
2021	155,929	\$3,537,093,436	\$22,684	33.4	26,000	11.6%
2022	154,789	\$3,453,033,012	\$22,308	33.6	23,799	7.0%
2023	154,064	\$3,568,276,304	\$23,161	33.5	23,721	5.3%

Source: Massachusetts Department Of Elementary and Secondary Education, Massachusetts Department of Labor and Workforce Development, Official Statements, US Census Bureau

Principal Employers (excluding the City)

Current Year and Nine Years Ago

Employer	Nature of Business	2023			2014		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Baystate Health Systems	Healthcare	8,000	1	12.9%	8,700	1	13.8%
MassMutual Financial Group	Insurance	4,300	2	7.0%	3,977	2	6.3%
Sisters of Providence	Healthcare	3,000	3	4.9%	1,975	3	3.1%
MGM Springfield	Hospitality	1,488	4	2.4%	-	-	-
Smith and Wesson (American Outdoor Brands Inc.)	Firearms	1,000	5	1.6%	1,301	4	2.1%
Big Y	Grocery	1,000	6	1.6%	727	8	1.2%
Springfield College	Education	1,000	7	1.6%	1,005	5	1.6%
Western New England University	Education	855	8	1.4%	851	7	1.3%
Springfield Technical Community College	Education	792	9	1.3%	936	6	1.5%
Peter Pan Bus Lines	Transportation	750	10	1.2%	700	9	1.1%
Eastman Chemical	Chemical	-	-	-	450	10	0.7%
		<u>22,185</u>		<u>35.9%</u>	<u>20,622</u>		<u>32.6%</u>

Source: Official Statements, Massachusetts Department of Labor and Workforce Development

Full-time Equivalent City Employees by Function

Last Ten Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Function										
General government.....	262	272	274	278	283	291	295	291	298	300
Public safety.....	800	870	897	897	918	950	957	958	974	975
Education.....	4,695	4,709	4,781	4,761	4,660	4,722	4,811	4,838	4,889	5,153
Public works.....	70	71	70	70	70	80	79	79	79	80
Health and welfare.....	32	33	34	34	35	40	39	39	42	42
Culture and recreation.....	78	77	77	77	76	76	78	77	81	84
Total	<u>5,937</u>	<u>6,032</u>	<u>6,133</u>	<u>6,117</u>	<u>6,042</u>	<u>6,159</u>	<u>6,259</u>	<u>6,282</u>	<u>6,363</u>	<u>6,634</u>

Source: Payroll Department

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
Marriage recordings.....	876	959	820	874	853	808	664	680	806	1,441
Birth recordings.....	5,419	5,416	5,366	5,985	5,424	5,212	5,186	5,262	5,423	5,759
Death recordings.....	2,159	2,131	2,444	2,746	2,565	2,668	3,094	3,636	3,112	3,388
Police										
Physical arrests.....	4,222	4,347	4,646	4,708	4,084	4,231	3,695	3,173	2,997	3,048
Motor vehicle violations.....	26,539	41,505	25,963	33,206	24,786	24,839	15,031	11,673	22,226	17,355
Police personnel and officers.....	509	521	515	526	586	555	568	602	601	606
Fire										
Inspections.....	5,831	5,064	4,852	4,468	5,161	5,530	3,858	4,790	4,613	4,458
Emergency responses.....	16,000	16,043	15,870	15,690	15,593	16,280	13,901	9,899	17,173	19,328
Fire personnel and officers.....	214	228	228	230	230	230	232	232	232	232
Education										
Number of students.....	25,826	25,645	25,479	25,629	25,285	25,297	25,007	24,239	23,799	23,721
Number of graduating seniors.....	1,403	1,467	1,284	1,322	1,386	1,264	1,374	1,467	1,597	1,528
Number of teachers.....	2,550	2,174	2,167	2,206	2,242	2,118	2,179	2,223	2,415	2,414
Number of administrators.....	213	200	202	193	193	193	255	292	342	242
Elder Affairs										
Number of persons using COA transportation.....	132	133	581	661	771	871	52	-	-	164
Number of personnel.....	1	1	1	1	1	1	1	-	-	1
Libraries										
Volumes in circulation.....	697,893	659,936	814,908	694,832	705,166	668,484	521,517	526,905	521,132	592,278
Total volumes borrowed.....	561,966	560,494	616,865	628,489	631,595	592,263	473,647	297,966	287,144	324,700

Source: MBLC Annual Report Surveys
 Van Trip Logs, Employee Workforce Reports
 Mass Board of Library Commissioners
 Annual Report Information Survey
 Number from IMC records Management System and Budget Build

Capital Asset Statistics by Function/Program

Last Ten Years

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General government										
Number of buildings.....	39	39	39	43	46	46	46	46	46	46
Fire										
Number of stations.....	8	8	8	8	8	8	8	8	8	8
Police (1)										
Number of stations.....	5	5	5	5	4	4	5	4	4	4
Education										
Number of elementary schools.....	33	33	33	33	34	34	34	35	35	36
Number of middle/junior high schools.....	12	15	15	16	16	16	16	16	16	19
Number of secondary schools.....	11	13	13	13	14	14	14	14	14	15
Culture and recreation										
Parks and playgrounds.....	38	39	40	41	42	42	44	44	44	45
Park and playground (acreage).....	2,102	2,103	2,105	2,200	2,212	2,224	2,224	2,224	2,224	2,225
Conservation land (acreage).....	430	430	430	430	430	430	430	430	430	430
Public beaches.....	2	2	2	2	2	2	2	2	2	2
Ball fields.....	62	62	62	62	62	62	62	62	62	62
Tennis courts.....	37	37	37	37	37	37	37	37	37	37

Source: City Departmental records.

(1) Includes substations

Free Cash and Stabilization Fund Balances

Last Ten Years

Year	Free Cash	Stabilization Funds
2023.....	\$ 19,317,806	\$ 86,795,454
2022.....	\$ 67,834,117	\$ 53,058,460
2021.....	\$ 27,631,931	\$ 49,872,853
2020.....	\$ 7,346,985	\$ 50,854,545
2019.....	\$ 4,000,720	\$ 49,936,928
2018.....	\$ 7,453,246	\$ 51,090,262
2017.....	\$ 6,440,788	\$ 46,790,689
2016.....	\$ 4,947,944	\$ 44,485,558
2015.....	\$ 4,809,916	\$ 41,221,011
2014.....	\$ 14,626,673	\$ 33,936,860

Source: City Records



Historic Court Square Hotel is undergoing Renovation.